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More Education for Atomic Age: Truman

President, in address at Fordham University, lauds educational aids given veterans and calls for study and cultivation of human relationships, or "the atomic bomb will remain a weapon threatening to destroy us." Pleads for world-wide tolerance and mutual respect.

President Harry S. Truman, during a ceremony at Fordham University in New York City on April 11, at which he received the honorary degree of Doctor of Laws, delivered a short address in which he upheld the educational program as provided in the GI Bill of Rights on the grounds that it will make up the educational deficit caused by the war and will also aid in a wider understanding of tolerance and mutual respect throughout the world. He urged cultivation of the science of human relationship, for without a knowledge of it throughout the world, he said "the atomic bomb will remain a frightful weapon which threatens to destroy all of us." The text of the address follows:

President Truman

"It is very gratifying to be here at Fordham University in New York on the one hundredth anniversary of the granting of the charter to this great institution of higher learning. I am very grateful for this degree of Doctor of Laws from Fordham. I am happy to become a fellow-alumnus of the men who have gone out from Fordham and who are making such a substantial contribution to the Government and to their communities. One of my able secretaries is a graduate of this great institution, Mr. Matthew Connelly.

"I should like in these few minutes to talk especially of the veterans who have enrolled in this university. For I think that there is great significance in the very fact of their being here—and of veterans being in thousands of other universities, colleges and schools throughout the land.

"This nation has a comprehensive program to return its veterans to civil life. That program is being carried out. The Federal Government, with the wholehearted cooperation of the various States, has provided many things for veterans—medical care, rehabilitation, loans for homes and farms and businesses; it has provided life insurance and soon it will provide adequate housing.

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"Crabbing"

By ROGER W. BABSON

Saying "relative to any former period we now are sitting on top of world," Mr. Babson urges cutting out crabbing and getting back to business. Points out whole world looks to U. S. for morale and predicts "new highs" will be attained by a reconversion to confidence and a black out of "blues."

Compared with any other land on earth, we, the people of North America, now are sitting on top of the world. Relative to any former period, we today have the greatest opportunity, both as to current conditions and future prospects. When you tune out the radio croaking, long enough to attend to solid facts and figures, you sense the speed of recent reconversion. The outlook is much brighter than some of the out-lookers.

Roger W. Babson

Need Less Gripe and More Grip

During the recent big strikes there was an interval when a little grousing by me and others was, perhaps, excusable. It was a kind of low Monday morning, a natural let-down after the victories of 1945. That period of indulgence, however, has gone; and I recommend that the time has come for all of us to cut out the crabbing and resume business. Despite the actions of labor leaders here at home and of Russian leaders abroad, the situation, funda-

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The Financial Situation

Now that the country has been granted a "reprieve" of two weeks by Mr. Lewis and his policy committee, it would be well if the public devoted at least a part of this "contribution of the UMW to postwar reconversion" to some hard thinking about the causes which are at bottom responsible for this latest work stoppage as well as the long list of crippling strikes which preceded it. It is easy enough to heap abuse upon the heads of Messrs. Lewis, Petrillo, Reuther, Murray, Quill, and the rest. And in truth they have not always appeared altogether admirable or far-sighted in recent years. Their arrogance has made their arbitrary demands the harder for the man in the street to bear, particularly when, time and time again, claims have been made which could not for a moment be supported in light of economic reason or social justice, and granted for much the same reason that Denmark submitted to Hitler in 1940—granted, in a word, because there did not seem to be any choice in the matter.

Partly Inevitable

It must be said in all candor that these leaders have been ingenious, resourceful, inventive in discovering new ways of obtaining something else for their members when the limit appeared to be reached, and about as utterly without regard for the rights, the welfare, or the plight of those outside of their own folds as Hitler, Mussolini or Stalin ever was. But we should make a grave mistake if we permitted our thinking to stop with such a generalization. Much more is involved, and these other causative elements are in large part, indeed, responsible for the rise and the repeated successes of the leaders we now so roundly condemn. In some substantial degree labor difficulties were probably inevitable during recent months. The ef-

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From Washington Ahead of the News

By CARLISLE BARGERON

If you will stop for a minute and consider the situation you will realize that it was inevitable that John L. Lewis should have acted as he has been acting, our propaganda being what it is. It beckoned to him, it waved him on. It was impossible for any human being in the circumstances to have acted otherwise. The propaganda which has controlled our national thinking in a steadily increasing degree since 1932, and in which truth and fact have become completely lost, built up Lewis to amazon proportions in the first place, and it has directed him ever since. This propaganda wouldn't permit him to be other than he is. If he were to try to be it would misrepresent him.

Carlisle Bargeron

The plain fact is that Lewis is nothing like the dynamic, aggressive evil he is supposed to be. He is a tired old man. He is approaching 70 and has had one heart attack.

The fact is also that he wanted to get back into the A. F. of L. for protection against the Roosevelt Administration, not because, as the propagandists would have it, he wanted to control that body. The going was being made increasingly tough for him. The doors to the multiple Washington agencies with which Labor has to deal were being slammed in his face. He won a wage set-to with Roosevelt and it was widely heralded that he had once again proved he was bigger than the Government. The tired old man knew to the contrary. He knew, for one thing, that it was Roosevelt who kept him out of the A. F. of L. Then when Roosevelt died, the way for his return was greased but by the same token he was not then greatly concerned whether he got back or not.

A few months before the present negotiations began he had not the slightest idea of the role he was to act, the demands he was to make. The propagandists carved out his role for him. They assured us that he would defy the Government, that he would do

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GENERAL CONTENTS

Editorial

Canada and U. S.—Islands of Private Enterprise

By WILBERT WARD*

Vice-President, National City Bank of New York

American banker calls attention to government controls of foreign trade, and points out United States, together with Canada, because of state monopolization, are fast becoming islands of private enterprise. Recounts activities of the Export-Import Bank and Canadian Commercial Corporation in relation to government control of foreign trade, and contends proposed credit guarantee of these institutions is not required and serves political rather than economic purposes. Urges active opposition to unessential government controls on ground they are used by "believers in the planned economy doctrine to regulate our postwar lives."

I bring you from the President of the Chamber of Commerce of the United States, Mr. William K. Jackson, a warm greeting. Mr. Jackson has asked me to say for him that he cherishes a most pleasant recollection of his own participation in one of your previous conferences, and wishes every success for your Fourth National Foreign Trade Conference. Together with your Chairman, Mr. Challies, your President, Mr. Cockshutt, and your Executive Secretary, Mr. Morrell, I am freshly come from the 34th Annual Meeting of our United States Chamber of Commerce. I am a member of the Foreign Commerce Committee and of the International Transport Committee of our Chamber. Both of these committees have intensively studied the problems which fall in their fields. At our meetings in Washington we have sought, and had, the participation of those in our government to whom these problems are of concern. It has been our common ex-

Wilbert Ward

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*An address by Mr. Ward before the Fourth National Foreign Trade Conference, Hamilton, Ont., May 9, 1946.

Jersey Bankers Ask End of FDIC Assessments

Pass resolution at close of 42nd Annual Convention pointing out that capital funds of Federal Deposit Insurance Corporation already exceed $1 billion, and that net income therefrom should be used to amortize moneys placed in Fund by Government and Federal Reserve Banks. F. Raymond Peterson of Paterson made President, and Frank W. Sutton, Jr., of Toms River, elected to Vice-Presidency of the Association.

In a resolution voted at the close of their 42nd annual convention at Atlantic City on May 11, the New Jersey Bankers Association urged their representatives in Congress to work for elimination now of all Federal Deposit Insurance Corp. assessments.

W. J. Field

F. R. Peterson

Pointing out that the capital funds of the FDIC will amount at the end of this year to over $1 billion, the resolution declares that the return from these investments leaves a very considerable sum after all costs are paid annually, and that abandonment of FDIC assessments after the fund reaches $1 billion can be done with perfect safety even if Congress increases the insured amount of deposits to $10,000.

"We suggest," the resolution adds, "that all income from investments over the amount required for necessary expenses be used to amortize the moneys placed in the fund by the United States Government and Federal Reserve Banks.

"Whenever the fund might be less than one billion dollars, assessments should be made," it is stated in the resolution, "to replace such deficit. Such assessments should be fixed by the fund but the yearly rate should not be greater than the present rate.

"New banks joining the fund should pay an assessment at the present rate for such a time as in the judgement of the management of the fund would balance their payments with those of older members."

William J. Field, President of the Commercial Trust Co. of New Jersey, Jersey City, was chairman of the resolutions committee proposing the appeal to Congress for end of FDIC assessments, which was passed unanimously.

Peterson Elected President

F. Raymond Peterson, President of the First National Bank of Paterson, was advanced to the Presidency of the New Jersey Bankers Association at the close of their 42nd annual convention here today. He was previously Vice-President of the Association.

Frank W. Sutton, Jr., hitherto Treasurer of the Association, was elected to the office of Vice-President and is in line for the presidency next year. He is President of the First National Bank, Toms River.

Named Treasurer of the Association and thus put in line for the presidency in 1948 was John H. Annis, Executive Vice-President of the Camden Trust Co. of Camden. He was previously a member of the Association Executive Committee.

Armitt Coate, Secretary of the Association, was reappointed for his 19th term in that office.

Elected to the Executive Committee for three year terms were: Roscoe P. McClave, President, United National Bank, Cliffside Park; James C. Wilson, President, First Bank & Trust Co., Perth Amboy; and Elwood F. Kirkman, President, Boardwalk National Bank, Atlantic City. They succeeded executive committeemen whose terms expired, Mr. Annis, Frank F. Allen, President, Seacoast Trust Co., Asbury Park, and George S. Groff, Vice-President and Cashier of the National Bank of Ocean City.

Retiring President Harrison M. Thomas, President, Princeton Bank & Trust Co., Princeton, becomes ex-officio a member of the Executive Committee.

Jersey ABA Representatives Elected

The New Jersey members of the American Bankers Association elected the following representatives to the councils and committees of the National association:

Member of Executive Council: L. A. Chambliss, Vice-President, Fidelity Union Trust Co., Newark, for three year term.

Member of Nominating Committee: Joseph F. Hammond, President, Citizens Trust Co., Paterson; alternate, Carl K. Withers, President, Lincoln National Bank, Newark.

State Vice-Presidents:

Trust Division: H. M. Sypherd, Vice-President, Guarantee Trust Co., Atlantic City.

National Bank Division: Edward H. Roden, Vice-President, Passaic National Bank, Passaic.

Savings Division: John W. Kress, Vice-President, Howard Savings Bank, Newark.

State Bank Division: Anthony Pepe, President, Bank of Bogota.

Pays 100% Dividend To Creditors of Yokohama Specie Bank

Elliott V. Bell, New York State Superintendent of Banks, announced on May 2, payment of a first dividend of 100%, aggregating $827,569.49, to the creditors of the New York Agency of The Yokohama Specie Bank, Ltd. In addition to the present payment, the Superintendent during the course of the liquidation, has paid creditors of the Agency the sum of $4,506,674.23 with respect to claims compromised pursuant to court orders. The compromise of these claims resulted in savings to the liquidation of over $3,000,000, said the advices May 2 of the State Banking Department, which also stated:

"The Superintendent stated that with the present distribution dividends of 100% will have been paid to the creditors of nine of the ten Agencies of Japanese and Italian banks taken over upon the outbreak of the war and to the creditors of Banco di Napoli Trust Company of New York and Banco di Napoli Safe Deposit Company, Italian owned domestic banking organizations taken over at the same time. Payment of a similar dividend to the creditors of the last of the Agency liquidations is expected in the near future.

"The present payment followed the withdrawal last week by the Alien Property Custodian of an action to enforce an alleged claim of the Bank of Japan, in the sum of $17,316,866.02, after the Custodian had vested the assets in the United States of the latter bank. Approximately 160 other actions involving over $18,000,000 still remain to be disposed of in The Yokohama Specie Bank liquidation."

VA Calls New House Prices Too High

General Omar N. Bradley, Veterans Administrator, has asked the Housing Expediter, Wilson Wyatt, to take action to close the spread between present ceilings for new houses and the "reasonable value" on which veterans' loans are based, which is now creating difficulties in the granting of loans. The price ceilings are set by the Federal Housing Administration as agent for the Civilian Production Board as a basis for the CPA to issue priorities.

Francise X. Pavesick, head of the VA loan guarantee section, stated that he has instructed the agency's appraisers to ignore "ceilings as they exist today" in determining "reasonable value" for GI loan purposes. He added, according to the dispatch from the Associated Press in Washington on April 27, that reports from virtually all parts of the country indicated that ceilings were "too high." The Associated Press further reported:

"Veterans are having a great deal of difficulty in getting value," he added. "We at VA are afraid of a catastrophe unless prices are tied to real value. Unless loans are based on real value, we could have thousands and thousands of cheaply built houses turned back by veterans after a few years."

"The VA has been watching for sharp practices among realty firms. Several actions against offending organizations are pending."

As "a very rough average," Mr. Pavesick said, ceilings run a minimum of 10% above "reasonable value," and generally are almost twice the value of similar houses in 1939 and 1940.

So far, 125,000 veterans have borrowed more than $500,000,000 under the VA loan guarantee program since passage of the GI Bill nineteen months ago, and about 90% of the loans were for houses.

Balancing of Federal Budget Urged

Balancing of the Federal budget as effective step toward orderly retirement of the $275 billion Federal debt was urged in a resolution adopted by the Board of Trustees of the Citizens Public Expenditures Survey and directed on May 3 to New York State's representatives in Congress. The resolution read:

"WHEREAS it is estimated that the national debt as of June 30, 1946 will be $275 billion; and

"WHEREAS this debt represents directly or indirectly that amount of savings by citizens of the United States; and

"WHEREAS the future welfare of this nation and its citizens will depend on the orderly payment of that debt largely, but by no means entirely, due to war; and

"WHEREAS retirement of this debt can only be effectively begun by putting the Federal Government once more on a balanced budget basis; and

"WHEREAS certain members of Congress from both houses have declared themselves in favor of balancing the Federal Budget for the year beginning July 1, 1946: Now therefore be it

"*RESOLVED*, That the Board of Trustees of the Citizens Public Expenditures Survey of New York State hereby commends the position taken by this bipartisan group in Congress and recommends, in the interest of the future welfare of the nation and its citizens, that Federal budgets after July 1, 1946 be balanced and that this be accomplished by reduction of expenditures, not by increased taxation."

The State of Trade

The announcement of John L. Lewis, United Mine Workers' Union head, on Friday of last week, sanctioning the miners' return to work on Monday of the present week, proved heartening indeed, but the effect upon business in general was one of caution. The truce offer carried with it the understanding that any contract improvements agreed on would be paid retroactively to cover the two-week period.

The reaction in the stock market, however, was immediate and stock prices after moving rather haltingly earlier in the week rose precipitately on release of the news. The basis for the truce in the forty-day bituminous coal walkout, it was understood, was that President Truman had given at least implied support to the United Mine Workers' main demands for a health and welfare fund and safety guaranties. Mr. Lewis, according to reports, contended that the truce was offered on his initiative and not at the request of the President.

Estimated production for the two-week period was set at between 22,000,000 to 26,000,000 tons that the miners are capable of producing. As a result of the truce the railroad freight embargo which called for a 50% reduction in freight traffic and went into effect on Friday of last week was lifted.

The impact of the coal miners' strike, the American Iron and Steel Institute currently states, is still heavy upon the steel industry and its effects will be felt for some time to come. Thus far the strike truce announced May 10 and scheduled to be terminated May 25 has not provided any apparent relief for iron and steel companies which have been scraping the bottoms of their coal stockpiles, the Institute adds. Furthermore, under the regulations in this emergency, output of the socalled "captive" mines can be diverted to other types of coal users. Even after coal does begin arriving at hard-hit iron and steel plants, operations may not expand immediately because of the necessity for building up stockpiles in view of the uncertainty as to when the strike will end, the Institute concludes.

Total industrial output continued to turn slightly downward the past week as shortages of labor, materials and power tended to cut further expansion in many industries. Total unemployment compensation claims declined during the week ending April 27 for the eighth consecutive week, being 2% below those of the preceding week.

The decline in steel ingot production last week was 12.5% or 40% below that of the like week a year ago. The rise in automobile output continued steady, increasing 4.6% the past week with production estimated at 67,565 units.

Low coal supplies were reported to be limiting production in some cotton mills. In the paperboard industry output rose to 11.7% last week, new orders by 54.6% and unfilled orders by 9.4%. The increase in lumber production during the week ending April 27 amounted to 1.9%, while shipments rose 10.9% and orders 4.8%. Overall engineering construction was also higher, rising by 26% in the past week; private construction rose by 12%.

Total retail volume reflected a slightly higher level for the week and continued to be well above that of the corresponding week a year ago when stores closed one day for V-E Day celebrations.

Wholesale volume too, was up, rising well above that of the like five-day period of last year. New order volume held at a high mark with markets generally well-attended. Pressure by buyers for early delivery of outstanding orders was great as dwindling coal stocks threatened future freight movements.

Steel Industry—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, according to The Iron Age, national metalworking paper in its review of the steel trade.

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 this 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.

Steel ingot output last week was down 9.5 points to 59% of rated capacity from the previous week's rate of 68.5%. Indications are that the rate will drop at least 10 points this week unless the coal strike is immediately settled, (John L. Lewis, UMW head ordered a two weeks truce from May 13 to May 25 inclusive — pending further negotiations) 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 last week shows the following: Pittsburgh 100%, down to 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; Wheeling 94 to 71, down 23; South 95 to 46, down 49; Detroit 95 to 98.5, up 3.5 points; West 62 to 49, down 13; Cincinnati 90 to 73, down 17; St. Louis 71.5 to 59, down 12.5; East 113 to 84 down 29; 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 hrs. per week. Two steel plants which depend on purchased power discontinued steelmaking and rolling operations altogether the past 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 the past 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% over and above the 4% raise which they were recently granted. The steel price

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Urge Rejection of Silver Bloc Proposals

Sixty members of Economists' National Committee on Monetary Policy ask Congress to reject proposed legislation designed to increase price of silver. Ask that price be allowed to be determined by market.

A communication, dated May 10, and signed by sixty members of the Economists' National Committee on Monetary Policy urges that Congress defeat the proposed measure, backed by the silver bloc, which would permit silver bullion to be bought and sold by the Treasury at its "monetary value" of $1.29 per ounce. The text of the communication and the signatories follow:

We, the undersigned, members of the Economists' National Committee on Monetary Policy, urge Congress to reject the proposed legislation designed to increase the price at which silver is to be bought and sold by the United States Treasury.

The only price at which the Treasury should purchase silver is that determined in competitive world markets.

There is no valid reason for subsidizing silver producers in this and other countries. Silver is chiefly a by-product in the mining of copper, lead, zinc, and gold; and this fact makes any subsidization of silver producers doubly inexcusable.

There is no more validity in the argument of the silver bloc that silver should be bought and sold at its nominal monetary valuation of $1.29 per fine ounce, or at any price above the open-competitive market price, than there would be in an argument that the paper used to make paper currency should be bought and sold in the market at the nominal monetary value of the piece of currency manufactured from this paper.

The proposed silver legislation is solely an attempt on the part of an aggressive pro-silver bloc to persuade Congress to levy on the taxpayers, manufacturers, and other users of silver for the purpose of giving an indefensible subsidy to silver producers, domestic and foreign.

Congress and the people of this country might do well to remind themselves that it was this same pro-silver bloc that revealed that it was not only willing but determined, even in time of war, to protect its subsidy regardless of any adverse effects on the general welfare; that it was this bloc that forced the Treasury to withhold much-needed silver from war industries for many months after we entered the war; that, because of the obstructions of this bloc, the best that Secretary Morgenthau could do for most of 1942 was to lend Treasury sliver to war industries for *non-consumptive* purposes; that it was not until the Green silver bill was passed on July 12, 1943—nineteen months after we entered the war—that the Treasury could sell its free silver to war (and civilian) industries for *consumptive* purposes; and that even then the silver bloc was able to force Congress to provide that no Treasury silver should be sold for less than 71.11 cents per fine ounce, thus protecting the subsidy which the silver bloc had obtained for itself by passage of the domestic silver purchase law of July 6, 1939. (The Treasury could have sold its free silver without loss to the war industries in 1942 at 50 cents per ounce.)

The silver situation and the attitude of this silver bloc from the time we entered the war down to August, 1942, were described by an editorial writer in *The New York Times* of August 4, 1942, as follows: "So we arrive at a situation in which the same Government that urges a patriotic public not to hoard sugar, not to hoard rubber, not to hoard gasoline, not to hoard useful goods of any kind, itself hoards a metal which is needed for planes and shells and tanks and ships. It is a fantastic situation. It could exist only in a bloc-dominated Capitol." Another editorial writer—in the *New York Herald Tribune*, on the same date—called silver "the slacker metal." Henry Wriston, President of Brown University, described the situation in these words in his *Challenge to Freedom* (1943, p. 173): "It took two days of hearings for Congress to prepare a bill to draft eighteen-year-old boys. It required many days of hearings to prepare (and months to pass) feeble bills looking to the modification of the silver program so as to draft that metal for national service. It appeared that this generation regarded its sons as expendable but not its silver."

The attitude of the silver bloc in respect to the public welfare, where silver is involved, appears to be no better today than it was during the late war, especially in 1942.

It is the duty of Congress and the President to see to it that the general welfare, rather than the desires of the silver bloc, is served when silver legislation is undertaken.

Should Congress pass the proposed legislation before this protest by monetary economists can be made public, or despite this protest, then we urge the President to veto the bill.

Signed: Eugene E. Agger, Rutgers University; Benjamin M. Anderson, University of California at Los Angeles; Charles C. Arbuthnot, Western Reserve University; Leonard P. Ayres. The Cleveland Trust Co.; James Washington Bell, Northwestern University; Ernest L. Bogart, New York University; Frederick A. Bradford, Lehigh University; J. Ray Cable, Missouri Valley College; Wilbur P. Calhoun, University of Cincinnati; Neil Carothers, Lehigh University; Edward H. Collins, New York Herald Tribune; Garfield V. Cox, The University of Chicago; William W. Cumberland, Ladenburg, Thalmann & Co., New York City; Rev. B. W. Dempsey, S.J., St. Louis University; Charles A. Dice, The Ohio State University; William E. Dukman, White Plains, N. Y.; D. W. Ellsworth, E. W. Axe & Co., Inc., Tarrytown, N. Y.

William D. Ennis, Stevens Institute of Technology; Fred R. Fairchild, Yale University; Charles C. Fichtner, Wale-Strippit Corp., North Tonawanda, N. Y.; Clyde Olin Fisher, Wesleyan University; J. Anderson Fitzgerald, The University of Texas: Major B. Foster, Alexander Hamilton Institute and New York University: Herbert F. Fraser, Swarthmore College; Roy L. Garis, Vanderbilt University; Arthur D. Gayer, Queens College; Harry D. Gideonse, Brooklyn College; Lewis H. Haney, New York University; E. C. Harwood, American Institute for Economic Research; Hudson B. Hastings, Yale University; Frederick C. Hicks, University of Cincinnati; John Thom Holdsworth, The University of Miami; Montfort Jones, The University of Pittsburgh.

Donald L. Kemmerer, University of Illinois: William H. Kiekhofer, The University of Wisconsin: William H. Kniffin, Bank of Rockville Centre Trust Co., L. I., N. Y.: Frederic E. Lee, University of Illinois; J. L. Leonard, University of Southern California: Philip H. Lohman, University of Vermont; James D. Magee, New York University: A. Wilfred May, The Commercial and Financial Chronicle, New York City; Roy W. McDonald, Donovan, Leisure, Newton and Lumbard, New York City: Mark C. Mills, Indiana University; Margaret G. Myers, Vassar College; Melchior Palyi, Chicago, Illinois; Frank Parker, University of Pennsylvania; Clyde W. Phelps, University of Chattanooga; Charles L. Prather, Syracuse University.

Howard H. Preston, University of Washington; Leland Rex Robinson, 2 West 45th Street, New York City; R. G. Rodkey, University of Michigan; Olin Glenn Saxon, Yale University; Joseph A. Schumpeter, Harvard University; Carlton A. Shively, The New York Sun; James G. Smith, Princeton University; Walter E. Spahr, New York University; William H. Steiner, Broklyn College; Charles S. Tippets, Mercersburg Academy; Alvin S. Tostlebe, The College of Wooster; James B. Trant, Louisiana State University; Rufus S. Tucker, Westfield, N. J.; Russell Weisman, Western Reserve University; William O. Weyforth, The Johns Hopkins University; Edward Wiest, University of Kentucky; Max Winkler, College of the City of New York; Ivan Wright, Brooklyn College.

