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President and House Take Strike Action

President broadcasts to people, condemning the leaders of two striking railroad brotherhoods, and appears before Congress to recommend drastic and radical legislation against strikes in key industries when operated by Government. House passes temporary anti-strike bill within two hours of pact ending rail tie-up.

President Harry S. Truman delivered a radio address to the people on Friday evening, May 24, in which he recounted his efforts to prevent a strike of the railroad brotherhoods and severely indicted the uncompromising attitude of A. F. Whitney, president of the Brotherhood of Railway Trainmen, and Alvanley Johnston, president of the Brotherhood of Locomotive Engineers.



President Truman

On the following afternoon, May 25, he appeared before a joint session of Congress and recommended the immediate passage of a temporary law which would make it illegal to strike against the Government and would permit him, as President, to declare a national emergency under which he would be empowered to draft striking employees into the Army and assign them to duty on the railroads. Within two hours after he talked to the Con-

gress, and after the brotherhood leaders accepted the President's terms, the House of Representatives passed the recommended anti-strike bill. The Senate, after refusing to vote a closure on the pending Case Bill, referred the House measure to its Committee on Interstate Commerce. In the meantime the Senate passed, with amendments, the Case anti-strike bill which already had been passed by the House.

The text of President Truman's radio talk, his subsequent address to the Congress, together with the bill as passed by the House of Representatives, follow:

I come before the American people tonight at a time of great crisis. The crisis of Pearl Harbor was the result of action by a foreign enemy. The crisis tonight is caused by a group of men within our own country who place their private interests above the welfare of the nation.

As Americans you have the right to look to the President for leadership in this grave emergency. I have accepted the re-

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Revolutionary Changes With Atomic Energy

Dr. Boris Pregel visions its civilian use as rendering coal and iron mines antiquated. Predicts end of manpower as a power in industry and foresees equally drastic changes in exchange of goods and services, and in investment and credit processes. Declares artificially created radioactivity can rescue the world from starvation.

A New World completely independent of coal and iron mines and an economy in which conflicts over wages and hours will have wholly evaporated because manpower will no longer be needed in industry, were foreshadowed as among the "inevitable consequences" of the application of atomic energy to civilian use, by Boris Pregel, economist and engineer, and President of the Canadian Radium and Uranium Corp., who spoke at the New School for Social Research, May 23.



Dr. Boris Pregel

Correspondingly revolutionary changes, Dr. Pregel predicted, will be brought about in our present elaborate mechanism in the exchange of goods and services, in investment and credit. Money values will disappear, for "there can be no lasting values in an age of transmutation of elements." There will be left only two main problems, Dr. Pregel added: the economic, to get the product consumed, and the political, to keep mankind amused and occupied.

Taking for his theme the practical use of atomic energy for industrial, medical and biological purposes, Dr. Pregel declared that

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The Financial Situation

By taking "strong action" the President has brought the railroad strike to an end—brought it to an end on terms no better than were available to the men prior to the strike. It is high time that arrogant and irresponsible labor leaders learned that in some circumstances at least the political worm would turn, and turning, inflict severe punishment upon those who had unduly and unwarrantably prodded it to belated but vigorous action. The two leaders of the striking railroad brotherhoods had deployed their not overly strong forces in a fashion which left them open to a devastating thrust, and all will agree that they deserved about what they got. It would appear the great majority of the people of the country would for the moment at least go a good deal further than this. It may be that they applaud all that the President was aroused at the eleventh hour to do. They may have imagined, briefly at least, that we are on our way toward elimination, or at the very least, drastic reduction of our labor difficulties.

Unlimited Optimism Unwarranted

It is with regret that we are obliged to say quite frankly that we can not share these views. As we have taken occasion in these columns to say more than once, much more than legislative action is required to bring this so-called labor situation under control. These extra-legalistic requirements are, in our considered opinion, far more vital in the long run than any law that Congress could enact. Indeed, in the absence of a drastic change in the attitudes of leading political figures, it may be questioned whether any legislation of more than strictly limited scope can be particularly effective or, for that matter, even remain very long upon the statute books. These phases of the situation

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From Washington Ahead of the News

By CARLISLE BARGERON

The high point of Mr. Truman's move against the rail strike, and really the one and only thing that is needed to effectively deal with strikes, was his announced determination to enforce the law. It requires no new legislation to do this, an announcement of intention to do it should not be looked upon as dramatic in the slightest. Yet Mr. Truman's announcement was dramatic, it was thrilling. He was eloquent.

It is a commentary on how far we've gotten from fundamentals in dealing with labor disputes. Men speak of fact-finding agencies when we have them galore. They speak of strengthening our mediation and arbitration services when all of the disputes which have recently had plenty of attention have had plenty of mediating and arbitrating machinery at their disposal. John L. Lewis' crack, when Mr. Truman sought additional fact finders and arbitrators several months ago, that it seemed to be a proposal for the assistance of indigent college professors, was quite appropriate. There are all sorts of proposals about strikers losing their seniority rights



Carlisle Bargeron

and their rights under the Wagner Act. Others would call for an accounting of funds by the unions.

All of these, in this writer's opinion, reflect a lack of knowledge of the mechanics of organized labor—on the part of members of Congress, of high officials and by many of our editors. And the continued pressing of them causes the one effective remedy to be lost in the shuffle.

It sounded pretty forceful when Mr. Truman said that the trains were to be operated, that if necessary the armed forces would be called upon to do the operating. But the really important thing he said, and the one single thing that broke the strike was his declaration that men who wanted to work would be protected in their right to work. This is but a simple enforcement of the law. It is something that should be done in the smallest dispute. But it is something we seem, in recent years, to have gotten completely away from.

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Peace and Foreign Trade

By JOHN G. WINANT*

U. S. Representative, UN Economic and Social Council
Former Ambassador to Great Britain

Pointing to drastic dislocations in economic activity wrought by war, Mr. Winant urges need for prompt readjustment to peacetime conditions. States as a prerequisite to multilateral trade, we must make currencies of our debtors freely convertible and reorganize our trade policy to increase our imports. Hails new International Trade Organization's prospective achievements in negotiating inter-governmental commodity arrangements, expanding trade, raising employment, and thereby promoting a democratic peace.

The development of trade is the greatest single job of postwar economic reconstruction. It is the keystone of the world structure we are trying to create. The war changed the purpose of economic activity and the ramifications extended to every part of our industrial organization. The relative importance of different products was altered, the direction of trading was changed and the channels of trade were violently disturbed.

During the war the main purpose of trade was to contribute to the defeat of the enemy. The volume of our exports soared because of the supplies we turned over to our allies in the common war effort. We in turn received important supplies and services on reverse lend-lease. The chief aim of imports was to get for ourselves the goods needed for the war effort which we did not possess and could not advantageously produce. Imports not needed for the war effort were either shut out altogether or were drastically reduced.



John G. Winant

Our trade during the war was therefore largely a one-way process. These shipments did not involve foreign exchange problems and the goods were part of our contribution to supply the tools of war to our allies. The return of peace has changed the purposes of trade once again.

*An address by Mr. Winant at the World Trade Luncheon, New York City, May 24, 1946.

We have contributed substantial quantities of goods to the United

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It "Lies With the People"

"We want peace in the world and security at home. We want friendship and close collaboration among nations as the only guarantee of a lasting peace. We want the realization of the Roosevelt Bill of Economic Rights as the only guarantee of full democracy and real security for the people of America.

"The 1946 elections will determine whether our nation can move forward to the achievement of these goals or whether our national policy will yield only want and insecurity at home and encourage an aggressive American imperialism which can end only in war for the world.

"As at every crucial moment in history, the final decision lies with the people."—Sidney Hillman.

Mr. Hillman, of course, is right in saying that the final decision "lies with the people."

He would have been equally right had he said that "whether our nation can move forward" or not will depend less upon what the people do at any election than upon what they do from day to day in their ordinary lives. The people themselves, not their government, determine their future.

What they must be sure to do in the 1946 elections is to put government back in its place.

When that is done the way will be clear for steady progress.

Davis Says Wagner Act Has Accomplished Purpose and Should Now Pass Out of Existence

William H. Davis, former Chairman of the National War Labor Board, speaking at a labor relations meeting of the Radio Manufacturers Association, in New York City, on May 22, said that the Wagner act should "pass quietly out of existence" as having "just about" accomplished its purpose. Mr. Davis defined its purpose as establishing recognition of the right of collective bargaining. The New York "Herald Tribune" of

May 23, from which the foregoing was taken, also had the following to say regarding Mr. Davis' remarks:

Mr. Davis said there will be no need for the Wagner act when collective bargaining is so universally accepted that its purpose will have been fulfilled. He indicated that that time is rapidly approaching.

Mr. Davis, who was considered in some business circles as favorable to labor when he was head of the NWLB, explained later that there would still be need for an agency to count votes and establish bargaining units following labor elections.

He added that he would "deplore" any amendments to the Wagner act that would weaken the National Labor Relations Board and make union-company negotiations a matter of long-drawn out court procedures.

In a comprehensive review of the present labor picture, Mr. Davis said that two profound changes have taken place that have "changed the whole situation for the future." The first of these, he said, has been the end of a "slogan of many years standing" to the effect that labor legislation is "sacred and not to be interfered with at all."

"We have to face the fact that such legislation is possible if anybody can do up legislation that will do any good," he went on. He said that industry as well as labor is opposed, however, to anti-strike legislation because it puts the nation's economy into the hands of the Government and leads to other steps making for a controlled economy.

The second change he saw involved the country's production potential. For the first time in history, he said, the "unending conflict between the haves and have nots" is occurring in an atmosphere in which both parties know that economic abundance is possible.

If we don't produce to the full extent possible it will be because we don't have the sense to do it, he asserted.

Mr. Davis said the present unsettled labor conditions have been a "tremendous expose" of the "im-

maturity" of collective bargaining as it operates "over the table." He contended that collective bargaining, properly conducted, is inherently able to maintain continuous production.

He foresaw a time when the Government might have to take over the coal industry "like it does the water supply or the mails." He added, however, that it should not come about as a result of the failure of collective bargaining but as a natural development.

An indication of labor's attitude toward the National Labor Relations Act was given by Mr. Preston, [of the International Brotherhood of Electrical Workers] who declared that the act is "loaded against the employer and we intend to keep it that way." He said it is labor's only defense against the "unscrupulous practices" of employers.

Oldenbittel Heads Kings County Bankers

At the annual meeting of the Kings County Bankers Association held on May 21, at the Brooklyn Club, 131 Remsen Street, Brooklyn, Charles Oldenbittel, Vice President of the Peoples National Bank of Brooklyn, was elected President of the Association for the ensuing year. John J. Hayes, Assistant Vice-President of the Manufacturers Trust Co. was elected First Vice-President, and Harold F. Klein, Vice-President of the Brooklyn Trust Company, was elected Second Vice-President. William M. Scott, Assistant Vice-President of the National City Bank of New York, was elected Secretary-Treasurer. The following were elected members of the Executive Committee: Mr. Oldenbittel and Mr. Hayes, ex-officio; Chester A. Allen, Vice-President of the Kings County Trust Company; William K. Swartz, Vice-President of the Lawyers Trust Company; and William J. Ahern, Vice-President of the Bank of the Manhattan Company and former President of the Association.

US Delegation Invited to Tour Devastated Areas of Soviet Union

A delegation of Americans, including Peter Grimm, President of the Chamber of Commerce of the State of New York, has been invited to tour devastated areas of the Soviet Union by the Soviet Government and the Soviet Red Cross and Red Crescent Societies, it was announced on May 17 by Edward C. Carter, President of the American Society for Russian Relief, through whom the invitation was delivered. Mr. Grimm, who is Chairman of the Board of William A. White & Sons, real estate firm, has served on the National Board of Directors of the American Society for Russian Relief for several years and in September, 1945, took over the post of Treasurer of the relief organization.

Among those invited on the trip who have accepted the invitation are: Mr. Grimm; the Rev. Dr. Ralph W. Sockman, Methodist minister of Christ Church in New York City, and Chairman of the National Interfaith Committee of Russian Relief; Dr. Louie D. Newton, Assistant Secretary of the Baptist World Alliance, and Chairman of the Southern Baptist Convention Committee for Russian Relief; Dr. Edward Young, Boston surgeon, and Chairman of the executive committee of the Cabot Memorial Fund which is collecting funds to build a \$2,000,000 penicillin plant in Moscow; Louis Levine, member of the executive board of the World Jewish Congress, and National Chairman of the Jewish Council for Russian Relief; Mrs. LaFell Dickinson, President of the General Federation of Women's Clubs, whose 7,000,000 members have cooperated in many Russian Relief campaigns; and Fred Myers, Executive Director of the relief agency.

The Right Rev. Henry W. Hobson, Episcopal Bishop of Southern Ohio, and a member of the Cincinnati, Ohio, Committee of Russian Relief, was also invited on the tour by the Soviet Government, but is unable to leave his duties for the month of July.

The American Society for Russian Relief, Inc. was founded in September, 1941 and by the end of 1945 had collected almost \$80,000,000 in cash and relief goods. The agency is currently campaigning for \$25,000,000 for the purchase of medical and other relief supplies to be shipped to the Soviet Union during 1946. In New York City, a committee headed by Newbold Morris is campaigning for \$4,000,000 to re-equip the First Central Medical Institute of Moscow and to ship urgently-needed medical supplies.

National officers of the American Society for Russian Relief, Inc. are: Edward C. Carter, President; Allen Wardwell, Honorary Chairman; Henry C. Alexander, Vice-President; the Rev. Dr. Henry Sloane Coffin, Vice-President; Mr. Grimm, Treasurer; Lewis V. Mays, Assistant Treasurer; James A. Rigney, Assistant Treasurer; and William W. Lancaster, Secretary. Members of the Board of Directors are: Frances Adams, Zlatko Balokovic, William L. Batt, C. C. Burlingham, Mrs. Edward C. Carter, Mrs. Hugh L. Cooper, John C. Cooper, Maurice P. Davidson, William Green, Mrs. J. Borden Harriman, William N. Haskell, Stanley M. Isaacs, Pierre Jay, John A. Kingsbury, Benjamin H. Kizer, Leo Krzycki, John Jay McCloy, Clark H. Minor, Harriet Moore, Newbold Morris, William Morris, Jr., Philip Murray, Raymond Robins, James N. Rosenberg, Victor Schoepperle, Reeve Schley, Serge Semenenko, Dr. Henry E. Sigerist, the Rev. Dr. Ralph W. Sockman, Vilhjalmur Stefansson, Francis C. Stokes, Robert Strong, Thomas J. Watson, W. W. Waymack, Richard Welling, Owen D. Young and Vladimir Zworykin.

The State of Trade

Two major labor problems involving the workers of the bituminous coal industry and our rail transportation system played havoc with industrial production last week and set back the nation's efforts to hasten reconversion by many months.

Threats of a nation-wide railroad strike hung like a pall over the nation the past week and when hopes of a quick settlement appeared futile the President issued an order whereby the Government assumed control of the roads as of Friday, last. The walkout was short-lived, however, for on Saturday, last, the heads of the two rail unions accepted the terms laid down by the President and train service once again was restored the same evening and the roads turned back to private management on Sunday.

Hardly had the rail strike been settled when the 12-day truce between the soft coal operators and the miners expired on Saturday at midnight and the miners again left the pits despite the seizure of the mines by the Government on Wednesday of the previous week.

It was encouraging to note, however, that reports late on Tuesday of the present week stated that a settlement of the coal strike appeared imminent and that an informed source revealed that the Government and John L. Lewis had agreed on all the important phases of a new contract.

The terms of the agreement as authoritatively reported, included an increase of the basic hourly pay from \$1 to \$1.185 with a work week consisting of five nine-hour days for forty-five hours with time and one-half for overtime to be paid after thirty-five hours. The miners under their old contract worked six nine-hour days.

Under the new arrangements the miners will receive \$59.25 for a 45-hour week, compared with their present \$63.50 pay for a 54-hour week. Two separate health and welfare funds, it was understood, were made a part of the new agreements.

Overall industrial production the past week remained almost unchanged with output showing a considerable decline in some industries. For the week ending May 11, total unemployment claims rose for the first time since March 1, with initial claims reflecting a decline in 29 States. Current reports reveal an increase in employment in the building trades.

Steel production in the United States slumped to the low point for the soft coal strike period and to the lowest level since the industry was completely tied up by a strike of its own workers from Jan. 21 through February, the American Iron and Steel Institute disclosed on Monday of the present week. Operations of steel producers are scheduled to average only 43.6% of capacity against 49.2% for last week.

Automobile output for the United States fell 30.5% with the number of units produced amounting to 45,659. Copper shortages had a bad effect upon the production of low horsepower electric motors and many electric fixtures. This was accounted for in part by the domestic strike in the copper mines and a decline of nearly 75% in copper imports below previously contracted schedules, according to reports.

The volume of retail trade increased last week despite adverse weather in many localities and it was considerably above that of the corresponding week a year ago. Women's apparel and home furnishings were high on the list of best sellers. Gifts and jewelry departments usually were crowded with consumers interested in graduation gifts and the available selection of almost all types of merchandise was on the increase.

Wholesale volume too, continued to rise and was well above that of the like week a year ago.

Deliveries generally showed some improvement over those of the previous week and wholesale shows were well attended. As for new order volume, it continued its upward trend.

Steel Industry—The damage inflicted on the flow of steel into major consuming channels by the steel strike has been so greatly exaggerated by the current coal impasse that makers of automobiles, household appliances, various consumer goods, construction material and industrial requirements will see many months pass before they will be able to obtain a complete and orderly flow of the parts necessary to set up their production programs, states "The Iron Age," national metal-working paper, in its review of the steel trade one week ago.

Another major factor which stems from the steel strike settlement and which is causing a concentration on the production of some steel products and almost an elimination in the output of others is the steel price picture. Steel companies have been forced to produce those items on which the profit is greater in order to offset what they claim are unreasonable costs in the production of other items.

This situation has found many steel consumers able to get some flat-rolled material but unable to complete their production cycle because of the scarcity of other products flowing through their manufacturing lines. One example of this general situation is the steady withdrawal of firms from the production of tracks, spikes and bolts which after mid-year will prevent the railroads from buying sufficient fastening to lay the rails which are being produced.

During the first week of the coal truce shipments of coal to steel companies had no effect on steel operations, but actually a drop occurred. The past week, the second week of the truce, found the steel ingot operating rate unchanged from the previous week at 49% of rated capacity. Even this rate may be revised subsequently because some plants were forced down completely on Tuesday of last week.

Since the mines have been taken over by the Administration, authoritative sources now long familiar with the coal labor pattern definitely expect that the Government will make a deal with John L. Lewis which will include a compromise on the health and welfare demand and a substantial increase in wages, states "The Iron Age." Following that, it would be expected that the Government will, after a certain time, hand the mines back to the operators, with the latter holding the bag.