Netherlands Thanks U. S. Relief Groups

The Netherlands Government has extended its thanks to welfare and relief organizations in the United States which have contributed and are still contributing supplies to Holland, by presenting to 27 organizations special commemorative plates and certificates of gratitude which were given to representatives of the organizations on the first anniversary of V-E Day, at Holland House in New York City. The following are the organizations which received the acknowledgements and the cabled thanks of Queen Wilhelmina, as well as the personal thanks of the Netherlands Ambassador, Alexander Loudon, according to the New York "Times" of May 9:

"American Bible Society, American Friends Service Committee, American Council of Voluntary Agencies for Foreign Service, American Joint Distribution Committee, Boy Scouts of America, Brethren Service Committee, Church of Jesus Christ of the Latter-Day Saints, Church Committee on Overseas Relief and Reconstruction, Congregational Christian Service Committee, World Jewish Congress, Christian Postwar Relief Committee, Foster Parents Plan for War Children, General Conference of the Seventh-Day Adventists, Girl Scouts, Labor League for Human Rights, AFL, National CIO Community Services Committee, Medical and Surgical Relief Committee of America, Mennonite Central Committee, National Association of Evangelicals, National Catholic Welfare Conference, National War Fund, Netherlands War Relief Committee, Save the Children Federation, Salvation Army, Unitarian Service Committee, World Education Service Council, YWCA War Emergency."

Harrison Acting V.-P. Of NAM Division

Clifford E. Harrison, assistant to Executive Vice-President Walter B. Weisenburger, of the National Association of Manufacturers, has been appointed Acting Vice-President of NAM's new Program Division, it was announced on May 7. The Program Division is taking over responsibility for the clearance and implementation of policies in all fields covered by the standing committees of the Association.

Mr. Harrison has been with NAM for the past 12 years. His new duties will include coordination and execution of all NAM policies. William E. Haines, until recently an executive with the War Production Board, has been appointed Assistant Vice-President to work with Mr. Harrison.

Johnston and Green Urge OPA Extension—Dairy Industry Wants Controls Ended

Appearing before the Senate Banking and Currency Committee on April 29, President William Green of the American Federation of Labor added his voice to those who have already urged extension of the Price Control Act for a year beyond its expiration date of June 30, and asked that the Senate reject the legislation passed by the House which he said would "amend price control to death." Speaking of the House amendments, Mr. Green said, according to Washington advices from the Associated Press, that they would:

"Remove price control completely from all wool and rayon textiles, and women's and children's garments made from wool and rayon, and from shoes, as well as meat, milk and nearly all dairy products.

"Blow sky high the price ceilings and with them the prices on automobiles, refrigerators, radios, household appliances and many other consumer goods.

"Strip from the consumer the last vestige of protection against the shift in apparel production from low-priced to high-priced lines."

The labor leader gave his endorsement to a recommendation of Senator Murdock (D.-Utah) that more funds be allocated to OPA to strengthen its enforcement operations.

The same day W. A. Wentworth, of New York, representing the dairy industry, argued for removal of price control in this field. He said, it is learned from the Associated Press:

"We are convinced that the removal of price controls on dairy products is the best and surest way to increase milk production and provide consumers with a balanced supply of dairy products."

Other witnesses from the dairy industry recommended discontinuance of controls for their business. Harry L. Miller of Chester, Pa., speaking for the dairy processing equipment manufacturers, said they knew "from sad, costly and daily experiences of the impractical effect of price control" in their field. It is added that "E. W. Gaummitz of Chicago appeared for the National Cheese Institute. Calling for an end of ceilings entirely, he said that 'patching up various administrative devices' would not bring the cheese situation back to normal.

D. K. Howe of Omaha, Neb., spoke as President of the American Butter Institute. He said:

"The only really workable solution to the problem of the butter shortage and the decline in dairy production is to remove all dairy products and particularly butter from ceiling price control."

The following day Eric Johnston, retiring President of the United States Chamber of Commerce, in Atlantic City to open the thirty-fourth annual meeting of the Chamber, declared to reporters, according to Associated Press advices, that if Federal price control were wiped out in the immediate future "business would be back in the national doghouse within one week—and I mean the last stall in the doghouse, too." In spite of the opposite view of the Chamber itself, whose directors the night before had voted to bring to the convention floor a resolution urging that the "date for the elimination of all such controls be Oct. 31, 1946," Mr. Johnston went on record as saying, in an interview: "It would be suicidal if price control was abolished immediately. Business men have not yet been conditioned for such a step. They must be educated to hold prices in line. The worst thing that could happen to us would be for prices to spiral and for us to have a period of boom and bust."

Mr. Johnston, fresh from a round of conferences in Washington, expressed the opinion that a definite date should be set for the abolition of OPA and added that he thought that date should be some time next year.

V-E Day Anniversary

The first anniversary of V-E Day, May 8, was commemorated by President Truman and Army and Navy leaders with solemn words of reflection on the tasks which lay before the nation just one year ago. In his statement the President reminded the country that the opportunity to build a just and enduring peace still lies ahead and urged renewed effort in attainment of the goal. He declared, the Associated Press reported from Washington:

"These opportunities will not be ours forever. Unless we take advantage of them fully, quickly and selflessly, they will slip from our grasp. A year after V-E Day, the opportunities that it brought to build a just, secure and peaceful world are still with us.

"To the extent that we maintain our unity within ourselves and with other peoples, and to the extent that we dedicate ourselves wholely and unselfishly to the mighty tasks confronting us they will become on succeeding anniversaries not narrowing but expanding vistas of the hopes of man."

In a special radio broadcast Secretary of War Patterson emphasized the traditional friendship between the United States and France. He said in part, according to the New York "Times":

"To a world striving for unity and peace, the United States and France offer an experience of what men of different nations and tongues have accomplished in the building of mutual trust. What the United States and France have done, all the free nations together can achieve."

Navy Secretary Forrestal reminded the nation that "the shooting war is ended but the world still suffers from its ravages, and the fight against insecurity and hunger must go on with renewed effort."

Fleet Admiral Chester W. Nimitz, according to the "Times," urged support "in act and in spirit" for the United Nations Organization, "in which rests the present hope of the world."

Ends Petroleum Agency

On May 3 President Truman issued an Executive Order to terminate on May 8 the Petroleum Administration for War and requested the Secretary of the Interior, J. A. Krug, to take the lead in bringing about a centralization of Federal policy and administration, formulating recommendations for such unification. Mr. Truman explained that his action in ending the petroleum agency was in line with Administration policies of winding up the affairs of war agencies as soon as their responsibilities had been completed.

In his letter to Mr. Krug, as reported by the New York "Times" in a Washington dispatch, the President wrote: "I have been impressed with the great contribution of Government-industry cooperation to the success of the war petroleum program, and feel that the values of such close and harmonious relations between Government and industry should be continued." He went on to suggest the creation of an industry committee to advise with Mr. Krug so that harmonious relations with the industry in working out mutual problems might still go on.

The Financial Situation

(Continued from first page)

fects of the war upon the economy, particularly the resulting scarcity of goods and superabundance of money, have created a state of affairs which strongly tends toward higher wages as toward higher prices. It is unlikely that we should have escaped or that we shall escape either —certainly not unless drastic revision is effected in the management of the fiscal affairs of fthe Federal Government.

But when full allowance is made for all this—not all of which was unavoidable, by any means—there remains a residual factor which is without doubt responsible for much of the labor situation by which we are confronted. This residual factor is the attitude of the politicians, the Federal Government, the vast propaganda machine of the New Deal, and indeed, a good many others in positions of influence toward the place of labor in the business community. Without all this no individuals could have risen to the places of power and been able so consistently to abuse their power as have such leaders as Messrs. Lewis, Petrillo, Quill, Reuther, and half dozen or more others which might be mentioned. Nor would a situation have arisen, as it has arisen, in which the rank and file of the unions take it upon themselves not to consent to the minor concessions these arrogant overlords in their magnanimity are willing from time to time to make.

Harmful Laws

These attitudes of the New Deal, of a very substantial number of other politicians who are bent upon competing for the vote of wage earners, of a great many of the so-called "parlor pinks" usually out of our larger and more "modern" colleges and universities, and of others who really should know better, have in part been crystallized into law. We have the Wagner Act, the anti-injunction law, and numerous state laws all designed for the purpose of assisting labor unions to grow and develop vast power in the economic community. Whether they were so intended or not they actually encourage abuse by the unions of the power Government has placed in their hands.

Closely akin to these laws which have gone to the statute books in recent years, is the behavior of Government toward plain lawlessness on the part of labor unions and their memberships, particularly in labor disputes. Not only have authorities repeatedly and most sedulously refrained from interfering first with the "sit-down" technique, and then later with the equally unlawful and outrageous mass picketing practices, but on occasion have taken action which in effect provided the lawbreakers with the aid and comfort of the police itself. Here is a responsibility which first of all falls upon local authorities, but, of course, in no more than a technical sense at most can it be said to be no responsibility of state and Federal authorities. It not only is a disgrace to the nation, but without any shadow of doubt has done a great deal to stimulate action of the sort now encountered among the unions of the country.

False Teachings

But it may be questioned whether any or all of this has done and is doing as much to create current conditions of which we now so bitterly complain as the continuous and eminently effective inculcation of false, even absurd notions and doctrines in the minds of the rank and file of the members of the unions—and for that matter in the minds of a great many other members of the community unthinking enough to accept them as true and wholesome. How many times during political campaigns and between political campaigns have the imaginary "underprivileged third"—itself a term without warrant in fact — been told that the remainder of the world with but few exceptions were individually and severally intent upon exploiting and oppressing them.

How continuously the doctrine has been preached that the way to permanent and limitless prosperity is to be found in a redistribution of both income and wealth in such a way that the wage-earner would get a much larger share than he now enjoys. How often has the behavior of the unions been defended even when they were patently extreme in their demands and utterly unlawful in their tactics? How often errors on the part of their leaders or of their membership, when admission had to be made that such errors occurred, been excused on one ground or another? How could any ordinary man who has never made it a practice to study these intricate relationships fail to gain the impression that the man who works for wages is abused and mistreated as the sparks fly upward, and that anything he may choose to do in the hope of bettering his position is fully warranted — fully warranted not only from the viewpoint of abstract justice, but in the interest of the welfare of all elements in the population?

Re-education Should Begin At Home

All this the rank and file of the union membership of the country have been told, of course, by their leaders, but these leaders have usually been no more sedulous in preaching such doctrines than the most influential figures in the country. The resulting attitude on the part of the membership of the unions is one of the burdens which the country must bear for a long while to come as a result of more than 12 years of popularization of such notions by Franklin D. Roosevelt, by the continued preachments of the same sort of Mrs. Eleanor Roosevelt, and by a number of individuals who have succeeded in shining in the reflected light of such figures as these. We speak often of re-education of the Nazis. We have much re-education to be done right here at home, and until we do some of it and do it effectively we shall continue to have difficulty with the unions. We have been sowing the wind for more than a decade. The whirlwind is now upon us.

Chemical Bank to Maintain UN Facilities

At the request of the United Nations the New York State Banking Board on May 8 authorized the Chemical Bank & Trust Company of New York City to establish and maintain limited facilities at the new headquarters of the United Nations at Lake Success, L. I. This authorization is conditioned upon the termination of the facilities now being provided by the Chemical Bank & Trust Company at Hunter College in the Bronx for the service of the United Nations. The Banking Department also says:

"The action was taken under the provisions of the Banking Law authorizing the Banking Board in 'unusual and extraordinary circumstances' to make variations from the usual requirements of the law. Under the authorization granted to it the bank will be confined, as was the case at Hunter College, to the following limited and specific powers: to receive deposits; to permit withdrawals of deposits; to cash checks, drafts and other instruments for the payment of money; to open deposit accounts; to make change; to buy and sell foreign exchange and currencies and to receive foreign exchange and currencies for transmission; and to issue letters of credit and redeem travelers' checks.

"These services are to be provided for the convenience of the personnel of the United Nations."

In its letter addressed to Elliott V. Bell, as Chairman of the Banking Board, the United Nations declared that it "is very important for the United Nations to have banking facilities provided at the new location similar to those they have enjoyed at Hunter College. . . ." The letter went on to say that it was important that the United Nations "have the services of a bank that has international banking facilities and is equipped and prepared to handle exchange transactions with foreign countries and in large amounts."

Truman Urges Armed Aid for All Americas

On May 6 President Truman sent a message to Congress urging the authorization of United States Army and Navy assistance to other Western Hemisphere nations in "training, organization and equipment," for the armed forces of those countries. The President said that the legislation proposed was drawn primarily "to enable the American nations to carry out their obligations" to work jointly for peace and security, and particularly pointed out that the bill could be extended to include Canada. The following is the text of the President's message as reported from Washington by the Associated Press:

"*To the Congress of the United States:*

"I submit herewith for the consideration of the Congress a bill to be entitled "The Inter-American Military Cooperation Act" authorizing a program of military collaboration with other American States including the training, organization and equipment of the armed forces of those countries. I recommend that the Congress give this bill its favorable consideration and enact it.

"For several years our Army and Navy have maintained cordial relations of collaboration with the armed forces of other American republics wihin the framework of the good neighbor policy. Under authorization of the Congress, military and naval training missions have been sent to various American republics.

"During the recent war, even prior to Pearl Harbor, this collaboration was intensively developed on the basis of inter-American undertakings for hemisphere defense. Training activities were expanded, and under the Lend-Lease Act limited amounts of military and naval equipment were made available to the other American republics as part of the hemisphere defense program. Forces from two of the American republics participated in combat overseas, and other joined in the defense of the shores and seas of the Americas at a time when the danger of invasion of our continents was all too great.

"More recently the American republics have assumed new responsibilities, for the mutual defense and for the maintenance of peace, in the Act of Chapultepec and the Charter of the United Nations. The close collaboration of the American republics provided for in the Act of Chapultepec, the proposed treaty to be based upon that act, and other basic inter-American documents, makes it highly desirable to standardize military organization, training methods and equipment as has been recommended by the inter-American defense board.

"Under the bill transmitted herewith, the Army and Navy, acting in conjunction with the Department of State, would be permitted to continue in the future a general program of collaboration with the armed forces of our sister republics with a view to facilitating the adoption of similar technical standards. Certain additional training activities, not covered by existing legislation, would be permitted. The President would also be authorized to transfer military and naval equipment to the Governments of other American States by sale or other method.

"The collaboration authorized by the bill could be extended also to Canada, whose cooperation with the United States in matters affecting their common defense is of particular importance.

"A special responsibility for leadership rests upon the United States in this matter because of the preponderant technical, economic and military resources of this country. There is a reasonable and limited purpose for which arms and military equipment can rightfully be made available to the other American States. This Government will not, I am sure, in any way approve of, nor will it participate in, the indiscriminate or unrestricted distribution of armaments, which would only contribute to a useless and burdensome armaments race. It does not desire that operations under this bill shall raise unnecessarily the quantitative level of armament in the American republics. To this end the bill specifies that amounts of non-standard material shall be sought in exchange for United States equipment.

"It is my intention that any operations under this bill, which the Congress may authorize, shall be in every way consistent with the wording and spirit of the United Nations Charter. The bill has been drawn up primarily to enable the American nations to carry out their obligations to cooperate in the maintenance of inter-American peace and security under the charter and the Act of Chapultepec which is intended to be supplanted by a permanent inter-American treaty.

"It is incumbent upon this Government to see that military developments in which we have a part are guided toward the maintenance of peace and security and that military and naval establishments are not encourged beyond what security considerations require. In this connection the bill provides that operations thereunder are subject to any international agreement for the regulation of armaments to which the United States may become a party. In addition provision will be made for continuing coordination of the actual operations under the legislation with developing plans and policy in the field of armaments regulation.

"In executing this program it will be borne in mind, moreover, that it is the policy of this Government to encourage the establishment of sound economic conditions in the other American republics which will contribute to the improvement of living standards and the advancement of social and cultural welfare. Such conditions are a prerequisite to international peace and security. Operations under the proposed legislation will be conducted with full and constant awareness that no encouragement should be given to the imposition upon other people of any useless burden of armaments which would handicap the economic improvement which all countries so strongly desire.

"The execution of the program authorized by the bill will also be guided by a determination to guard against placing weapons of war in the hands of any groups who may use them to oppose the peaceful and democratic principles to which the United States and other American nations have so often subscribed.

"In entering into agreements with other American States for the provision of training and equipment as authorized by the bill, the purpose of this program will be made clear to each of the other Governments."

Hodgson, Brophy Resign

Two resignations recently accepted by President Truman have been announced by the White House in a statement reported May 6 from Washington by the Associated Press. Lieut. Col. Joseph V. Hodgson has resigned as United States Commissioner on the United Nations War Crimes Commission. The other resignation is that of Gerald B. Brophy of New York, to be effective June 30, who has been United States representative to the interim council of the Provisional International Civil Aviation Organization at Montreal.

National Traffic Safety Conference Held

Addressing the National Highway Safety Conference on May 8, which convened in Washington, President Truman criticized the States which permitted automobile driving without imposing minimum motor license requirements and cited the large number of fatalities each year due to careless and incompetent drivers. Calling on all levels of government—Federal, State and city—to act, Mr. Truman said, according to the Associated Press: "It is not intended the Federal Government shall encroach upon the rights and responsibilities of the States. . . At the same time, we cannot expect the Congress and the Federal Government to stand idly by if the toll of disaster continues unchecked. The three-day conference was called by the President for a "concerted attack" on the problem of traffic safety. It was attended by about 1500 delegates from all parts of the country, and Major General Philip B. Fleming, Administrator of the Federal Works Administration, acted as General Chairman.

In adressing the gathering the President stated that "the problem before you is urgent. Since restrictions on highway travel were lifted at the end of the war, traffic accidents have been increasing steadily. With the 1946 automobile touring season still ahead, the toll of death and injury already has reached prewar proportions."

In part the President went on to say:

"When I was in the Senate, I made a study of this problem and I found out at that time that more people had been killed in automobile accidents than had been killed in all the wars we have ever fought, beginning with the French and Indian War.

"That is a startling statement.

"More people have been injured permanently than were injured in both the World Wars—from the United States.

"The property damage runs into billions. Never less than $1,000,000,000 a year. Now, if those deaths and injuries were paid for on the basis on which injuries are settled when somebody is killed by a railroad, it would pay off half the national debt. Just think of that.

"I succeeded in getting a bill through the Congress to require people to have certain qualifications in driving before they could cross State lines. You know, in some States—my own in particular—you can buy a license to drive a car for 25 cents at the corner drugstore. It is a revenue raising measure. It is not used for safety at all.

"Some States, at the time I made this investigation, I think there were seven or eight, including the District of Columbia, had license requirements which required drivers to know something about running a car—certain safety signals, to know a green light from a red one, to know which hand to put out when he was going to turn right or left.

"This bill of mine that I introduced in the Senate, passed the Senate twice. The House killed it each time—said they didn't want to take any States' rights away from the States, but something must be done to keep so many people from being killed and injured and so much property damage done.

* * *

"Government, of course, bears a primary obligation to the public safety. The provision of safe facilities for public travel, the licensing of vehicles and drivers, the regulation of traffic movement, and the education and training in highway safety through our schools, all are responsibilites of local, State and Federal Government.

"But the main share of public responsibility rests with the State and local agencies of government. States and cities are responsible for enactment of the laws governing the use of motor vehicles on public thoroughfares, and for the enforcement of those laws. It is squarely up to them to deal with that small group of traffic incorrigibles who cause so much trouble to so many. After all, the license to drive on the public highways is a privilege that can be denied if it is abused.

"I cannot too strongly emphasize the necessity for control of drivers by State and local Governments. It is perfectly absurd that a man or a woman or a child can go to a place and buy an automobile and get behind the wheel—whether he has ever been there before makes no difference, or if he is insane, or whether he is a nut or a moron does not make a particle of difference—all he has to do is just pay the price and get behind the wheel and go out on the street and kill somebody.

"That is actually what happens.

"Now that is the responsibility of State Governments.

"It is not intended that the Federal Government shall encroach upon the rights and responsibilities of the States. At the same time, we cannot expect the Congress and the Federal Government to stand idly by if the toll of disaster continues unchecked.

"The challenge must and will be met. I firmly hope and believe that every agency of Government, backed by the aroused support of its citizens, will meet its responsibilities fully in this field."

House Group Favors GI Terminal Pay

Legislation to give enlisted servicemen the same terminal pay benefits as those extended to officers received approval of the House Military Affairs Committee on May 8, which reverses the earlier stand taken by the committee. The earlier measure had been shelved, said the Associated Press, because the Budget Bureau had declared that it would cost the nation several billion dollars. If passed the latest proposal will be retroactive to all enlisted personnel who have served under the Selective Service Act. As recommended by the Committee, it would give enlisted men of all services the right to receive pay, at the time of discharge, for all furlough time to which they were entitled but which they did not actually received. With a maximum allowance of 120 days, the amount due an enlisted man would be computed at the rate of two and one-half days' furlough pay for each month of service minus whatever time off he had been given. General estimates of the cost of the legislation, which is expected to come up for House action in the early future, have been in the neighborhood of $2,000,000,000, although it is stated some have been as high as $8,000,000,000. Estimates were based on average service of twenty-eight months for every man and the assumption that most men received most of their furlough time of 70 days.

Italian King Abdicates; Son Reigns Conditionally

After reigning for nearly 46 years, Vittorio Emanuele III formally abdicated the throne of Italy on May 9, the Associated Press reported from Naples, and sailed with the Queen to voluntary exile in Egypt. On May 10, the Cabinet approved the assumption of the throne by Crown Prince Humbert, but only until June 2 when the Italian people will vote on whether or not the monarchy is to be continued. The new king affirmed his willingness to abide by the wishes of the people.

Capital Assets of American Foundations

American foundations have aggregate capital assets estimated at $1,818,000,000 with an annual expenditure, including direct operations and grants to outside agencies, of about $72,000,000, according to a report released April 29 by the Russell Sage Foundation. This is the first section of a general report on foundations for social welfare, prepared by Shelby M. Harrison, General Director of the Russell Sage Foundation, and F. Emerson Andrews, its publications director. The advices from the Foundation state:

"This estimate of assets approaching $2 billion includes direct information furnished to the survey by 265 foundations and estimated amounts for 240 others which did not furnish financial data, making a total of 505 known foundations operating today in the general field of social welfare. Most of these half thousand foundations, however, are small; only 36 are reported to have assets of $10,000,000 or more, and the 30 largest are estimated to possess 87% of the assets of all the foundations. The ten reporting largest capital assets to this survey are, in order of size, the following:

"Rockefeller Foundation, $189,527,823; Carnegie Corporation of New York, $166,506,401; Ford Foundation, $109,000,000; City Trusts of Philadelphia, $88,083,541; Hayden Foundation, $50,000,000; Kresge Foundation, $47,518,062; Kellogg Foundation, $46,825,011; Carnegie Institution of Washington, $43,884,844; Commonwealth Fund, $442,934,644; Mayo Properties Association, $28,299,596.

"Two additional foundations which did not furnish financial data, the Hershey Fund and the Duke Endowment, are believed to fall within this asset range.

"Because of the rapid and recent growth of foundations and their sometimes highly publicized achievements, public opinion, the writers point out, tends to exaggerate the resources of foundations. The figures are substantial, but they fade considerably in comparison with expenditures in other fields."

"Even in the field of private philanthropy the monetary contribution of foundations is relatively small. The writers estimate, from income-tax contribution reports and other data, that the annual budget of private philanthropy in the United States is now about 2,706 million dollars. With their 72 million annual expenditure, 'all the foundations together spend somewhat less than three cents out of the average philanthropic dollar.'"

"The study points out that the sums most foundations have available for immediate expenditure have been severely curtailed by reduction in interest rates. They cite as probably typical the experience of the Carnegie Corporation of New York, which reported the yield on its investments at 5.2% in its fiscal year 1922-1923, as 4.5% in 1932-1933, and as only 2.7% in 1942-1943. This is a decline of almost 50% in 20 years in funds realized from a given capitalization, and a decline of a full 40% since 1933."