The terrific setback experienced by the steel industry since the first of the year has made it certain that the steel tonnage set up by Government authorities for European rehabilitation purposes will not go abroad this year, although some token shipments may be made. Domestic steel demand is so far ahead of domestic production that steel salesmen abroad are twiddling their thumbs while some European countries are stepping up their own steel output for export purposes as well as increasing capacity, the magazine points out.

Major steel firms are exporting steel on the same basis that applies to American consumers—a

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Vandenberg Reports to Senate on Paris Meeting

Senator Arthur H. Vandenberg (R. Mich.), who accompanied Secretary of State Byrnes to the recent Paris meeting of Foreign Ministers, reported to the Senate on May 21 on the results of that conference. Making no specific mention of the difficulties the American delegation was reported to have had in seeking Russian agreements to certain proposals, Mr. Vandenberg told his colleagues that the Paris meeting had developed "a positive, constructive, peace-seeking, bi-partisan foreign policy for the United States." The following is the text of Senator Vandenberg's statement as reported from Washington by the Associated Press:

When I returned to Washington last Saturday from Paris I had expected to address the Senate in some detail this afternoon regarding the vitally important work of the Council of Foreign Ministers which has just temporarily recessed until June 15. But when I discovered the status of the Senate's calendar and the urgent necessity for earliest possible action upon pending legislation, I concluded that it would be unwise for me to divert the Senate's attention to another subject, regardless of its paramount concern to every citizen; and when Secretary of State James F. Byrnes made his able radio report to the nation last night it was so comprehensive and so adequate that I was confirmed in my decision to let the record stand where he left it for the time being. Therefore I content myself for the moment with this brief observation.

Secretary Byrnes requested the able Chairman of the Senate Foreign Relations Committee (Mr. Connally, of Texas), and myself to accompany him to this meeting of the Council of Foreign Ministers which was summoned primarily to deal with the preparation of peace treaties with Italy, Romania, Bulgaria, Hungary and Finland. I am happy to say that this American delegation was a constant unit in thought and action. It had no differences. Thus I gladly associate myself with the distinguished Secretary's report; and I compliment him upon his able leadership in this critically important enterprise.

The Council was not a success in gaining agreement upon several key questions upon which the solution of our major problems hang. It did not achieve agreement on a number of controlling points. It is advisable to be entirely frank upon this score. Eastern Communism and western democracy were unable, for the time being, to see eye to eye in most of these considerations.

It is unfortunate that great progress cannot be immediately reported. But delay is preferable to error in such vital matters. We can "compromise" within the boundaries of a principle. We can no longer compromise principles themselves. That becomes "appeasement," and appeasement only multiplies the hazard from which it seeks escape. History leaves no room for doubt upon that score. The wrong answers will breed wars for tomorrow.

We must earnestly persist in striving for Allied unity; for unity within the principles which serve human rights and fundamental freedoms, which will win the moral judgments of the conscience of the world, and which may promise peace-for-keeps. We must persist with patient firmness. We must try to understand each other. I do not despair of the result—particularly if the unselfish voice of America is a united one.

In other directions the Council was at least a partial success. For example, it amended the armistice terms with Italy, once our enemy, subsequently our ally, to permit larger native autonomy and to allow Italy more readily to recuperate as a self-sustaining member of the family of nations. It succeeded, indeed, in finding common ground in a large area of detailed action which are involved in the mechanics of re-established peace. Further, it succeeded in

narrowing the area of dispute even in respect to the larger issues. This is progress. All these things I shall be glad to discuss in detail with the Senate at a more appropriate time.

But, in my view, the more important news is that the Council was a complete success in developing, at last, and in disclosing a positive constructive, peace-seeking, bi-partisan foreign policy for the United States. It is based at last upon the moralities of the Atlantic and the San Francisco Charters. Yet it is based equally upon the practical necessities required for Europe's rehabilitation.

It is a policy which seeks promptly to end the present, inconclusive armistice regimes which are postponing peace beyond all limits of reason and of safety. It is a policy which demands action in concluding peace treaties not only with Italy, Romania, Bulgaria, Hungary and Finland, but also with Austria, which is close to the center of the total, continental problem. It is a policy which demands action in arriving at decisions for a unified Germany, where the real core of Europe's recuperation resides, and where the problem must be considered as a whole rather than in four air-tight compartments in four zones of military occupation. It is a policy which is definite and specific upon these counts—and which demands specific deadline dates in these regards, before it is too late.

It is a policy which guarantees maximum protections against resurgent Axis aggressors, and which dramatically offers specific guarantees as an earnest of American good faith. It is a demilitarization policy. It is a policy which now substitutes justice for vengeance in these formulas of peace; which now insists upon ethnic recognitions that no longer traffic in the lives and destinies of helpless peoples, and which spurs expansionism as a plague upon tomorrow's peace and security. It is a policy which invites all of our partners in the war—instead of a closed corporation of big powers—to have a proper voice in the making of the treaties and the writing of the peace which result from the common victories which we all helped win. It is a policy which wants a people's peace.

That is what I think we Americans were trying to do at Paris. That is what I pray we may yet succeed in doing.

I will support that sort of foreign policy under any administration, and I hope that any administration, whatever its political complexion, will stick to that sort of foreign policy for keeps.

This sort of policy, plus the effective operation of the United Nations, is the way to stop World War III before it starts.

Booklet of Manufacturers Trust on Mortgage Management

Manufacturers Trust Company of New York announces that it is distributing a new booklet entitled "Nine Keys to Sound Mortgage Management." The booklet deals in an informative manner with problems such as delinquency in interest payments, under-insurance, neighborhood changes affecting property values, and other pitfalls inherent in mortgage investments which do not receive skilled, full-time supervision. Copies of the booklet may be obtained from the bank's Real Estate and Mortgage Management Department at 45 Beaver Street, New York.

Montgomery Ward Wins Damage Suit Against Union

A \$1,916 judgment was awarded Montgomery Ward & Co. by a Circuit Court jury at Detroit, Mich., on May 22 in its \$100,000 damage suit against a union local and 4 union members. The court action, said the Associated Press, "was an aftermath of an incident during a December, 1944, strike at the firm's Dearborn store. Court attaches described the verdict as the first instance in Michigan in which a union was held liable for damages." According to the Associated Press accounts from Detroit "the plaintiffs asserted that pickets paraded through the company's store, tossing merchandise on the floor and interfering with the store's normal operation." The press advices as given in the Milwaukee "Journal" added:

"The defendants included the local, United Wholesale, Retail and Department Store Employees of America (CIO); Roy Scoggins, union regional director; Merrit Martin, President of the local, and William W. Smith and Stanley Bokowski, members of the United Automobile Workers (CIO)."

Time Off With Pay To Vote Opposed by Ford as Felony

It was contended on May 14 by the Ford Motor Company that granting time off, with pay, to an employee to vote, constituted a felony. An Associated Press account from Albany, N. Y., on that date, published in the New York "Times," went on to say:

"The argument was put forward before the Appellate Division here by John H. Broderick, Ford counsel, in appealing a lower court conviction against the company for "docking" the pay of three men who took time off to vote in 1944.

The men were employed at Ford's Green Island plant.

Mr. Broderick said, in a brief, that the New York penal law "makes guilty of a felony any person who . . . pays, lends or contributes, or offers to pay, lend or contribute, any money or other valuable consideration to or for any voter or other person to vote or to refrain from voting at an election."

Ford's counsel also challenged the conviction on the ground that the State law which required employers to grant employees two hours off with pay for voting was unconstitutional.

Cotton Spinning for April

The Bureau of the Census announced on May 20 that, according to preliminary figures, 23,838,434 cotton spinning spindles were in place in the United States on April 30, 1946, of which 21,972,784 were operated at some time during the month, compared with 21,957,254 in March, 21,628,796 in February, 21,329,882 in January, 21,551,960 in December, 21,605,060 in November, 21,721,792 in October, 21,911,746 in September, 22,170,180 in August, and 22,158,674 in April, 1945. The aggregate number of active spindles hours reported for the month was 9,133,173,246, an average of 383 per spindle in place, compared with 9,102,696,150, an average of 382 per spindle in place, for last month and 9,020,542,812, an average of 390 per spindle in place, for April, 1945. Based on an activity of 80 hours per week, cotton spindles in the United States were operated during April, 1946 at 109.7% capacity. The percent on the same activity basis, was 101.7 for March, 113.1 for February, 110.7 for January, 101.5 for December, 104.6 for November, 105.0 for October, 111.8 for September, 100.5 for August, and 116.9 for April, 1945.

Hoover Reports World Food Survey

Returned from a survey of the world's famine stricken areas, former President Herbert Hoover submitted a report to President Truman on May 13 in which he stated that the grain deficit in these areas, originally estimated at 11,000,000 tons, can now be placed at around 3,600,000 tons and perhaps as low as 2,100,000. Mr. Hoover reported that he and his commission had traveled some 35,000 miles,

visiting 22 countries with food deficiencies as well as five "self-sufficient or surplus countries." "The dominant need of the world in this crisis," he declared, according to advices from Washington by the Associated Press, "is cereals, particularly wheat and rice. There is great need of fats and special food for children. But as cereals can furnish 85% of an emergency diet, we considered cereal requirements were the first concern, and the best indicator. If a foundation of bread can be assured, and as much fats and children's food as possible, mass starvation can be prevented."

Referring to his attached "country-by-country, month-by-month minimum program or required cereal imports to the deficit and famine areas from May 1 to Sept. 30," Mr. Hoover summed up total requirements as: "Europe, 8,390,000 tons; Latin America, 1,000,000 tons; South Africa and New Zealand, 198,000; Middle East, 100,000; Indian Ocean area, 2,886,000; Pacific Ocean area, 1,910,000. Total, 14,484,000 tons."

Elsewhere the report stated: "Our estimate of probable supplies as of May 1 to Sept. 30 are: From the United States, 4,220,000 tons; Canada, 2,300,000; Australia, 992,000; United Kingdom, 200,000; Argentina, 2,375,000; Brazil, 200,000; other Western Hemisphere States, 40,000; Burma, 75,000; Siam, 195,000; Russia-to-France, 300,000. Total, 10,897,000 tons."

"In addition to the above supplies there is a possible about 1,500,000 tons more, as indicated in table three."

Before closing, Mr. Hoover pointed out: "We will recognize that these statements are estimates. They, however, comprise a reasonable basis upon which to formulate policies."

On May 17 Mr. Hoover addressed a meeting of the Chicago Famine Emergency Committee, and the speech, broadcast by radio throughout the nation, gave the American people a full report of his 35,000-mile tour, warning that only a 30-day food supply exists in most of the famine-stricken areas covered by his survey. "Hunger hangs over the homes of more than 800,000,000 people . . ." he declared, and added:

"We can save these people from the worst, if we will." Mr. Hoover proposed as the best means of doing this that more intensive conservation of breadstuffs and fats be practiced in North America and that every grain of cereal on farms be brought to market. Reporting further, Mr. Hoover continued, according to advices from the Associated Press: "If the world's estimated 800,000,000 hungry people should receive no more relief, the measure of their hunger with the caloric yardstick would be about as follows:

"About 100,000,000 would be reduced to the 2,000-calory level. He explained that an average of 2,200 calories per person per day was a minimum in a nation of healthy persons.

"About 100,000,000 would be reduced to a 1,800-calory level; about 150,000,000 to a level of 1,500 calories; about 150,000,000 to a level of 1,200 calories; and about 300,000,000 to 900 calories or less—a level which he said was 'slow death.'"

"As we descend this scale, we move step by step from the stage of hunger to the stage of disease and epidemics, to the stage of public disorder, to the stage of starvation of all but the strongest, and, finally, at less than 900 calories we come to mass starvation."

The former President was in-

duced to the Chicago audience by Secretary of Agriculture Clinton P. Anderson who, according to a dispatch to the New York "Times," made the statement that "we have shipped abroad in this crop year more wheat than any nation ever exported before." He continued:

"This week farmers were bringing their grain to us at the rate of 4,500,000 bushels daily," he said. "That means 225,000,000 loaves of bread to hungry people whose daily diet is 85% bread products. The movement of wheat into terminals and to ships must not pause for an instant. Farmers must keep their wheat rolling."

An announcement made by the White House on May 13 stated that Mr. Hoover had accepted President Truman's invitation to go to South America in the near future as the President's food ambassador to seek famine relief aid there, Associated Press advices report.

Cancel US-India Lend Lease

All obligations arising out of lend-lease and reverse lend-lease between the United States and India are canceled under an agreement signed at Washington on May 16 by Dean Acheson, Acting Secretary of State, and A. A. Waugh, member of Industries and Supplies in the Viceroy's Executive Council, it was made known in special advices from Washington on that date to the New York "Times," which further stated:

"After six weeks of discussions it was decided that the aid granted each other about balanced and so there should be no dollar settlement. The aid given through the lend-lease operations during the war was estimated to aggregate between \$500,000,000 and \$600,000,000 on each side. The agreement also contains a settlement of surplus property questions between the two governments."

"Under the various provisions India will return to us silver she received from us during the war, having a value of about \$160,000,000. She cancels payment, by us of \$45,000,000 in cash for supplies delivered by India to our forces in the Southeast Asia Command after V-J Day."

Saturday Closings of Massachusetts Banks

In a notice issued May 24 to the banking institutions in the New York Federal Reserve District, Allan Sroul, President of the New York Reserve Bank said:

We have been advised by the Federal Reserve Bank of Boston that pursuant to the provisions of Section 52 of Chapter 167 of the General Laws of the Commonwealth of Massachusetts, as amended by Chapter 284 of the Acts of 1946, the Federal Reserve Bank of Boston will remain closed on Saturdays during June, July, August and September beginning June 1, 1946.

In view of the fact that the Federal Reserve Bank of Boston and other banks in Massachusetts will remain closed on Saturdays during the months stated above, there may be a delay in the return of many dishonored cash items and in our advice to you on the nonpayment of such items.

The legislation in the matter was passed by the Massachusetts Senate on May 7, and was approved by the House on May 8.

The Financial Situation

(Continued from first page)

have been analyzed at some length in these columns in recent weeks, and no good purpose would be served by further exposition of them now.

There are, however, certain considerations bearing upon the action taken by the President and the demands of the President upon Congress which we think should be brought to the attention of the thoughtful elements in the public. One of the first of these is the fact that what the President has had to say relates only to a small segment of the economy. The railroad controversy had ceased to be a dispute between management and labor and had become a strike against the Government of the United States, according to the President. It had become a strike against the Government, of course, because the Government had so maneuvered that any strike at all would be "a strike against the Government." The action taken by the striking unions was indefensible and intolerable by reason of the direct and immediate effect upon the public, and the emergency legislative provisions suggested by the President are designed to apply only to such situations in the future as the President adjudges to be in this same category. Elsewhere in the economy, action quite similar, perhaps even identical, with that taken by the two striking brotherhoods, is apparently not condemned, or to be condemned, possibly may indeed, be commended by what the President had to say, and what other political leaders seem to be saying today.

Essential vs. Unessential Industry

Every one will, of course, recognize that a given line of action by workmen engaged in the manufacture of some non-essential luxury, though wholly indefensible in principle, might be tolerated, while even less indefensible action on the part of those who supply daily necessities could not out of considerations of self-defense if for no other reason be tolerated for a moment. Yet it must be clear to all thinking persons that a labor policy based wholly upon such considerations can hardly be adequate or satisfactory. In the first place, there are all degrees of essentiality in industry and trade. Some branches supply absolute necessities which must be supplied each day. The services of others may be equally essential but a complete continuity of operation may be less imperative. In many industries stoppages would in the long run paralyze the entire economy, or

at least very large sections of it, and thus cruelly affect the general public. Where is the line to be drawn. In the legislation now placed on the books, such troublesome questions are left to the President—a favorite dodge of recent years—but that obviously is no solution. Whatever decisions the President may make in such matters, unless indeed he is by interpretation to place virtually all industry in the class to which this law would apply, the economy of the country could be, and at times doubtless would be, severely handicapped, if not brought to a standstill by labor difficulties which would not be in any way touched by the processes the President now proposes.

In any event, two standards of labor conduct are set up, one standard for unions in one type of industry and another standard for another type. Already, we find something of the sort appearing. The behavior of the railroad brotherhood leaders was hardly less reasonable than that of the leaders of the steel, motor, electrical unions, or some of them, yet one group has been severely condemned before the public—and we think rightly so—and the others have suffered no such attack, have indeed often by implication rather received the approbation of the powers that be. No one can for a moment suppose that the steel industry, the motor industry or the electrical industry is not "essential" in any and every real sense of that term. Such a double standard of labor behavior appears to us to be of more than doubtful workability. It is at best a temporary and inadequate makeshift.

Again, the Constitution!

Some other aspects of the President's program—even if of a temporary nature—seem to us to be even more questionable. For years past—indeed ever since the advent of Mr. Roosevelt and the New Deal—there has been a persistent tendency to solve current problems by "emergency" action, which often has paid scant heed to American traditions, or even the provisions of the Constitution of the United States. We make a profession of legal erudition. We certainly do not set ourselves up as authorities on constitutional law. Yet we are unable to rid ourselves of the positive conviction that some of the provisions of this law crassly and baldly ignore the spirit if not the letter of the Constitution of the United States.

Few thoughtful observers will, we suppose, find themselves out of sympathy with

provisions of law which under certain circumstances would declare striking employees no longer employees, and require them to return, if they wish to return and are permitted to return at all, only as new employees without seniority right or any of the other rights accruing from long tenure, but to undertake to make failure to return to a job upon the demand of the President a crime is another and an entirely different matter. It obviously could be used to chain any man to a job for the remainder of his life, regardless of his wish to sever such connections for any reason. If such a procedure is constitutional, then the Constitution itself is in need of attention. The provisions giving the President the right to draft into the army workers who fail to return to work is, of course, open to this same objection—and in addition would make of the army an institution of correction or punishment, a policy of more than doubtful wisdom.

As thoroughly out of sympathy with labor leadership, yes, as thoroughly disgusted with labor leadership as we are, we must nonetheless express our gratitude that there are members of Congress who like Senator Taft and Representative Frederick C. Smith, both of Ohio, are not so blinded by understandable impatience that they can not see the grave danger inherent in such a program as the President now proposes.

House Passes Naval Bill

The House passed on May 23 by voice vote a Naval appropriations bill providing \$4,639,718,000 to support a Navy of 1,045 combat ships during the fiscal year beginning July 1. The measure which was sent to the Senate was approved in substantially the form recommended by the House Appropriations Committee on May 21. According to a dispatch from Washington on that date from the Associated Press, Secretary of the Navy Forrestal had told the committee that the proposed postwar fleet would be "qualitatively and quantitatively . . . equal to all the forces of the world." The Associated Press added:

The \$4,639,659,000 which the committee approved were \$374,260,000 more than the budget bureau had recommended, but was in the neighborhood of \$1,600,000,000 less than the Navy had requested, including contract authority. The extra funds voted by the Committee were earmarked mainly for an expanded training and research program.