"Common stocks," says the report, "are appearing in increasing percentage in many foundation portfolios. This may represent a reaction against the exceedingly low income now available from high-grade bonds, or it may be a hedge against the possibility of dollar inflation. Current low yields of conservative investments are forcing a fresh consideration of the problem of safety vs. income, and apply a new and severe test to the principle of perpetual endowment."

Current Operating Expenses of State Chartered Commercial Banks Increased

Total current operating expenses of the 8,930 State chartered commercial banks in the United States amounted to $740,120,000 during 1945, according to the annual report, "Condition and Operation of State Banks," published by the State Bank Division of the American Bankers Association. The aggregate operating expenses of $740,120,000 was an increase of $89,197,000 or 13.7% over 1944. Despite the increase in dollar amount of operating expenses, however, the total was 63% of the $1,174,867,000 total gross earnings of the banks, compared with 63.6% in 1944, the report shows. The advices from the Association also state:

Principal increases in current operating expenses of State banks occurred in salaries and wages of officers and employees "in all states for 1945." Salaries and wages for the year amounted to $344,786,000, compared with $305,438,000 in 1944. Another significant increase was in the interest paid on time and savings deposits which aggregated $113,701,000, an advance of $23,631,000 or 26.2% above 1944. This is the second consecutive year this item has shown an increase since 1934, the report states. Other current operating expenses totaled $228,694,000 in 1945, an increase of $25,391,000 or 12.5% over the previous year.

The report on expenses supplements previous figures released by the State Bank Division which showed that the increase in capital funds of the 8,930 State chartered commercial banks in the United States during 1945 was $525,605,000, to bring the total capital structure of the banks to an aggregate amount of $5,934,995,000 on Dec. 31, 1945. The previous report also showed that net profits after taxes for all State commercial banks amounted to $430,521,000 for the year, an increase of $80,294,000 over 1944, and that dividend declarations on common and preferred stock were made at an annual rate of 2.1% and totaled $124,956,000. This was an increase of $10,523,000.

H. N. Thomson, President of the ABA State Bank Division, who is also Vice-President of the Farmers and Merchants Bank, Presho, S. Dak., stated that the report "shows that banks are plowing a substantial part of their earnings back into the capital account rather than paying them out of stockholders, thus building up an additional safety factor for the protection of depositors and adding to reserves for the day when earnings are less favorable than at present."

Truman Signs Bill for Airport Construction

President Truman signed on May 13 a bill, authorizing the expenditure, for State and municipal airport construction, of $500,000,000 of Federal funds, to be matched by the States, over the next seven years, beginning July 1, 1946. Action on the measure was completed on April 30 when the Senate, by a 49 to 32 vote, approved compromise legislation which the House adopted April 2. The bill as agreed on in conference it is stated, is generally similar to that passed originally by the House. Under the bill half a billion dollars is to be allocated over the seven year period, with annual outlays limited to $100,000,000. 75% of the fund would be apportioned among the States, the Associated Press said on May 1 under a formula taking into consideration both area and population of a State. The other $125,000,000 would be a "discretionary fund" to be used by the civil aeronautics administrator for airports anywhere he sees fit. These press advices added.

The Federal Government would bear 50% of the cost of class 3 or smaller airports. For the larger types, known as class 4 and 5, the Federal share could be less than 50%, but it would be fixed by the civil aeronautics administrator.

Another $20,000,000 is authorized for airport facilities in the territories, with 50% of this going to Alaska and 25% each to Puerto Rico and Hawaii.

Announcement has been made by the Civil Aeronautics Administration that $356,250,000 has been earmarked for distribution by States but that no funds will be assigned for cities and communities until CAA engineers determine local needs. The law requires that States and municipalities match the Federal money it was noted on May 13 by the Associated Press which further reported from Washington:—

Representative Randolph (Dem., W. Va.), one of those present when President Truman signed the measure, told reporters he estimated the seven-year program will mean 3,000 new airports and the improvement of 1,600 others.

The apportionment of funds yet to be appropriated by Congress is on a formula basis, one-half in proportion to population and one-half in proportion to area of the States.

Both States and cities are permitted to deal directly with the CAA in providing their share of funds.

Those who attended the signing ceremony at the White House included Secretary of Commerce Wallace and William A. M. Burden, Assistant secretary; Senator McCarran (Dem., Nev.); Representatives Randolph and Bulwinkle (Dem., N. C.); L. W. Pogue, chairman of the Civil Aeronautics Board, and Theodore P. Wright, administrator of the Civil Aeronautics Administration.

From United Press accounts from Washington May 13 we take the following:

Not more than $100,000,000 of Federal money may be spent in a single year. Of the total $500,000,000 the States will receive $356,250,000, while $118,750,000 will make up a discretionary fund which the CAA can use to make plans revisions and $25,000,000 will be for administrative expenses.

The CAA estimates that the $356,250,000 will be allocated to the States to give New York $21,249,005; New Jersey $6.118,274, and Connecticut, $2,619,216.

Churchmen Pledge Aid in Famine Emergency

On April 29, 300 Washington clergymen paid a visit to President Truman in the White House, as they did to President Roosevelt six years ago, and gave the President their pledge of cooperation in the famine emergency program, Associated Press Washington advices stated. Mr. Truman met his guests, who had come to extend their greetings to him, in the Rose Garden of the executive mansion, and told them: "I need your prayers, no one ever needed them more." The President declared that the United States had been losing sight of its responsibilities, and that the country was "having a lot of unnecessary troubles, brought about by selfish men who are thinking only of their individual welfare." The President went on to stress the urgency of feeding the starving millions throughout the world.

Agricultural Department General Crop Report As of May 1

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

Production prospects for 1946 crops continue bright for the country as a whole. Nature has cooperated well with farmers in bringing into reality their earlier spring planting intentions in spite of some dry weather and low temperatures. In the important spring-planting areas, rainfall during April was well below average, yet this circumstance permitted farmers to push their spring work toward completion well ahead of usual dates. Occurrences of freezing temperatures over three-fourths of the country during April resulted in damage of varying extent to fruits and tender crops, though probably to less extent than had been feared. Yet temperatures as a rule were well above average for April and favored germination and vegetative growth, so that for most crops progress is ahead of usual for May 1. The continuing soil moisture deficiency in the western Great Plains and Southwest stands out as a threat to otherwise bright prospects. Current forecasts for 1946 crops indicate a relatively high level of production, although wheat and rye will not reach the level of the past 2 years.

Winter wheat prospects, because deterioration in most North Central and Great Plains areas more than offset improvement in some other less important sections, are now indicated at 743 million bushels, 88 million less than on April 1. Rye is expected to yield at an average rate, but the acreage for harvest is one of the smallest on record. Spring truck crops are expected to exceed by one-sixth the record tonnage set last spring. Condition of early potatoes is the highest ever reported for May 1. Production of both early and late spring crops is at record high levels. The hay crop, while well below a record total, will be augmented by a record carry-over, so that the supply may be near the largest known, both in total and per animal unit. Reported pasture condition, while lower than a year ago, is higher than on any other May 1 since 1929.

Rainfall was below average in most of the country during April, but soil moisture supplies were mostly ample for current crop needs. The Coastal area from New England to Virginia received only light rains, in fact the portion from New Jersey and Pennsylvania to Virginia was becoming droughty, but relief came in general rains the last week of April and first week of May. In much of the North Central region, especially around the Great Lakes, temperatures were above average and rains were light until the latter part of April. In most South Atlantic and South Central States, temperatures varied widely from freezing to above average at various dates and rainfall was mostly ample to slightly excessive, though Florida had a dry period finally broken by rains in early May. Western States as a rule enjoyed temperatures above average, but rainfall was mostly below average until late in the month. Irrigation water supplies were mostly ample, except in New Mexico, Arizona, and parts of Colorado and Utah. Statewide field tests in Nebraska and Kansas during April revealed that soil moisture may be deficient in south central Nebraska and western Kansas. Good rains are urgently needed to replenish surface moisture. The moisture situation in the Panhandles of Oklahoma and Texas was critical and little relief has yet been afforded. Drought continues severe in New Mexico and Arizona and California has had only one good rain since early in the year.

Farming activities made rapid and continuous progress as farmers in all sections seldom were interrupted in their field work by weather conditions. As a result, in no section of the country is work retarded, and, in most of the area east of the Rockies, progress is reported one to three weeks ahead of usual. With conditions for spring work so near the ideal, planting of spring crops at optimum times was the rule and limited supplies of farm labor and machinery were used to best advantage making any shortages less acutely felt. Timely rains in late April and early May replenished lagging moisture supplies in Northeastern and East North Central States. Thus it is considered likely that farmers closely followed the plans for planting they had reported in March. If the favorable situation continues through planting time for corn, cotton, soybeans and late crops, it is possible that the total acreage planted this season may exceed earlier estimates.

Spring plantings have been made under near-ideal conditions. Oats were seeded in March even in some of the more northern areas of several East North Central and Northeastern States. By May 5, seeding of spring wheat, oats and barley was practically completed everywhere and mucn flax had been sown. These plantings showed a tendency to germinate and develop somewhat unevenly because of varynig temperatures and soil moisture content, but have been favored by additional surface moisture which should tend to bring them along during May. Plowing for late crops was started in April or earlier, and some potatoes, and corn had been planted even in northerly States, to the extent of 10% of the corn acreage in Iowa. Seeding of rice was making similar good progress in the southern area and in California. Cotton planting was mostly ahead of schedule, with much of the acreage up and some chopped in the Gulf States.

Conditions in April helped to maintain the vegetative progress crops had begun in the unseasonably warm March. Winter wheat was heading in Texas, in the "boot" in Kansas and jointing in East North Central States. Plant growth has been rank and continues to make heavy demands upon soil moisture. Insufficient supplies of soil moisture resulted in serious deterioration and heavy loss of acreage in northwest Texas, western Oklahoma and New Mexica, where current rainfall was very light, and lighter similar effects in western Kansas and south central Nebraska. Acreage abandonment appeared to be relatively light and yield prospects improved since April 1 in some other winter wheat areas, but not to an extent sufficient to counterbalance declines in the Great Plains and Southwest. Winter oats in the 10 Southern States, while not as good as at this time last year for the area, are reported in better than average condition despite poor prospects in Oklahoma and Texas. Rye production, estimated at 21 million bushels, is the smallest since 1881 except that of the drought year 1934.

Grass and pastures made very good progress rather uniformly over the country, though checked somewhat by cool nights and dry weather. Tame hay condition at 87% nearly equals that of a year ago and exceeds any other year since 1929, indicating a crop only slightly below that of 1945. The first cutting of alfalfa has been harvested as far north as Virginia and Kansas. Because fo shortages of livestock feeds, producers were using pastures even in northerly States. Pasture condition at 84%, while below the high point of 87% a year ago, is much better than usual on May 1. Range feed is mostly good and range livestock are in good condition, making seasonal gains, except in the dry Southwest. With the mild weather the production of eggs per layer exceeds that of any previous April and egg production for the month is second only to that of April 1944. Dairy cattle were well fed and produced at a record rate per cow in herd for April, but because of smaller numbers, total milk production was slightly under the record for the month set last year.

The complete fruit picture is far from clear at this early date because of undetermined effects of April and possible May frosts and freezes. But prospects for apples, sour cherries, plums and apricots appear favorable for production at higher levels than the short crops of last year, with other deciduous fruits about as favorable as a year ago. The early Southern peach crop, which will start to market in May and be in volume in June and July, appears to be nearly as large as last year's record. The Pacific Coast area should again produce a large aggregate fruit crop. In the Midwest and East, severe frost damage has cut prospects in many areas, but about an average crop of apples seems likely for the region, in contrast to last year's near failure, and the peach crop may be about as large as last year. The California Valencia orange crop, which furnishes the Nation's summer oranges, is about one-third less than last year's record. Prospects continue favorable for the 1946-47 citrus crops. Maple syrup and sugar of relatively poor quality was produced in a quantity which while larger than in 1945, was below any other year of record, chiefly because of the early and short season.

Not only are spring truck crops expected to reach a tonnage one-sixth larger than the record set last year, but preliminary estimates of the total summer acreage are also one-fifth larger. The entire season in prospective acreages of truck crops for the fresh market are about one-eighth more than last year and one-fourth above average. The acreage intended for vegetables for processing is about 5% larger than the 1945 aggregate planted acreage, because increases for green lima beans, sweet corn, cucumbers for pickles, green peas and tomatoes more than offset declines in snap beans, beets and cabbage for kraut.

Winter Wheat

Indicated production of winter wheat is now 742,887,000 bushels, about 11% lower than the April 1 forecast of 831 million bushels. This compares with 823,177,000 bushels produced last year and 618,019,000 bushels, the 10-year (1935-44) average. The acreage remaining for harvest, at 45,872,000 acres, is about 2% smaller than that harvested last year. The acreage not harvested for grain is expected to be 11.9% of the planted acreage, compared with 6.9% last year and 16.2% the 1935-44 average. The May 1 indicated yield of 16.2 busheds per harvested acre is 1.4 bushels below last year's yield of 17.6 bushels but about the same as the 10-year average.

Winter wheat was seeded last fall under generally favorable soil moisture conditions. Excessive moisture was detrimental last fall in only a few areas and dry topsoil was present only in limited areas of the Great Plains. In general, winter killing was light and wheat came through the winter in good condition.

Winter wheat prospects declined during April with the sharpest reduction in the Southwest. Prospects in Kansas, Texas and Oklahoma have declined a total of 83 million bushels since April 1. Precipitation during April was generally light in the Great Plains with Texas, Oklahoma, Kansas and Nebraska each having areas very deficient. In the western parts of Kansas and Nebraska, heavy growth during the early spring caused a rapid drain on subsoil moisture. In southwestern Kansas and south-central Nebraska, the wheat crop at the present time is in critical condition because of the shortage of subsoil moisture. The wheat crop in New Mexico has also deteriorated materially during the past month. The advanced stage of development of wheat plants in Kansas, Oklahoma and Missouri promise an earlier than usual harvest in this area. Prospects continue relatively favorable in most of the Corn Belt States. Prospects are above average in the Pacific Northwest, but subsoil moisture is deficient in a number of other Western States, especially California where the deficiency is critical.

Green bugs have caused heavy damage in Oklahoma and Texas and have appeared in southern Kansas where, thus far, they have caused only light damage. Leaf rust is in evidence in some Great Plains States, but so far is not a serious threat to other than a few local areas. Hessian Fly infestation has caused some damage to wheat in Illinois and Missouri. Rather severe Fly infestation has apeared in a few local areas in south-central Kansas. Some nitrogen deficiency is reported in the western Great Plains area and in a few Corn Belt and eastern States.

Oats (10 Southern States)

The condition of oats on May 1 for this group of States, is 69% or 10 points less than the favorable condition on May 1, 1945 but is slightly above the average condition. In North Carolina, South Carolina, and Arkansas the condition of oats is better than last year while not quite as good as in 1945 in Georgia and Alabama. Moisture supplies were short in Florida in 1945 but are favorable for oats so far this year. The condition of oats in Mississippi and Louisiana is about average. Drought in western and northwestern Texas and green bugs in western Oklahoma have reduced crop prospects in these two States.

In Texas and Oklahoma, there has been an upward trend in the amount of fall oats planted due largely to development of rust-resistant varieties. On the other hand, the percentage of spring sown oats this year has increased sharply over last year in most of the other 10 States because of unfavorable weather at planting time last fall. This has resulted in only 34% of crop being reported as spring sown oats in all 10 States, the same as last year but less than the average of 50%.

Rye

The acreage of rye for harvest this year is the smallest in 65 years. The 1946 acreage expected for harvest as grain is 1,778,000, which is slightly smaller than the 1,981,000 acres harvested in 1945. Acreage planted for 1946 was about 17% below the planted acreage for 1945. Plantings were reduced in all important rye producing States, except North Dakota, where acreage planted was increased about one-half over last year. Farmers expected to harvest 47.8% of the acreage planted for all purposes. Last year 44.3% of the total planted acreage was harvested and the 1935-44 percentage is 54.8. The increasing demand for food and feed grains may result in more of the planted acreage being harvested for grain than farmers now anticipate.

Rye production for 1946 is forecast at 21,373,000 bushels. This is only one-half of the 10-year (1935-44) average of 42,356,000 bushels and one-fifth less than the small 1945 crop of 26,354,000 bushels. If present prospects on production materialize, this year's crop would be the smallest on record for any year since 1881 except the drought year of 1934.

A yield of 12.0 bushels per harvested acre is forecast as of May 1. This is 1.3 bushels below the 1945 harvested yield and very nearly equal to the 10-year average of 12.2 bushels.

Early Potatoes

May 1 condition of early potatoes in the 10 Southern States and California is reported at 86%. This is the highest May 1 condition since the collection of this information began in 1924. A year ago, condition of this crop was reported at 78%. The 1935-44 average condition is 76%. Condition for each State is above average.

Acreages harvested to date have produced above-average yields in all areas. However, the Florida winter crop yield was considerably lower than the phenomenal yield produced in 1945. The early spring acreage in Florida and the Texas Lower Valley has produced very good yields. With a 12% increase in this acreage, a record-high early spring crop is being harvested. Harvest of the Texas crop was expected to be practically complete after the first week of May. Supplies from Florida will be light after May 15.

The commercial crop of late spring potatoes is expected to be about one-fifth larger than the previous record-high crop produced in 1945. There was an increase in the commercial early spring acreage this year, especially in California where the crop is irrigated and yields abundantly. Yields in California and each of the Southern States are expected to be very good this year. The indicated 1946 production for California is about one-fifth larger than the 10-year average production in this State and the Southern States combined. On May 1, harvest of the late spring commercial crop was in progress in California, Louisiana, Alabama, South Carolina, and Texas. Since May 1, harvest has begun in Mississippi and south Georgia. Harvest of the North Carolina crop is expected to begin the week of May 13. Shipments from Tennessee should begin about the first week in June.

The weather in Kern County, California has been ideal for potatoes. Early planted acreages are producing excellent yields of good quality potatoes. In the Houma area of Louisiana, blight is rather general but has caused no serious damage to date. In the New Roads area of this State, dry weather in April reduced yields on the early planted acreages. In Baldwin County, Alabama, April was far too dry for the best growth of potatoes and yields are running lighter than last year. All areas in Texas that produce late spring potatoes have a good supply of moisture and other growing conditions are favorable. The summer crop in the Texas panhandle is in good condition, and early plantings are well advanced. The potato acreage in Arkansas and Oklahoma has thus far escaped flood losses which have been a somewhat destructive factor in recent years. However, in both States, moisture supply has been adequate, and the crop has made very good growth.

In south Georgia, May 1 condition indicates one of the highest-yielding commercial crops in recent years, but, in north Georgia, heavy rains and cool weather have caused irregular stands. A record-high South Carolina yield of commercial early potatoes is indicated. The Tennessee commercial early crop is expected to be the largest of record. April frosts in the Albemarle Sound area of North Carolina cut back some plants, but such damage will result only in a delayed harvest of these fields. Current prospects indicate commercial yields per acre equal to the record-high State yield produced last year.

Soft Coal Miners Return to Work

Following a White House conference at 4 p.m. on May 10, John L. Lewis, President of the United Mine Workers of America, called for a 12-day truce in the soft coal strike, beginning May 13 and urged every local union President to arrange for the 400,000 striking miners to get back on the job as soon as the local mine management agreed to make retroactive any pay increase later negotiated, according to an Associated Press dispatch from Washington, D. C. On May 13, there remained about 76,000 miners in Pennsylvania still on strike, according to reports, who feared the loss of unemployment compensation if they returned now. The total workers who refused to return was said to be 154,000 in all States.

Mr. Lewis demanded a flat 7% pay-roll levy to create a $70,000,000 health and welfare fund annually for his union, after accepting an offer from the mine operators to meet his other demand for $3,000,000 in overtime pay for four legal holidays last year. He said he would insist that this fund be administered exclusively by the union, in the new soft coal wage contract. "The United Mine Workers of America has no intention of negotiating a contract now or later without such a fund," Mr. Lewis said. "Provision of such a fund is precedent to making a contract."

The coal operators estimated that the payroll levy would add 20 cents a ton to the cost of coal at the mines.

Coal Production Controlled

The following is taken from a United Press dispatch from Washington:

"Under an order effective on May 13, the Solid Fuels Administration placed tight controls on all coal mined. First priority was given to public utilities, railroads, laundries, hospitals, food processing plants and refrigerator plants.

"Other industrial consumers will then be allowed to order coal to cover estimated needs up to May 31. Although the steel industry owns mines producing about 10% of the nation's output, it will have no priority claim on its own output.

"After the industrial consumers, domestic users showing hardship may buy coal.

"The Civilian Production Administration did not revoke power conservation measures, which have caused dimouts in some cities and set up rationing machinery for industrial users of manufactured gas.

"A Government order cutting railroad passenger service 25% was left in force but another calling for an additional cut of 50% on May 15 was withdrawn."

Britain Proposes Gov't Atom Control

In England legislation has been proposed which would put control of atomic research, development and use in the hands of the Ministry of Supply. Under the bill which, according to Associated Press advices, was introduced on May 1, it would be the duty of the ministry:

"To produce and use atomic energy and carry out research into any matters connected therewith; to promote the development of atomic energy; and to control unauthorized production and use of atomic energy."

Corporations would be subject to unlimited fines for disclosing information about atomic projects or processes, or for carrying on unauthorized atomic research. Individuals would be subject to fines of $2,000 or five years' imprisonment for similar offenses. Full control over diggings for all minerals needed for atomic uses would also be vested in the ministry. The bill specifically mentions uranium, thorium, plutonium and neptunium in this connection.

Nat'l Foreign Trade Council to Convene

The St. Louis Chamber of Commerce announced on May 1, that it had been officially advised by John Abbink, Chairman of the Board of Directors of the National Foreign Trade Council, New York, that the Council would hold its 1947 annual convention, the world's foremost meeting of its kind, in St. Louis on October 20, 21 and 22, with headquarters at Hotel Jefferson. As a member of the Board of Directors of the National Foreign Trade Council, J. M. O. Monasterio, Vice-President of the Mercantile-Commerce Bank and Trust Company, of St. Louis, stated that "The scheduling of the Foreign Trade Council's 1947 meeting for St. Louis is highly indicative of the importance of St. Louis as a center of international trade and finance. The Council, having some 800 United States members from the foreign trade field, is devoted to the advancement of our nation's foreign commerce and its annual meeting attracts each year some 2,500 of the world's leading business men. Every section of the globe is represented. The 1947 meeting will be the first convention of the Council to be held outside New York City since the war. The Council's first meeting was held in St. Louis in 1915."

Mr. Abbink, also President of Business Publishers International Corp. and Vice-President of the McGraw-Hill Publishing Company, was in St. Louis recently to address a meeting sponsored by the Regional Inter-American Center of St. Louis and the Pan-American Society. His announcement of the scheduling of the Foreign Trade Council's 1947 convention for St. Louis was made at a luncheon of civic and business leaders.

Russia to Float Home Loan

The Soviet Union will float a reconstruction loan of 20,000,000,000 rubles (about $3,774,000,000), with rich prizes in an elaborate State lottery system as the reward for the expected investment of a month's pay, the Associated Press reported from London that the Moscow radio announced on May 3. The broadcast explained that the lottery, based on serial numbers of the bonds, would pay prizes ranging up to 50,000 rubles ($9,435) or a 100-ruble ($18.87) bond, and envisaged prizes to 66,000,000 bondholders totaling 17,811,200,000 rubles over the 20-year-loan period.

Appealing to the people to buy the 20-year tax-free bonds to provide money to "heal the wounds of war and speedily restore the Soviet economy," the Finance Minister, Arseny G. Zverev, explained that the loan would be used to help pay for the first post-war five-year plan and "for further strengthening of the military and economic might of the nation." He declared that the Government needed 250,000,000,000 rubles "to assure for many years Soviet reconstruction, the safety of the country, and to keep the defenses of the U. S. S. R. in the highest pitch of efficiency." The announced loan amounts to 8% of that sum. No direct payment of interest is provided for under the loan, but the announcement said: "The sum total of the prizes is based on an average of 4% per annum over the 20-year period of the loan. One-third of all bonds will win a prize. The remaining two-thirds are redeemable at their face value."