The operating plan, approved by the Committee, provides for an average of 500,000 enlisted men and 58,000 officers throughout the fiscal year starting July 1, starting with 950,000 men and 105,000 officers on July 1 and tapering to 437,000 men and 57,800 officers at the end of the year.

Provisions is made for a 2-ocean fleet of 291 major combatant ships on active duty, 42 in the reserve fleet and 632 in the inactive class. For aviation, about 3,000 fleet planes, 3,000 operating planes and 2,400 spare planes will be available.

U. S.-Britain Make Food Pact

As Herbert Morrison, M. P., Great Britain's Lord President of the Council, prepared to return to London after spending several days in Washington in conference with President Truman and other United States officials on the world wheat crisis, a joint United States-British announcement was made of an agreement between the two countries for the distribution of 10,000,000 tons of cereals among nations requiring 13,400,000 tons between now and September. The Associated Press in reporting the announcement from Washington on May 17 stated that Mr. Morrison had told reporters that it was further agreed that the two countries would "pursue common rationing standards at the earliest possible date" in their zones in Germany. This program of common rationing will not extend to the Russian zone, he added, as the Russians do not participate in the Combined Foods Board.

Although Mr. Morrison gave no other details of the joint Anglo-American accord, he did disclose that Britain has agreed to relinquish another 200,000 tons of wheat for other nations during the May-September period and called this a "hard blow." Asked whether this would mean bread rationing for Britain, he replied that "it is up to the Cabinet to decide."

It is added that Britain previously had given up 200,000 tons for immediate shipment to hungry nations with the understanding that it would be replaced later from the United States. The additional 200,000 tons relinquished now, however, will not be replaced, Morrison said.

The following is an excerpt from the joint official announcement on the world food situation, as reported by the Associated Press, and indicates the extent of United States Government activities to make this country's supplies serve the broadest possible purpose:

The United States representatives reported on the measures taken in the United States to achieve greater production and to switch agriculture and available supplies away from the wartime emphasis on livestock products and over to a maximum production of bread grains di-

rected to human consumption. Among other measures the United States has taken the following steps to attain maximum exports of grain:

1. Substantial increases in the ceiling prices of grain for export, to replace earlier export premiums of 30 cents a bushel on wheat and corn.

2. Increase of the extraction rate of flour to 80%.

3. Limitation on millers' inventories, including grain purchased and in transit, to a 21 day supply. Actual inventories are in many cases even less, averaging two weeks' supply, with some of the big mills already shut down.

4. Prohibition of the use of wheat products for alcohol beverages and severe curtailment of such use of other grains, including limitation to 24 hours run a month in the manufacture of alcohol and a cut in beer production to 70% of the 1945 level.

5. Restriction on the purchase of grain and grain products by livestock feeders to amounts designed to limit the weight of hogs and cattle and the numbers of poultry.

6. Limitation of the use of grain by mixed-feed manufacturers to 80% of the 1945 use.

7. A similar 80% limitation on the use of corn or sorgum grain in syrups, etc. The United States production problem differs from the British in that it requires an extensive change from agricultural policy established to meet wartime demand, instead of a further development along wartime lines as in the case of Great Britain. The measures recently adopted for diverting grains into human consumption and for cutting down consumption by livestock are only now beginning to have their full effect.

President Truman Says Steps Toward Feeding World's Families Is Step Toward Winning Peace

In a message welcoming the delegates to the meeting at Washington on May 20 of the United Nations Food and Agriculture organization, President Truman stated that "in meeting at this critical period you have heavy responsibilities and great opportunities. What this conference accomplishes or fails to accomplish," said the President, "makes its mark not only in the areas where people are hungry as the aftermath of war

but in all parts of the world and for a long time to come." The President's message was read in his absence by Secretary of Agriculture Anderson, who was named permanent Chairman of the Conference—Herbert Hoover, who addressed the meeting urged the creation by September 1 of a broad international food administration to speed production and guide distribution of supplies—the agency to be created "under the auspices of the United Nations Security Council or better still under your committee." President Truman in his message had the following to say in part:

Any step toward feeding the world's families better and making the fullest use of the products of farms and fisheries is a step toward winning and securing the peace. Food touches everyone in the world more directly and more keenly than most boundary settlements and other primarily political actions that are often local or regional in their effects.

It is not necessary in a message to this group to go into the details of the serious food situation. Everyone realizes now that the world-wide scarcity of cereals cannot be completely overcome with the 1946 harvest; that deficits in livestock products will continue for a long time.

The remaining weeks before the 1946 grain harvest in the Northern Hemisphere are especially critical and the United Nations and other countries in a position to help must continue and heighten their efforts.

In this country we have raised progressively our export program as world needs became more urgent, reducing progressively at the same time our own consumption of wheat. In this wheat marketing year we already have shipped more than 300,000,000 bushels of wheat, which is close to 40% of the total world exports of wheat. Our export program covering 400,000,000 bushels of wheat for the entire marketing years represents about a third of our total production from the 1945 crop.

The people of this country have shown an admirable willingness to do their share in the great humanitarian task of preventing famine in other lands.

During the war we have learned valuable lessons in cooperation with the rest of the world. What the people of this country have done is ample evidence that they recognize the necessity for progressive and effective action in achieving for the world freedom from want, that they are conscious of the world's needs and are ready to cooperate in a program to meet them.

Steel Production Shows Further Decline— General Revision of Existing Orders Underway

Prospects of the coal miners going back to work next Monday were brighter early this week than at any time since the crippling walkout took place on April 1, according to "The Iron Age," national metalworking paper. With the Government having taken over the mines it is logically expected that Mr. Lewis will get all or most of what he wants in the way of welfare fund and a wage increase.

Whether or not the hurdle of a strike at the rate of about 200 per week, and this is expected to mount to about 250 per week in the near future. Since there is a minimum 'cooling-off' period of 30 days, following filing of intent to strike, this mounting volume indicates serious tie-ups later this summer.

"The chief result of these smaller disturbances will be a jam in supplies of component parts. There is a serious shortage in nonferrous metals, which translates itself into shortage of wire for motors, for example, which are needed for all electrical appliances, as well as for automobiles and trucks. Wire shortages have already caused reduction in auto assembly schedules—but this is the steel wire used for upholstery springs. Further slow-downs of auto assembly lines are in prospect within the next few days unless supplies of upholstery wire can be increased.

"This now seems impossible, with steel output declining at almost all points. The two-week breather in the coal industry has caused little or no increase in shipments of coal to the mills. Consumers are living primarily on inventories and there will have to be a commensurate shutdown later on to rebuild inventories.

"In spite of various uncertainties sellers allocating production on a quarterly basis are beginning to announce quotas for third quarter. Indications are that sheet producers will be six to eight weeks behind schedule on an average, with a result that new allocations will be relatively small. Allocations of other than light flat products, with few exceptions, will be even less, as production during the coal strike has not been as well sustained.

"While sheet demand continues far in excess of production, consumers in many instances are revising their programs downward because of inability not only to get sheets in quantity desired but other materials and components as well. Perhaps greatest and most consistent pressure is for narrow strip, with producers reporting especially active shopping for this material.

"Excessive pressure is also noted in small carbon bars and flats, applying to both hot-rolled and cold-drawn. Virtually nothing is available in small sizes for this year and all indications point to a heavy carryover at the end. Even in larger sizes of hot-rolled carbon bars not much tonnage is to be had before November or December, although in larger sizes of cold-drawn some promises are being made for late third quarter and in hot-rolled alloy bars, all sizes, promises fall mainly in July and August.

"Construction demand is active, in spite of CPA regulations, and heavy inquiry is received, in face of declining plain material production. Public projects, not under regulation, are coming out in volume, but many bids are far above appropriations, in many cases resulting in postponement of awards. Fabricators are slow to bid in some instances, except where they are assured of deliveries. Reinforcing material is in short supply as available steel for this purpose is usually only off-heat steel and discards. Demand is heavy.

"Raw material supply, pig iron, scrap and coke, is far below needs and probably will be for some time before anything like normal conditions are restored. Reduced steel production has not lessened

demand for scrap, as melters seek to obtain all possible tonnages, at whatever cost, for use when steel-making is resumed.

"Effect of the coal strike on blast furnaces is exemplified in the reduced tonnage of iron ore consumed in April. The Lake Superior Iron Ore Association reports April consumption of that ore at 4,768,718 gross tons, compared with 6,021,018 tons in March. For four months total ore consumed totaled 16,257,163 tons, against 27,076,751 tons used in the comparable period in 1945. Stocks at furnaces and on Lake Erie docks May 1 were 23,078,980 tons, compared with 16,428,765 tons at the same date last year."

"The tonnage of steel ingots lost by reason of the coal strike to the end of this week amounts to about 4,000,000 tons and an additional loss will be incurred next week of about 350,000 to 400,000 tons even if the pits are reopened on Monday. If the strike is not called off then the steel industry will lose close to 1,000,000 tons of steel production during next week.

"Steel order volume has fallen off somewhat in the past week as customers find little reason to place business until the strike issues are settled. There is a general revision of existing orders underway on steel mill books with cancellations running high in some cases. This situation, however, has no significance toward the long-term pull. It is merely an indication that steel companies and their customers alike must completely revise their requirements for future production.

"It is now certain that the total steel loss to American industry since the first of this year because of strikes and slow-downs will exceed 12,000,000 tons. The continual shutting down and starting up of coke ovens, blast furnaces and openhearth steel units has so upset regular production and maintenance schedules that operators will be finding production difficulties for some months to come. Equally as serious is the continued unbalance in customers' inventories which will prevent a near-term completion of even drastically revised quotas.

"Another serious aspect of the current steel situation is the failure of some customers to obtain steel supplies greatly needed at a specific time because of the seasonal character of their business."

The American Iron and Steel Institute on May 27 announced that telegraphic reports which it had received indicated that the operating rate of steel companies having 94% of the steel capacity of the industry will be 43.6% of capacity for the week beginning May 27, compared with 49.2% one week ago, 67.7% one month ago and 91.0% one year ago. This represents a decrease of 5.6 points or 11.4% from the preceding week. The operating rate for the week beginning May 27 is equivalent to 768,400 tons of steel ingots and castings, compared to 867,100 tons one week ago, 1,193,100 tons one month ago, and 1,666,800 tons one year ago.

"Steel" of Cleveland, in its summary of latest news developments in the metalworking industry, on May 27 stated in part as follows:

"Little relief is in sight for industry even though major strikes are settled shortly. The country is facing a wave of small strikes which will prove as effective in slowing down output as the steel strike, the coal strike and the railroad strike.

"The Department of Labor is now receiving notices of intent to

strike at the rate of about 200 per week, and this is expected to mount to about 250 per week in the near future. Since there is a minimum 'cooling-off' period of 30 days, following filing of intent to strike, this mounting volume indicates serious tie-ups later this summer.

"The chief result of these smaller disturbances will be a jam in supplies of component parts. There is a serious shortage in nonferrous metals, which translates itself into shortage of wire for motors, for example, which are needed for all electrical appliances, as well as for automobiles and trucks. Wire shortages have already caused reduction in auto assembly schedules—but this is the steel wire used for upholstery springs. Further slow-downs of auto assembly lines are in prospect within the next few days unless supplies of upholstery wire can be increased.

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Eisenhower Returns From Pacific Tour

General Dwight D. Eisenhower, United States Army Chief of Staff, returned to San Francisco on May 18 after his inspection trip of the Pacific regions. With his arrival in Nanking, China, on May 9, General Eisenhower made a statement tending to answer, indirectly, criticism of Chinese Communists who have been urging that American forces get out of China and stop transporting Chinese Government troops to the Manchurian fighting area. General Eisenhower declared, according to Associated Press advices, that the American Army's sole aim in China is "to promote the growth of friendship," which he described as "the basis of all peaceful international relations."

After lunching with Generalissimo and Madam Chiang Kai-shek, the General boarded his plane for Tokyo to obtain information on the Pacific Island hopping tactics. He made a statement to a news conference there on May 11 in which he repeated previous assertions that the world cannot stand another war, and declared that it was imperative that the United Nations solve problems which in the past have led to war. General Eisenhower said, according to the Associated Press, that the entire problem of bases in the Pacific for the United States is dependent on the extent to which the U. N. succeeds as a preserver of peace.

General Eisenhower made an unexpected call at Hilo, Hawaii on May 16, when he landed at the Hilo Army Airport in his plane Sunflower II after a 14-hour flight from Wake Island, it was stated in a wireless message from Hilo to the New York "Times," which reported that he returned to that territory.

From San Francisco the "Times" on May 18 stated that the General, arriving at Hamilton Field today on his way to Washington, reported that "morale is fine" among Pacific occupation and garrison troops. Efficiency of the Army there was picking up, the General said, adding:

"We have passed the low point."

Lend-Lease Accounting Functions Put Under Treasury

On May 17 President Truman transferred lend-lease accounting functions from the State to the Treasury Department, effective June 1, it was learned from Associated Press advices from Washington published in the New York "Sun," which further reported:

"In an Executive Order, the President made it clear that the State Department will continue to administer all other lend-lease functions now under its jurisdiction.

"Under the new arrangement the State Department will provide the Treasury with certified copies of all agreements relating to lend-lease settlements and all other documents affecting lend-lease accounting records."

Labor Department's Consumers' Retail Price Index Up in March

Average retail prices reached a new postwar peak in mid-March according to the Bureau of Labor Statistics of the U. S. Department of Labor in a report issued on May 1. With higher prices for most principal items in the family budget, the consumers' price index advanced 0.5% between Feb. 15 and March 15 to 130.2% of the 1935-39 average, said the report which continued:

"The consumers' price index is now 32.0% higher than in August 1939, the month before the beginning of the war.

"The food bill for moderate-income city families rose 0.4% during the month after having dropped 1.3% between mid-December and mid-February. The average price of sugar increased almost 5% following early February ceiling price adjustments by OPA to insure the continuation of large imports. Fresh fruit and vegetable prices rose 1.7% as higher prices were reported for cabbage, lettuce, onions, and potatoes. Spinach dropped seasonally 14%. Cheese and peanut butter prices continued to edge upward by 2.3% and 1.4%, respectively.

"Clothing costs increased 1.7% between mid-February and mid-March and are now 52.6% higher than in August 1939. Supplies of medium and inexpensive quality apparel continued low, although retailers in most cities indicated that they had received some shipments of preticketed garments during the month. Higher clothing costs were reported for men's wool suits, work clothing, business shirts, pajamas, and socks. Rayon and cotton dresses, manufactured under the Government's program to increase stocks of lower priced garments, appeared in sufficient quantities in some cities to lower the cost of these articles. However, percale house-dresses, cotton nightgowns, and women's underwear costs were higher in mid-March than in mid-February. Hosiery and gloves also cost more this spring, due to the replacement of women's rayon stockings by nylon hosiery whenever obtainable, and the continued disappearance of lower priced gloves. A moderate but widespread advance also occurred in shoe prices.

"Residential rents increased 0.1% during the first quarter of 1946, the first increase since December 1944. Rents edged upward in eight of the 16 cities surveyed in March decreased slightly in 3 cities, and showed no change in the remainder. The largest change in rental bills occurred in Atlanta where an increase of 0.5% was reported between September 1945 and March 1946.

"Rate reductions lowered the average cost of gas to domestic consumers in San Francisco and of electricity to consumers in Boston, Chicago, and Manchester.

"The cost of miscellaneous goods and services increased 0.2%. Medical care costs, particularly hospital rates, advanced in 18 cities. Upward adjustments in maximum charges resulted in increased prices for laundry services in Buffalo, Richmond, and Philadelphia. Charges for motion picture admissions, hair cuts and beauty shop services were higher in a few cities. Newspaper prices advanced in Seattle."

Peterson Asst. Secy. NYSE

Edwin B. Peterson, an employee of the New York Stock Exchange in the Office of the Secretary since 1933, has been appointed Assistant Secretary of the Exchange. Mr. Peterson, who is 30 years old, joined the employ of the Exchange in 1933 as a page-boy. He was graduated from Alexander Hamilton High School as well as the New York Stock Exchange Institute.

Inflation in Farm Land Prices Serious

The inflationary situation in farm real estate is becoming serious, according to C. W. Bailey, Vice-President of the American Bankers Association and Chairman of its Agricultural Commission, who is also President of the First National Bank, Clarksville, Tenn., in a letter to secretaries of State bankers associations on May 6. In making this known, the ABA said:

"On the basis of March 1, 1946, figures from the Bureau of Agricultural Economics of the United States Department of Agriculture, average farm land prices in continental United States are now up 71% of the pre-World War II 1935-1939 average. This increase compares with a 70% rise from the pre-World War I 1912-1914 average to the 1920 inflation peak which followed World War I."

"More than one-quarter of the increase during the present period of inflation has occurred during the past year, and the inflationary situation has become especially pronounced during recent months," Mr. Bailey states. He adds:

"It is interesting to note that farm land prices have more than doubled in Kentucky, Tennessee, Colorado, Indiana, North and South Carolina, and Wyoming since the beginning of World War II. Other States in which average values have nearly doubled are: Montana, Arkansas, Mississippi, Georgia, Ohio, and Michigan."

"Sales of farms have continued at high level during the past year, and the number of farms resold after a limited period of ownership has increased. This means speculation in farm land. Increased prices and activity in the farm real estate market have apparently influenced banks to increase their interest in making farm mortgage loans. Under these circumstances the Agricultural Commission has stressed the importance to country banks of developing sound and helpful farm lending methods. Your attention is again called to the attached statement by the Commission, 'Principles of Farm Mortgage Financing.'

"Bankers have a big responsibility in the present situation to: 1. Advise those who are likely to make one purchase of a farm in a lifetime to go slow; 2. Discourage borrowing to speculate in farm land; 3. Encourage farmers—and everybody—to buy U. S. Savings Bonds and to save in other ways to fight inflation now; 4. Help veterans by giving them practical information about the hazards inherent in excessive farm land prices."

House Approves UNESCO

American participation in the United Nations Educational, Scientific and Cultural Organization won House approval on May 23 in a bill passed by a 264 to 41 roll call vote. Associated Press advices May 23 from Washington, pointed out that plans for UNESCO had been drawn up at a United Nations conference in London in November, 1945. The purpose ascribed to it is the promotion of world peace and harmony by encouragement of interest in educational and cultural matters.

Cost Accountants to Hold Annual Meeting

The 27th International Cost Conference of the National Association of Cost Accountants will be held at the Waldorf-Astoria Hotel in New York City, June 17, 18 and 19, 1946, with a pre-Conference reception for members on Sunday afternoon, June 16.

All technical sessions, business meetings, exhibits of accounting equipment, and general social events will take place within the hotel and following the close of the Conference technical sessions on Wednesday, chapter officers and directors will meet for luncheon and an afternoon of discussion of chapter problems.

The feature of this Conference will be the annual dinner which will be held in the Grand Ballroom of the hotel on Tuesday evening, June 18. This occasion includes the ceremony of induction of the newly-elected officers and directors of the Association and the presentation of the trophies and banners to the winning chapters in the Stevenson Trophy Competition.

Upon completion of the business of the Conference the members and their guests will be entertained by a group of top-flight stars of the stage and radio.

The schedule for the technical sessions will be as follows:

First Session — Monday Morning, June 17

H. G. Crockett, McKinsey & Co., New York, N. Y., Chairman.

Influence of Volume on Costs and Prices—Speaker to be announced.

Helping the Sales Executive—William E. Jones, Vice-President in Charge of Sales, The Scranton Lace Co., New York, N. Y.

Second Session — Monday Afternoon, June 17

Increasing the Industrial Accountant's Value

Stuart D. MacLaren, Heywood-Wakefield Co., Gardner, Massachusetts, Chairman.

Program for Improving Performance—Percy L. Proctor, Vice-President, Titeflex Metal Hose Co., Newark, N. J.

Training People for the Job—Hugh J. Phillips, Jr., Director of Organization Planning, United States Steel Corp., Pittsburgh, Pa.

Making the Figures Talk—Frank Wallace, Principal, McKinsey & Co., New York, N. Y.

Third Session — Tuesday Morning, June 18

Putting Cost Accounting to Work

Edward J. Hanley, Allegheny Ludlum Steel Co., Brackenridge, Pa., Chairman.

For Cost Control—Verne Breitenbacher, Manager, Cost Department, Lockheed Aircraft Corp., Burbank, Calif.

For Cost Reduction—L. Clayton Hill, Works Manager, Eagle Pencil Co., New York, N. Y.

Fourth Session — Tuesday Afternoon, June 18

Putting Cost Accounting to Work (Continued)

William H. Franklin, Caterpillar Tractor Co., Peoria, Ill., Chairman.

For Profit Determination and Inventory Valuation—Herbert T. McAnly, Partner, Ernst & Ernst, Chicago, Ill.

To Answer the \$64 Questions—Herman C. Heiser, Controller, Crown Can Co., Philadelphia, Pa.

Fifth Session — Wednesday Morning, June 19

James J. Hastings, James J. Hastings & Co., Newark, N. J., Chairman.

Long-Term Profit Planning—Speaker to be announced.

Explaining Profits to Employees—Speaker to be announced.

The various committees on arrangements will comprise the following:

Conference Committee—George L. Nohe, O. F. Taylor & Co., New York, N. Y., Chairman; Ernest A. Davis, Pitney-Bowes, Inc., Stamford, Conn.; Marshall Granger, Alexander Grant & Co., New York, N. Y.; George E. Hallett, Tung-Sol Lamp Works, Inc., Newark, N. J.; Milton Hudders, Recording & Statistical Corp., New York, N. Y.; Clarence Theders, Comptometer Co., Boston, Mass.; Charles W. Tucker, Childs Co., New York, N. Y.

Technical Program Committee—H. G. Crockett, McKinsey & Co., New York, N. Y., Chairman; William H. Franklin, Caterpillar Tractor Co., Peoria, Ill.; James J. Hastings, James J. Hastings & Co., Newark, N. J.; Edward J. Hanley, Allegheny Ludlum Steel Co., Brackenridge, Pa.; Stuart D. MacLaren, Heywood-Wakefield Co., Gardner, Mass.

Publicity Committee—J. S. Seidman, Seidman & Seidman, New York, N. Y., Chairman; Henry G. Beeny, Yardley of London, Inc., Union City, N. J.; David B. Caminez, Hyatt Bearings Division, General Motors Corp., Harrison, N. J.; William R. Donaldson, New York, N. Y.; Russell C. Flood, A. Schrader's Son, Brooklyn, N. Y.; Raymond G. Harrington, Ryan & Harrington, New York, N. Y.; John A. Lacey, International Cigar Machinery Co., Brooklyn, N. Y.; Ira S. Wilson, Halliwell, Inc., New York, N. Y.

Postal Pay Increase Bill Signed

A bill to increase the pay of regular postal employees by \$400 a year, on which action was completed with Senate passage on May 10 was sent to the White House, and received President Truman's signature on May 21; it affects about 400,000 workers. All increases are retroactive to Jan. 1, 1946, and the total cost is estimated at approximately \$160,000,000 yearly. Fourth-class postmasters do not get the \$400 raise, but will receive a 20% increase, the Associated Press reported in its dispatch from Washington. Part-time workers will receive an increase of 20 cents hourly under

the measure. Associated Press advises from Washington May 21 said:

Postal workers received a \$400 yearly increase July 1, 1945. Supporters of the newly signed legislation said, however, that it was required to make up for added living costs and a reduction since last July in the number of hours worked by most employees. The cut in hours eliminated overtime pay received by many.

Under the legislation, it is stated pay increases are not applicable to skilled trades employees of the mail equipment shops, jobs cleaners in first and second class postoffices, and employees who are paid on a fee or contract basis.

Stalin Unable to Help In Grain Relief Plan

After President Truman had revealed on May 16 that he had been in touch with Prime Minister Stalin to appeal for Russian aid in sending relief food supplies to the famine-stricken areas of the world, it was announced from Moscow on May 22, according to Associated Press advices from there and from London, that Premier Stalin regretted an inability to join in helping to relieve the crisis as the Soviet Union was already pledged to ship quantities of foodstuffs to "France and other countries", and that the United States Presidents plea had come in the middle of May after assignments of exportable grain and other foods had been made and "when the resources of the Soviet Union are already being exhausted." Mr. Truman had also expressed to the Russian Premier the hope that Russia could coordinate its actions with other grain exporting nations, to obtain better utilization of the world reserves.

The following is an excerpt from the text of the Moscow broadcast of a Tass dispatch as recorded in London:

"Stalin in his answer to the message of President Truman expressed his regret Truman did not address the Soviet Union on the above question three months ago, when the Soviet Union could have done something in this respect, but did it instead in the middle of May, after the Soviet Union had already assigned a certain quantity of foodstuffs to France and other countries and when the resources of the Soviet Union are already being exhausted.

"As far as the coordination of the work of the Soviet Union with other countries exporting grain is concerned, Premier Stalin informs President Truman the Soviet Government has no objection in principle to this proposal but that it will require, however, a special study."

St. Lawrence Bill Deferred

The Senate Foreign Relations Committee deferred action on May 22 on legislation to authorize construction of the St. Lawrence seaway and power project because of the filing of a dissenting report by Senator White (R.-Maine), according to Washington Associated Press advices. Mr. White's was the negative vote in a 3 to 1 approval of the measure rendered by a Foreign Relations subcommittee on May 2, which after hearing testimony for three weeks, disagreed for the most part with claims of opponents that the development would harm railroads, port cities, coal interests and lake carriers.

The May 2 report defended legality of the proposed legislation, based on an agreement between the United States and Canada, asserting that there was no need, as opponents had argued, to handle it as a treaty. It went on to declare that the seaway would result in "considerable savings" in transportation facilities and that port cities and coal interests would not be harmed to the extent contended. The Associated Press added:

Construction cost of the seaway and its power project is estimated at \$619,500,000. Of this amount, the United States and Canada have already expended \$1,742,000 and \$132,672,000, respectively, leaving the total remaining estimated cost at \$455,086,000.

An estimated 2,200,000 horsepower will be generated at the power site in the international rapids area. New York and Canada will share equally in the production.

Opponents of the legislation are reported to be confident that no action will be taken by the present Congress.

Truman Urges Nation to "Work and Work" to Help U. S. Become Leader of World in Peace

In an admonition to the country to "Work, work, work," President Truman on May 20, at Liberty Mo., where he had gone to receive an honorary degree of Doctor of Laws from William Jewell College, declared that:

"That is all we need now to create the greatest age in the history of the world—simply work, work, and a normal, decent, understanding of our neighbors and our neighbors needs, locally, nationally, and internationally."

The President preceded the above remarks by saying:

"You know this school has a wonderful motto: 'Trust in God and work.' We must trust in God always. If we are going to be a success at anything, we must work. One of the admonitions which it was my duty to give to the country on V-E Day was in just three words: 'Work, work, work.' That same admonition was given to the country on V-J Day. I wish the country would listen to that admonition today."

In his further remarks, the President, according to Associated Press accounts from Liberty, said: "You know, great stress is laid upon leadership on days such as this, and all these young people who are graduating today and who are just starting out in the world are impressed with leadership. Let me tell you a secret. Leadership isn't worth very much unless there are a few workers and followers. What we need now, more than captains and quarterbacks, particularly Monday morning quarterbacks, are people who are willing to work for the things which they claim that they are for.

"There isn't a single great newspaper in the United States that could operate if it didn't have these workmen down here in front of me today to do the work. They can't all be managing editors. They can't all be top notch columnists to tell the President what he ought to do. Somebody has to sit in the front row and do the work."

"Now, that is true in Congress. That is true on the farm. That is true in the coal mines. That is true on the railroads. That is true in the automobile factories. That is true in the mills and everything else that makes this country great. We have a society which is organized, and when one cog in that organization gives out, the whole structure begins to shake loose.

"Now, let me urge upon you — let me urge upon you—get in line, get on the team, do a little work, help make the United States what it must be from now on, the leader of the world in peace, as it was the leader of the world in war.

"I urge you to become good workers in the ranks. Of course, we need leadership, and we will develop the leadership which we need but let us develop a few good followers.

"Thank you."

The President left Washington by plane on May 18 for Missouri, and was back in Washington on May 20; his trip included a visit with his mother, Mrs. Martha E. Truman, at her Grandview, Mo., home.

Parcel Post to the Netherlands

Postmaster Albert Goldman announced on May 14 that ordinary (unregistered and uninsured) parcel post packages addressed for delivery in the Netherlands are no longer limited to "gift" parcels. Parcels for the Netherlands may not exceed 11 pounds in weight per package, and not more than one parcel per week may be sent by or on behalf of the same person or concern to or for the same addressee. Parcels for the Netherlands must, hereafter, be accompanied by three customs declaration tags (Form 2966), in addition to one dispatch note (Form 2972) and one parcel post sticker (Form 2922).

Names Group to Study Fed. Tax Procedure

The organization of a committee of prominent authorities in the tax field to work with Government revenue officials in making a comprehensive study of Federal tax procedure was announced on May 2 by Secretary of the Treasury Vinson.

Designated to serve on this advisory committee said the announcement are the following:

Samuel O. Clark, Jr., Washington, D. C., attorney and former Assistant Attorney General in charge of the Tax Division of the Department of Justice; George E. Cleary, attorney, New York City; Arthur H. Kent, attorney, San Francisco, California; Charles L. B. Lowndes, Professor of Law, Duke University, Durham, N. C.; Randolph E. Paul, Washington, D. C., attorney and Executive Assistant to the President, and Edward S. Reid, attorney, Detroit, Michigan.

The Treasury Department advises also said:

"The overall objective of the Committee's study is to develop recommendations for improvements in the existing machinery for the judicial review of tax determinations of the Commissioner of Internal Revenue. It is hoped that such recommendations will lead to changes which will enable litigation in the tax field to be conducted as expeditiously and efficiently as possible in the interests of tax practitioners, the Treasury and the courts.

"The study will also include an examination of the extent to which existing defects in procedure contribute to present tax litigation, with a view to suggesting changes designed to reduce the volume of such litigation.

"It is believed that the study will be of assistance to the Congress in considering problems in the tax field."

Wall Street Airplane Accident—Statement by Bank of Manhattan

Incident to the aeroplane accident in the Wall Street district, on May 20 it is pointed out by the Bank of the Manhattan Company that many of the papers spoke of the building involved as the "Manhattan Building owned by Bank of the Manhattan Company." So that similar errors may not occur in the future, the bank presents the facts as follows:

"The Forty Wall Street Corporation owns the building at 40 Wall Street and the Bank of the Manhattan Company has no financial interest in that corporation or the building whatsoever. Part of the land on which the building stands is owned by the Bank of the Manhattan Company and is leased to the Forty Wall Street Corporation under a long term lease and the Bank of the Manhattan Company has taken back a long term lease from the Forty Wall Street Corporation for the space it occupies as banking quarters."

The accident to the plane which crashed into the 58th story of the building, resulted in the death of all 5 of the plane's occupants. No one in the building at the time of the accident (at 8:10 p.m.) was injured.

From Washington Ahead of the News

(Continued from first page)

It is downright silly for the newspapers to be headlining and the radio commentators to be declaring that John L. Lewis is the most powerful man in the world, that he can paralyze our country. Before the New Deal, the coal operators, rightly or wrongly, beat Lewis to a frazzle in every major dispute they had with him. Lewis called the strikes. The operators continued to operate. They employed company gunmen, it is a fact. They had the assistance of the State police. There were many bloody battles.

When our hearts began to bleed for the rights of labor the so-called Senate Liberties Committee, managed by Senator Bob LaFollette, paraded all sorts of stuff about how brutal these company guards and State police were. This committee alleged that the guards and police were not content with preserving order but that they provoked disorder. Undoubtedly they did in many instances but most of the bloodshed occurred when strikers were attacking workers or the mine property. A few months ago a couple of strikers were killed by train guards on a belt line railroad out in the Chicago area. A hue and cry went up from the so-called liberal press. But the fact remains that the strikers were attacking the train which was manned by guards. It is a pretty safe bet that in the meanest communities, a striker who goes home and abides by the law himself will not get hurt.

What we have been permitting in recent years, apparently by common consent, is picket lines to forcibly prevent workers from entering a plant.

Your correspondent has been hearing for several years now that the coal miners absolutely will not work unless they get word from Lewis. "No contract, no work," we are told is their slogan. It is strange that he should have such a hold as this when in 1940 he could not get a single one of them to vote for Willkie, and in 1944, after years of propagandizing, a single one to vote for Dewey, or in either instance against Roosevelt.

We should just for once like to see the Government send troops or other formidable law enforcement agents into the mining areas, not to force men to work, but simply to insure that any man who wants to work is permitted to do so. Just keep in mind that in this union which Lewis' every word is supposed to be law, that he has to have a check-off to collect the dues. Keep in mind that the dues check-off is essential to many of these other unions whose members are supposed to be 100% loyal and disciplined.

The plain fact is that men in the mass are like cattle. Just consider how difficult it is for five men to make a bargain and keep together without one or two thinking he can steal a march and breaking away. Apply this knowledge of human nature to 1,000 or 50,000 or 100,000 men. Union leaders will tell you privately that they have to depend upon force and violence to keep their ranks. In the interest of the workers it shouldn't be this way. But it is.

The rail ranks were beginning to break before Mr. Truman made his radio speech; they were breaking seriously in the hours immediately following. It is a fact, too, that the rail officials were making no serious effort to operate the trains until Mr. Truman spoke. There seems to have been considerable disposition of late on the part of management to let public opinion boil up against organized labor. But they should see the danger of this course in

the official hysteria over the rail strike. For example, Mr. Truman's proposal would provide that no seized plant could keep any earnings while in Government custody. The coal from the mines would be taken without the operators or the owners receiving a red cent.

In the much debated Case "anti-labor" bill there is scarcely more than one worthwhile provision: that holding the unions responsible for their contracts.

There is a provision for a 60-day cooling off period instead of the present 30 days in the Smith-Connally Act. This means that a flock of unions would automatically file their 60-day notice immediately the bill became a law. In the great game of arbitration the union usually asks for 30 cents when it expects 15 cents. Arbitration invariably works against the employer which is to say he invariably has to pay half of what is asked for, and the unions so gauge their demands. The rail strike which broke down the so-called perfect machinery for the handling of labor disputes, came because two rail leaders were trying to raid three rival unions. But this perfect machinery always cost the railroads money.

Chas. Dewey Favors British Loan

Charles S. Dewey, Vice-President of the Chase National Bank of New York and formerly a member of Congress, appeared on May 23 before the House Banking and Currency Committee, of which he was a member for two years, to advocate passage of the proposed legislation to lend Britain \$3,750,000,000. Asserting that the loan would "arrest the world-wide movement toward State-controlled trading," Mr. Dewey, according to Associated Press Washington advices, declared that the credit would help Great Britain and affiliated trading nations back toward the free enterprise system pursued by the United States. To deny the loan, he continued, would incline toward State-control systems such as Russia's. "I do not believe," the former Congressman said in his prepared statement, "that this country can live alone, a free enterprise State, in a world of State-controlled economies. I feel sure that no matter what may be the political color of the administration, it would be forced to make foreign treaty arrangements in contradiction to our concept of free competitive enterprise."

Stanton Minister to Siam

The appointment by President Truman of Edwin Stanton of California to be Minister to Siam was confirmed by the U. S. Senate on April 26. Mr. Stanton, who has been Consul General at Vancouver, B. C., was named to his new post by President Truman on April 17. As Minister to Siam Mr. Stanton succeeds George Atcheson Jr., who also, said special Washington advices to the New York "Times," is the State Department's chief political adviser with Gen. Douglas MacArthur, a duty that has prevented him from taking up his official residence in Siam in the months since he was appointed Minister. Mr. Atcheson will continue in his advisory post under General MacArthur. The "Times" advices April 17 added:

Mr. Stanton is a graduate of the University of California and is 45 years old. He entered the foreign service in 1921 and since has specialized in Far Eastern affairs.

Treasury Certificates To Be Redeemed in Cash

Secretary of the Treasury Vinson announced on May 20 that the 3% Treasury Bonds of 1946-48, in the amount of \$1,035,873,400, and the 3½% Treasury Bonds of 1946-49, in the amount of \$818,627,000, which have been called for redemption on June 15, 1946, will be redeemed in cash.

At the same time, the Secretary announced the offering, through the Federal Reserve Banks, of ⅞% Treasury Certificates of Indebtedness of Series E-1947, open on an exchange basis, par for par, to holders of ⅞% Treasury Certificates of Indebtedness of Series E-1946, in the amount of \$4,799,491,000, which will mature on June 1, 1946. Since it is planned to retire about \$2,000,000,000 of the maturing certificates on cash redemption, subscriptions will be received subject to allotment to all holders on an equal percentage basis, except that subscriptions in amounts up to \$25,000 will be allotted in full. Cash subscriptions will not be received. The Treasury advices also state:

The certificates now offered will be dated June 1, 1946, and will bear interest from that date at the rate of ⅞% of 1% per annum, payable semi-annually on Dec. 1, 1946, and June 1, 1947. They will mature June 1, 1947. They will be issued in bearer form only, in denominations of \$1,000, \$5,000, \$10,000, \$100,000 and \$1,000,000.

Pursuant to the provisions of the Public Debt Act of 1941, interest upon the certificates now offered shall not have any exemption, as such, under Federal tax acts now or hereafter enacted. The full provisions relating to taxability are set forth in the official circular released today.

Subscriptions will be received at the Federal Reserve Banks and Branches, and at the Treasury Department, Washington, and should be accompanied by a like face amount of the maturing certificates.

The subscription books will close at the close of business Wednesday, May 22, except for the receipt of subscriptions from holders of \$25,000 or less of the maturing certificates. The subscription books will close for the receipt of subscriptions of the latter class at the close of business Friday, May 24.