Final Settlement of Turkey's Lend Lease

The United States and Turkey signed on May 7 an Agreement providing for the final settlement of Turkey's lend-lease account. The Agreement, which was negotiated in Ankara by United States Ambassador Edwin C. Wilson, calls for cash payment by Turkey of $4,500,000 within thirty days. Turkey thus becomes the first country which received substantial quantities of supplies as lend-lease aid to agree with this Government on an immediate cash liquidation of its entire financial obligation for lend-lease supplies. In making this known the Department of State in its announcement also said:

"To strengthen Turkey's capacity to resist Axis pressure and to meet such demands for Turkish assistance as Allied strategy might require, the United States and Great Britain delivered substantail quantities of war material to Turkey during the war. Under the authority of the Lend-Lease Act, the United States delivered nearly $90,000,000 worth of military equipment under straight lend-lease. Additional quantities of supplies for the civilian economy were delivered to Turkey under cash reimbursement lend-lease for which the Turks paid at the time of shipment.

"Under the settlement just negotiated, Turkey is to pay for lend-lease equipment of a civilian nature now located in Turkey, and receives full title to this equipment, which had an original cost value of $5,728,000. Military items still in the possession of the Turkish armed forces are not being paid for, but are subject to the right of recapture, although the United States stated in the Agreement that it does not intend generally to exercise this right. The settlement made with Turkey also covers all outstanding claims between the two Governments arising from the war. The Agreement is expected to receive final ratification by the Turkish Grand National Assembly within a few days.

"All unsold United States Army surpluses located in Turkey, which had an original cost value of just under $700,000, were purchased late last month by the Turkish Government for $500,000. Turkey has also recently concluded an Agreement with the United States covering civil aviation rights, containing terms regarded as satisfactory by the Department of State. Turkey is a member of the United Nations and the United Nations Relief and Rehabilitation Administration, and has applied for membership in the International Bank and the International Monetary Fund."

The following regarding the settlement of the lend-lease debt is from special Ankara advices (by wireless) May 9 to the New York "Times":

Premier Saradjoglu told the Grand National Assembly today that the United States requested only $4,500,000 in settlement of the Turkish lend-lease debt, much less than was generally expected. The Premier did not reveal the exact amount of the original.

The American gesture was the occasion of a warm demonstration of Turko-American friendship and the Premier, interpreting the general sentiment, said:

"By paying this sum we are repaying only a material portion of our debt. There is also a moral side which we shall endeavor to repay by taking our stand beside America in the cause of freedom, justice, independence and humanity."

From American sources here it is learned that the settlement also covers all outstanding claims between the two Governments arising from the end of the war.

Supreme Court Rules On Schulte Suit

The U. S. Supreme Court, ruling on April 29 that the Fair Labor Standards Act precludes compromise settlements between employers and their employees on claims for overtime compensation and liquidated damages, upheld by a 5 to 3 decision an Appeals Court finding that employees servicing a building were covered by the Act when 20% of the tenants were engaged in interstate commerce. The decision, which noted a dissent made by the late Chief Justice Harlan F. Stone, was rendered in a case involving claims for damages entered, according to a dispatch from Washington to the New York "Times," by maintenance employees of D. A. Schulte, Inc., at 575 Eighth Avenue, New York. In an effort to settle an overtime dispute the employer in 1942 met his employees' claims under overtime provisions of the wage-hour act, and obtained a release from each employee on any future claims.

The "Times" advices added:

A suit later was entered, however, against Schulte for damages under another section of the Federal law. The wage-hour act provides that an employer who violates the requirements for overtime pay is liable for an additional equal amount as "liquidated damages."

A District Court in New York held that the employer was released of all claims for liquidated damages because of the "bona fide" settlement he had reached with his employees out of court. But the Court of Appeals reversed the decision on the ground that only half of the provisions of the wage-hour law had been met by the employer, and that the Federal code could not be compromised.

The Supreme Court in a decision written by Justice Stanley F. Reed concurred in the Appeals Court finding, and said that Congress had made the payment of damages "mandatory" in such cases.

On the question of whether the building maintenance employees were covered by the Federal statute, the Court noted that at least four tenants in the building, out of 12, made garments, a major part of which were shipped in interstate commerce.

"Mere separation of the economic processes of production for commerce between different industrial units, even without any degree of common ownership does not destroy the continuity of production for commerce," the majority held.

Justice Felix Frankfurter, in dissent, declared that the "policy" of a statute should be drawn out of its terms, and "not, like nitrogen, out of the air."

"Nothing is discernible in anything that Congress has said or done to imply the prohibition of a settlement made by parties in good faith, not for the minimum wages but a settlement affecting the penalizing double liability where any liability was fairly in controversy when the settlement was made," Mr. Frankrurter wrote.

Weaver Named Official of J. P. Morgan & Co. Inc.

At a regular meeting of the Board of Directors of J. P. Morgan & Co. Incorporated, held on May 8, a dividend of $2 per share was declared payable on June 14, 1946 to stockholders of record May 31, 1946.

At the same meeting W. B. Weaver was appointed Assistant Vice-President.

Expediting Committee for OPA Price Relief

Reconversion Director John W. Snyder made public on May 1 two resolutions of the advisory board of the Office of War Mobilization and Reconversion, one of which recommended that the Office of Price Administration establish an "expediting committee" to receive all pending price relief applications on which a decision has been delayed for 30 days; the other resolution urged extension of the life of OPA for a period of one year.

The two resolutions were adopted unanimously by the full membership of the Board, which consists of: Albert S. Goss, Edward A. O'Neal, James G. Patton, Nathaniel Dyke, Jr., Eric A. Johnston, George H. Mead, T. C. Cashen, William Green, Philip Murray, Chester C. Davis, O. Max Gardner, and Anna M. Rosenberg.

The following is the text of the resolutions, as reported by the New York "Journal of Commerce" from its Washington bureau May 1:

Resolved: That after months of discussion and consideration, and despite widely varying viewpoints and differences of opinion, it is now the unanimous sentiment of this board that proper provision should be made to extend the life of OPA for a period not to exceed one year.

This Board is convinced that to abandon price control on June 30, 1946, would leave the nation unprotected against a dangerous rise in prices in the interval before normal economic forces are working.

It is essential that the termination of price control be brought about without unneccessary delay, yet in an orderly manner.

This can be accomplished only through the adoption of a positive program embracing timely measures of decontrol and gradual discontinuation of cost of living subsidies together with the maintenance of courageous fiscal and monetary policies to combat inflation.

It is also essential that during the period of the extension of the life of OPA the inequities and obstacles to maximum production must by administrative action be reduced to the minimum by simplifying present procedures and liberalizing existing standards.

Resolved: That this Board recommends the establishment, within the organization of OPA, at high executive level, an expediting committee to which shall be referred all applications pending in OPA on which a decision has been delayed for 30 days.

Result of Treasury Bill Offering

The Secretary of the Treasury announced on May 13 that the tenders for $1,300,000,000 or thereabout of 91-day Treasury bills to be dated May 16 and to mature Aug. 15, which were offered on May 10, were opened at the Federal Reserve Banks on May 13.

Total applied for $1,900,939,000.

Total accepted, $1,301,341,000 (includes $40,866,000 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.

(66% of the amount bid for at the low price was accepted.)

There was a maturity of a similar issue of bills on May 16 in the amount of $1,309,003,000.

Canada and U. S.—Islands of Private Enterprise

(Continued from first page)

perience that informal discussion between informed and able individuals, drawn from private enterprise and the technical staffs of our governmental departments and bureaus while programs were still in the formative stage, has heightened the prospect for their ultimate acceptance. The presence here of so many experts from Ottawa indicates that you follow the same practice, and I have no doubt, with equally gratifying results.

There is, in fact, so much in common between our countries that it is natural to expect that our approach toward economic and financial problems would follow a uniform pattern. Such differences as may occur are more likely to be striking than significant. I am indebted to the brilliant and worthy Governor of your Bank of Canada for a story which illustrates my point. As Graham Towers tells it, one man, meeting another, and commenting on his strong resemblance to the first man's sister, said, "Except for the mustache, you could be my sister Ella." "But," the second man protested "I have no mustache." "That's it," said the first, "my sister has."

I have in mind to review briefly the measures that Canada and the United States have taken to fulfill their international responsibilities in the post-war economy. I doubt whether our approach is in any aspect so different that it assumes the proportions of a mustache, but if now and then a slight coat of down appears, I will leave it to you to decide which one of us is Sister Ella.

Getting Rid of Controls

Of course, neither of us has sufficiently recovered from wartime dislocations to discard entirely wartime controls. The current discussion on our side with respect to relaxation of price control has taken, on the part of the supporters of continued control, an evangelical tone which can be heard as far as Ottawa. Whatever the decision may be as to giving price control a further term, the evidence is overwhelmingly that the people of the United States do not believe it inherently desirable. With respect to export control, the position recommended by the Foreign Commerce Committee of the United States Chamber, and approved by the convention is:—

"Temporary modified export controls by the Government are recognized to be a practical necessity. Such controls should not extend for a period longer than one year, and should be limited to those commodities which the Director of Economic Stabilization declares or certifies to be in critical short supply, and that such controls shall remain operative only during the period in which this condition actually exists."

Resolutions of similar tenor have been adopted by the Commerce and Industry Association, and by the Overseas Automotive Club of New York. Both our countries have approved the International Monetary Fund and the International Bank for Reconstruction and Development. While both institutions are in process of organization, neither can function effectively until the various obstacles to world trade which were considered by the little-publicized Commission III at Bretton Woods, are cleared up. The task of harmonizing the policies of the United Nations with respect to international trade falls to the International Trade Organization, still to be created. To further its inauguration, our State Department, in November, 1945, published "Proposals for Expansion of World Trade and Employment, Developed by a Technical Staff within the Government of the United States in Preparation for an International Conference on Trade and Employment and Presented for Consideration by the Peoples of the World."

These proposals are presented by the State Department as not final nor perfect, and as an honest reporter, I must say that our foreign traders who have studied them endorse that statement. They do well serve the purpose for which they were intended—as a working basis for discussion—and ultimately for international action.

Obviously, if your and our representatives on the Executive Board of the International Trade Organization, and on its Commissions on Commercial Policy, on Business Practices and on Commodities, are able to present proposals which have the support, not simply of the technical staffs of our government but also of informed and able groups of our citizens, bringing influential support from private enterprise, the prospect of their ultimate acceptance both at home and internationally will be strengthened.

I may say that, with respect to the situs of the International Bank, the viewpoint of our industrial and financial leaders was in accord with that of the late Lord Keynes and of both the Canadian and United Kingdom delegates, that it should be in New York. There has been no public statement with respect to the factors which led the United States delegation to dictate that the Bank should operate in the political atmosphere of Washington. The decision seems particularly inappropriate, as it is contemplated that the major part of the leading power of the International Bank will be extended in dollars, in issues offered to the investment public. Both the personnel and the mechanics of the investment market are centered in New York, and one can think of no business institution which would support a decision to domicile the International Bank elsewhere.

You have already extended to Great Britain a major line of credit, and we have also agreed to do so, subject to the approval of Congress. Your credit and ours add up to $5 billion, your part being substantially larger per capita or per dollar of national income than ours. No small part of the advantage which will accrue to us from the credit is that in aiding Great Britain—our and your best export customer—we are also aiding our trade with Canada, which is, except for Great Britain, our best export customer. Our prospective customers in all the countries whose currencies are linked to sterling are, to a great extent, prevented from buying goods in the United States. Although Canada is not officially in the sterling area, your trade with us is bound to suffer because of your inability to convert into dollars the sterling you receive for your shipments to Great Britain. Ninety per cent of the world's trade is done in dollars and sterling. For foreign trade to flow freely they must be reliably exchangeable. No part of our program for economic and financial collaboration with the United and Associated Nations—including the Bretton Woods Institutions which our Congress has already approved — can possibly succeed until this hurdle is cleared—and no half-measures will take us over.

Canadian Commercial Corporation

You are organizing a new Crown Company, Canadian Commercial Corporation, empowered to make purchases in Canada for foreign governments and UNRRA, and to assist private importers to obtain commodities which are under international allocation or foreign government control, or are not readily available through ordinary commercial channels. It will, I understand, replace some of your war-time organizations which performed similar functions. You are also experimenting with an Export Credits Insurance Scheme, to promote the revival of trade by encouraging exports from Canada.

At this point I begin to think I see the mustache—or at least a vigorous growth of government down to feather-bed your foreign trade. Of course, we have an Export-Import Bank. Created in 1934 to facilitate the exchange of commodities between the United States and other nations; in 1940, enlarged to aid in the development of the resources, the stabilization of the currencies and the orderly marketing of the products of the western hemisphere; and in 1945 greatly expanded, with a present lending power of $3,500 million, which our President has suggested be increased by another $1,250 million to cover estimated commitments for 1946, the Bank is presently serving as a source for emergency loans for reconstruction and development, pending the establishment and operation of the International Bank. Whereas, from its inception until the end of 1945, Latin-American countries have received $306 million of its total disbursements of $563 million, during the last half of 1945, reconstruction loans to European countries accounted for $920 million out of new authorizations of $1,040 million.

When its emergency lending ends, the Export-Import Bank is expected to revert to its former role of developing foreign markets for our commodities and industrial products which experienced the greatest expansion in capacity during the war and for which there is need abroad. It can thus, like your own Canadian Commercial Corporation, take over any functions of our wartime organizations which it may seem desirable to continue in more normal times.

The Export-Import Bank

The powers of the Export-Import Bank are also broad enough to guarantee both the credit and the exchange risk on foreign sales. There is pending, with political backing, a bill in Congress which would add a further $500 million to the lending power of the Bank, and impose upon it the duty of setting up a formal export guarantee scheme, applying to both short-term and medium-term exports along the lines of your own and the British systems. The Bank does not recommend that we follow your example, for reasons set out at length in the section of its report for July-December 1945 entitled "Export Credit and Transfer Guarantees." The Bank finds the demand for short-term assistance too small to justify a formalized scheme, and believes that its facilities should be reserved for medium-term sales of capital goods, in which it is already effectively operating.

This statement accurately represents the viewpoint of our important associations of foreign traders. I would like to add to it some comments of my own. My first comment relates to the assumption that foreign credit risks are "insurable." Insurance is the business of securing against loss by a contingent event, for a given rate or premium. The rate or premium is based upon the work of an actuary—the official in an insurance company who calculates the risks and premiums. The actuary works from experience tables—the compilation of actual mortality, of actual marine, war, fire and casualty losses. These risks have a common characteristic. They are calculable because their incidence is controlled by natural forces, and they are kept at a minimum by the working of the most powerful of human instincts—that of self-preservation. It is that characteristic which makes these experience tables dependable. And it is the lack of that characteristic which would make any foreign credit experience table a base of sand on which to build an insurance business.

The Credit Guarantee Scheme

My second comment relates to the assumption that a foreign credit guarantee scheme substantially augments exports. I have searched such records as are available in vain for evidence to support such a statement. It can be said of Sweden and the United Kingdom (about which alone, of the 16 countries which had some form of government export guarantee system before World War II, current data is readily available) that their schemes operated without loss to their taxpayers. But is it not fair comment to say that as the British, after 20 years of experimentation, have been able to induce only 10% of their exporters to make peace-time use of the facilities afforded, the British experience does not powerfully support the argument that an export credit guarantee scheme would substantially augment our post-war export trade?

And my third comment is that as it is the avowed purpose of the International Monetary Fund to keep monetary fluctuation within 1%, why must your government, which has contributed its quota of $300 million, and our government which has contributed its quota of $2,750 million to the Fund, appropriate funds for additional governmental institutions from which our exporters can, for a fee, obtain a guarantee that the Fund will operate as planned?

"And my final comment is that the history of the alleged export credit "insurance" schemes set up overseas clearly indicates that they have been part of a pattern for the subversion of export trade to aid political and economic objectives.

I have talked at so much length upon your export guarantee scheme because it will illustrate the thought I want to leave with you. Both our countries are coming out of the war with ambivalent governmental agencies and institutions, which can and will be used by believers in the planned economy doctrine to regulate our post-war lives, unless they are stoutly resisted. We have resisted the blandishments of the planners on the export guarantee scheme. Have you?

A much more important test is in the making. Both your newly-found state-trading unit, the Canadian Commercial Corporation, and our Export-Import Bank, are subject to the same pressure. In our case, our foreign traders, sensing the situation, last fall made through the medium of our National Foreign Trade Convention, this declaration: "The Convention also records that the purchasing activities of foreign missions and agencies in the United States, which tend to obstruct the channels of American trade and distribution abroad, be discontinued at the earliest possible moment."

Pressure to Revert to Private Trading

The Eighth Report of the House Special Committee on Post-war Economic Policy and Planning, prepared by a staff of which Mr. Marion B. Folsom, treasurer of the Eastman-Kodak Company, was the director, had a similar recommendation:

"The foreign-trade policy of the United States should do everything possible to discourage trading with state monopolies and should facilitate direct trade with individuals in the countries concerned. Such a policy will be considerably strengthened if it is integrated with our post-war foreign-lending program. In general, loans should be made in such a way as to secure the greatest possible amount of trade between individuals. In particular, care must be taken that any loans to these state monopolies do not result in disruption of existing channels of private trade and commerce."

And, although its Chairman had earlier stated that to require such a condition in its loans "would introduce an extraneous issue into the Bank's operations and exceed its competence," the Export-Import Bank, in the recently released statement to which I have previously referred, stated that the operations of foreign purchasing missions "should be subject to certain conditions and that, as the transitional period draws to an end, the missions should be disestablished."

And last Saturday, our State Department released a statement which indicated that this policy had been communicated to the fifteen foreign government purchasing missions in the United States.

So I can tell you that though we grew a little frousy on the lip under the stress of wartime conditions, it is not our intention to develop a set of Lord Dundreary whiskers of state trading, but rather to emerge as clean-shaven advocates of private enterprise.

We realize, of course, that when our representatives appear at the sessions of the International Trade Organization, which is to harmonize the international trade policies of the United Nations, they will face representatives of other participating nations who will be briefed to support a pattern for international trade which will be difficult to mesh with our own. Some of you may recall that our Eric Johnston, who has just left the presidency of the United States Chamber of Commerce after four terms of office, voiced some misgivings on the subject after his study of British industry. In "Nation's Business" for October, 1943, Mr. Johnston reported:—

"I found that the British want not only social security, but some groups of their business men want business security as well. The groups believe the way to security lies through restrictions on competition, and by forming cartels and combinations under government direction. They honestly fear that unless competition within and between nations is controlled by government, the shooting war will be followed by economic warfare which will blast our hopes for a just and lasting peace.

"It is only fair to say that this view is not shared by the middle groups of British men, who see in cartels and combinations the same evils that we do in America. I told everyone with whom I talked that American business men oppose, by law and by temper, the cartel idea. I told them we want fair competition, a chance for all to share, in postwar markets of the world.

"These questions are being debated very seriously in Great Britain today. If the cartel school should win the argument, we in America might find ourselves living on an island of free enterprise after World War II, just as this country lived on an island of democracy after the Revolution."

I am hopeful that in falling into our national bad habit of referring to the United States as "America," Eric Johnston was guilty of nothing beyond a misnomer. I am confident that, not the international line, but the North Pole, is the border of the island of free enterprise to which he refers.

In voicing this hope and this confidence, I have in mind events at the International Trade Conference, at Rye, New York, in 1944. Some of you here today were members of the very able

Canadian delegation that contributed so much to the success of the Conference. We all recall with admiration and gratitude the skillful leadership of your own Tim Weatherbee in guiding the section on "Currency Relations Among Nations." To another section,—that on "Private Enterprise"—the United States delegation submitted a statement which was subsequently, on the recommendation of its Foreign Commerce Committee, approved by the Chamber of Commerce of the United States and distributed to its associated organizations:—

"We hold, that for us, no further ground should be yielded to state activities or controls, unless the ends to be served are clearly in the interests of all, and reconcilable with our basic concepts.

"We do not, therefore, accept the necessity of government devoting its resources to or engaging in business enterprise; the resources of government are but the resources of the citizens, and in this area its activity is inherently competitive with theirs.

"We believe that controls which are adopted as emergency measures cannot be allowed to be exercised longer than the emergency itself, without serious damage to economic health.

"Government cannot create wealth apart from the wealth of the government, or provide for the needs of all its citizens as well as these citizens can themselves provide. We believe that government can best serve by providing a maximum of opportunity for the individual. We believe moreover that this is wholly consistent with government providing some reasonable level of individual security. But in the last analysis a reliable basis of security for the individual, commensurate with our American standard of living, can be provided only by the individual enterprise, energy, and productivity of the people themselves."

The State of Trade

(Continued from page 2702)

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.

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 48.9% of capacity for the week beginning May 13, compared with 58.7% one week ago, 77.4% one month ago and 95.3% one year ago. This represents a decrease of 9.8 points from the previous week.

This week's operating rate is equivalent to 861,800 tons of steel ingots and castings and compares with 1,034,500 tons one week ago, 1,364,100 tons one month ago and 1,745,500 tons one year ago.

Electrical Production—The Edison Electric Institute reports that the output of electricity increased to 4,011,670,000 kwh. in the week ended May 4, 1946 from 3,976,750,000 kwh. in the preceding week. Output for the week ending May 4, 1946, was 8.8% below that for the corresponding weekly period one year ago.

Consolidated Edison Co. of New York reports system output of 181,200,000 kwh. in the week ended May 5, 1946, compared with 168,400,000 kwh. for the corresponding week of 1945, or an increase of 7.6%. Local distribution of electricity amounted to 171,200,000 kwh., compared with 166,900,000 kwh. for the corresponding week of last year, an increase of 2.6%.

Railroad Freight Loading—Car loadings of revenue freight for the week ended May 4, 1946, totaled 671,311 cars, the Association of American Railroads announced. This was an increase of 11,359 cars (or 1.7%) above the preceding week and 194,723 cars, or 22.5% below the corresponding week for 1945. Compared with the similar period of 1944, a decrease of 164,227 cars, or 19.7%, is shown.

Railroad Earnings in March—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 Association of American Railroads and made public on May 3, last.

In the first three months of 1946, they had an estimated net income, after interest and rentals of $17,100,000 compared with $146,698,000 in the corresponding period of 1945. In March, 1946 net railway operating deficit, before interest and rentals amounted to $20,459,240 compared with net railway operating income of $102,003,623 in March, 1945.

In the first three months of this year the carriers had a net railway operating income, before interest and rentals of $108,706,637 compared with $249,879,982 in the same period of 1945. For the twelve 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 twelve months ended March 31, 1945.

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 same period, 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 twenty-six were in the Eastern District, ten in the Southern Region, and twenty-three in the Western District.

Paper and Paperboard Production—Paper production in the United States for the week ending May 4 was 107.3% of mill capacity, against 100.6% in the preceding week and 90.7% in the like 1945 week, according to the American Paper & Pulp Association. Paperboard output for the current week was 101% against 95% in the preceding week, and compared with 97% a year ago.

Business Failures Unchanged—In the week ending May 9, commercial and industrial failures remained at 23, the same number as in the previous week, reports Dun & Bradstreet, Inc. This compares with 16 in the corresponding week of 1945. In eleven of the nineteen weeks so far this year, the number of concerns failing has been higher than in the same weeks of last year.

The week's failures were almost equally divided between large and small concerns. Large failures with liabilities of $5,000 or more fell off from 18 a week ago to 13 in the week just ended, but were almost twice as numerous as in last year when 7 concerns failed in this size group. On the other hand, small failures involving liabilities under $5,000 rose to two times those in the previous week, reaching 10, the second highest number on record for small failures in any week so far this year.

Retailers failing, at 10 in the week just ended, were twice as numerous as a week ago and exceeded the 7 occurring in the same week of last year. Meanwhile, failures in manufacturing declined from 12 last week to 7 this week, 1 above last year's level. No other trade or industry group had more than 2 concerns failing.

One Canadian failure was reported, the same as in the preceding week. In the comparable week of last year there were 3.

Wholesale Food Price Index Equals 25-Year Peak—Rising 1 cent to $4.20, the Dun & Bradstreet wholesale food price index for May 7, duplicated the 25½-year peak recorded three week's previous. The current level represents an increase of 2.7% over the like 1945 period when it stood at $4.09. Aiding in the rise were higher prices for rye, steers and lambs. Potatoes showed the only decline. 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., showed slight movement during the past week. The May 7 figure registered 189.28, against 188.91 a week earlier, and compared with 177.07 at this time a year ago.