Subscriptions addressed to a Federal Reserve Bank or Branch or to the Treasury Department, and placed in the mail before midnight of the respective closing days, will be considered as having been entered before the close of the subscription books.

Second Half Billion Allotted for Roads

The Federal Works Agency announced on May 16 allotment of the second \$500,000,000 of the \$1,500,000,000 fund authorized under the Federal-Aid Highway law of 1944 to assist the states in developing a \$3,000,000,000 road program, a dispatch to the New York "Times" from Washington stated. It advices also said:

Under the terms of the law, each \$500,000,000 has to be apportioned as follows: \$225,000,000 for the Federal-Aid highway system \$150,000,000 for secondary or feeder roads; and \$125,000,000 for the Federal-Aid highway system in urban areas.

For New York State, the allotments were \$10,834,758 for highway, \$4,272,294 for secondary roads and \$18,776,072, for urban, or a total of \$33,883,124.

Connecticut received a total of \$4,768,522, consisting of \$1,395,047 for highway, \$765,980 for secondary, and \$2,607,496 for urban.

New Jersey's apportionment was \$9,433,928, of which \$2,864,310 was for highway, \$1,041,631 for secondary and \$5,527,987 for urban.

Sees Revolutionary Changes With Atomic Energy

(Continued from first page)

never since the beginning of the world had we been so rich in knowledge as we have become in the past 30 years; but never was this knowledge used so badly. Mankind has advanced at so fast a rate that it has ceased to understand what it has accomplished. "Where," he asked, "has it been made absolutely clear that the actual state of science can make accessible to mankind all the food, work, security and liberty to which it aspires? The most that has come of our new knowledge has been the danger of death, misery and unhappiness."

Referring to the field of artificial radioactivity, Dr. Pregel stated that the application of neutron radiation to the investigation of biological problems may bring notable results. "With its help we can follow human animal and plant metabolism, and we already have today a whole series of new facts regarding the absorption and secretion of the life-sustaining substances. This would apply to research on vitamins, hormones, and many drugs.

"We also know," Dr. Pregel continued, "that very often traces of elements such as cobalt or thallium are a very important factor for the raising of plants and crops. The amounts necessary of these trace elements are so minute that it is difficult to prove their existence, or to define the amounts necessary. With the creation of artificially radioactive elements we have means of applying and controlling such trace elements and thereby raise the production of many food products, a fact which is of the greatest importance today when one-quarter of the population of the world is faced with starvation."

By way of illustrating the enormous quantities of energy released by nuclear fission, Dr. Pregel pointed out that the energy that could be supplied by breaking, through fission, 250 tons of uranium would equal that provided by the 650,000,000 tons of coal burned annually in the United States for all purposes. "Or another figure, 2.2 pounds of uranium transformed by fission liberates the same amount of energy as that which could be obtained from the explosion of 17,000 tons of TNT."

"French scientists," Dr. Pregel said, "are considering experiments with atomic energy in the Sahara Desert with the purpose of raising to the surface the natural water resources which are found many hundreds of feet below ground, thus converting the waste land into an oasis. As soon as we have the suitable material," he stated, "we can make available huge sources of light and heat by means of which we can settle such deserted regions as the Arctic and Antarctic. We could control the spectral composition of this light through an appropriate choice of luminous compounds. This artificial sun giving off light and heat can be directed towards a storage plant in which fruits may be ripened and their vitamin content raised."

In this manner also Dr. Pregel predicted, "we can change the material properties of inorganic matter and produce new and until now still unknown compounds of material. In the same way we could use the source for the production of coal and petroleum from the organic constituents of vegetable matter."

"We do not have to worry," Dr. Pregel said, "about the permanence of the uranium supply. There still exists about one billion times as much uranium in the crust of the earth as in the mines we have already exploited."

Dr. Pregel also referred to the promising new discoveries being made by means of the Batatron in experiments with cosmic rays. Through it and the still more

powerful apparatus, the Synchrotron, 300,000,000 volts of electrons can be produced. "It is easy to visualize what a tremendous effect the practical realization of these nuclear cooperation processes may have, as with their help we can transform almost all of what we consider worthless matter into a source of nuclear energy."

"In the light of the new age," Dr. Pregel concluded, "we shall have to revise our philosophical concept of man. He now takes his place not as a superman, but as a minor god. But knowledge alone is not enough. All now depends on how man will apply it."

Plans for Return Of War Dead to U. S.

President Truman signed legislation on May 16 providing for final burial of those Americans who lost their lives in World War II on foreign soil. Under the measure choice will be given to next of kin of having their service dead remain in national cemeteries abroad where they fell or having the bodies returned to the United States for burial either in a private cemetery or in a national one restricted to the armed forces. In reporting Presidential approval of the plan, the Associated Press stated that the Army had indicated that the first of the returning dead would probably reach the United States shortly before the first of the year, with arrivals totaling about 1,200 monthly at first, gradually increasing to nearly 19,000.

Of the 77,901 who lost their lives in the first World War, 46,310 were returned to the United States. The estimate of those who died in World War II is 328,000. The present legislation, involving a cost of between \$195,000,000 and \$215,000,000, provides for the return, if desired by next of kin, of the bodies of all military personnel, civilians employed by the United States Government or attached to the armed forces — Red Cross workers, war correspondents and others — who died since September 3, 1939, the date of the limited national emergency, according to the Associated Press, when added:

It includes, too, all citizens of the United States who served in the armed forces of any government at war with Germany, Italy or Japan and died while in that service.

The War Department will start canvassing next of kin regarding their wishes in the next few weeks.

Hicks Elected President American Hotel Assn.

Leonard Hicks of Chicago, was elected President of the American Hotel Association at the annual business conference at Biloxi, Miss. recently. Mr. Hicks, General Manager of Hotel Morrison, Chicago, succeeds J. E. Frawley, Detroit, who becomes Chairman of AHA's Board of Directors.

AHA, which represents 5,500 of the nation's leading hotels, elected Howard F. Dugan, Vice-President of the Hotels Statler Company of New York City, First Vice-President; and Joseph H. Adams, Manager of the El Commodore Hotel, Miami, Fla., Second Vice-President. Also elected at the conference was C. J. Mack, General Manager of the Mayflower Hotel, Washington, D. C., as Treasurer. J. B. Herndon, Managing Director, of the Hotel Plaza, New York City, was elected Secretary. Mr. Hicks entered the hotel business in 1903 in Chicago, moved to Saratoga, N. Y., later returning to Chicago where he operated hotels and restaurants. He rejoined the Hotel Morrison organization in 1931 as managing director.

President and House Take Strike Action

(Continued from first page)
responsibility, as I have accepted it in other emergencies.

Every citizen of this country has the right to know what has brought about this crisis. It is my desire to report to you what has already taken place and the action that I intend to take.

Negotiations between the unions and the railroad operators started in accordance with the Railway Labor Act. Twenty unions were involved. Eighteen of these unions agreed to arbitrate the wage question, and an award was made. Alvanley Johnston, president of the Brotherhood of Locomotive Engineers, and A. F. Whitney, President of the Brotherhood of Railway Trainmen, refused to arbitrate the matter for their unions and instead took a strike vote. An Emergency Board heard the case of these two unions and recommended the same wage increase awarded to the other 18 unions. Mr. Johnston and Mr. Whitney, however, rejected the Emergency Board's recommendation in its entirety.

Cites History of Negotiations

I began conferring with Mr. Whitney and Mr. Johnston as far back as Feb. 21, 1946, in order that every effort should be made to avert a rail strike. When it became evident that the parties themselves were unable to agree, I submitted a compromise proposition to all the parties involved.

Negotiations were made considerably more difficult by the attitude of Mr. Whitney and Mr. Johnston in refusing my request that they meet with the operators and the other 18 unions in a joint conference in the office of the President of the United States. They agreed to meet with the operators but not in the presence of the representatives of the other unions. Accordingly, three separate conferences had to be held in the White House.

The unions had been awarded an increase of 16 cents per hour and certain changes in rules by the arbitration and emergency boards. I recommended that they accept the 16-cent increase awarded by the boards, plus 2½ cents in lieu of rule changes. These rule changes had been considered by the Emergency Board, which recommended that most of them be negotiated by the parties.

After consideration, this compromise was accepted by the operators and by 18 of the unions. These 18 unions were cooperative. They placed the interests of their country first. The compromise was rejected by the locomotive engineers and the trainmen.

This offer of an increase of 18½ cents per hour was eminently fair. It would have resulted in actually increasing the take-home pay of union members above the highest take-home pay which they enjoyed during the war. In fact, these two unions are now the highest paid unions in the country. It is also important that the suggested increase of 2½ cents was within the wage stabilization formula—and this formula must be maintained.

Instead of accepting this offer of 18½ cents, the unions and the operators, Mr. Johnston and Mr. Whitney chose to reject it and to take a strike of their unions. I am sure that these two men know the terrible havoc that their decision has caused and the even more extreme suffering that will result in the future. It is inconceivable that the rank and file of these two unions realize the terrifying situation created by the action of these two men.

Effects of Strike

The effects of the rail tie-up were felt immediately by industry. Lack of fuel, raw materials and shipping is bringing about the shutdown of hundreds of factories. Lack of transportation facilities

will bring chaos to food distribution.

Farmers cannot move foods to markets. All of you will see your food supplies dwindle, your health and safety endangered, your streets darkened, your transportation facilities broken down.

The housing program is being given a severe setback by the interruption of shipment of materials.

Utilities must begin conservation of fuel immediately.

Returning veterans will not be able to get home.

Millions of workers will be thrown out of their jobs.

The added inflationary pressure caused by the drop in production cannot be measured.

While the situation in our country is extremely acute, the condition in Europe is tragic. Most of our friends today in liberated Europe are receiving less than one-third of the average American consumption of food. We have promised to help the starving masses of Asia and Europe, and we have been helping them. We have been exerting our utmost efforts and it is necessary for us to increase our shipments. At this minute 100,000 tons of grain are being held up by the strike of these two unions. UNRRA has 12 ships scheduled to leave from our ports with grain. These ships cannot sail because the strike of these two unions in keeping the food from reaching the ports. If these ships are held up any longer it means that the bread supply of 45 million people will be cut off within one week.

Threat of Starvation

These people are living from hand to mouth. They depend upon weekly shipments from us to meet their minimum daily needs. This grain held up in this country by the strike of these few men means the difference between life and death to hundreds of thousands of persons. This is stark, tragic truth. If the operation of our railroads is not resumed at once thousands of persons, both here and abroad, will starve. During these past weeks I have told Mr. Johnston and Mr. Whitney of the tragedy that would result from a strike. They have refused to heed my warning. I doubt whether the rank and file of their unions have been told these facts. I am telling them now so that each one of them can face his conscience and consider the spectre of starvation and death that will result from the course which Mr. Whitney and Mr. Johnston are following.

I do not speak tonight of the situation in the coal mines of the nation, for the men are now at work and negotiations for settlement are now taking place between the Government and the unions.

"A Friend of Labor"

I am a friend of labor. You men of labor who are familiar with my record in the United States Senate know that I have been a consistent advocate of the rights of labor and of the improvement of labor's position. I have opposed and will continue to oppose unfair restrictions upon the activities of labor organizations and upon the right of employees to organize and bargain collectively. It has been the basic philosophy of my political career to advocate those measures that result in the greatest good for the greatest number of our people. I shall always be a friend of labor.

Country's Welfare Paramount

But in any conflict that arises between one particular group, no matter who they may be, and the country as a whole, the welfare of the country must come first. It is inconceivable that in our democracy any two men should be placed in a position where they

can completely stifle our economy and ultimately destroy our country. The Government is challenged as seldom before in our history. It must meet the challenge or confess its impotence.

I would regret deeply if the act of the two leaders of these unions should create such a wave of ill will and a desire for vengeance that there should result ill-advised restrictive legislation that would cause labor to lose those gains which it has rightfully made during the years.

As President of the United States, I am the representative of 140 million people and I cannot stand idly by while they are being caused to suffer by reason of the action of these two men.

Strike Against Government

This is no contest between labor and management. This is a contest between a small group of men and their Government. The railroads are now being operated by your Government and the strike of these men is a strike against their Government. The fact is that the action of this small group of men has resulted in millions of other workers losing their wages. The factories of our country are far behind in filling their orders. Our workers have good jobs at high wages but they cannot earn these wages because of the willful attitude of these few men. I cannot believe that any right of any worker in our country needs such a strike for its protection. I believe that it constitutes a fundamental attack upon the rights of society and upon the welfare of our country. It is time for plain speaking. This strike with which we are now confronted touches not only the welfare of a class but vitally concerns the well-being and the very life of all our people.

The railroads must resume operation. In view of the extraordinary emergency which exists, as President of the United States, I call upon the men who are now out on strike to return to their jobs and to operate our railroads. To each man now out on strike I say that the duty to your country goes beyond any desire for personal gain.

Would Use Army

If sufficient workers to operate the trains have not returned by 4 p.m. tomorrow, as head of your Government I have no alternative but to operate the trains by using every means within my power. I shall call upon the Army to assist the Office of Defense Transportation in operating the trains and I shall ask our armed forces to furnish protection to every man who heeds the call of his country in this hour of need.

This emergency is so acute and the issue is so vital that I have requested the Congress to be in session tomorrow at 4 p.m. and I shall appear before a joint session of Congress to deliver a message on this subject.

THE ADDRESS TO CONGRESS

The text of President Truman's address to Congress follows:

Mr. President, Mr. Speaker, members of the Congress of the United States:

I desire to thank you for this privilege of appearing before you in order to urge legislation which I deem essential to the welfare of our country.

For the past two days the nation has been in the grip of a railroad strike which threatens to paralyze all our industrial, agricultural, commercial and social life.

Last night I tried to point out to the American people the bleak picture which we faced at home and abroad if the strike is permitted to continue.

The disaster will spare no one. It will bear equally upon busi-

nessmen, workers, farmers and upon every citizen of the United States. Food, raw materials, fuel, shipping, housing, the public health, the public safety—all will be dangerously affected. Hundreds of thousands of liberated people of Europe and Asia will die who could be saved if the railroads were not now tied up.

As I stated last night, unless the railroads are manned by returning strikers I shall immediately undertake to run them by the Army of the United States.

I assure you that I do not take this action lightly. But there is no alternative. This is no longer a dispute between labor and management. It has now become a strike against the Government itself.

That kind of strike can never be tolerated. If allowed to continue, the Government will break down. Strikes against the Government must stop.

I appear before you to request immediate legislation designed to help stop them.

I am sure that some of you may think that I should have taken this action earlier and that I should have made this appearance here before today. The reason that I did not do so was that I was determined to make every possible human effort to avoid this strike against the Government and to make unnecessary the kind of legislation which I am about to request.

Recites Negotiation Difficulties

For months, publicly and privately, I have been supervising and directing negotiations between the railroad operators and the 20 different railroad unions. I have been doing the same with respect to the pending labor dispute in the coal mines.

Time and again I have seen the leaders of the unions and the representatives of the operators. Many hours have been spent by me personally and many days have been spent by my representatives in attempting to negotiate settlements of these disputes.

I assure you that it was not easy to be patient. But, until the very last moment, I made every effort to avert this crisis. In fact, my representatives were in conference with the two striking railroad unions up to two hours before I took my place at the microphone last night.

However, when the strike actually broke against the United States Government, which was trying to run the railroads, the time for negotiation definitely had passed and the time for action had arrived. In that action, you, the Congress of the United States, and I, the President of the United States, must work together—and we must work fast.

The action which I have already taken and the action which I shall ask you to take are necessary for the preservation of our Government. That action is also necessary to save the great and mighty masses of working men and women from the dangerous effects of the ill-advised and misguided acts of some of their own leaders.

Brotherhood Leaders Obstinate and Arrogant

This particular crisis has been brought about by the obstinate arrogance of two men. They are Mr. Alvanley Johnston, President of the Brotherhood of Locomotive Engineers, and Mr. A. F. Whitney, President of the Brotherhood of Railway Trainmen. Eighteen other unions and all of the railroad companies of the nation are ready to run the railroads. And these two men have tried to stop them.

I can well appreciate the attitude of those members of the Congress and those citizens of the United States outside of the Congress who would seek to take vengeance for the unpatriotic acts of these two men. However, I am sure that none of us wishes to

take any action which will injure labor.

The contribution of labor to the growth of this country in peace and to its victory in war is at least as great as that of any other group in our population. Without well paid, well housed and well nourished working men and women in this country it would stagnate and decay. I am here not only to urge speedy action to meet the immediate crisis, but also deliberate and weigh consideration of any legislation which might affect the rights of labor.

Must Preserve Benefits Given Labor

The benefits which labor has gained in the last 13 years must be preserved. I voted for all these benefits while I was a member of the Congress. As President of the United States I have repeatedly urged not only their retention but their improvement. I shall continue to do so.

However, what we are dealing with here is not labor as a whole. We are dealing with a handful of men who are striking against their own Government and against every one of their fellow-citizens. We are dealing with a handful of men who have it within their power to cripple the entire economy of the nation.

I request temporary legislation to take care of this immediate crisis. I request permanent legislation leading to the formulation of a long-range labor policy designed to prevent the recurrence of such crises and generally to reduce the stoppages of work in all industries for the future.

Asks Temporary Legislation

I request that the temporary legislation be effective only for a period of six months after the declaration by the President or by the Congress of the termination of hostilities. It should be applicable only to those few industries in which the President by proclamation declares that an emergency has arisen which affects the entire economy of the United States. It should be effective only in those situations where the President of the United States has taken over the operation of the industry.

In such situations where the President has requested men either to remain at work or to return to work and where such a request is ignored the legislation should:

(a) Authorize the institution of injunctive or mandatory proceedings against any union leader forbidding him from encouraging or inciting members of the union to leave their work or to refuse to return to work, subjecting him to contempt proceedings for failure to obey any order of the court made in such proceedings;

(b) Deprive workers of their seniority rights who, without good cause, persist in striking against the Government.

(c) Provide criminal penalties against employers and union leaders who violate the provisions of the act.

The legislation should provide that, after the Government has taken over an industry and has directed the men to remain at work or to return to work, the wage scale be fixed either by negotiation or by arbitrators appointed by the President, and when so fixed it shall be retroactive.

This legislation must be used in a way that is fair to capital and labor alike. The President will not permit either side—industry or workers—to use it to further their own selfish interests or to foist upon the Government the carrying out of their selfish aims.

Net profits of Government operation, if any, should go to the Treasury of the United States.

As a part of this temporary emergency legislation I request the Congress immediately to authorize the President to draft into the armed forces of the United

States all workers who are on strike against their Government. These measures may appear to you to be drastic. They are. I repeat that I recommend them only as temporary emergency expedients and only in cases where workers are striking against the Government.