Lacking sufficient supplies of wheat, flour mills have been operating at greatly reduced schedules and no improvement is anticipated until the new wheat crop begins to move in volume. Many mills will be forced to cease grinding in the near future. Mills were generally withdrawn from the market and were allocating their limited flour output against previous orders. Among the grains, rye was the leader as the May contract, on which there is no ceiling restriction, advanced to a new all-time high. September and December oats futures were quite active with prices fluctuating in a narrow range. Cash grains, with the exception of rye, were in tight supply with prices mostly nominal at current ceilings. Visible supplies of wheat continued their sharp decline and current stocks are the lowest since 1937. Demand for hogs remained active at ceiling prices. Trading in lard continued limited with stocks moving sharply downward during April.

Cotton values last week again trended slightly lower. Movements continued irregular with buying influenced largely by uncertainties and developments in connection with pending price control legislation in Washington. Other factors tending to depress prices were reports showing good crop progress, prospects of a larger than anticipated cotton acreage for the current year and the possibility of curtailment in mill consumption due to the coal strike. Reported sales in the ten spot markets were more active, totalling 93,800 bales in the week ended May 2, as against 81,900 in the preceding period, and 87,000 in the comparable week a year ago. The mid-April parity price for cotton rose to 22.44 cents per pound, according to a recent report issued by the Department of Agriculture. This compared with 22.32 cents a month previous, and 21.45 cents on the corresponding date a year ago. Sales registered under the cotton export program for the week ended April 27 amounted to 63,146 bales, bringing total consignments since August 1, to 1,346,600 bales.

Business in the Boston raw wool market was slower with relatively few sales of either foreign or domestic wools reported during the week. The decline in activity was said to be due to lack of offerings of desirable types and the possibility of buying wools cheaper at public auction. Mills apparently have ample wool inventories for their needs. Some mills were reported taking orders for woolen and worsted piece goods through the end of the year, while others were taking orders for limited periods only. The twenty-sixth public auction of Government wools was held in Boston on May 1. While inferior types received little attention, bidding on good wools was active. Out of a total of 2,948,508 pounds of wool offered for sale, 2,771,021 pounds weer sold.

Wholesale and Retail Trade—Retail volume for the country as a whole rose slightly this week after the moderate post-Easter decline of last week, Dun & Bradstreet, Inc., reports in its weekly review of trade. Over-all volume was well above that of the corresponding week a year ago when the celebration of V-E Day closed most retail stores for one day. Some localities reported that total volume was adversely affected by the curtailment of power, light, and heat made necessary by decreasing stock piles of coal.

Adequate supplies of food were available to the many consumers who thronged the food stores this week. Retail food volume rose slightly and compared very favorably with that of the corresponding week a year ago. The general scarcity of most meats continued with demand for poultry high. In addition to citrus fruits, strawberries, and pineapples, there were limited supplies of bananas available. Wide selections of fresh vegetables were reported in practically every locality. There were generally adequate stocks of most canned goods.

Interest in summer apparel, sportswear and bathing suits was large. With the approach of Mother's Day plastic handbags, gloves, lingeries, and jewelry attracted much attention. Over-all retail shoe volume generally was also high. Many reports indicated that selections of both men's and women's apparel had increased slightly the past week. In men's furnishings, hats and neckties were among the best sellers.

Consumer interest in home furnishings last week continued to be well above that in the similar period a year ago. The demand for all types of furniture was great with upholstered furniture and bedding attracting much attention. Selections of summer furniture and case goods remained limited. The seasonal demand for paint and various cleaning agents was high. The available supply of piece goods, curtains, and draperies continued small.

Retail volume for the country was estimated to be from 21 to 25% over the corresponding five-day week a year ago. Estimates of regional percentage increases were: New England 16 to 19, East 25 to 29, Middle West 20 to 24, Northwest and South 22 to 26, Southwest 14 to 18, and Pacific Coast 19 to 23.

Wholesale volume continued its upward trend this week and it was estimated to be 25% above that of the corresponding week a year ago when most markets closed one day in celebration of the victory in Europe. The demand for practically all staple articles remained high and buyers generally pressed for early deliveries.

Department store sales on a country-wide basis, as taken from the Federal Reserve Board's index for the week ended May 4, 1946, increased by 29% above the same period of last year. This compared with an increase of 26% in the preceding week. For the four weeks ended May 4, 1946, sales increased by 45% and for the year to date by 24%.

Department store sales continued large in April and the Board's seasonally adjusted index for the month is now estimated at 255% of the 1935-39 average as compared with 261 in March and an average of 248 during the first quarter of the year. For the year to date sales have been about one-fourth larger in value than in the corresponding period of last year.

Retail trade here in New York established a new high for the week as department store volume moved 60% ahead of a year ago. Some slight improvement was noted in food sales for the period.

Furniture dealers reported a quickening pace of shipments in wholesale markets for the week, but expressed uncertainty over the immediate future because of the freight embargo. Since a withdrawal of the embargo has taken place with the announcement by John L. Lewis, head of the United Mine Workers Union of a two-week strike truce, this uncertainty is in some measure dispelled.

Commitments on men's spring suits were somewhat larger the past week. A scarcity of overcoats for next season was noted but topcoats were more abundant as a result of the mills producing lighter fabrics. Toilet articles for men made a substantial gain last week and Father's day sales are expected to set a record.

According to the Federal Reserve Bank's index, department store sales in New York City for the weekly period to May 4, 1946, increased 39% above the same period last year. This compared with an increase of 30% in the preceding week. For the four weeks ended May 4, 1946, sales rose by 50% and for the year to date by 30%.

Nimitz Opposes Present Military Merger Plan

Admiral Chester W. Nimitz, appearing on May 3 before the Senate Naval Committee, which is holding hearings on the proposed legislation to merge the armed services, added his voice to the warning expressed by Secretary of the Navy Forrestal that it would be necessary to amend the measure if the Navy were not to be weakened as a part of the nation's security program, according to advices from Washington to the Associated Press. Reiterating much of Mr. Forrestal's testimony, Admiral Nimitz declared that the present plan would not achieve unity at all and is lacking in organizational provisions. Admiral Nimitz is quoted as follows:

"The basic defects should be remedied by restoring the military and naval services to independent department status," he suggested, "and by vesting in their secretaries all direct administrative responsibility and authority."

This, he said, would free from administrative duties the "Director of National Security" that the Navy has advocated in its plan for the postwar defense setup. Nimitz added that the proposed director would thus be able to concentrate as Deputy Chairman of a council of national security responsible for coordinating foreign, military and economic policies. The President would be Chairman.

"In this manner the strength we now have would be retained and supplemented by the improved coordination which experience has shown to be necessary," the Admiral said.

Admiral Nimitz recommended that any plan of reorganization for the armed forces include the following three provisions:

1. No service will attempt to restrict in any way the means and weapons used by another service in carrying out its functions.

2. No service will attempt to restrict in any way the areas of operations of the other services in carrying out their functions.

3. Each service will lend the utmost assistance possible to the other services in carrying out their functions.

More Education for Atomic Age: Truman

(Continued from first page)

All these benefits are given not as a matter of favor but as a matter of right. Veterans must not be penalized for their war service.

Must Provide Education for Vets

"Programs of this nature, though less comprehensive, were established for veterans of past wars. But today we find the beginning of a new and important concept—one which is given concrete evidence by the presence of veterans here today. That concept is that the nation must provide for its veterans something more than pensions, something more than insurance, loans, and rehabilitation. For those who wish it, the nation must also provide education.

"An enormous and tragic deficit was accumulated during the war—a deficit in education—as millions of young men and women left behind them their books and their schools and colleges to go to war. Not only gratitude, but our national self-preservation as well, require that this educational deficit be diminished or wiped out. By providing educational benefits for our veterans, the Congress has started us on the way to our goal.

Skeptics Were Wrong

"Some doubt was expressed a few years ago as to whether there would be any interest among the veterans in these educational aids. There were those—I call them skeptics or call them men without faith in the youth of our nation—who thought that only a handful of veterans would choose to come back to the quiet halls of learning. These men were wrong. The problem is not in the lack of veterans seeking education. The problem is to provide accommodations for those who seek it. Even some colleges which had been exclusively for women have had to open their doors to men students. The response of the colleges and schools to this thirst for knowledge of our veterans has been magnificent.

"This desire for further schooling which has been evidenced by our veterans—men and women who will be our leaders of tomorrow—is full of healthy promise for the future. And may God give us those leaders, so that we may continue to assume that leadership which God had always intended us to take in this world.

"The fact that so many veterans have taken advantage of these educational opportunities increases the heavy responsibility which rests upon our schools and colleges. In preparing our veterans and other young men and women to live in the new atomic age, education faces the greatest challenge in history.

Cites United Nations Charter

"There is profound truth in the first line of the new charter of the United Nations educational, scientific and cultural organization. The Charter declares: 'Since wars begin in the minds of men, it is in the minds of men that the defenses of peace must be constructed.'

"I fear we are too much concerned with material things to remember that our real strength lies in spiritual values. I doubt whether there is in this troubled world today, when nations are divided by jealousy and suspicion, a single problem that could not be solved if approached in the spirit of the Sermon on the Mount.

"The new age of atomic energy presses upon us. Mark that well! What may have been sufficient yesterday is not sufficient today. New and terrible urgencies, new and terrible responsibilities, have been placed upon education.

"Ignorance and its handmaidens, prejudice, intolerance, suspicion of our fellow-men, breed dictators. And they breed wars. Civilization cannot survive an atomic war. Nothing would be left but a world reduced to rubble. Gone would be man's hope for decency. Gone would be our hope for the greatest age in the history of mankind—an age which you and I know can harness atomic energy for the welfare of man and not for his destruction.

"And so we must look to education in the long run to wipe out that ignorance which threatens catastrophe. Intelligent men do not hate other men just because their religion may be different, or because their habits and language may be different, or because their national origin or color may be different. It is up to education to bring about that deeper international understanding which is so vital to world peace.

Education and Atomic Bomb

"Intelligent Americans no longer think that merely because a man is born outside the boundaries of the United States, he is no concern of ours. They know that in such thinking lie the seeds of dictatorship and tyranny. And they know from sad experience that dictatorship and tyranny are too ruthless to stop at the borders of the United Sates and conveniently leave us alone. They know what World War II and the atomic bomb have taught them—that we must work and live with all our fellow-men if we are to work and live at all. They know that those without economic hope, and those to whom education has been forcibly denied, willingly turn to dictators. They know that in a nation where teachers are free to teach, and young men and women are free to learn, there is a strong bulwark against dictatorship.

"That was the last message from President Roosevelt. In a speech which he wrote just before he died, but which he never delivered, he said:

"'We are faced with the preeminent fact that, if civilization is to survive, we must cultivate the science of human relationships—the ability of all peoples, of all kinds, to live and work together, in the same world, at peace.'

"Until citizens of America and citizens of the other nations of the world learn this 'science of human relationships' of which President Roosevelt spoke, the atomic bomb will remain a frightful weapon which threatens to destroy all of us.

Tolerance and Mutual Respect

"But there is at least one defense against this bomb. That defense lies in our mastering this science of human relationships all over the world. It is the defense of tolerance and of understanding, of intelligence and thoughtfulness.

"When we have learned these things, we shall be able to prove that Hiroshima was not the end of civilization, but the beginning of a new and better world.

"That is the task which confronts education. The veterans who attend the colleges and schools of today, and the children of the veterans who will go to school tomorrow, have a right to expect that the training offered to them will fulfill that task. It is not an easy task. It is a most difficult one. It is one which places burdens without precedent, both upon those who teach and upon those who come to be taught. There must be new inspiration, new meaning, new energies. There must be a rebirth of education if this new and urgent task is to be met.

"I know that education will meet that challenge. If our civilization is to survive, it must meet it. All of our educational resources must be pledged to that end. The road is hard, but the reward is great.

"I am confident that this splendid institution, with its educational system founded upon Christian principles, will play a full and noble part in the great adventure ahead of us. We can and we must make the atomic age an age of peace for the glory of God and the welfare of mankind."

President Submits War Dept. Spending Plan

A message covering the War Department's spending program in the new fiscal year was sent by President Truman to Congress on May 6, giving total expenditures of $7,246,335,200, according to Associated Press Washington advices. This figure compares with a January budget estimate of $7,100,000,000 for the fiscal year 1947, with estimated obligations of $19,300,000,00 during the current fiscal year, and with $52,000,000,000 for the fiscal year 1945. An army of 1,070,000 men and officers on June 30, 1947, compared with 1,500,000 on June 30, 1946, is contemplated within the estimate allowance for maintenance. In addition to army provision, $500,000,000 is estimated to be required for Government and relief in occupied areas. For "atomic service," the President asks $200,000,000.

The statement goes on to say, according to the Associated Press, that cash expenditures of the War Department for the fiscal year 1947 are estimated to run to $8,600,000,000. This is $600,000,000 greater than the preliminary estimate included in the regular budget due principally to larger expenditures from prior year appropriations than had previously been anticipated.

Allowances totaling $182,782,000 have been made for the reactivation of the National Guard and organized reserves.

Following is a summary of estimated 1947 expenditures:

Pay and travel, $2,594,967,000; Quartermaster Service, $621,505,100; Transportation Corps, $509,911,000; Signal Corps, $104,083,000; Air Forces, $1,200,000,000; Medical Department, $69,500,000; Engineer Service, $802,724,500; Ordnance Department, $338,607,000; Chemical Warfare Service, $26,104,000; National Guard, reserves and R. O. T. C., $182,782,000; Government and relief in occupied areas, $500,000,000; Atomic Service, $200,000,000; miscellaneous, $96,151,600.

Services List Total War Casualties

On May 8, the first anniversary of V-E Day, the armed services issued the following report, given by the Associated Press in its Washington advices, of Americans who were killed, wounded or lost during the war. Including some duplications, of men wounded two or more times for instance, the total figures approximate 295,867 dead, 679,234 wounded, 12,744 missing; a total of 987,845. The Associated Press further reported:

"The Army counted, to the end of February, 229,238 fighting deaths, 598,935 wounded in action and 10,897 still missing.

"The Navy listed, as of March 31, killed 45,572, wounded 24,578 and missing 1,646.

"Marines, same date: Killed 20,237, wounded 55,408, missing 118.

"Coast Guard, same date: Killed 820, wounded 213, missing 83.

"The first World War cost this country 364,800 casualties, including 4,500 still listed as prisoners and missing."

Electric Output for Week Ended May 11, 1946 9.1% Below That for Same Week a Year Ago

The Edison Electric Institute, in its current weekly report, estimated that the production of electricity by the electric light and power industry of the United States for the week ended May 11, 1946, was 3,910,760,000 kwh., which compares with 4,302,381,000 kwh. in the corresponding week a year ago, and 4,011,670,000 kwh. in the week ended May 4, 1946. The output for the week ended May 11, 1946, was 9.1% below that of the same week in 1945.

PERCENTAGE DECREASE UNDER SAME WEEK LAST YEAR

	Week Ended—			
Major Geographical Divisions—	May 11	May 4	April 27	April 20
New England	§1.6	4.1	2.2	2.3
Middle Atlantic	1.2	3.1	3.7	3.0
Central Industrial	14.5	12.2	12.9	11.0
West Central	2.9	5.6	5.1	4.1
Southern States	12.2	9.2	11.8	12.3
Rocky Mountain	§0.2	3.2	13.1	14.1
Pacific Coast	9.3	10.7	10.9	12.6
Total United States	9.1	8.8	9.9	9.6

§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	3,910,760	4,302,381	— 9.1	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

From Washington Ahead of the News

(Continued from first page)

something to show he was the strongest labor leader in America. Lewis is not the man to refuse to walk on a carpet thus laid down for him. Few men in his position would have done so. In his position, to have sidestepped the carpet would have shown weakness. As long as it is insisted he is a towering and unbeatable giant he has got to act the part.

There was another thing, too, once he had thrown down the gauntlet, that must have determined him to risk everything on the throw of the dice. It was his knowledge that a few years ago, when he was a New Dealer, he would have been leading a noble crusade instead of being bent, as charged, upon wrecking the national economy. The hordes of Liberals, Commies and Pinks and their accompanying editors and columnists would have been shouting his praises. They would have used those famine relief pictures of miners' families and hurled imprecations at the "reactionary" coal operators and the conservatives generally. Lewis' crime this time, as it has been for the past several years, so far as these people are concerned, was not in the demands he made, but in the fact that it was he who made them. He knew this and it was contempt for his former associates as much as anything else that sustained him. It must have made a wry tonic for him when they reflected the discomfort of their position. Something should be done for the miners, our Liberal, pinkish and commy worthies kept repeating, but the ineffable John wasn't going about it right.

The height of irony was afforded by Agnes Meyer, wife of the multimillionaire publisher of the Washington Post. Believed pretty generally hereabouts to be seeking to be the Republican Eleanor Roosevelt, she frequently contributes articles to her husband's paper about the living conditions of the lower income groups. The impression is that she compared these conditions with the luxury of her own estates here and at Mount Kisco and it goes without saying that the difference is very wide.

Anyway in this instance, the heat was being applied pretty strongly to John. Plants were shutting down, the Big government at Washington and the Little governments elsewhere were ordering dimouts. It looked very much as if the Washington Government was setting the stage to move in. John wavered and ordered a two weeks' truce.

At this juncture, Reporter-Sociologist Meyer moved in, when her own paper was denouncing Lewis, with a series of articles portraying indescribable conditions under which a community of Kentucky miners was living. We suppose that 100 years from now it will be possible to produce, if the coal mines are still in existence, pictures of barefoot mine boys and girls, backhouses and refuse dumps. Mrs. Meyer did not mention the wages the miners have been making which compare favorably with those of the railroad workers. She didn't say why they didn't, as other people have done, move those backhouses and refuse dumps or put shoes on the unwilling kids.

But the articles had their effect in propaganda-ridden Washington. It took the heat off John. It made it possible for him once again to win a "great victory" against seemingly insuperable odds.

As this is written, an agreement has not been reached but there were indications that it would be an agreement that could have been reached at least a month ago. To this extent the hapless workers lost, but they won't realize that in the propaganda-preservation of Lewis' stature.

FEPC Ends

After House and Senate conferees on the second deficiency appropriation bill failed on May 3 to approve a $27,600 appropriation to permit the Fair Employment Practices Commission to wind up its affairs, the agency's Chairman, Malcolm Ross, announced that he had placed himself and all twenty-four remaining employees on indefinite furlough without pay and the FEPC abrupty ceased functioning on May 4. As pointed out by the United Press in a Washington dispatch, the agency had been ordered by Congress to liquidate itself by June 30, but Mr. Ross said that for a Federal agency to be left without liquidating funds was unusual.

National Fertilizer Association Commodity Price Index Rises Slightly

The weekly wholesale commodity price index compiled by the National Fertilizer Association and made public on May 13, rose in the week of May 11, 1946, to 145.8, from 145.7 in the preceding week. This takes the index back to within a fractional point of its highest level, 145.9, which was reached on April 20. A month ago the index stood at the same level of 145.8, and a year ago at 140.2, all based on the 1935-1939 average as 100. The Association's report added:

The rise in the farm products group was responsible for the rise in the general index. The three subgroups of this index all advanced. There was a small advance in the cotton index. The grains index rose, due to higher quotations for rye. The livestock index advanced with higher prices for choice and good cattle, lambs and sheep. The textile index showed a small advance. The foods index declined fractionally because of lower quotations for potatoes. The remaining groups of the index were unchanged.

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

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

% Each Group Bears to the Total Index	Group	Latest Week May 11, 1946	Preceding Week May 4, 1946	Month Ago Apr. 13, 1946	Year Ago May 12, 1945
25.3	Foods	144.5	144.6	144.0	141.5
	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	175.7	175.0	175.1	166.6
	Cotton	261.7	260.4	263.8	213.1
	Grains	174.1	173.9	173.8	163.3
	Livestock	162.9	162.0	161.5	159.9
17.3	Fuels	130.8	130.8	131.7	130.4
10.8	Miscellaneous commodities	134.5	134.5	133.9	133.7
8.2	Textiles	166.7	166.5	166.9	156.8
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	127.5	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	145.8	145.7	145.8	140.2

*Indexes on 1926-1928 base were: May 11, 1946, 113.6; May 4, 1946, 113.5; and May 12, 1945, 109.2.

Steel Operations Again Drop—Backlog Now Estimated at a Half a Year's Production

"It may be the middle of next week before the coal mine truce will be of any benefit to the steel industry, if then, states "The Iron Age," national metalworking paper, in its issue of today (May 16), which further adds:

"While the Solid Fuels Administration has indicated that steel companies will be given consideration in the allocation of coal from captive mines owned by steel firms, at least a week would be required before a normal flow of fuel will reach byproduct coke ovens.

"This week the steel industry was rapidly reaching a state of paralysis and if the 'truce' in the coal strike does not result in a settlement, the industry will find itself almost completely shut down. Steel ingot output has dropped about nine points this week to approximately 49% of capacity. Early this week there were still many hurdles before conclusion of a contract and the feeling among mine operators was anything but optimistic. Most of the latter have not considered the two-week truce as a termination of the strike, but rather as a 'stay of execution.'

"The uncertainty which prevails over the possible outcome of current coal negotiations has forced many steel firms to continue shutdowns and to further curtail output this week. One startling fact emerging from the recent series of strikes is that the putting on and taking off of equipment concurrent with complex adjustments involved, causes almost as much loss in steel output as do actual shutdowns.

"By the end of this week the coal strike alone will have cost the steel industry more than 2,400,000 tons of ingots and it is estimated that by the end of next week regardless of the outcome in negotiations, the total loss since Apr. 1 will approximate 3,000,000 tons of steel ingots. This loss combined with that suffered from the steel strike will reflect an elimination from the steel market this year of well over 10,000,000 tons of steel with the final figure before normal operations are resumed expected to exceed 12,000,000 tons since Jan. 1.

"Despite the fact that steel firms last week were emphatically telling customers that future delivery promises on steel products were impossible to give, consumers were still flocking to district offices with fresh orders. It is expected that following the coal settlement every steel company in the country will be forced to review its finishing mill schedules and delivery commitments will probably be put back as much as a month or two months because of the coal tie-up.

'It is estimated that the steel industry as a whole now has a backlog which would require about a half a year's output of steel. While some of this unfilled tonnage may represent duplications, firm orders which eventually will be shipped constitute about 4½ to 5 months output at a high level of activity. Also many orders have not been placed because mills have turned them down. The significance of this market condition, plus the effects of shutdowns, indicates clearly that the supply of steel products will be exceptionally tight for some time.

"The steel industry staged a remarkable comeback after the steel strike, but this feat cannot be duplicated after the coal strike. In February when the steel strike ended, steel mills had supplies of raw materials such as coal and scrap with which to step up operations quickly. In the past several weeks coal supplies have dwindled and scrap has been utilized to make up for deficiencies in pig iron inventories. Thus mills must build up raw material stockpiles before normal steel production is attained.

"Steel mills are growing concerned over the rapid rate of scrap consumption and there are prospects that a new scrap crisis of unparalleled severity may follow the end of the coal strike. This outlook has caused many steel firms to be approached by customers offering to trade scrap for a place on mill schedules.

"Such bartering attempts have come from some large industrial scrap producers who have offered to earmark large tonnages of scrap for comparatively small amounts of new steel with prompt delivery. Most mills are shying clear of such a dicker fearing that it would upset their entire quota system."

According to the American Iron and Steel Institute, the meager coal supplies have forced steel production to take another drop this week, with the national steelworks operating rate estimated at 48.9% of capacity for the week beginning May 13, against 58.7% one week ago. The Institute's statement further went on to say:

"So far the strike truce announced May 10 and scheduled to be terminated May 25 has not provided any apparent relief for iron and steel companies which have been scraping the bottoms of their coal stockpiles. Some of the mines which the industry depends upon have been slow to resume operations. Furthermore, under the regulations in this emergency, output of the so-called 'captive' mines can be diverted to other types of coal users. Even after coal does begin arriving at hard-hit iron and steel plants, operations may not expand immediately because of the necessity for building up stockpiles in view of the uncertainty as to when the strike will end.

"Through this week the strike has resulted in the loss of more than 2,000,000 tons of steel ingots and steel for castings. Up to May 10, approximately 96,000 iron and steel workers had been laid off because of the miners' walkout.

"The rate of steel operations this week is equivalent to 861,800 tons of steel ingots and steel for castings. Last week 1,034,500 tons were produced. A month ago at 77.4% of capacity 1,364,100 tons were produced. A year ago at 95.3% operations 1,745,500 tons were produced. Immediately prior to the start of the miners' strike April 1 the industry was operating at about 88% of capacity."

"Steel" of Cleveland, in its summary of latest news developments in the metalworking industry, on May 13 stated in part as follows: "Regardless of the further extent of the soft coal strike the steel and iron industry faces a long and difficult road in getting back to anything normal. Fuel reserves have reached virtual exhaustion and even if mining were resumed at once more than a month would be required to assure blast furnaces sufficient coke to operate effectively in supplying steelmakers and foundries, according to the publication.

"When steel production is resumed consumers will find little opportunity for placing further orders. Mills generally have not opened books for next year and the fact remains that most have obligations running well into 1947. Because of setbacks in production constantly being received as result of labor disturbances the carryover at the end of the year is expected to be heavy, being definitely assured in a number of products. This condition will be accentuated in direct proportion to the length of the coal strike.

"Pig iron supply is decreasing steadily, with a greater decline expected this week, as fuel supply deteriorates. Many foundries are closing, others operating part time. Both coke and pig iron are short and scrap is almost unobtainable in grades used in the foundry.

"Movement of Lake Superior iron ore in April was far below that of the same month last year, totaling 729,902 gross tons compared with 7,282,074 tons. Canadian ore totaled 76,140 tons, compared with 46,932 tons in the same month last year. Movement this year promises to be much smaller than in 1945, the season opening later and lack of fuel preventing ships operating full time. Reserves of ore at furnaces and Lake Erie ports are much heavier than a year ago, giving a backlog."

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 14	123.49	118.80	122.92	121.25	118.40	112.75	116.22	119.20	120.84
13	123.45	118.80	122.92	121.25	118.40	112.75	116.22	119.20	120.84
11	123.80	118.80	122.92	121.46	118.60	112.75	116.22	119.20	121.04
10	123.83	118.80	122.92	121.46	118.60	112.75	116.41	119.20	121.04
9	123.86	118.80	122.92	121.25	118.60	112.75	116.41	119.20	120.84
8	124.27	119.00	122.92	121.67	118.60	112.93	116.61	119.20	120.84
7	124.33	118.80	122.92	121.46	118.60	112.93	116.61	119.20	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	123.45	117.60	121.46	119.82	117.40	112.19	114.46	117.80	120.63
1 Year Ago May 14, 1945	122.21	115.24	120.63	118.60	115.43	107.27	112.19	114.46	119.48
2 Years Ago May 13, 1944	119.48	111.81	118.40	116.80	111.62	101.64	105.52	113.89	116.61

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 14	1.51	2.71	2.51	2.59	2.73	3.02	2.84	2.69	2.61
13	1.51	2.71	2.51	2.59	2.73	3.02	2.84	2.69	2.61
11	1.49	2.71	2.51	2.58	2.72	3.02	2.84	2.69	2.60
10	1.49	2.71	2.51	2.58	2.72	3.02	2.83	2.69	2.60
9	1.48	2.71	2.51	2.59	2.72	3.02	2.83	2.69	2.61
8	1.46	2.70	2.51	2.57	2.72	3.01	2.82	2.69	2.61
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	1.51	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 14, 1945	1.64	2.89	2.62	2.72	2.88	3.32	3.05	2.93	2.68
2 Years Ago May 13, 1944	1.85	3.07	2.73	2.81	3.08	3.65	3.42	2.96	2.82

*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.

Growth in Sav's and Loan Institutions' Deposits

The wartime and post-war growth of savings and loan associations as custodians of the savings of the public is illustrated by a report of the Federal Home Loan Bank System, issued April 20, showing that such home financing institutions increased their assets by 17% during 1945, to a total of about $8,715,000,000. The report also gave the names and capitalization of the 150 largest associations in the country, which held capital ranging from $8,000,000 to $72,000,000 at the end of the year.

"Equally significant as size, so far as their home loan services in support of the Veterans' Emergency Housing Program are concerned, is the widespread distribution of these financing institutions," said Harold Lee, Governor of the Federal Home Loan Bank System. He further stated:

"The 150 largest associations are located in 31 states and the District of Columbia. Ohio has the largest number, 27, followed by New York with 19 and California with 14. Altogether, savings and loan associations, which are operating in every state, are accessible to almost all of the urban population of the country."

Of the 150 top associations, 139 are members of the Federal Home Loan Bank System and 115 of these carry insurance of their investors' accounts through the Federal Savings and Loan Insurance Corporation. Eighty-three of these largest associations operate under Federal Charters and 67 under charter of their respective states. It is added that:

At the end of 1945 there were about 6,130 operating savings and loan associations in the nation. Of these, 3,656 associations with estimated resources of $7,700,000,000, or almost 90% of the total assets for the industry, are member institutions of the Federal Home Loan Bank System—which provides them with a credit reserve based on eleven district Federal Home Loan Banks. These member associations average about $2,100,000 in assets. Forty savings banks and insurance companies are also affiliated with the Federal Home Loan Bank System.

Moody's Daily Commodity Index

Tuesday, May 7, 1946	272.9
Wednesday, May 8	272.9
Thursday, May 9	273.2
Friday, May 10	273.1
Saturday, May 11	273.1
Monday, May 13	273.0
Tuesday, May 14	279.2
Two weeks ago, April 30, 1946	273.1
Month ago, May 13	272.7
Year ago, May 14	256.8
1945 High, Dec. 27	265.0
Low, Jan. 24	252.1
1946 High, April 6	279.2
Low, Jan. 2	264.7

Daily Average Crude Oil Production for Week Ended May 4, 1946 Increased 71,350 Bbls.

The American Petroleum Institute estimates that the daily average gross crude oil production for the week ended May 4, 1946, was 4,721,200 barrels, an increase of 71,350 barrels, and was 101,200 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. The current figure, however, was 108,015 barrels per day less than in the week ended May 5, 1945. Daily output for the four weeks ended May 4, 1946 averaged 4,687,200 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 4,672,000 barrels of crude oil daily and produced 13,889,000 barrels of gasoline; 1,957,000 barrels of kerosene; 5,313,000 barrels of distillate fuel, and 9,010,000 barrels of residual fuel oil during the week ended May 4, 1946; and had in storage at the end of that week 98,548,000 barrels of finished and unfinished gasoline; 11,043,000 barrels of kerosene; 31,487,000 barrels of distillate fuel, and 40,212,000 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 May 4, 1946	**Change from Previous Week	4 Weeks Ended May 4, 1946	Week Ended May 5, 1945
Oklahoma	367,000	367,000	†363,700	— 3,450	372,250	384,350
Kansas	250,000	245,200	†244,650	— 12,700	255,900	253,150
Nebraska	800	----	†750	----	750	900
Panhandle Texas			83,000	+ 1,000	82,250	90,000
North Texas			164,800	+ 5,300	160,400	153,900
West Texas			521,100	+ 31,100	500,300	495,300
East Central Texas			139,600	+ 3,100	138,850	138,200
East Texas			383,800	+ 16,800	376,200	379,800
Southwest Texas			331,500	+ 12,400	325,900	355,650
Coastal Texas			486,000	+ 12,700	480,200	563,300
Total Texas	2,080,000	‡1,816,819	2,114,800	+ 82,400	2,064,100	2,176,150
North Louisiana			85,200	— 950	85,650	70,950
Coastal Louisiana			291,450	+ 4,650	287,950	299,800
Total Louisiana	374,000	398,022	376,650	+ 3,700	373,600	370,750
Arkansas	78,000	81,526	77,950	+ 750	77,650	79,800
Mississippi	53,000		57,050	+ 1,850	55,750	54,900
Alabama	800		1,150	+ 50	1,100	400
Florida	----		250	+ 200	100	15
Illinois	197,000		211,800	+ 2,300	210,200	194,500
Indiana	14,000		19,250	— 50	19,700	11,450
‖Eastern— (Not incl. Ill., Ind., Ky.)	61,900		66,900	+ 900	65,950	63,700
Kentucky	29,500		31,150	+ 450	30,900	27,700
Michigan	46,000		46,050	+ 1,250	46,100	45,750
Wyoming	92,000		105,750	— 7,600	111,700	107,750
Montana	21,000		20,050	----	20,050	20,850
Colorado	22,000		26,850	— 850	26,500	11,000
New Mexico	99,000	106,000	95,750	— 50	95,800	103,900
Tot. East of Calif.	3,786,000		3,860,500	+ 69,150	3,828,100	3,907,015
California	834,000	§830,000	860,700	+ 2,200	859,100	922,200
Total United States	4,620,000		4,721,200	+ 71,350	4,687,200	4,829,215
‖Pennsylvania Grade included above			64,200	+ 900	63,400	61,200

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

†Oklahoma, Kansas, Nebraska figures are for week ended 7:00 a.m. May 1, 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.

**Figures revised. It has recently become possible to take the initial steps necessary towards the elimination of that portion of the production of condensate that has been included in the crude oil production figures. The amount of condensate that has been going direct from wells into crude pipelines (and therefore getting into crude oil production totals) is now estimated to have been somewhat above 30,000 barrels per day east of California in recent weeks. No condensate has been included in the California figures since Jan. 1, 1945. All States are now on a crude oil basis except Arkansas, where perhaps 1,500 b/d is going into crude lines; North Louisiana, where perhaps 5,000 b/d is so moving, and rather small quantities in Mississippi and Wyoming. The individual field separation for Texas, Coastal Louisiana and Southeast New Mexico has also been revised this week. Other revisions of this type will follow from time to time for other States.

CRUDE RUNS TO STILLS, PRODUCTION OF GASOLINE; STOCKS OF FINISHED AND UNFINISHED GASOLINE, KEROSINE, GAS OIL AND DISTILLATE FUEL AND RESIDUAL FUEL OIL, WEEK ENDED MAY 4, 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	746	94.3	1,681	22,752	5,008	10,105	7,091
Appalachian—								
District No 1	76.8	101	69.2	297	2,698	228	454	182
District No 2	81.2	52	104.0	152	1,121	60	90	232
Ind., Ill., Ky.	87.2	777	90.7	2,840	21,764	1,579	4,054	3,203
Okla., Kan., Mo.	78.3	370	78.9	1,272	8,525	568	1,661	1,107
Inland Texas	59.8	214	64.8	852	2,972	293	326	742
Texas Gulf Coast	89.3	1,117	90.3	3,406	14,823	1,588	5,222	4,194
Louisiana Gulf Coast	93.8	316	121.5	888	4,127	845	1,866	1,267
No. La. & Arkansas	55.9	59	46.8	161	1,838	191	420	205
Rocky Mountain—								
District No 3	17.1	12	92.3	41	94	10	43	42
District No. 4	72.1	110	69.2	347	2,240	113	369	647
California	86.5	798	82.5	1,952	15,594	560	6,877	21,300
Total U. S. B. of M. basis May 4, 1946	85.7	4,672	86.4	13,889	*98,548	11,043	31,487	40,212
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
U. S. B. of M. basis May 5, 1945		4,281		15,060	†89,451	8,290	29,391	39,661

*Includes unfinished gasoline stocks of 8,095,000 barrels. †Includes unfinished gasoline stocks of 11,054,000 barrels. ‡Stocks at refineries, at bulk terminals, in transit and in pipe lines. §Not including 1,957,000 barrels of kerosine, 5,313,000 barrels of gas oil and distillate fuel oil and 9,010,000 barrels of residual fuel oil produced during the week ended May 4, 1946, which compares with 2,010,000 barrels, 5,568,000 barrels and 9,204,000 barrels, respectively, in the preceding week and 1,410,000 barrels, 4,796,000 barrels and 8,986,000 barrels, respectively, in the week ended May 5, 1945.

Non-Ferrous Metals — Industry Awaits Price Relief on Copper, Lead and Zinc — Platinum Up

"E. & M. J. Metal and Mineral Markets," in its issue of May 9, stated:

"Though the price situation in major non-ferrous metals has not yet been clarified, it was generally understood that officials in Washington have continued their studies of the problem and specific price ceilings at a higher level for copper, lead, and zinc are likely soon. The strike at the coal mines has brought additional curtailment in operations at metallurgical plants. Producers were extremely busy last week in rushing rail deliveries of metals before the embargo, called because of the coal shortage, effective on May 10. So far as prices were concerned, foreign copper advanced about 1¢ per pound, and refined platinum jumped $21 an ounce troy to $56."

The publication further went on to say in part as follows:

Copper

The industry was interested in a press report from Washington under date of May 2 that credited Senator MacFarland with stating —"he was informed OPA will grant a 2¢ per pound rise in the price of copper if labor contracts now in dispute are settled." The new price has not yet been agreed upon. The approach of the rail embargo, growing out of the coal strike, caused those in a position to ship copper to concentrate on expediting deliveries.

Foreign consumers, anticipating a higher ceiling price in the United States market, purchased copper in fair volume last week at prices that averaged about 1¢ per pound above those paid in the preceding week.

Lead

From present indications consumers of lead will obtain no more metal in June than the reduced tonnages distributed under voluntary rationing in the current month. With price action lagging, the prospects of opening up plants now involved in labor disputes during May appear to be slim. Settlement of the strike is tied to price relief in lead. Both producers and consumers look for a higher market. One result of current price uncertainty is a decline in offerings of scrap.

Sales of lead for the week were light, totaling 1,648 tons.

Zinc

Activity in zinc centered around getting the metal moving to consumers before the rail embargo completely shuts down operations. So far as new business was concerned, most sellers limited their offerings, pending developments on prices. Custom smelters were particularly interested in the price situation because of the conditions under which they have to operate.

The slab zinc statistics for April showed that shipments again exceeded production and stocks were reduced by 12,347 tons to 248,647 tons. The figures for March and April, in tons, follow:

	April	March
Stock at beginning	*260,994	273,075
Production	60,903	71,612
Production daily rate	2,030	2,310
Shipments:		
Domestic	60,868	*66,159
Export	5,676	2,324
Government acc't	6,706	*15,210
Totals	73,250	83,693
Unfilled orders	39,018	38,168
Stock at end	248,647	*260,994

*Revised

Platinum

The so-called official price of refined platinum was established at $56 per ounce troy, effective May 6. This represents an advance of $21 from the ceiling price that was established in the war period. OPA exempted the platinum group of metals from price control on April 29. The published quotation for refined platinum covers metal sold to consumers. Refiners usually pay less, depending on market conditions. During the last few days refiners were buyers at $53 per ounce and up. Iridium was more or less nominal at $95 to $100 per ounce. Palladium was unchanged at $24, with rhodium at $125, and ruthenium at $35. Osmium was scarce and wholly nominal at $75 and upward.

Cadmium

Producers and distributors have been requested by CPA to ration all deliveries of cadmium until the supply situation improves. Output in this country has declined from an average of 662,000 lb. monthly to 350,000 lb., owing to work stoppages. The Government's stockpile, which contained 685,472 lb. of cadimium at the end of March, has been frozen so far as ordinary commercial uses are concerned.

Bismuth

Domestic production of metallic bismuth has been reduced by 90%, owing to strikes, CPA reports, and producers were asked to ration supplies on a voluntary basis to take care of the minimum needs of the largest number of customers. The Government's stockpile has been frozen.

Tin

Stocks of tin in the United Kingdom at the end of February totaled 33,600 long tons, which compares with 36,200 tons a month previous. The totals cover pig tin and tin contained in concentrates. Dissatisfaction over the low price of tin in the British market is being voiced in producing circles.

The market in the United States remains unchanged. Straits quality tin for shipment, in cents per pound, was nominally as follows:

	May	June	July
May 2	52.000	52.000	52.000
May 3	52.000	52.000	52.000
May 4	52.000	52.000	52.000
May 6	52.000	52.000	52.000
May 7	52.000	52.000	52.000
May 8	52.000	52.000	52.000

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

Quicksilver

Most operators experienced a quiet and unchanged market during the last week. Uncertainty hung over the market at times because of rumors that prices could be shaded on nearby metal. However, as the week ended attention was directed as possible complications growing out of the coal strike. Quotations covering spot metal held at $102 to $105 per flask.

Silver

Pending action by the Senate and House on the amended rider to the Treasury-Post Office Appropriations Bill sellers of silver are doing nothing to disturb the situation. Buyers are eager to purchase the metal, but offerings have dried up. Production of refined silver in this country has declined sharply because of strikes.

The New York Official price of foreign silver continued at 70¾¢. London was unchanged at 44d, throughout the week.

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

May	Electrolytic Copper— Dom. Refy.	Electrolytic Copper— Exp. Refy.	Straits Tin, New York	Lead— New York	Lead— St. Louis	Zinc St. Louis
2	11.775	13.250	52.000	6.50	6.35	8.25
3	11.775	13.200	52.000	6.50	6.35	8.25
4	11.775	13.200	52.000	6.50	6.35	8.25
6	11.775	13.200	52.000	6.50	6.35	8.25
7	11.775	13.175	52.000	6.50	6.35	8.25
8	11.775	13.175	52.000	6.50	6.35	8.25
Average	11.775	13.200	52.000	6.50	6.35	8.25

Average prices for calendar week ended May 4 are: Domestic copper f.o.b. refinery, 11.775¢; export copper f.o.b. refinery 12.729¢; 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.

Cut in Federal Payroll Urged by Committee

A joint Senate-House committee on reduction of non-essential Federal expenditures advised both chambers on April 30 that 2,893,670 employes were still on the Government payrolls as of last January 31, and recommended legislation to require a reduction to 1,650,000 by June 30, 1947, the Associated Press reported from Washington. The committee added that although the War and Navy Departments had reduced their civilian personnel, some of the older Government agencies have increased theirs. The peak of Government employment was reached, the Committee stated, in August 1945 when the figure was 3,649,769.

In special advices April 30 from its Washington bureau, by William Knighton, Jr., the Baltimore "Sun" said:

The committee, of which Senator Byrd (D., Va.) is Chairman, also urged that President Truman speedily make use of the authority given him by Congress last December, to reorganize the executive branch of the Government and to proceed expeditiously with the liquidation of war-emergency agencies.

The report stated that "it might have been expected that substantial reductions" of Government personnel "would have resulted since V-J day because of the termination of war-emergency agencies, and a cursory review of reports may indicate that liquidations for such agencies through January 31 eliminated employment for 97,203 employes."

"However," the Committee found, "investigation reveals that by the nature of the liquidations ordered for most of these temporary agencies, many of their units and functions have been transferred to more permanent agencies whose payrolls have been increased by 86,822 from August of last year to January of this year."

Trading on New York Exchanges

The Securities and Exchange Commission made public on May 8 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 20, 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 20 (in round-lot transactions) totaled 2,238,254 shares, which amount was 15.82% of the total transactions on the Exchange of 7,076,090 shares. This compares with member trading during the week ended April 13 of 2,671,635 shares, or 15.79% of the total trading of 8,465,070 shares.

On the New York Curb Exchange, member trading during the week ended April 20 amounted to 651,940 shares, or 13.30% of the total volume on that Exchange of 2,447,960 shares. During the week ended April 13, trading for the account of Curb members of 810,170 shares was 13.78% of the total trading of 2,939,190 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 20, 1946

	Total for Week	†%
A. Total Round-Lot Sales:		
Short sales	219,060	
‡Other sales	6,857,030	
Total sales	7,076,090	
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	642,490	
Short sales	134,980	
‡Other sales	582,470	
Total sales	717,450	9.61
2. Other transactions initiated on the floor—		
Total purchases	89,550	
Short sales	4,510	
‡Other sales	96,770	
Total sales	101,280	1.35
3. Other transactions initiated off the floor—		
Total purchases	270,370	
Short sales	49,000	
‡Other sales	368,114	
Total sales	417,114	4.86
4. Total—		
Total purchases	1,002,410	
Short sales	188,490	
‡Other sales	1,047,354	
Total sales	1,235,844	15.82

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

WEEK ENDED APRIL 20, 1946

	Total for Week	†%
A. Total Round-Lot Sales:		
Short sales	38,875	
‡Other sales	2,409,085	
Total sales	2,447,960	
B. Round-Lot Transactions for Account of Members:		
1. Transactions of specialists in stocks in which they are registered—		
Total purchases	226,125	
Short sales	21,545	
‡Other sales	180,425	
Total sales	201,970	8.75
2. Other transactions initiated on the floor—		
Total purchases	26,630	
Short sales	2,000	
‡Other sales	20,450	
Total sales	22,450	1.00
3. Other transactions initiated off the floor—		
Total purchases	52,725	
Short sales	10,970	
‡Other sales	110,070	
Total sales	121,040	3.55
4. Total—		
Total purchases	305,480	
Short sales	34,515	
‡Other sales	310,945	
Total sales	345,460	13.30
C. Odd-Lot Transactions for Account of Specialists—		
Customers' short sales	0	
§Customers' other sales	115,352	
Total purchases	115,352	
Total sales	130,743	

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

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

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

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

Civil Engineering Construction Totals $137,595,000 for Week

Civil engineering construction volume in continental United States totals $137,595,000 for the week ending May 9, 1946 as reported to "Engineering News-Record." This volume is 26% above the previous week, 254% above the corresponding week of last year, and 4% below the previous four-week moving average. The report issued on May 9, continued as follows:

Private construction this week, $77,872,000, is 12% above last week and 1,751% above the week last year. Public construction, $59,723,000, is 52% above last week and 72% greater than the week last year. State and municipal construction, $30,873,000, 10% above last week, is 159% above the 1945 week. Federal construction, $28,850,000, is 154% above last week and 27% above the week last year.

Total engineering construction for the 19-week period of 1946 records a cumulative total of $1,762,877,000, which is 194% above the total for a like period of 1945. On a cumulative basis, private construction in 1946 totals $1,149,227,000, which is 557% above that for 1945. Public construction, $613,650,000, is 44% greater than the cumulative total for the corresponding period of 1945, whereas State and municipal construction, $400,175,000 to date, is 393% above 1945. Federal construction, $213,475,000, dropped 38% below the 19-week total of 1945.

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

	May 9, 1946	May 2, 1946	May 10, 1945
Total U. S. Construction	$137,595,000	$108,309,000	$38,910,000
Private Construction	77,872,000	69,405,000	4,208,000
Public Construction	59,723,000	39,404,000	34,702,000
State and Municipal	30,873,000	28,059,000	11,902,000
Federal	28,850,000	11,345,000	22,800,000

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

New Capital

New capital for construction purposes this week totals $19,937,000, and is made up of $19,472,000 in State and municipal bond sales and $465,000 in corporate security issues. New capital for the 19-week period of 1946 totals $498,885,000, 6% greater than the $469,365,000 reported for the corresponding period of 1945.

April Civil Engineering Construction Totals $536,190,000

Civil engineering construction volume in the continental United States totals $536,190,000 for April, an average of $134,048,000 for each of the four weeks of the month. This is the highest weekly average since November, 1942 and 50% higher than the average to date in 1946 through April, according to "Engineering News-Record." It is 40% above the March average in 1946 and 282% higher than the April 1945 weekly average. The report issued on May 6, continued in part as follows:

Private construction for April on a weekly average basis is $87,140,000, the highest private volume since March, 1930. It is a gain of 41% over March 1946 and 688% over April 1945.

Public construction in April on a weekly average basis is $46,908,000, the highest since July, 1943. It is 37% above March, 1946 and 95% higher than April, 1945.

State and municipal construction on a weekly average basis is $31,069,000, 33% higher than March, 1946 and 478% higher than April, 1945. Federal construction, $15,839,000 average per week is 46% higher than March, 1946 but 15% below April, 1945.

Civil engineering construction volume for April, 1946, March 1946 and April 1945 are:

	April, 1946 (four weeks)	March, 1946 (four weeks)	April, 1945 (four weeks)
Total U. S. Construction	$536,190,000	$383,981,000	$140,379,000
Private Construction	348,560,000	247,297,000	44,199,000
Public Construction	187,630,000	136,684,000	96,180,000
State and Municipal	124,275,000	93,405,000	21,572,000
Federal	63,355,000	43,279,000	74,608,000

For the first four months, engineering construction reported by "Engineering News-Record" totals $1,516,473,000, a 191% gain over 1945 of which $514,523,000, is public, a 42% gain in spite of the fact that Federal construction has dropped 43% from its 1945 rate. Private engineering construction for the four months is $1,001,950,000, a 536% gain over 1945.