Asked Early Passage of Price Control Laws

I take this occasion again to request early action by the Congress to continue the price control and stabilization laws in an effective form. The stoppage of work in many industries has brought about a decline of production which has caused great pressure upon price levels.

We must protect the workers whom we ask to remain on their jobs as well as the millions of workers who have remained on their jobs and the many millions of other American citizens against the extraordinary inflation which may come upon us. Delay by the Congress is daily increasing these pressures and I urge immediate action.

I have said that I am most anxious—as I am sure that the majority of the members of the Congress are—to do nothing which would injure labor or the cause of labor.

I believe that the time has come to adopt a comprehensive labor policy which will tend to reduce the number of stoppages of work and other acts which injure labor, capital and the whole population.

The general right of workers to strike against private employers must be preserved. I am sure, however, that adequate study and consideration can produce permanent long-range legislation which will reduce the number of occasions where that ultimate remedy has to be adopted. The whole subject of labor relations should be studied afresh.

Wants Congressional Committee to Study Labor Problems

I recommend the immediate creation by Congress of a joint committee to make that study. That committee should study the whole problem and, within a period of six months, bring in recommendations for appropriate legislation which would be fair to labor and to industry and to the public at large.

I make these recommendations for temporary and long-range legislation with the same emphasis on each. They should both be part of one program designed to maintain our American system of free enterprise with fairness and justice to all the American citizens who contribute to it.

HARRY S. TRUMAN.

The White House, May 25, 1946.

Pact Ending Rail Strike

The text of the agreement which ended the strike of the engineers and trainmen, as released by John R. Steelman, Presidential labor consultant, follows:

Memorandum of agreement between carriers represented by the Eastern, Western and Southeastern carriers conference committees and employees represented by the Brotherhood of Locomotive Engineers and the Brotherhood of Railroad Trainmen.

The strike of the Brotherhood of Locomotive Engineers and the Brotherhood of Railroad Trainmen is hereby settled on the basis of the President's recommendation of May 22.

The basis of settlement was a wage increase of 16 cents an hour or \$1.28 per basic day as recommended by the President's emergency board, to be effective as of Jan. 1, 1946, and an additional increase of 2½ cents per hour, or 20 cents per basic day, effective May 22, 1946, making a total increase of 18½ cents per hour or \$1.48 per basic day.

The additional 2½ cents per

hour or 20 cents per basic day is in accordance with the President's recommendation, in lieu of rules changes. The agreement is that there will be a moratorium on rules for a period of one year.

Appropriate agreement will be executed by the parties at the earliest possible date.

Signed:

H. A. Enochs, chairman, Eastern carriers conference committee.

D. P. Loomis, chairman, Western carriers conference committee.

J. B. Parrish, chairman, Southeastern carriers conference committee.

A. Johnston, grand chief engineer, Brotherhood of Locomotive Engineers.

A. F. Whitney, president, Brotherhood of Railroad Trainmen.

John R. Steelman, witness.

Text of House Strike-Control Bill

Following is the text of a strike-control bill as passed by the House of Representatives on May 25:

A BILL

To provide on a temporary basis during the present period of emergency for the prompt settlement of industrial disputes vitally affecting the national economy on the transition from war to peace.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled:

Section 1. It is the policy of the United States that labor disputes interrupting or threatening to interrupt the operations of industries essential to the maintenance of the national economic structure and to the effective transition from war to peace should be promptly and fairly mediated, and brought to a conclusion which will be just to the parties and protect the public interest.

Section 2. Whenever the United States has taken possession, under the provisions of Section 9 of the Selective Training and Service Act of 1940, as amended, or the provisions of any other applicable law, of any plants, mines or facilities constituting a vital or substantial part of an essential industry, and in the event, further, that a strike, lockout, slow-down or other interruption occurs or continues therein after such seizure, then, if the President determines that the continued operation of any such plant, mine or facility is vitally necessary to the maintenance of the national economy, the President may, by proclamation, declare the existence of a national emergency relative to the interruption of operations.

Section 3. The President shall in any such proclamation state a time not less than 48 hours after the signature thereof at which such proclamation shall take final effect; (2) call upon all employees and all officers and executives of the employer to return to their posts of duty on or before the finally effective date of the proclamation; (3) call upon all representatives of the employer and the employees to take affirmative action prior to the finally effective date of the proclamation to recall the employees and all officers and executives of the employer to their posts of duty and to use their best efforts to restore full operation of the premises as quickly as may be; and (4) establish fair and just wages and other terms and conditions of employment in the affected plants, mines or facilities which shall be in effect during the period of Government possession, subject to modification thereof, with the approval of the President, pursuant to the applicable provisions of law, including Section 5 of the War Labor Disputes Act, or pursuant to the findings of any panel or com-

mission specially appointed for the purpose by the President.

Section 4. (A) On and after the initial issuance of the proclamation, it shall be the obligation of the officers of the employer conducting or permitting such lock-out or interruption, the officers of the labor organization conducting or permitting such strike, slow-down or interruption, and of any person participating in the calling of such strike, lock-out, slow-down, or interruption to take appropriate affirmative action to rescind or terminate such strike, lock-out, slow-down, or interruption.

(B) On and after the finally effective date of any such proclamation, continuation of a strike, lock-out, slow-down or any other interruption at any such plant, mine or facility shall be unlawful.

(C) On and after the finally effective date of the proclamation, any person willfully violating the provisions of sub-section (A) of this section shall be subject to a fine or not more than \$5,000, or to imprisonment for not more than one year, or both.

Section 5. The Attorney General may petition any District Court of the United States, in any State or in the District of Columbia, or the United States Court of any Territory or Possession, within the jurisdiction of which any party defendant to the proceeding resides, transacts business, or is found, for injunction relief, and for appropriate temporary relief or restraining order, to secure compliance with Section 4 hereof or with Section 6 of the War Labor Disputes Act. Upon the filing of such petition, the court shall have all the power and jurisdiction of a court of equity, and such power and jurisdiction shall not be limited by the act entitled "An act to amend the Judicial Code, to define and limit the jurisdiction of courts sitting in equity, and for other purposes," approved March 23, 1932. Notice or process of the court under this section may be served in any judicial district, either personally or by leaving a copy thereof at the residence or principal office or place of business of the person to be served. Petitions filed hereunder shall be heard with all possible expedition. The judgment and decree of the court shall be subject to review by the appropriate Circuit Court of Appeal (including the United States Court of Appeals for the District of Columbia) and by the Supreme Court of the United States upon writ of certiorari.

Section 6. Any affected employee who fails to return to work on or before the finally effective date of the proclamation (unless excused by the President) or who after such date engages in any lock-out, strike, slow-down or other concerted interruption of operations while such plants, mines or facilities are in the possession of the United States shall be deemed to have voluntarily terminated his employment in the operation thereof; shall not be regarded as an employee of the owners or operators thereof for the purposes of the National Labor Relations Act or the Railway Labor Act, as amended, unless he is subsequently reemployed by such owners or operators, and if he is so reemployed shall be deemed a new employee for purposes of seniority rights.

Section 7. The President may, in his proclamation issued under Section 2 hereof, or in a subsequent proclamation, provide that any person subject thereto who has failed or refused, without the permission of the President, to return to work within 24 hours after the finally effective date of his proclamation issued under Section 2 hereof, shall be inducted into the Army of the United States at such time, in such manner (with or without an oath) and on such

terms and conditions as may be prescribed by the President, as being necessary in his judgment to provide for the emergency. The foregoing provisions shall apply to any person who was employed in the affected plants, mines or facilities at the date the United States took possession thereof, including officers and executives of the employer, and shall further apply to officials of the labor organizations representing the employees.

Section 8. There are hereby authorized to be appropriated such sums as may be necessary to carry out the provisions of this act.

Section 9. In fixing just compensation to the owners of properties of which possession has been taken by the United States under the provisions of Section 9 of the Selective Training and Service Act of 1940, as amended, or any other similar provision of law, due consideration shall be given to the fact that the United States took possession of such properties when their operations had been interrupted by a work stoppage, and to the value the use of such properties would have had to their owners during the period they were in the possession of the United States in the light of the labor dispute prevailing. It is hereby declared to be the policy of the Congress that neither employers nor employees profit by such operation of any business enterprise by the United States and, to that end, if any net profit accrues by reason of such operation after all the ordinary and necessary business expenses and payment of just compensation, such net profit shall be covered into the Treasury of the United States as miscellaneous receipts.

Section 10. The provisions of this act shall cease to be effective six months after the cessation of hostilities, as proclaimed by the President, or upon the date (prior to the date of such proclamation) of the passage of a concurrent resolution of the two Houses of Congress, stating that such provisions and amendments shall cease to be effective.

Section 11. If any provision of this act, or the application of such provision to any person or circumstance, is held invalid, the remainder of the act and the application of such provision to other persons or circumstances, shall not be affected thereby.

Palestine Import License

Postmaster Albert Goldman announced on May 14 that goods imported into Palestine for commercial purposes exceeding 1 pound sterling (\$4.05 in value and goods sent as bona fide gifts exceeding 15 pounds sterling (\$60.75) in value require the production by the addressee of an import license. If the addressees do not produce the import license, when required, the packages are liable to confiscation. The advices add:

Packages are accepted for mailing under the following conditions only: (a) Gift packages—If the package or consignment of packages from one sender to one addressee does not exceed \$60.75 in value the wrapper or wrappers must be endorsed by the sender with the words "bona fide gift value not over £15." If the value exceeds \$60.75 the sender must endorse the wrapper or wrappers "addressee has obtained import license." (b) Commercial packages.—If the package or consignment of packages from the same sender to the same addressee exceeds \$4.05 in value the wrapper or wrappers must be endorsed by the sender with the words "addressee has obtained import license." If the value does not exceed \$4.05 no endorsement is required insofar as the Palestine import license regulations are concerned.

State Education Aid Voted by Senate Group

The Senate Education and Labor Committee unanimously approved and sent to the Senate on May 17 legislation to aid public education in low-income States through Federal grants each year, advices to the New York "Times" from Washington stated. Eventually amounting to \$250,000,000 annually, the fund would be designed to equalize educational opportunities in the States. The bill would authorize \$150,000,000 for the fiscal year beginning July 1; \$200,000,000 for the next fiscal year, and \$250,000,000 for each succeeding fiscal year.

Endorsed by the National Education Association, the bill was introduced by Senator Hill (D., Ala.) for himself and for Senators Thomas (D., Okla.) and Taft (R., Ohio). From the "Times" we quote:

The money would be apportioned among the States under a formula designed to assure annual expenditures for public education at the rate of \$40 a pupil. Thirty-three States would derive benefit under conditions prevailing today. These include all of the Southern States.

In view of suggestions by opponents of Federal aid to States for education that the result would be Federal control of the country's public educational system, the bill carries the following stipulation:

"No department, agency, officer, or employee of the United States shall exercise any direction, supervision or control over, or prescribe any requirements with respect to, any school, or any State educational institution or agency, with respect to which any funds have been or may be made available or expended pursuant to this act; nor shall any term or condition of any agreement or any other action taken under this act, whether by agreement or otherwise, relating to any contribution made under this act to or on behalf of any school, or any State educational institution or agency, or any limitation or provision in any appropriation made pursuant to this act, seek to control in any manner, or prescribe requirements with respect to, the administration, the personnel, the curriculum, the instruction, the methods of instruction, or the materials of instruction; nor shall any provision of this act be interpreted or construed to imply or require any change in any State Constitution prerequisite to any State sharing the benefits of this act."

To qualify for the grants, States would have to meet several conditions, including a "just and equitable apportionment of such funds for the benefit of public schools maintained for minority races," where separate schools are maintained for such purpose. Any reduction in the amount spent for minority-race schools in the current fiscal year is also prohibited.

To continue to qualify for aid after the program's fourth year of operation, a State would have to maintain an expenditure for educational purposes of 2.2% of the total income of its citizens.

President Vetoes 2 Puerto Rican Bills

President Truman vetoed on May 16 a measure by the Puerto Rican Legislature which provided for a plebiscite on the permanent political status of that country. Reporting this Associated Press advices from Washington in the New York "Times" added:

"He also vetoed a companion measure providing a poll of Puerto Rican voters for the purpose of recommending a Puerto Rican for appointment as Governor in the event of a vacancy before the permanent political status of the island were decided."

Peace and Foreign Trade

(Continued from first page)
Nations Relief and Rehabilitation Administration for overseas shipment. This also is one-way traffic. But normal trade is essentially a two-way process and we must make a rapid adjustment not only in our practices but also in our ways of thought in order to make the transition from this one-way shipment of goods and services for war to the give and take that is necessary if trade is to make its contributions to living in peace.

Our forces overseas have dwindled to minimum occupation needs. Lend-lease has stopped. UNRRA's contracts to purchase goods have practically reached the limit of the funds available. By 1947 not much will be left of this vast one-way traffic in supporting the war effort and meeting relief needs.

The war and relief traffic have employed large numbers of workers here and kept our ships loaded to capacity. What will happen when this kind of traffic ceases entirely in the near future?

The readjustments will be costly and difficult unless we are prepared to take a comprehensive instead of a narrow view of international commerce. The change-over will be eased by the demand for our exports directly or indirectly resulting from the post-war loans we have made or will make to a number of countries. These loans will help to put the receiving countries on their feet and enable them to rehabilitate their economies so that they can be an asset and not a liability to the world's economic life. They will assist these countries to free their currencies. And we cannot more toward multilateral trade, we cannot freely send our goods to all countries, unless the currencies of these countries are freely convertible.

Secretary Vinson stressed this Monday in reply to a question in the House Banking and Currency Committee on the advantages of the British loan when he said:

"The most important benefits would come from the British agreements, to abolish the sterling area, dollar pool, to make sterling convertible, not to discriminate against American trade, and to do something about the blocked sterling balances."

But to loan dollars and to reconstruct the economic life of these countries will not be enough in the long run to keep world trade going unless these countries can earn more dollars by selling their goods and services to us. There must, therefore, be a substantial increase of imports into the United States.

Some of these imports can take the form of services received by our people in, for example, foreign travel, but there is a large market for imported goods in our economy today, and by purchasing them we as a nation will make it possible for others to buy the commodities we want to sell and upon which the livelihood of millions of our workers depends. In order to increase our exports we must expand our imports.

The Real Purpose of Exporting

In the past, our peace-time habits have obscured one of the central purposes of exporting. From the point of view of the private exporter, the immediate purpose of exports is to make a living for the producer and the trader concerned with export goods, but from the point of view of the whole country, the chief purpose of exporting is to enrich our community by enabling us to buy from outside the goods we want for our own consumption, just as other countries export to us to raise their standard of living. It is also true that domestic employment is stimulated by the

production of goods for export, but to send commodities abroad and refuse to receive goods or services in return is to give away the product of our labor. We produce for others so that we can obtain for ourselves what others can produce for us.

Our business community is better organized for export trade than it is for import trade. We must learn to consider the losses which trade barriers inflict on us by depriving us entirely of many things produced abroad for which we have no domestic counterpart in variety or quality or price. In protectionist countries these deprivations affect every individual in his daily life. We need to organize imports so that goods selected to meet the demands of the American people are brought in in greater variety and in greater quantity than before. Without this we would have to go without some articles and to use others that are inferior and generally more expensive than the best that could be obtained. This means the acceptance of a lower standard of life than we would otherwise enjoy. At the same time it would reduce the purchasing power of other countries for our products so that it would be harder for us to sell those things that our people can make better and cheaper than others can make.

1946-1947 Crucial Years

Historians will look back on the years 1946 and 1947 as a critical time for the whole future of world international economic relationships because of the decisions made in these years on international trade.

After the first World War efforts were made to restore international economic relationships. Steps were taken to stabilize currencies in a number of countries, and private international lending took place on a large scale. But the results were disappointing, and the world suffered a grave economic set-back after 1929—a set-back which aided the subversive forces in Germany, Italy and Japan—forces that plunged the world into a second Great War.

The failure of world economic reconstruction in the inter-war period was no doubt due to a variety of causes. But it would not be simplyfyng too much to say that there were two outstanding factors—the failure to maintain a high level of employment and the failure to expand world trade. These failures had disastrous consequences. They distorted and wrecked the internal economies of many countries, strengthening the forces of nationalistic militarism and reaction and weakening the supporters of democracy and international collaboration. They ruined the high hopes of a peaceful world which men held in the nineteen twenties.

War and Full Employment

When large numbers of unemployed walked the streets, purchasing power declined in the leading industrial countries. The demand for foreign trade products fell off along with the demand for domestic products. The only countries attaining full employment were those preparing for war. The countries whose economies were geared to meet the demands of consumers in a peaceful world could not reach this goal while that world was honeycombed with trade restrictions.

Nothing could be more certain to destroy the international economy we are trying to build up than a repetition of these inter-war failures. We have established an international organization for dealing with international monetary questions and with international investment superior to any that was set up after the last war. But once again monetary and lending facilities will not avail long

unless they are accompanied by measures to widen the channels of trade and increase the flow of goods across frontiers.

In our plans for international economic reconstruction it was decided not to attempt to place in a single agency all the detailed work of international economic organization. A number of specialized agencies have therefore been created and others will follow.

But the establishment of a number of separate agencies does not mean that the work of each is independent of the others. On the contrary, their fortunes are interdependent; the serious weakening of any one of them will tend to determine the whole structure.

The New International Trade Organization

The most important from an economic point of view of the agencies planned but not yet established is the International Trade Organization. This Organization is vital to the completion of the structure to which the International Monetary Fund, the International Bank for Reconstruction and Development and the Economic and Employment Commission of the Economic and Social Council belong.

The United States took the lead in preparing for this Organization long before the organizing meetings of the General Assembly and the Economic and Social Council took place in London this year. Our best experts in the field of commercial policy and related subjects began working in Washington in 1943 before Mr. Hull's resignation as Secretary of State on comprehensive proposals concerning trade and employment. They did this so that the United States might be prepared after the end of the war, to take the lead in sponsoring a constructive program for promoting the production, exchange and consumption of goods. These proposals do not deal only with tariffs, preferences, quotas and other direct restrictions on trade, but include the maintenance of employment and economic activity, the elimination of restrictive business practices and the problems of inter-governmental commodity arrangements. To deal with these questions the proposals include the establishment of an international trade organization.

The proposals were tested and refined in discussions with the experts of other Governments, and after a thorough review and revision during the Anglo-American trade and financial talks last autumn, they were published by the Department of State in a pamphlet entitled "Proposals for Expansion of World Trade and Employment." These proposals have the endorsement of the Executive Branch of our Government. The Government of the United Kingdom—a key country from the point of view of international trade—has accepted all important points in principle as a basis for international discussion.

The United States Government intends to negotiate with a group of countries for the purpose of reaching agreement not only on these proposals but also on measures for the relaxation of tariffs and other trade barriers under the authority of our Trade Agreements Act.