By classes of construction, the first four months show gains in waterworks, 184%; sewerage, 90%; public bridges, 534%; earthwork waterways, 738%; streets and roads, 351%; industrial buildings, 198%; commercial buildings (including mass housing), 2,159% and unclassified private construction, 536% over 1945.

New Capital

New capital for construction purposes for the four weeks of April, 1946 totals $82,741,000, or a weekly average of $20,685,000, which is about 10% above the average for March 1946 and 205% above the average for April, 1945.

Weekly Coal and Coke Production Statistics

The total production of soft coal in the week ended May 4, 1946, as estimated by the United States Bureau of Mines, was 520,000 net tons, a decrease of 230,000 tons from the preceding week. In the corresponding week of 1945, output amounted to 10,742,000 tons. For the calendar year to May 4, 1946, production of bituminous coal and lignite totaled 164,419,000 net tons, a decrease of 20.1% when compared with the 205,725,000 tons produced in the period from Jan. 1 to May 5, 1945.

Production of Pennsylvania anthracite for the week ended May 4, 1946, was 1,409,000 tons, an increase of 296,000 tons, or 26.6%, over the preceding week. When compared with the output in the corresponding week of 1945 there was an increase of 1,132,000 tons, or 408.7%. The calendar year to date shows an increase of 11.8% 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 May 4, 1946 showed an increase of 500 tons when compared with the output for the week ended April 27, 1946; but was 130,100 tons less than for the corresponding week of 1945.

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

	Week Ended			Jan. 1 to Date	
Bituminous coal & lignite—	May 4, 1946	Apr. 27, 1946	May 5, 1945	*May 4, 1946	May 5, 1945
Total, including mine fuel	520,000	750,000	10,742,000	164,419,000	205,725,000
Daily average	87,000	125,000	1,790,000	1,564,000	1,926,000

*Subject to current adjustment.

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

	Week Ended			Calendar Year to Date		
Penn. Anthracite—	‡May 4, 1946	§Apr. 27, 1946	May 5, 1945	May 4, 1946	May 5, 1945	May 8, 1937
*Total incl. coll. fuel	1,409,000	1,113,000	277,000	21,284,000	19,032,000	20,512,000
†Commercial produc.	1,353,000	1,068,000	266,000	20,432,000	18,271,000	19,486,000
Beehive coke—						
United States total	2,500	2,000	132,600	1,215,200	2,002,800	1,317,600

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

China Division of Foreign Trade Council

Establishment of the China Division, Far East Committee, National Foreign Trade Council, to serve in China as an American business group seeking through cooperative action to contribute to the solution of Sino-American commercial problems, was announced on May 7 by the Council. Activities of the China Division will be complementary in an advisory capacity to those of the Council's China Trade Division, the latter serving in the United States as the senior body, said the Council, which added:

"To date, members who have accepted appointment to the new China Division, and who are currently in China, are: Cornell S. Franklin, Chairman; A. Bourne, of Standard Vacuum Oil Company; Admiral C. S. Freeman of William Hunt & Company Federal Inc., U. S. A.; J. E. Fullam of International Telephone & Telegraph Corp.; W. A. Hale of C. V. Starr interests; A. B. Henningsen of Henningsens Products Company Federal Inc., U. S. A.; P. F. Le-Fevre of California Texas Oil Company; P. M. Markert of Andersen, Meyer & Company, Ltd.; E. A. G. Petersen of The Chase Bank; L. M. Pharis of Shanghai Power Company; Bruce Smith of Mark L. Moody Federal Inc., U. S. A., and J. T. S. Reed of The National City Bank of New York.

Appropriations for UNRRA

President Truman sent a message to Congress on May 1 requesting appropriation of the previously authorized $600,000,000 for the United Nations Relief and Rehabilitation Administration for the 1946 fiscal year. The President's message was accompanied, according to Associated Press Washington advices, by a letter from Budget Director Harold D. Smith, stating that the requested amount is needed to complete the United States' authorized contribution of $2,700,000,000, of which $2,100,000,000 already has been appropriated, and that UNRRA is in urgent need of additional funds to continue its work.

NYSE Odd-Lot Trading

The Securities and Exchange Commission made public on May 8, a summary for the week ended April 27 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 27, 1946

	Total Per Week
Odd-Lot Sales by Dealers— (Customers' purchases)	
Number of orders	38,981
Number of shares	1,157,473
Dollar value	$50,947,606
Odd-Lot Purchases by Dealers— (Customers' sales)	
Number of Orders:	
Customers' short sales	135
*Customers' other sales	35,893
Customers' total sales	36,028
Number of Shares:	
Customers' short sales	4,752
*Customers' other sales	1,006,144
Customers' total sales	1,010,896
Dollar value	$44,702,638
Round-Lot Sales by Dealers—	
Number of Shares:	
Short sales	130
†Other sales	233,880
Total sales	234,010
Round-Lot Purchases by Dealers—	
Number of shares	367,310

*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 May 4, 1946, Increased 11,359 Cars

Loading of revenue freight for the week ended May 4, 1946 totaled 671,311 cars the Association of American Railroads announced on May 9. This was a decrease below the corresponding week of 1945 of 194,723 cars, or 22.5%, and a decrease below the same week in 1944 of 164,227 cars or 19.7%.

Loading of revenue freight for the week of May 4, increased 11,359 cars or 1.7% above the preceding week.

Miscellaneous freight loading totaled 376,150 cars, an increase of 1,665 cars above the preceding week, and a decrease of 31,500 cars below the corresponding week in 1945.

Loading of merchandise less than carload lot freight totaled 129,969 cars an increase of 671 cars above the preceding week, and an increase of 17,047 cars above the corresponding week in 1945.

Coal loading amounted to 32,606 cars, an increase of 1,439 cars above the preceding week, but a decrease of 110,835 cars below the corresponding week in 1945, due to coal strike.

Grain and grain products loading totaled 35,428 cars, an increase of 2,325 cars above the preceding week and a decrease of 16,931 cars below the corresponding week in 1945. In the Western Districts alone, grain and grain products loading for the week of May 4 totaled 23,132 cars, an increase of 2,572 cars above the preceding week but a decrease of 16,931 cars below the corresponding week in 1945.

Livestock loading amounted to 18,366 cars, a decrease of 993 cars below the preceding week but an increase of 737 cars above the corresponding week in 1945. In the Western Districts alone loading of livestock for the week of May 4 totaled 14,350 cars a decrease of 5,009 cars below the preceding week, but an increase of 373 cars above the corresponding week in 1945.

Forest products loading totaled 45,879 cars an increase of 564 cars above the preceding week and an increase of 2,827 cars above the corresponding week in 1945.

Ore loading amounted to 27,167 cars, an increase of 6,339 cars above the preceding week but a decrease of 46,535 cars below the correspodning week in 1945.

Coke loading amounted to 5,746 cars a decrease of 651 cars below the preceding week, and a decrease of 9,533 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
4 weeks of April	2,604,552	3,377,335	3,275,846
Week of May 4	671,311	866,034	835,538
Total	13,008,422	14,321,599	14,340,237

The following table is a summary of the freight carloadings for the separate railroads and systems for the week ended May 4, 1946. During this period only 47 roads reported gains over the week ended May 5, 1945.

REVENUE FREIGHT LOADED AND RECEIVED FROM CONNECTIONS
(NUMBER OF CARS) WEEK ENDED MAY 4

Railroads	Total Revenue Freight Loaded 1946	1945	1944	Total Loads Received from Connections 1946	1945
Eastern District—					
Ann Arbor	338	263	256	1,328	1,730
Bangor & Aroostook	1,879	1,509	2,072	398	474
Boston & Maine	7,901	7,062	7,455	11,630	14,427
Chicago, Indianapolis & Louisville	1,097	1,129	1,262	1,761	2,183
Central Indiana	32	28	47	33	47
Central Vermont	1,071	1,172	1,046	2,073	2,207
Delaware & Hudson	4,912	3,580	4,875	9,129	13,566
Delaware, Lackawanna & Western	8,244	6,216	7,853	8,287	12,260
Detroit & Mackinac	381	226	257	200	170
Detroit, Toledo & Ironton	2,243	1,759	1,670	857	1,425
Detroit & Toledo Shore Line	368	431	335	1,800	3,393
Erie	12,429	11,753	14,034	12,413	17,494
Grand Trunk Western	4,847	4,260	3,810	6,182	8,892
Lehigh & Hudson River	220	170	190	2,120	2,834
Lehigh & New England	2,775	1,018	2,314	785	1,476
Lehigh Valley	9,078	7,536	9,137	6,875	12,072
Maine Central	2,695	2,382	2,169	3,039	3,558
Monongahela	204	6,035	6,367	220	258
Montour	19	2,063	2,576	13	27
New York Central Lines	43,200	51,078	49,007	34,897	53,422
N. Y., N. H. & Hartford	10,980	10,718	10,139	14,970	18,459
New York, Ontario & Western	968	832	1,088	2,196	3,738
New York, Chicago & St. Louis	6,762	7,111	6,973	11,077	15,872
N. Y., Susquehanna & Western	404	446	607	1,463	1,937
Pittsburgh & Lake Erie	5,744	8,003	7,632	3,080	8,556
Pere Marquette	6,363	5,169	4,744	5,580	8,806
Pittsburgh & Shawmut	133	889	876	47	27
Pittsburg, Shawmut & North	127	264	300	117	243
Pittsburgh & West Virginia	213	1,127	1,314	1,847	2,961
Rutland	458	393	406	1,042	1,199
Wabash	6,235	7,446	5,319	9,991	13,701
Wheeling & Lake Erie	3,057	6,145	6,029	3,104	5,058
Total	145,377	158,213	162,359	158,554	232,472
Allegheny District—					
Akron, Canton & Youngstown	636	806	706	888	1,189
Baltimore & Ohio	27,025	46,240	46,493	21,286	30,709
Bessemer & Lake Erie	2,832	5,982	6,334	714	2,119
Cambria & Indiana	3	813	1,738	5	4
Central R. R. of New Jersey	7,012	6,046	7,219	12,973	22,210
Cornwall	0	526	61	11	53
Cumberland & Pennsylvania	22	166	193	14	10
Ligonier Valley	0	75	133	6	44
Long Island	1,557	1,977	1,396	4,486	4,741
Penn-Reading Seashore Lines	1,662	1,936	1,771	1,862	2,484
Pennsylvania System	61,126	86,890	86,551	43,827	66,000
Reading Co.	16,684	11,365	14,577	16,703	30,247
Union (Pittsburgh)	6,803	18,768	19,605	3,515	7,177
Western Maryland	2,221	3,849	4,080	7,354	13,489
Total	127,583	185,439	190,857	113,647	180,476
Pocahontas District—					
Chesapeake & Ohio	7,935	27,021	28,905	8,818	15,044
Norfolk & Western	6,415	20,211	21,530	5,441	8,203
Virginian	455	4,397	4,376	1,189	2,957
Total	14,805	51,629	54,811	15,448	26,204

Railroads	Total Revenue Freight Loaded 1946	1945	1944	Total Loads Received from Connections 1946	1945
Southern District—					
Alabama, Tennessee & Northern	466	443	349	172	345
Atl. & W. P.—W. R. R. of Ala.	913	894	831	1,903	2,694
Atlanta, Birmingham & Coast	†	†	849	†	†
Atlantic Coast Line	15,839	13,346	13,513	10,067	12,234
Central of Georgia	4,819	3,970	3,912	4,290	5,012
Charleston & Western Carolina	490	423	445	1,267	1,328
Clinchfield	614	1,776	1,703	2,231	2,851
Columbus & Greenville	411	230	239	279	225
Durham & Southern	102	113	165	337	646
Florida East Coast	4,002	2,463	2,765	1,215	1,270
Gainesville Midland	100	43	59	107	137
Georgia	1,360	1,245	1,349	1,914	2,389
Georgia & Florida	433	408	364	812	762
Gulf, Mobile & Ohio	4,541	5,408	3,903	3,751	4,269
Illinois Central System	21,141	28,480	27,043	13,045	19,882
Louisville & Nashville	15,707	26,715	24,905	10,268	12,988
Macon, Dublin & Savannah	265	176	163	1,100	1,161
Mississippi Central	401	390	275	410	353
Nashville, Chattanooga & St. L.	3,440	3,527	3,179	3,991	5,004
Norfolk Southern	1,126	1,062	1,085	1,300	1,696
Piedmont Northern	405	427	389	1,236	1,093
Richmond, Fred. & Potomac	516	478	459	11,313	11,879
Seaboard Air Line	13,211	11,874	11,045	8,151	9,063
Southern System	24,483	25,262	23,821	21,553	27,305
Tennessee Central	593	697	711	555	769
Winston-Salem Southbound	142	160	129	804	1,168
Total	115,520	130,015	123,653	102,071	126,523
Northwestern District—					
Chicago & North Western	16,351	20,308	19,460	12,214	15,156
Chicago Great Western	2,292	2,449	2,393	2,967	3,879
Chicago, Milw., St. P. & Pac.	20,399	20,750	20,505	9,180	11,145
Chicago, St. Paul, Minn. & Omaha	3,664	3,612	3,201	3,703	3,778
Duluth, Missabe & Iron Range	15,126	26,966	21,035	210	192
Duluth, South Shore & Atlantic	668	1,131	687	540	613
Elgin, Joliet & Eastern	6,901	9,263	8,852	6,759	10,715
Ft. Dodge, Des Moines & South	508	415	388	113	81
Great Northern	11,700	22,388	20,697	4,858	7,403
Green Bay & Western	526	456	467	946	920
Lake Superior & Ishpeming	272	2,203	1,729	61	74
Minneapolis & St. Louis	1,574	2,168	1,984	2,144	2,837
Minn., St. Paul & S. S. M.	5,147	7,035	6,319	3,487	3,236
Northern Pacific	9,270	11,124	10,365	4,761	6,507
Spokane International	116	222	112	491	619
Spokane, Portland & Seattle	2,269	2,431	2,728	2,331	4,332
Total	96,783	132,921	120,922	54,765	71,487
Central Western District—					
Atch., Top. & Santa Fe System	22,158	26,030	21,512	10,740	18,266
Alton	2,505	3,598	2,945	2,976	4,786
Bingham & Garfield	33	415	414	5	58
Chicago, Burlington & Quincy	15,721	16,791	17,298	10,055	13,444
Chicago & Illinois Midland	364	2,202	3,315	1,000	1,105
Chicago, Rock Island & Pacific	11,558	12,838	10,730	11,370	15,121
Chicago & Eastern Illinois	2,106	2,874	2,457	2,957	5,721
Colorado & Southern	523	654	656	1,625	2,297
Denver & Rio Grande Western	1,242	3,372	3,312	3,531	7,827
Denver & Salt Lake	194	544	700	73	22
Fort Worth & Denver City	1,045	1,166	870	1,474	1,585
Illinois Terminal	1,957	1,971	2,012	1,486	2,453
Missouri-Illinois	1,459	1,070	949	481	631
Nevada Northern	1,497	1,454	1,903	84	102
North Western Pacific	611	861	846	526	825
Peoria & Pekin Union	4	3	2	0	0
Southern Pacific (Pacific)	33,508	32,868	30,590	9,394	15,652
Toledo, Peoria & Western	0	318	295	0	2,352
Union Pacific System	12,736	16,296	14,231	14,339	20,410
Utah	0	557	521	1	2
Western Pacific	2,352	2,369	1,972	2,791	5,414
Total	111,573	128,311	117,530	74,908	118,123
Southwestern District—					
Burlington-Rock Island	434	295	273	434	370
Gulf Coast Lines	6,227	8,320	6,807	2,686	2,470
International-Great Northern	2,238	3,289	2,111	4,923	4,550
‡K. O. & G., M. V. & O. C.-A.-A.	999	1,331	0	1,662	1,405
Kansas City Southern	2,908	5,727	5,609	3,077	3,337
Louisiana & Arkansas	2,419	3,673	3,240	2,486	3,088
Litchfield & Madison	288	337	302	984	1,511
Missouri & Arkansas	180	168	185	338	535
Missouri-Kansas-Texas Lines	4,631	7,377	5,929	4,277	5,032
Missouri Pacific	13,513	17,414	12,373	15,516	21,916
Quanah Acme & Pacific	198	73	49	167	322
St. Louis-San Francisco	7,427	9,854	8,171	7,113	9,340
St. Louis-Southwestern	2,707	3,598	2,826	5,367	7,526
Texas & New Orleans	9,921	11,917	11,951	5,368	6,051
Texas & Pacific	5,396	6,012	4,628	6,676	9,384
Wichita Falls & Southern	140	83	106	43	35
Weatherford M. W. & N. W.	44	38	14	18	34
Total	59,670	79,506	65,406	61,135	76,906

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

NOTE—Previous year's figures revised.

Weekly Statistics of Paperboard Industry

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

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

STATISTICAL REPORTS—ORDERS, PRODUCTION, MILL ACTIVITY

Period 1946—Week Ended	Orders Received Tons	Production Tons	Unfilled Orders Remaining Tons	Percent of Activity Current	Cumulative
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	133,993	155,381	500,507	97	93
Mar. 2	198,985	161,122	533,794	98	93
Mar. 9	178,443	158,229	551,081	99	94
Mar. 16	157,227	167,243	538,572	100	94
Mar. 23	169,355	164,267	539,100	99	95
Mar. 30	183,509	167,541	549,928	100	95
April 6	225,192	164,562	607,799	99	95
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
May 4	229,120	174,501	605,288	101	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.

March Rayon Shipments

Domestic shipments of rayon during March at 75,300,000 pounds were 19% over the February level, states the "Rayon Organon," published by the Textile Economics Bureau, Inc., and a report on which was issued by the Bureau on April 10. For the first three months of the current year, rayon deliveries totaled 203,500,000 pounds, an increase of 11% over the first quarter 1945 shipments of 187,200,000 pounds, the report said. The Bureau added:

"Deliveries of rayon by process in March, together with the percentage change from March, 1945, were as follows: Viscose+cupra filament yarn, 42,700,000 pounds, +13%; acetate filament yarn, 15,800,000 pounds, +5%; and rayon staple fiber, 16,800,000 pounds, +23%. Producers' stocks of rayon at the end of March aggregated 11,300,000 pounds, a decrease of 19% from the 13,900,000 pounds stock held at the end of February. The principal decline was in stople fiber stocks which were reduced from 4,000,000 pounds to 2,000,000 pounds.

"In reviewing cotton, rayon, and wool broad woven fabric production for the period 1937-1945, the "Organon" states that the total three fiber fabric output rose to a peak of 13.3 billion yards in 1942, a 32% increase over the average annual 1937-1939 production of just over 10 billion yards. Thereafter, production declined and by 1945 the broad woven fabric output amounted to 10.8 billion yards, a figure just 7½% above the prewar average.

"With respect to tire fabric and tire cord production over the past nine years, the publication points out that, despite gas rationing and the consequent saving of civilian tires during the war, production of tire fabric and cord increased to a record level of 465 million pounds in 1945, an increase of 75% over the average 1937-1939 annual output. The use of rayon and nylon by the tire fabric and cord industry has increased from a nominal quantity in 1937 to 39% of the record 1945 total."

Ghiglieri Heads Illinois Bankers Assn.

Barney J. Ghiglieri, President of Citizens National Bank, Toluca, Ill., is the new President of the Illinois Bankers Association, elected at its 55th Convention held in the New Hotel Jefferson, St. Louis, Mo., on May 3 to succeed Floyd M. Condit, President of the First National Bank of Beardstown, Ill. George C. Williams, President of the State Bank & Trust Company of Evanston, Ill., was elected Vice-President. Melvin C. Lockhard, Cashier of the First National Bank, Cobden, Ill., was elected Treasurer for the coming year.

Lumber Movement—Week Ended May 4, 1946

According to the National Lumber Manufacturers Association, lumber shipments of 414 mills reporting to the National Lumber Trade Barometer were 1.5% above production for the week ending May 4, 1946. In the same week new orders of these mills were 0.1% below production. Unfilled order files of the reporting mills amounted to 94% of stocks. For reporting softwood mills, unfilled orders are equivalent to 31 days' production at the current rate, and gross stocks are equivalent to 31 days' production.

For the year-to-date, shipments of reporting identical mills exceeded production by 8.4%; orders by 8.2%.

Compared to the average corresponding week of 1935-39, production of reporting mills was 3.6% below; shipments were 7.3% below; orders were 8.1% below.

Federal Reserve March Business Indexes

The Board of Governors of the Federal Reserve System issued on April 23 its monthly indexes of industrial production, factory employment and payrolls, etc. At the same time, the Board made available its customary summary of business conditions. The latter was given in our issue of May 9 page 2561. The indexes for March, together with comparison for a month and a year ago follow:

BUSINESS INDEXES

1939 average = 100 for factory employment and payrolls;
1923-25 average = 100 for construction contracts;
1935-39 average = 100 for all other series

	Adjusted for Seasonal Variation —1946— Mar.	Feb.	1945 Mar.	Without Seasonal Adjustment —1946— Mar.	Feb.	1945 Mar.
Industrial production—						
Total	*169	153	235	*165	149	232
Manufactures—						
Total	*175	155	252	*171	152	249
Durable	*183	141	345	*181	139	344
Nondurable	*168	167	176	*163	162	172
Minerals	*139	142	142	*131	134	136
Construction contracts, value—						
Total	†	136	72	†	117	71
Residential	†	95	15	†	85	16
All other	†	169	113	†	144	115
Factory employment—						
Total	*127.4	‡122.3	‡166.5	*127.0	‡121.9	‡166.0
Durable goods	*133.0	‡122.6	‡222.8	*132.8	‡122.3	‡222.6
Nondurable goods	*123.1	‡122.1	‡122.0	*122.5	‡121.5	‡121.4
Factory payrolls—						
Total	---	---	---	†	‡210.6	‡341.7
Durable goods	---	---	---	†	‡199.5	‡465.1
Nondurable goods	---	---	---	†	‡221.5	‡221.0
Freight carloadings	139	126	145	132	119	136
Department store sales, value	*269	255	220	*242	207	212
Department store stocks, value	†	159	148	†	152	151

*Preliminary. †Data not yet available. ‡Revised.

Note—Production, carloading, and department store sales indexes based on daily averages. To convert durable manufactures, nondurable manufactures, and minerals indexes to points in total index, shown in Federal Reserve Chart Book, multiply durable by .379, nondurable by .469, and minerals by .152.

Construction contract indexes based on 3-month moving averages, centered at second month, of F. W. Dodge data for 37 Eastern States. To convert indexes to value figures, shown in the Federal Reserve Chart Book, multiply total by $410,269,000, residential by $164,137,000, and all other by $226,132,000.

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

INDUSTRIAL PRODUCTION

(1935-39 average = 100)

MANUFACTURES	Adjusted for Seasonal Variation —1946— Mar.	Feb.	1945 Mar.	Without Seasonal Adjustment —1946— Mar.	Feb.	1945 Mar.
Iron and steel	*170	43	210	*170	43	210
Pig iron	†	49	198	†	49	198
Steel	176	46	234	176	46	234
Open hearth	152	38	189	162	38	189
Electric	274	106	561	274	106	561
Machinery	*213	193	431	*213	193	431
Transportation equipment	*204	207	676	*204	207	676
Automobiles	*105	102	236	*105	102	236
Nonferrous metals and products	†	141	267	†	141	267
Smelting and refining	*125	128	193	*125	128	194
Lumber and products	*120	119	121	*115	110	115
Lumber	*108	108	110	*100	95	101
Furniture	*143	139	144	*143	139	144
Stone, clay and glass products	*191	186	166	*177	175	161
Plate glass	136	106	61	136	106	61
Cement	†	149	86	†	113	71
Clay products	*146	143	124	*140	136	119
Gypsum and plaster products	*207	202	183	*199	192	177
Abrasive & asbestos products	*211	203	306	*211	203	306
Textiles and products	*162	159	153	*162	159	153
Cotton consumption	147	146	150	147	146	150
Rayon deliveries	241	234	214	241	234	214
Wool textiles	†	171	149	†	171	149
Leather products	†	*133	122	†	*137	122
Tanning	†	126	117	†	135	116
Cattle hide leathers	†	146	132	†	157	132
Calf and kip leathers	†	99	88	†	104	87
Goat and kid leathers	†	64	69	†	67	68
Sheep and lamb leathers	†	142	144	†	157	140
Shoes	†	†	126	†	†	126
Manufactured food products	*156	160	160	*140	145	142
Wheat flour	*133	*159	125	*131	*161	122
Meatpacking	*143	178	146	*132	171	135
Other manufactured foods	*166	165	169	*148	150	148
Processed fruits & vegetables	*150	141	180	*82	89	99
Tobacco products	†	156	123	†	148	117
Cigars	†	111	93	†	111	93
Cigarettes	†	205	147	†	193	137
Other tobacco products	†	69	91	†	67	91
Paper and products	†	140	141	†	141	141
Paperboard	165	155	157	165	155	157
Newsprint production	†	86	82	†	86	82
Printing and publishing	*124	123	105	*127	122	107
Newsprint consumption	110	108	83	114	106	87
Petroleum and coal products	†	†	272	†	†	272
Petroleum refining	---	---	287	---	---	289
Gasoline	*135	*131	145	*135	*131	145
Fuel oil	†	†	166	†	†	166
Lubricating oil	†	†	134	†	†	132
Kerosene	†	†	131	†	†	134
Coke	†	91	171	†	91	171
Byproduct	†	85	164	†	85	164
Beehive	*350	303	389	*350	303	389
Chemicals	*236	234	319	*238	235	321
Rayon	*242	244	244	*242	244	244
Industrial chemicals	*399	389	402	*399	389	402
Rubber	*223	217	236	*223	217	236
MINERALS	*145	149	147	*145	149	147
Fuels	*168	160	149	*168	160	149
Bituminous coal	*125	121	115	*125	121	115
Anthracite	*138	*147	150	*138	*147	150
Crude petroleum						
Metals	†	104	111	†	49	72
Iron ore	---	---	---	†	22	80

*Preliminary or estimated. †Data not yet available.

FREIGHT CARLOADINGS

(1935-39 average = 100)

Coal	155	152	137	155	152	137
Coke	165	107	191	166	114	192
Grain	141	150	134	130	147	124
Livestock	140	158	129	111	126	102
Forest products	134	126	134	134	121	134
Ore	121	94	218	35	24	63
Miscellaneous	143	121	159	136	113	151
Merchandise, l.c.l.	78	78	68	79	75	68

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

Wholesale Prices Advanced 0.3% in Week Ended May 4, Labor Department Reports

Primary market prices advanced 0.3% during the week ended May 4, 1946, because of higher prices for both agricultural and industrial commodities, it was stated on May 9 by the Bureau of Labor Statistics, U. S. Department of Labor, which said that at 109.9% of the 1926 average, "the index of commodity prices prepared by the Bureau was 0.7% above a month ago and 4.0% higher than early May 1945." The Bureau's weekly report added:

Farm Products and Foods—Average prices of farm products in primary markets rose fractionally (0.1%) during the week, as higher prices for fresh fruits and vegetables and eggs more than offset small declines for grains and livestock and poultry. Prices of sweet potatoes increased sharply with improved quality, and prices of oranges and apples were higher. There were declines in prices of lemons and onions. Egg prices were higher with declining production following the order of the Department of Agriculture restricting feed for poultry. Quotations for grains were down slightly with lower prices for rye, reflecting reduced demand pending establishment of the OPA ceiling June 1 at levels well below current market prices. Prices of livestock and poultry declined because of lower prices for steers and lambs. Cotton quotations were lower with favorable crop reports. The group index for farm products was 0.3% higher than early April and 4.5% above a year ago.

The increases in prices of fresh fruits and vegetables and eggs also were largely responsible for an advance of 0.4% in average prices of foods. Milk prices were higher in New York following removal of the fluid milk subsidy and a compensating increase in the ceiling. Quotations for rye flour declined with lower grain prices. On the average food prices were 0.9% higher than a month ago and 3.9% above early May 1945.

Other Commodities—Average prices for all commodities other than farm products and foods rose 0.5% during the week. Clothing prices advanced 2.7% on the average with sharp increases for boys' suits and a smaller advance for men's shirts under cost-plus ceiling adjustments. There were further price rises for cotton goods due to increases permitted under the Bankhead amendment to the Stabilization Extension Act of 1944. Prices for western pine, sewer pipe and woodpulp increased following OPA ceiling adjustments to encourage production. Prices of butyl acetate and gasoline were higher. OPA ceiling adjustments to cover increased material and labor costs were reflected in higher prices for agricultural hand tools, steel barrels, range boilers, and cigarettes. The group index for all commodities other than farm products and foods was 1.2% above early April and 4.1% above the corresponding week of 1945.

The Labor Departmtent 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 April 6, 1946 and May 5, 1945 and (2) percentage changes in subgroup indexes from April 27, 1946 to May 4, 1946.

CHANGES IN WHOLESALE PRICES BY COMMODITY GROUPS FOR WEEK ENDED MAY 4, 1946

(1926=100)

Commodity group—	5-4 1946	4-27 1946	4-20 1946	4-6 1946	5-5 1945	Percentage changes to May 4, 1946, from— 4-27 1946	4-6 1946	5-5 1945
All commodities	109.9	*109.6	109.6	109.1	105.7	+0.3	+0.7	+4.0
Farm products	135.6	*135.5	135.4	135.2	129.8	+0.1	+0.3	+4.5
Foods	110.7	110.3	110.4	109.7	105.6	+0.4	+0.9	+3.9
Hides and leather products	120.3	120.3	120.3	120.1	118.3	0	+0.2	+1.7
Textile products	106.7	105.5	105.2	104.5	99.1	+1.1	+2.1	+7.7
Fuel and lighting materials	87.0	86.6	86.6	85.5	84.0	+0.5	+1.8	+3.6
Metal and metal products	109.1	109.0	109.0	108.0	104.3	+0.1	+1.0	+4.6
Building materials	126.6	126.0	126.0	124.0	117.0	+0.5	+2.1	+8.2
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	108.7	106.2	0	0	+2.4
Miscellaneous commodities	96.2	95.5	95.4	95.4	94.6	+0.7	+0.8	+1.7
Raw materials	123.1	*123.0	123.0	122.2	117.8	+0.1	+0.7	+4.5
Semi-manufactured articles	101.5	101.2	100.8	100.6	94.8	+0.3	+0.9	+7.1
Manufactured products	105.5	105.1	105.1	104.6	102.0	+0.4	+0.9	+3.4
All commodities other than farm products	104.3	103.9	103.9	103.4	100.1	+0.4	+0.9	+3.9
All commodities other than farm products and foods	103.6	103.1	103.1	102.4	99.5	+0.5	+1.2	+4.1

*Revised.

PERCENTAGE CHANGES IN SUBGROUP INDEXES FROM APRIL 27, 1946 TO MAY 4, 1946

Increases

Clothing	2.7	Other foods	0.5
Other miscellaneous	1.2	Other farm products	0.4
Paper and pulp	1.1	Dairy Products	0.4
Cotton goods	1.0	Other building materials	0.4
Lumber	1.0	Agricultural implements	0.3
Fruits and vegetables	0.9	Iron and steel	0.3
Other textiles	0.6	Plumbing and heating	0.3
Paint and paint materials	0.1		

Decreases

Livestock and poultry	0.3	Grains	0.2

Bank Debits for Month of April

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

SUMMARY BY FEDERAL RESERVE DISTRICTS

(In millions of dollars)

Federal Reserve District—	Apr. 1946	Apr. 1945	—3 Months Ended— Apr. 1946	Apr. 1945
Boston	3,777	3,528	10,686	10,385
New York	40,090	32,013	111,094	97,558
Philadelphia	3,971	3,297	11,011	9,769
Cleveland	5,146	4,799	14,290	14,033
Richmond	3,058	2,565	8,968	7,869
Atlanta	3,000	2,480	8,792	7,645
Chicago	11,621	11,030	34,640	34,142
St. Louis	2,378	2,074	6,841	6,217
Minneapolis	1,537	1,295	4,495	3,814
Kansas City	2,597	2,410	7,852	7,403
Dallas	2,547	2,095	7,380	6,445
San Francisco	7,809	6,554	23,025	20,184
Total, 334 centers	87,532	74,139	249,073	225,465
*New York City	37,208	29,413	103,376	90,362
*140 other centers	42,122	37,846	121,782	114,291
193 other centers	8,201	6,881	23,915	20,812

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

Flood Control Bill Signed by President

Paving the way for resumption of peacetime constructional undertakings, curtailed because of the war, President Truman indicated on May 3 that he had signed a bill appropriating $333,000,000 for navigation, hydro-electric and flood control programs for the year beginning July 1, Associated Press Washington advices stated.

Of the appropriation, which will be used by Army engineers, approximately $20,000,000 will be spent on the Panama Canal and other of the War Department's civil operations. The remainder is designed for water-use and flood control planning and construction, approximately as follows, according to the Associated Press:

Projects in New York State include:

Rivers and Harbors—New York Harbor, $1,510,000; New York and New Jersey Channels, $3,634,000. Cape Vincent Harbor, $59,000.

Advance Planning on Rivers and Harbors — Buffalo Harbor $12,500; Black Rock Channel from Tonawanda Harbor, $5,000.

Flood Control—Syracuse, $900,000; Almond Reservoir, $1,100,000; East Sidney, $1,200,0000; Elmira, $540,000; Mount Morris Reservoir, $1,000,000.

Advance Planning on Flood Control—Copes Corner Reservoir, $180,000; Genegantslet Reservoir, $60,000; South Plymouth Reservoir, $190,000.

Projects in Pennsylvania include:

Flood Control—Sunbury, $900,000; Williamsport, $300,000; Youghiogheny River Reservoir, $619,200; Conemaugh Reservoir, $2,500,000; Punxsautawney, $556,000.

Advance Planning on Flood Control Projects—Swoyerville and Forty Fort, $50,000; Allegheny River Reservoir, $155,000; Ridgway, Johnsonburg, Brockway and vicinity, $120,000; Latrobe, $20,000.

Projects in Vermont include:

Flood Control—Union Village reservoir, $1,309,000.

Advance Planning on Flood Control Projects—West River Reservoirs, $230,000; North Hartland Reservoir, $70,000; North Springfield, $70.000; East Barre Reservoir, $34,000; Wrightsville Reservoir, $20,000; Waterbury Reservoir, $8,000.

Douglas of Mutual Life Favors British Loan

Lewis W. Douglas, President of the Mutual Life Insurance Company of New York, speaking before the State sales congress of the Chicago Life Underwriters in the mid-western city on April 27, urged support for the proposal of a United States loan for Great Britain and told his audience that this country, which depended for its early defense in the last two wars on the strength of its European allies, now faced the peril of being left standing alone. "The United Nations Organization," continued Mr. Douglas, according to the account given to the New York "Journal of Commerce," "great though its potentialities are, bright as is its promise, may not grow to the stature necessary to maintain the peace unless we are prepared to provide it with the force that has always been necessary to preserve order in the world."

As aids to the restoration of orderly economic processes and maintenance of future peace, Mr. Douglas advocated the loan to Great Britain and continuance of Selective Service. "There is no answer to the European problem," he stated, "unless the British Commonwealth of Nations, our only natural ally, regains much of the strength she has lost."

Items About Banks, Trust Companies

Douglas Williams, recently discharged as a First Lieutenant of the Army after service in the Burma-India area, has joined the advertising department of the Chase National Bank of New York. Mr. Williams was formerly in the advertising department of Gimbel Bros.

Guaranty Trust Company of New York announced the appointment on May 9 of Joseph G. Acker and Lawrence M. Pritchard as Assistant Treasurers, and of Henry B. Dyke as Assistant Secretary. Mr. Acker continues his association with the company's Madison Avenue office; Mr. Dyke will be with the Brussels, Belgium, office, and Mr. Pritchard with the Rockefeller Center office, soon to be opened at 40 Rockefeller Plaza. Mr. Pritchard, formerly an Assistant Trust Officer, has returned from a military leave of absence of two and a half years, during which he served in the Navy as a Lieutenant Commander.

Manufacturers Trust Company has acquired the business of the Flatbush National Bank, located at 830 Flatbush Avenue, Brooklyn. Operation of the bank as a branch office of Manufacturers Trust Company was begun on May 13, thereby increasing the number of its branches to 71 in Greater New York of which 21 are in Brooklyn. John E. Biggins, who has been President of the Flatbush National Bank since April 1927, is in charge of the new office as a Vice-President of Manufacturers Trust Company, while Edward W. Ewen, Cashier, will be appointed an Assistant Vice-President; Charles F. Richman and John C. Biggins, Assistant Cashiers will become Assistant Secretaries of Manufacturers Trust Company. The Board of Directors of the Flatbush National Bank as presently constituted will serve as an Advisory Board at the new branch office and all members of the bank's present personnel will continue as employees of Manufacturers Trust Company. The Flatbush National Bank which was founded in 1926 has continued in its present location since that time. Its published statement as of March 31, 1946, showed deposits of $9,270,621.59. Every modern banking service will be available at this new office. Contrary to published reports Manufacturers Trust Company will continue to operate its office at 1144 Flatbush Avenue, at Dorchester Road.

E. S. Macdonald, Vice-President in charge of the Queens Division of the Bank of the Manhattan Company of New York, announced on May 9 the following changes in the Executive Staff of that organization:

Ellis Weston, Vice-President, heretofore in charge of the Jamaica Branch, has been appointed to head an enlarged Business Extension Department, with headquarters at Jamaica Office. He will be assisted by M. Arthur Cavallo, formerly Assistant Treasurer, who has been elected Assistant Vice-President and will make his headquarters at the Long Island City office. William J. Dolan, Assistant Vice-President, has also been appointed to this department and will center his activities on the south side of the county with headquarters at Far Rockaway office. Lester R. Mahoney, now a Vice-President at the main office, has been appointed Vice-President in charge of Jamaica office. Donald D. Kittell, formerly Assistant Manager, has been appointed Assistant Treasurer and Manager at that office. John J. Ross, formerly manager at the Rockaway Beach office, succeeds Mr. Dolan as Manager of the Far Rockaway office. Morris Engelsberg, now assistant manager at the Richmond Hill Office, has been appointed manager of the Rockaway Beach office.

The Board of Governors of the Federal Reserve System announce that effective May 1 the Farmers Bank of Springville, Erie County, N. Y., was merged into the Manufacturers and Traders Trust Company, Buffalo, N. Y., both state members, under the title of the latter institution. In connection with the merger a branch was established at Springville.

A special meeting of the common stockholders of the United States Trust Co., Boston, Mass., has been called for May 27 to consider and act upon the redemption of all shares of convertible preferred stock as recommended by directors; this was indicated in the Boston "Herald" of May 27.

Albert C. Stein, Vice-President of the Elizabeth Trust Company of Elizabeth, N. J., died on May 7 at the age of 74. Mr. Stein has been associated with the bank since 1923 and had been a Vice-President and director since 1923, it was reported by the Newark "Evening News."

The board of managers of the Bloomfield Savings Institution, Bloomfield, N. J., on May 7 elected M. Harold Higgins President and Otto Billo Chairman of the board. Mr. Higgins succeeds the late Willard W. Miller. Both Mr. Higgins and Mr. Billo were Vice-Presidents it was stated in the Newark "Evening News."

Clarence B. Munshower, manager of the 60th Street office of the Corn Exchange National Bank and Trust Company, Philadelphia, was honored at a testimonial dinner on May 7. The dinner was sponsored by the 60th and Market Streets Businessmen's Association. In presenting a gold watch and other gifts to Mr. Munshower, who retires soon from banking service, David Rubin, President of the Association, praised him for his share in promoting the growth and prosperity of an important business section of Philadelphia over a period of 30 years. Among the several hundred guests on the Bellvue Roof Garden were J. J. Caprano and Mark J. Igoe, Vice-Presidents of Corn Exchange. An address was made by Augustus F. Daix, 3rd, President of the United Businessmen's Association.

Charles L. McCune, President of the Union National Bank of Pittsburgh, has announced the appointment of R. F. Torrance as real estate officer, which became effective May 1. According to the Pittsburgh "Post Gazette" from which we quote Mr. Torrance has been connected with the bank since 1931.

The directors of the Mellon National Bank of Pittsburgh, voted on May 6 to transfer $2,500,000 from undivided profits account to surplus, making total surplus of the institution $40,000,000. The Pittsburgh "Post Gazette" reporting this notes that the capital is $7,500,000.

The board of directors of the Lincoln Bank & Trust Company, Louisville, Ky., elected Lewis Herndon as a director succeeding the late W. S. Campbell, it was announced on May 7 by Noel Rush, President of the bank and reported by Donald McWain, Financial Editor of the Louisville "Courier Journal" in the May 8 issue of that paper.

Mr. Herndon is sales director and Vice-President of the Belknap Hardware & Manufacturing Company, with which he has been connected since 1905.

The Peoples Bank of Science Hill, Pulaski County, Ky., has become a member of the Federal Reserve System, it was announced on May 6 by President Ray M. Gidney of the Federal Reserve Bank of Cleveland. Member banks in the Fourt Federal Reserve District now total 722, said the announcement which added:

With deposits of more than $900,000, the Peoples Bank is capitalized with $25,000 common stock and $14,500 surplus and undivided profits. It was founded 40 years ago with a capital of $15,000. C. M. Langdon is President of the bank. Other officers are: G. M. Estes, and Don Linkes, Vice-Presidents; W. J. B. Stroud, Cashier, and May L. Stroud, Assistant Cashier. Directors of the bank are Arthur Jasper, Clifford Randall, L. M. Roy, A. P. Vaught, and all the officers except the Cashier and Assistant Cashier.

The promotion of Lowry S. Holden and Carl F. Merlet, Assistant Cashiers of The Bank of Georgia at Atlanta to the posts of Assistant Vice Presidents of the bank, was made known in the Atlanta "Constitution" of May 10, which states that they were elected to their new offices by the board of directors at its regular monthly meeting on May 9. Mr. Holden has been in the bank's employ since 1940; Mr. Merlet entered the bank in 1941. Announcement of the changes was made by Joseph E. Birnie, President of the bank.

The Comptroller of the Currency reported the conversion effective May 1 of the Citizens Bank & Trust Company of West Point, Ga., to the First National Bank of West Point, Ga., capital $200,000. From the Atlanta "Constitution" the following Constitution State News Service from West Point, May 1 is quoted:

"Officers of the bank are: H. H. Greene, Chairman of the Board; Willis Johnson, President; George H. Lanier, Vice President; J. E. Robinson, Cashier; J. F. Hester and J. H. Henderson, Assistant Cashiers.

"The First National Bank of West Point, which is owned locally, begins with approximately $8,500,000 in resources, and 8,000 depositors.

Directors of Union Bank & Trust Co. of Los Angeles, Calif., on May 9 voted to increase the capital funds by $1,000,000 through the sale of an additional 10,000 shares of $50 par capital stock to stockholders at $100 a share. Stockholders will have the right to subscribe to one new share for each six shares presently held, according to the Los Angeles "Times" of May 10 which further stated:

"A special meeting of stockholders has been called for June 6 to ratify the action.

"The move will raise the number of outstanding shares of the institution from 60,000 to 70,000 shares, and proceeds will be used to increase both capital and surplus by $500,000 to $3,500,000 each.

"This will be the second $1,000,000 increase in capital funds by the bank during the past year. In September of last year stockholders were given the right to subscribe to one additional share for each five shares held at $100 a share. Both capital and surplus were increased $500,000 each at that time."

The appointment of Ward L. Beeney as Assistant Manager of the Oregon City branch of the First National Bank of Portland, Ore., was announced by F. E. Watkins, Oregon City, branch manager. Mr. Beeney, who was previously with the mortgage loan department of the main office, succeeds G. E. Swafford, who is retiring after 25 years service, it was stated in the Portland "Oregonian" of May 4.

Franco-British Financial Agreement

In its May 9 weekly Bulletin "News from France," published in New York by the French Press and Information Service, the following item regarding the Franco-British Financial Agreement is quoted from Le Monde, May 3:

"The financial agreement which has recently been concluded between the French and British Governments settles the question of reimbursement of the debts contracted by France during the application of the Agreement of March 27, 1945, and resulting from the deficit in the nation's foreign trade with Great Britain.

"Forty million gold pounds had already been paid by February 28, 1946, but a debt of 110 million pounds remained. The new agreement enables France to extend the period of reimbursement to April, 1949. Fifty million pounds will be repaid before the end of 1946; 30 millions before the end of 1947; 20 million pounds before the end of March, 1948 and the balance before April, 1949.

"These deadlines might be changed if a commercial accord is signed between the two countries. Part of the reimbursement will be made in gold, another part in dollars, and the rest through the transfer to the British government of French stocks frozen in England."

Food Board to Continue to Year-End

A joint statement by President Truman and the British and Canadian Prime Ministers announced on May 8 that the Combined Food Board would be continued until Dec. 31, 1946, according to Associated Press Washington advices. It followed the announcement that Herbert Morrison, Lord President of the Council in the British Cabinet, would come to Washington to discuss with Mr. Truman and his advisers the world food crisis. It was explained in the joint statement that continuation of the Board, which was originally created to control distribution of food during the war, was essential "because of the deterioration that has occurred in the world food situation in recent months and the need to continue to control the distribution of many foods with a view to preventing widespread suffering and starvation."

Roberts on Economic Policy Committee

The Committee on International Economic Policy, through its Board Chairman, Winthrop W. Aldrich, offered the Pennsylvania Chairmanship in the committee to former United States Supreme Court Justice Owen J. Roberts, and it was announced from Philadelphia on April 23, according to the Associated Press, that Mr. Roberts had accepted the appointment. The committee, established by the Carnegie Endowment for International Peace to "watch and interpret international and governmental economic policies affecting the welfare of the American people and the cause of world peace," is presently concerned with bringing about a favorable view in the public mind of the proposed $3,750,000,000 loan to Great Britain.

"Crabbing"

(Continued from first page)

mentally, is cheerful. Today, the chief cause for complaint is the chronic complaining.

The time for growling and grumbling is when the goose hangs high, with everybody feeling smug, self-satisfied, and over-complacent. Then crepe-draping and fault-finding may do some good. Crabbing can help to restore balance. Today calls for pressure on the opposite side—for assurance, cheerfulness, good nature. The very disputes we deplore arise in part as a reaction of the widespread mood of dissatisfaction and lament. It is time to reverse these negative trends.

World Looks to U. S. for Morale

This need for a more constructive spirit is doubly true in view of the new role of the U. S. in world affairs. UN leadership will not be won by formal diplomacy, but by the daily attitude which our people demonstrate. What would our international status become if measured by today's chorus of self-condemnation? Our global standing will not be helped if the U. S. becomes known throughout the world as Uncle Squawk instead of Uncle Sam.

No Devastation Here

Particularly impressive are the reports of technical observers who have been surveying the economic ruins of Europe. One of these experts set down a cold-blooded appraisal of the wreckage. Then his feelings got the better of him and he summed up his engineering data: "Blessed is the land that has known no bombs, where everyone has plenty to eat and where people are not worn down by years of deprivation."

America took full share of combat, but we led the world in production. We have come to possess industrial facilities beyond anything heretofore imagined. Our research and technique in a few years scored advances that normally might have taken a quarter century. America has cause for great thankfulness. Yes, I am still bullish on the U. S.

New Highs Ahead

After the V-Days, Washington prophets forecast dire unemployment. They were wrong. Furthermore, instead of sagging, retail trade has soared, brisk even in strikebound areas. Over-riding the shortage of goods and stoppage of output, business vitality has defied the grief mongers. Ample buying power points to still further expansion.

Besides the stricken nations of the world, there are key groups of our own people right here at home who should let up their gloomy forebodings. A reconversion to confidence will aid wage workers to raise output and aid farmers to raise crops. A holiday on crabbing will put fresh heart into postwar plans of executives and returning veterans, extra pep into campaigns of salesmen.

Let's Blackout Those Blues

This country has been chosen as the site of the future UN world capital. In the light of this honor, it is particularly important that America should regain its ancestral fortitude. In some misguided moments, it may have appeared that America had switched its national emblem from the eagle to the crab. This dour mood must lift. Instead we should make the most of the unprecedented opportunities. To capitalize to the full our abounding material and spiritual resources, we need the positive formula: **Rather than crabbing about yesterday, let us count our manifold blessings for tomorrow.**

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