The Economic and Social Council at its London meeting set up a Preparatory Committee for an international conference on trade and employment. This Committee was suggested by the United States in the Council as a means of bringing the project outlined by our Government under the auspices of the United Nations. The Preparatory Committee is composed of representatives of 18 countries, including all countries we had invited to participate in

preliminary negotiations on tariffs and other trade barriers. It will work out an annotated draft agenda and a draft convention for consideration by the general conference. The resolution of the Economic and Social Council setting up the Preparatory Committee suggested a program for discussion corresponding closely to the main chapters of the pamphlet published by the Department of State. The Committee will meet this fall and report to a subsequent session of the Council.

An Informed Public Opinion is Needed

But the setting up of an International Trade Organization is only one part of the work of reconstruction in the field of trade. It is an important part because it will ensure that continuous and not sporadic attention is given to questions of international cooperation, with a view to the expansion of world trade. In this respect, present plans are a marked advance over the international conference on trade in 1927 which ended without setting up adequate continuing machinery. But neither conferences nor organizations will avail without an informed public opinion and an understanding attitude among traders. The conference of 1927 produced some excellent resolutions but most of the Governments failed to play their part in implementing the decisions. Our attitude this year and next on international trade policy will be a decisive test of whether or not we have really turned our backs on economic isolation and sincerely taken up the ways of international cooperation.

I have been stating again what are for many of you well-known facts about the importance of trade and the real and direct benefits that we as citizens of the United States obtain from it. Can anyone doubt that every state in this country, including the richest, has benefited by the absence of trade barriers between it and other states? Similarly all countries, including the richest can benefit from a reduction of barriers to trade between countries, providing that such reduction is accomplished with due regard to its impact on existing economic interests.

The Task of the Economic and Social Council

Yet I do not feel it is enough to talk to you only in terms of the market-place—important though the market-place is to all of us. I have the honor to represent you on the Economic and Social Council of the United Nations and the work of this Council depends in the last analysis on the extent to which men can really understand in their hearts the implications of world cooperation. We are beginning to see in our political and economic life that regard for our neighbor is not only an individual virtue; it is also a necessity for the survival of civilization. This involves what President Truman called "a normal, decent understanding of our neighbors and our neighbors' needs, both locally, nationally and internationally."

Our task on the Economic and Social Council is to ensure that the beacons of economic progress are within sight of all peoples.

It is not our job to take from one country and give to another or to hand out directly the necessities of life. Our job is to assist in clearing away the obstacles barring the road to peaceful change. When men are blocked in their efforts to advance by conditions beyond their control yet within the control of others, violent action frequently seems to be the only method of breaking through. Whenever the common people in any country can be aroused to wage war or revolution, whenever ordinary men desire to fight their neighbors, it is because they believe that in doing so they can advance their condi-

tions of life. The ends they struggle for may be born of ignorance and the means they adopt, conditioned by fear, but ignorance and fear are the pressures underlying violent popular upheavals. It is opportunity to go forward peacefully that men desire, it is the possibility of obtaining decent conditions of life and the aim of the Economic and Social Council is to clear the way for this. International trade is indispensable to this purpose. The natural resources of the world are distributed unequally among different countries and so is the population of the world. The distribution of resources is imperfectly related to the distribution of population, and trade between countries is the principal door to progress for all. It is peculiarly true of trade that the whole is greater than the sum of its parts.

The immediate aims of the Trade Organization on the international scale and of your organization on a national scale are clear enough—to expand trade and to free opportunities for trade, but let us not lose sight of the greater purpose of which this is an indispensable part—that man might live in peace with justified hopes of obtaining a better life.

Railroads Returned to Owners—Strike Ended

Federal control of the nation's 337 railroads was relinquished at 5 p.m. (EDT) on Sunday, May 26, after reports showed that normal or nearly normal service had been restored rapidly in the wake of a paralyzing 48-hour strike which was settled on President Truman's terms at 4.50 p.m. (EDT), the day before.

The Brotherhood of Railroad Trainmen and the Brotherhood of Locomotive Engineers on May 26 signed a formal contract which calls for a straight wage increase of 18½ cents an hour for the entire industry, of which 2½ cents is in lieu of changes in working rules for one year. The 18 other railroad unions signed earlier in the day an agreement covering the same terms.

National City Bank Advt. Transmitted by Cable

A full page advertisement of The National City Bank of New York, relating to the services of its three branches in China, located in Shanghai, Tientsin and Hong Kong, and appearing in the English language "Shanghai Evening Post" in connection with Foreign Trade Week in the Chinese city, was approved in New York one day and appeared in Shanghai the next. This it is made known by the bank was accomplished by cable and with a speed unknown in recent years, indicating that lapses due to wartime conditions have been effectively removed. Foreign Trade week was celebrated May 19-25 by leading American and Chinese business firms. National City's ad was published May 18 in the Shanghai "Post," which issued a special tabloid edition.

Dutch Credit Paid Before Maturity

Dr. Hendrik Riemens, Financial Counselor of the Netherlands Embassy, announced on May 24 that the \$100,000,000 bank credit to the Netherlands Government was paid off that day—17 months before its maturity date. The credit, secured by gold, was made on February 8, 1945, some four months before the liberation of the Netherlands, by a syndicate of 14 New York banks headed by the Chase National Bank. It was to have matured on November 1, 1947. At the time of repayment, the credit was completely used except for \$33,000.

National Fertilizer Association Commodity Price Index Continues Its Advance

Commodity prices continued their advance in the week ended May 25, 1946, when the wholesale commodity price index compiled by The National Fertilizer Association and made public on May 27, rose 0.4% to the new high level of 147.5 from 146.9 in the preceding week. In May, 1943, when the "hold-the-line" order became effective this index stood at 135.7. Just before the steel price rises, March 3, the index stood at 141.9. This was a 4.6% rise from the 1943 level. In the 12 weeks since March 3, the index has risen 3.9% which is almost as great a rise as occurred in the three years when the "hold-the-line" order was effective. A month ago the index stood at 145.7 and a year ago at 140.7, all based on the 1935-1939 average as 100. The Association's report went on to say:

During the latest week four of the composite groups of the index advanced and the remaining groups showed no change. The largest gain was registered in the foods group which reflected the advances in the prices for bread, oranges and potatoes. While the farm products group did not change there were many price fluctuations in the subgroups. The cotton subgroup advanced. The grain index reached a new high level because of the rise in rye prices. The livestock index declined with lower prices for lambs and eggs more than offsetting higher prices for good cattle, calves and sheep. Among the industrial groups the fuels index showed the largest increase; it advanced because of higher prices for bituminous coal. The textiles index was higher. The miscellaneous commodities group advanced due to higher prices for cigarettes and a further small rise in linseed meal.

During the week 11 price series in the index advanced and two declined; in the preceding week 11 advanced and four declined; in the second preceding week six advanced and one declined.

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

% Each Group Bears to the Total Index	Group	Latest Preceding Week		Month Ago	Year Ago
		May 25, 1946	May 18, 1946		
23.3	Foods	145.8	144.6	144.3	142.6
	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	178.4	178.4	175.2	167.4
	Cotton	261.2	258.0	263.6	215.5
	Grains	192.7	192.2	174.0	163.7
	Livestock	161.8	162.7	161.6	161.0
17.3	Fuels	131.4	130.8	130.8	130.4
10.8	Miscellaneous commodities	132.6	138.4	134.5	133.7
8.2	Textiles	166.6	165.1	167.0	157.2
7.1	Metals	117.9	117.9	117.9	104.7
6.1	Building materials	167.8	167.5	167.5	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	105.8	104.8
100.0	All groups combined	147.5	146.9	145.7	140.7

*Indexes on 1926-1928 base were: May 25, 1946, 114.9; May 25, 1944, 114.4; and May 25, 1943, 109.6.

and in the comparable week a year ago.

Manufacturing continued to account for about one-half of the week's failures. Ten manufacturers failed, representing an increase of 2 from last week. Compared with the same week of 1945, however, they were five times as numerous. Failures in retailing increased from only 2 last week to 6 in the week just ended—1 more than in the corresponding week a year ago.

Canadian failures numbered 2 this week as compared with none both last week and a year ago.

Wholesale Food Price Index Off 1¢—The wholesale food price index, compiled by Dun & Bradstreet, Inc., moved 1¢ lower from last week's 25½-year peak to stand at \$4.20 on May 21. This reflected a rise of 2.9% over the \$4.08 recorded a year ago. Potatoes and lambs advanced during the week, while declines occurred in rye, tea, eggs, and currants. Index represents the sum total of the price per pound of 31 foods in general use.

Wholesale Commodity Price Index—Following the sharp rise of last week occasioned by the advance in grain price ceilings, the daily wholesale commodity price index, compiled by Dun & Bradstreet, Inc., declined slightly to close at 194.11 on May 21, as against 194.23 a week earlier. At this time last year the figure stood at 176.76.

Trading in the country's leading grain exchanges was comparatively quiet in the past week despite the opening up of dealings in new grain futures contracts. A feature of the week was the upturn in the May rye contract, resulting from better demand and strength in the cash market following 12 days of steady decline. Cash wheat at the new ceiling remained tighter than ever with the situation further confused by new trading regulations and Government pronouncements.

With flour production continuing to drop, domestic flour bookings were reported practically nil and it was feared that many bakers will be forced to curtail their operations shortly. Unless the available wheat supply situation improves soon, indications point to virtually all flour mills closing down by June 1. Supplies of lard for domestic distribution continue well below requirements due to heavy Government takings. Oils and fats likewise are in very short supply. Hogs held at current ceilings, and contrary to expectations, receipts at primary markets failed to increase following the recent advance of 25¢ per bushel for corn.

Cotton prices were depressed during most of the week due to lack of mill demand resulting from the coal strike and the temporary embargo on freight shipments. Toward the close of the period, however, values rallied on reports that the railway strike situation might be settled before the end of the five-day truce and the likelihood that the Government would take over the coal mines. Although ahead of last year, crop progress was somewhat less favorable, with heavy rains reported over the eastern part of the belt. In line with expectations the Census Bureau reported consumption of cotton during April at 813,732 bales, up slightly from the March total of 803,937, and a gain of 44,523 bales over April last year. Total use of cotton for the nine months of the current crop year amounted to 6,771,882 bales, against 7,278,600 for the corresponding period a year ago. Activity in carded gray cloth markets was limited to moderate sales of print cloths and sheetings, mostly on a spot basis or for nearby delivery.

Buying in the Boston raw wool market last week was cautious and spotty as some mills were reported curtailing operations due

to the shortage of coal. Activity in domestic wools was centered largely in the Midwest where keen competition developed for new clip wools. Growers' prices were steady to 1¢ higher than in the previous week. In foreign primary markets, buying fell to extremely low proportions. There were practically no offerings of desirable lots reported to either Australia or South Africa, and importers were finding it difficult to move South American wools at the recent advance in prices.

March Hardware Sales Show Good Gains—Good gains in volume for independent retail hardware stores in all parts of the country for March were reported by "Hardware Age" in its every-other-Thursday market summary, the average being 29% over last year. Gains for March also averaged 29% over February of this year. For the first quarter of this year there was an average volume increase of 33%.

Wholesale hardware distributors in all parts of the country reported an average sales increase in March of 19% over last year and of 14% over February, 1946. Sales for the first quarter of this year were 22% greater than last year's comparable quarter. Hardware wholesalers reported that inventories on hand as of March 31 indicated an average of 22% higher than as of Feb. 28 of this year. Accounts receivable averaged 17% more in March than a year ago and 5% in excess of February, 1946.

Wholesale and Retail Trade—Despite rain and cool weather total retail volume for the country at large rose this week and continued to be considerably above that of the corresponding week a year ago, according to Dun & Bradstreet, Inc., in its current review of trade. Consumer demand was high in practically all lines and was not easily diverted to substitute items. Selections of some scarce goods increased slightly.

Retail food volume remained high this week with current per capita consumption of food estimated to be more than 10% above the 1935-1939 average. The shortage of butter and oils continued to be acute. The supply of poultry and fish was plentiful, but that of meat remained low. Shortages of bread in some localities induced retailers to impose an allotment system on their customers.

The supply of men's suits increased slightly as more lightweight suits appeared in retail stores than have been evident during the last few weeks. Men's woven shorts were becoming less scarce, though selections of shirts continued to be limited. Interest in women's apparel centered on cotton dresses, sportswear, and short coats. Main floor departments generally were busy as the demand for graduation gifts mounted.

A slight increase in the stocks of piece goods in some localities was noted, but it was insufficient to alleviate the over-all shortage. Woolen goods generally were more available than either cotton or rayon goods. Stocks of floor coverings, curtains, and draperies were limited, but nevertheless continued to attract much consumer attention.

Shortages of some types of electrical appliances continued to be evident, but over-all supplies were increasing gradually. In the radio line attention tended to be centered on the radio-phonograph combination. The demand for paint and wallpaper remained high and supplies generally were adequate. Watches and jewelry were much in demand as graduation gifts. Interest in housewares, hardware, and furniture was sustained at a high level this week.

Retail volume for the country was estimated to be from 24 to 28% over that of the correspond-

ing week a year ago. Regional percentage increases were: New England and Pacific Coast, 17 to 20; East, 30 to 34; Middle West, 26 to 30; Northwest, 22 to 26; South, 23 to 27, and Southwest, 18 to 22.

Wholesale volume continued to expand this week and was well above that of the corresponding week a year ago. New order volume increased and deliveries generally improved over those of the preceding week. A trend toward greater selectivity was in evidence at many of the shows this week.

Department store sales on a country wide basis, as taken from the Federal Reserve Board's index for the week ended May 18, 1946, increased by 38% above the same period of last year. This compared with an increase of 40% (revised figure) in the preceding week. For the four weeks ended May 18, 1946, sales increased by 33% and for the year to date by 25%.

The railroad strike last week had a paralyzing effect on shipments from wholesale markets here in New York at the week-end and concern was felt for future production because of inability to obtain raw materials from outside the city. Retail trade was affected in a lesser degree and reports indicated that local stores may receive some of the merchandise which cannot be delivered to stores elsewhere. Early in the week the arrival of buyers of women's garments was high, with the peak level looked for within the next three weeks.

According to the Federal Reserve Bank's index, department store sales in New York City for the weekly period to May 18, 1946, increased 46% above the same period last year. This compared with an increase of 54% in the preceding week. For the four weeks ended May 18, 1946, sales rose by 42% and for the year to date by 32%.

End of Draft Law Looms

Administration supporters expressed fear on May 21 that the Senate Military Affairs Committee's rejection of a proposal to bring up for immediate floor action legislation to extend the draft for a full year might result eventually in Selective Service being permitted to die on July 1, expiration date for the present stop-gap measure, to which reference was made in our issue of May 23, page 2814. Senator Thomas (D-Utah), Committee Chairman, predicted the end of the draft when his group failed to recommend "unanimously" that the Senate approve "without discussion" a full year extension of the law, resuming induction of those under 20 years of age. Instead, a dispatch from Washington to the New York "Herald Tribune" stated, Chairman Thomas confessed, he and other members of the committee had discovered that the subject of extension of the draft law was "controversial" and if called up in the Senate would provoke considerable debate. The "Herald Tribune" advised added:

As a result Senator Chan Gurney, Republican, of South Dakota, sponsor of the Senate bill to extend the draft for another year, announced he would attempt to call up the measure, "just as soon as Majority Leader Barkley gives the word."

To get Senate action within the immediate future would require that the Senate lay aside the pending labor disputes bill. Senator Barkley has confessed he does not have the votes to sidetrack this bill.

Pro-draft Senators, including Mr. Gurney, felt that the lack of unanimity in the Military Affairs Committee foreshadows a protracted debate in the Senate once the bill is brought up on the floor.

The State of Trade

(Continued from page 2974)

quota system based on prewar shipments. By the time the United States steel industry is in a position to supply substantial quantities of steel abroad, European steel mills and those in other parts of the world may have become greatly expanded and may be in a position to supply a good portion of what was once imported from this country.

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 43.6% of capacity for the week beginning May 27, compared with 49.2% one week ago, 67.7% one month ago and 91.0% one year ago. This represents an increase of 11.4% from the previous week.

This week's operating rate is equivalent to 768,400 tons of steel ingots and castings and compares with 867,100 tons one week ago, 1,193,100 tons one month ago and 1,666,800 tons one year ago.

Electrical Production—The Edison Electric Institute reports that the output of electricity increased to 3,939,281,000 kwh. in the week ended May 18, 1946, from 3,910,760,000 kwh. in the preceding week. Output for the week ending May 18, 1946, was 10.0% below that for the corresponding weekly period one year ago.

Consolidated Edison Co. of New York reports system output of 180,500,000 kwh. in the week ended May 19, 1946, compared with 163,000,000 kwh. for the corresponding week of 1945, or an increase of 10.7%. Local distribution of electricity amounted to 171,200,000 kwh., compared with 162,200,000 kwh. for the corresponding week of last year, an increase of 5.5%.

Railroad Freight Loading—Car

loadings of revenue freight for the week ended May 18, 1946, totaled 688,240 cars, the Association of American Railroads announced. This was an increase of 3,298 cars (or, 0.5%) above the preceding week and 180,674 cars, or 20.8% below the corresponding week for 1945. Compared with the similar period of 1944, a decrease of 181,835 cars, or 20.9%, is shown.

Paper and Paperboard Production—Paper production in the United States for the week ending May 18 was 98.3% of mill capacity, against 102.8% in the preceding week and 92.5% in the like 1945 week, according to the American Paper & Pulp Association. Paperboard output for the current week was 92% against 97% in the preceding week, and the corresponding week a year ago.

Business Failures Rise—Commercial and industrial failures turned upward in the week ending May 23, reports Dun & Bradstreet, Inc. Concerns failing numbered 21, exceeding both the 16 in the previous week and 12 in the corresponding week of last year. This represented the 13th week so far in 1946 in which failures have been more numerous than in the corresponding weeks of 1945.

Large failures involving liabilities of \$5,000 or more were four times as high as those with losses under \$5,000. Concerns failing in the large-size group, at 17 this week, were up from 13 a week ago and were almost double the 9 occurring in the same week of 1945. On the other hand, small failures with liabilities under \$5,000 varied little; there were only 4 in the week just ended, 1 more than in the preceding week

Moody's Bond Prices and Bond Yield Averages

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

Table with columns: 1946 Daily Averages, U.S. Govt. Bonds, Avg. Corporate rate, Corporate by Ratings (Aaa, Aa, A, Baa), Corporate by Groups (R.R., P.U., Indus.), and various dates from May 28 to Jan 1, 1946.

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

Table with columns: 1946 Daily Averages, U.S. Govt. Bonds, Avg. Corporate rate, Corporate by Ratings (Aaa, Aa, A, Baa), Corporate by Groups (R.R., P.U., Indus.), and various dates from May 28 to Jan 1, 1946.

*These prices are computed from average yields on the basis of one "typical" bond (3 1/4% coupon, maturing in 25 years) and do not purport to show either the average level or the average movement of actual price quotations. They merely serve to illustrate in a more comprehensive way the relative levels and the relative movement of yield averages, the latter being the true picture of the bond market.

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

Civil Engineering Construction Totals \$104,163,000 for Week

Civil engineering construction volume in continental United States totals \$104,163,000 for the week ending May 23, 1946 as reported to "Engineering News-Record." This volume is 24% below the previous week, 197% above the corresponding week of last year, and 3% below the previous four-week moving average.

Private construction this week, \$71,233,000, is 11% below last week and 854% above the week last year. Public construction, \$32,930,000, is 43% below last week and 20% greater than the week last year.

Total engineering construction for the 21-week period of 1946 records a cumulative total of \$2,004,862,000, which is 202% above the total for a like period of 1945. On a cumulative basis, private construction in 1946 totals \$1,300,133,000, which is 599% above that for 1945.

and municipal construction, \$461,369,000, to date, is 406% above 1945. Federal construction, \$243,355,000, dropped 37% below the 21-week total of 1945.

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

Table showing construction volume for May 23, 1946, May 16, 1946, and May 24, 1945. Categories include Total U.S. Construction, Private Construction, Public Construction, State and Municipal, and Federal.

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

New Capital

New capital for construction purposes this week totals \$15,606,000, and is made up of \$9,756,000 in State and municipal bond sales and \$5,850,000 in corporate security issues.

Weekly Coal and Coke Production Statistics

Production of bituminous coal during the week ended May 18, 1946, the first week of the truce in the coal strike, was estimated at 9,300,000 net tons by the United States Bureau of Mines.

Production of Pennsylvania anthracite during the week ended May 18, 1946 was estimated at 1,337,000 tons, a decrease of 106,000 tons (7.3%) from the preceding week.

The Bureau also reported that the estimated production of beehive coke in the United States for the week ended May 18, 1946, showed an increase of 17,100 tons when compared with the output for the week ended May 11, 1946; but was 98,200 tons less than for the corresponding week of 1945.

Table: ESTIMATED UNITED STATES PRODUCTION OF BITUMINOUS COAL AND LIGNITE (In Net Tons). Columns: Week Ended (May 18, 1946, May 11, 1946, May 19, 1945), Jan. 1 to Date (May 18, 1946, May 19, 1945).

Table: ESTIMATED PRODUCTION OF PENNSYLVANIA ANTHRACITE AND COKE (In Net Tons). Columns: Week Ended (May 18, 1946, May 11, 1946, May 19, 1945), Calendar Year to Date (May 18, 1946, May 19, 1945, May 22, 1947).

Electric Output for Week Ended May 25, 1946 9% Below That for Same Week a Year Ago

The Edison Electric Institute, in its current weekly report, estimated that the production of electricity by the electric light and power industry of the United States for the week ended May 25, 1946, was 3,941,865,000 kwh., which compares with 4,329,605,000 kwh. in the corresponding week a year ago, and 3,939,281,000 kwh. in the week ended May 18, 1946.

PERCENTAGE DECREASE UNDER SAME WEEK LAST YEAR

Table showing percentage decrease under same week last year for various Major Geographical Divisions: New England, Middle Atlantic, Central Industrial, West Central, Southern States, Rocky Mountain, Pacific Coast, and Total Un. States.

DATA FOR RECENT WEEKS (Thousands of Kilo-watt-Hours)

Table showing data for recent weeks from Feb. 2 to May 18, 1946, including 1944 and 1932 data for comparison.

AMA Management Meeting June 16 in NY

A one-day General Management Conference in New York on June 11 to enable executives to discuss current problems confronting business and industry, was announced on May 25 by Alvin E. Dodd, President of the American Management Association.

The conference will assay experiences in the solution of re-conversion problems of recent months as a basis for policy planning for the immediate future, particularly on matters of profit sharing, training management to meet labor unions, techniques of policy formulation and organizational controls, impact of inflation on corporate fiscal policies, and executive education and development.

Speakers include: Forest D. Siefkin, Vice President, International Harvester Co.; Training Executives to Meet Labor; Thomas G. Spates, Vice President, General Foods Corp.; and R. C. Muir, Vice President, General Electric Co.

The conference will comprise morning, afternoon and evening dinner sessions at the Waldorf-Astoria Hotel. At the close of the afternoon session the American Management Association will hold its annual business meeting.

Moody's Daily Commodity Index

Table showing Moody's Daily Commodity Index for various dates from Tuesday, May 21, 1946, to Low, Jan. 2, 1946.

Trading on New York Exchanges

The Securities and Exchange Commission made public on May 22 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 May 4, 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 May 4 (in round-lot transactions) totaled 1,856,924 shares, which amount was 15.85% of the total transactions on the Exchange of 5,859,200 shares. This compares with member trading during the week ended April 27 of 2,576,523 shares, or 16.43% of the total trading of 7,841,310 shares.

On the New York Curb Exchange, member trading during the week ended May 4 amounted to 587,095 shares, or 13.36% of the total volume on that exchange of 2,197,735 shares. During the week ended April 27, trading for the account of Curb members of 686,010 shares was 13.57% of the total trading of 2,528,140 shares.

Total Round-Lot Stock Sales on the New York Stock Exchange and Round-Lot Stock Transactions for Account of Members* (Shares)
WEEK ENDED MAY 4, 1946

	Total for Week	%
A. Total Round-Lot Sales:		
Short sales	187,040	
Other sales	5,672,160	
Total sales	5,859,200	
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	602,250	
Short sales	100,660	
Other sales	447,910	
Total sales	548,570	9.82
2. Other transactions initiated on the floor—		
Total purchases	89,670	
Short sales	5,300	
Other sales	79,690	
Total sales	84,990	1.49
3. Other transactions initiated off the floor—		
Total purchases	256,115	
Short sales	40,700	
Other sales	234,629	
Total sales	275,329	4.54
4. Total—		
Total purchases	948,035	
Short sales	146,660	
Other sales	762,229	
Total sales	908,889	15.85
Total Round-Lot Stock Sales on the New York Curb Exchange and Stock Transactions for Account of Members* (Shares)		
WEEK ENDED MAY 4, 1946		
C. Total Round-Lot Sales:		
Short sales	25,550	
Other sales	2,172,185	
Total sales	2,197,735	
D. Round-Lot Transactions for Account of Members:		
1. Transactions of specialists in stocks in which they are registered—		
Total purchases	211,905	
Short sales	10,935	
Other sales	186,620	
Total sales	197,555	9.32
2. Other transactions initiated on the floor—		
Total purchases	23,360	
Short sales	300	
Other sales	24,875	
Total sales	25,175	1.10
3. Other transactions initiated off the floor—		
Total purchases	47,900	
Short sales	10,510	
Other sales	70,690	
Total sales	81,200	2.94
4. Total—		
Total purchases	283,165	
Short sales	21,745	
Other sales	282,185	
Total sales	303,930	13.36
E. Odd-Lot Transactions for Account of Specialists—		
Customers' short sales	0	
Customers' other sales	123,122	
Total purchases	123,122	
Total sales	117,297	

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

Non-Ferrous Metals—Copper and Lead Users Await OPA Action on Prices—Quicksilver Off

"E. & M. J. Metal and Mineral Markets," in its issue of May 23, stated: "Except that progress was made last week in the matter of settling the question of revising ceiling prices of copper, lead, and zinc upward, the industry was hardly in a position to talk business. Work stoppages resulting from the growing scarcity in supplies of major metals were more numerous. It was hoped that an announcement on prices would be issued by OPA during the next week. The foreign market for copper was active and the price advanced to a higher level than that mentioned as the likely new ceiling price for the domestic trade. There were no price developments in the platinum metals. Quicksilver was quiet and the price declined \$2 per flask."
The publication further went on to say in part as follows:

Copper
Meetings held during the last week to clarify the price situation in copper have not yet brought about final settlement of the problem, but it was felt that considerable progress was made, and OPA now recognizes that anything short of a single quotation for the industry would be worthless. At one time it was suggested by OPA that the price

would be permitted to rise in two stages, (1) to apply to all producers to take care of higher costs incurred up to the present time, and (2) an additional uplift in the quotation for producers who have granted the 18½¢ wage increase. Prices mentioned were 13.80¢ and 14.32¢, respectively.

As matters now stand, it appears that the new ceiling price will move up to 14.375¢, Connecticut Valley. It is believed that the important questions relating to the new ceiling price on copper have been settled. OPA officials are expected to confer with brass and bronze ingot makers before this week ends, to revise ceiling for that industry. Announcement of higher schedules is expected early next week.

Export copper was quite active and higher, the New York equivalent advancing to 14.40¢, f.o.b. refinery.

Lead
The problem of distributing the shrinking lead supply to take care of consumers for June was considered at a meeting between representatives of producers and CPA officials in Washington yesterday. Members of the trade doubt whether the tonnage available for delivery next month will equal that shipped during the current month. In other words, hardly more than 30,000 tons will be available, owing to strikes at mines and refineries in this country, and greatly reduced imports.

With the price certain to rise in the near future, sellers again limited transactions to pricing on date of shipment. Sales during the last week totaled 3,364 tons.

Imports of pig lead in March amounted to 6,531 tons, which compares with 8,010 tons in February and 12,062 tons in January, according to the Bureau of the Census. Imports of pig lead during 1945 averaged 18,903 tons a month.

Zinc
Even the Office of Metals Reserve appears to be holding back zinc until new price ceilings are announced and business again takes on a more normal aspect. Demand continues active, but virtually no business is being booked on a flat-price basis under prevailing chaotic price conditions. The stockpile of slab zinc on April 30 totaled 234,152 tons, of which 62,313 tons was Prime Western; 15,184 tons Brass Special; 5,588 tons Intermediate; 4,400 tons Special High Grade; and 146,667 tons Regular High Grade.

Platinum
Sellers have been successful in establishing a more orderly market in the platinum metals, even though pressure from outside sources continues to be a factor. The selling basis for refined platinum is being maintained at \$56

per ounce troy. London has moved up to £14 per ounce.

Tin
The Government is prepared to extend the agreements to purchase Bolivian concentrates to the end of the year on the basis of 62½¢ per pound of tin contained, f.o.b. South American ports, according to trade reports. The new terms, retroactive to April 1 of the current year, also provide for a premium of 1¢ per pound in the event that shipments exceed the average of 1943-44 by 15%. The existing agreements with the U. S. Commercial Co. expire on June 30. The settlement basis for the April-June quarter is 58½¢ per pound of tin contained. Bolivian producers have been insisting on a higher settlement basis to offset rising costs.

The Government's stockpile of tin at the end of April contained 55,402 long tons of tin, of which 21,997 tons was pig tin and 33,405 tons contained in ores and concentrates. Compared with a month previous the stockpile increased 1,584 tons.

Straits quality tin for shipment was as follows:

	May	June	July
May 16	52.000	52.000	52.000
May 17	52.000	52.000	52.000
May 18	52.000	52.000	52.000
May 20	52.000	52.000	52.000
May 21	52.000	52.000	52.000
May 22	52.000	52.000	52.000

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

Quicksilver
The quiet condition of the market finally made some sellers rather uneasy and it was reported that Mexican metal sold at concessions. Prices last week covered a range of \$100 to \$103 per flask, or \$2 lower than in the preceding week. It was rumored that \$98 had been done, but this could not be confirmed. Prices were unsettled as the week ended.

Silver
The Senate Banking & Currency Committee on May 20 approved proposed silver legislation that would authorize the Treasury to buy domestic metal on the basis of 90.3¢ an ounce troy, and resell on that basis for commercial use. After two years the price would rise to \$1.29. The bill now goes to the Senate for action, then to conference with representatives of the Senate and the House, then to the House, and back to the Senate. A move is on foot to present the measure as a separate bill, instead of as a rider to the Treasury-Post Office Appropriations bill. A bill passed by the House last December provided for the sale of surplus silver by the Treasury on the basis of 71.11¢.

The New York Official price of foreign silver continued at 70¼¢ an ounce troy. London was unchanged at 44d.

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

	—Electrolytic Copper—		—Lead—		Zinc
May	Dom. Refy.	Exp. Refy.	New York	St. Louis	St. Louis
16	11.775	14.175	52.000	6.50	8.25
17	11.775	13.975	52.000	6.50	8.25
18	11.775	14.175	52.000	6.50	8.25
20	11.775	14.175	52.000	6.50	8.25
21	11.775	14.400	52.000	6.50	8.25
22	11.775	14.400	52.000	6.50	8.25
Average	11.775	14.217	52.000	6.50	8.25

Average prices for calendar week ended May 18 are: Domestic copper f.o.b. refinery, 11.775¢; export copper f.o.b. refinery 13.896¢; 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 0.225¢ 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 0.075¢, 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 0.05¢ per pound is charged; for slabs 0.075¢ up, and for cakes 0.125¢ up, depending on weight and dimensions; for billets an extra 0.75¢ up, depending on dimensions and quality. Cathodes in standard sizes are sold at a discount of 0.125¢ 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 1¢ per pound over the current market for Prime Western but not less than 1¢ over the "E. & M. J." average for Prime Western for the previous month.

Quotations for lead reflect prices obtained for common lead only.

Marshall Elected Pres. of Actuarial Society

Edward W. Marshall, Vice-President and Actuary of the Provident Mutual Life Insurance Company, was re-elected President of the Actuarial Society of America, at the latter's annual meeting in New York City on May 20. Other officers re-elected were: Vice-President, Valentine Howell, Vice-President and Actuary of the Prudential Insurance Co.; Vice-President, George W. Bourke, General Manager and Actuary of the Sun Life Assurance Co. of Canada; Treasurer, Oliver W. Perrin, Associate Actuary, Penn Mutual Life Insurance Co.; Editor, John R. Larus, Vice-President and Actuary, Phoenix Mutual Life Insurance Co. Walter Klem, Associate Actuary of the Mutual Life Insurance Co. of New York, was elected Secretary of the Society to succeed Wilmer A. Jenkins, Vice-President and Actuary, Teachers Insurance and Annuity Association.

Result of Treasury Bill Offering

The Secretary of the Treasury announced on May 27 that the tenders for \$1,300,000,000 or thereabout of 90-day Treasury bills to be dated May 31 and to mature Aug. 29, which were offered on May 24, were opened at the Federal Reserve Banks on May 27.

Total applied for \$1,948,786,000. Total accepted, \$1,310,201,000 (includes \$22,423,000 entered on a fixed price basis of 99.905 and accepted in full).

Average price, 99.906+; equivalent rate of discount approximately 0.376% per annum.

Range of accepted competitive bids: High, 99.908; equivalent rate of discount approximately 0.368% per annum.

Low, 99.906; 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 31 in the amount of \$1,316,676,000.

NYSE Odd-Lot Trading

The Securities and Exchange Commission made public on May 22, a summary for the week ended May 11, 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 NEW YORK STOCK EXCHANGE

WEEK ENDED MAY 11, 1946	
Odd-Lot Sales by Dealers—	Total
(Customers' purchases)	Per Week
Number of orders	41,381
Number of shares	1,202,505
Dollar value	\$55,718,310
Odd-Lot Purchases by Dealers—	
(Customers' sales)	
Number of Orders:	
Customers' short sales	224
Customers' other sales	11,347
Customers' total sales	11,571
Number of Shares:	
Customers' short sales	7,809
Customers' other sales	1,194,696
Customers' total sales	1,202,505
Dollar value	\$45,998,881
Round-Lot Sales by Dealers—	
Number of Shares:	
Short sales	100,170
Other sales	223,140
Total sales	323,310
Round-Lot Purchases by Dealers—	
Number of shares	487,310
*Sales marked "short exempt" are reported with "other sales."	
†Sales to offset customers' odd-lot orders and sales to liquidate a long position which has been in round lot are reported with "other sales."	

Daily Average Crude Oil Production for Week Ended May 18, 1946, Increased 17,000 Bbls.

The American Petroleum Institute estimates that the daily average gross crude oil production for the week ended May 18, 1946 was 4,751,350 barrels, an increase of 17,000 barrels per day over the preceding week and a gain of 125,350 barrels over the daily average figure of 4,626,000 barrels estimated by the United States Bureau of Mines as the requirement for the month of May, 1946. The current figure, however, was 116,115 barrels per day below the output for the week ended May 19, 1945. Daily production for the four weeks ended May 18, 1946, averaged 4,714,200 barrels. The Institute further reported as follows:

Reports received from refining companies indicate that the industry as a whole ran to stills on a Bureau of Mines basis approximately 4,756,000 barrels of crude oil daily and produced 14,198,000 barrels of gasoline; 1,984,000 barrels of kerosine; 5,595,000 barrels of distillate fuel, and 8,420,000 barrels of residual fuel oil during the week ended May 18, 1946; and had in storage at the end of that week 97,050,000 barrels of finished and unfinished gasoline; 11,848,000 barrels of kerosine; 32,186,000 barrels of distillate fuel, and 41,875,000 barrels of residual fuel oil.

DAILY AVERAGE CRUDE OIL PRODUCTION (FIGURES IN BARRELS)

	*B. of M. Calculated Requirements May	State Allowables Begin. May 1	Actual Production Week Ended May 18, 1946	Change from Previous Week	4 Weeks Ended May 18, 1946	Week Ended May 19, 1945
**New York-Penna.	47,200		51,700	+ 2,750	50,750	48,950
Florida			250		200	15
**West Virginia	8,400		7,900	+ 150	7,700	8,000
**Ohio-Southeast	7,300		5,750	+ 750	5,200	5,500
Ohio-Other			2,650	- 150	2,700	2,500
Indiana	16,400		20,400	+ 1,850	19,400	12,450
Illinois	204,000		207,850	+ 3,000	210,000	194,650
Kentucky	30,000		30,150	- 1,350	30,850	26,850
Michigan	46,000		46,000	- 1,600	46,100	45,800
Nebraska	800		1,700	- 50	750	900
Kansas	252,000	250,000	†261,350	+ 16,050	252,150	271,300
Oklahoma	370,000	370,000	†373,400	+ 150	369,400	385,400
Panhandle Texas			83,000		82,750	90,000
North Texas			164,800		163,500	153,900
West Texas			521,100		513,300	495,300
East Central Texas			139,600		138,850	138,200
East Texas			388,800		384,500	379,800
Southwest Texas			331,500		328,400	355,650
Coastal Texas			486,000		482,800	563,300
Total Texas	2,050,000	†2,103,120	2,114,800		2,094,200	2,176,150
North Louisiana			†78,650	+ 150	82,100	71,100
Coastal Louisiana			291,450		290,300	299,800
Total Louisiana	380,000	372,000	370,100	+ 150	372,400	370,900
Arkansas	79,000	77,387	†72,250	- 350	75,000	79,850
Mississippi	53,000		†61,850	+ 1,400	58,650	49,800
Alabama	900		1,050		1,100	450
New Mexico—So. East	99,000	106,000	95,300		95,300	103,500
New Mexico—Other			500	+ 50	500	400
Wyoming	97,000		†112,950	- 50	111,250	106,950
Montana	22,000		19,400		19,700	20,850
Colorado	23,000		29,600	+ 650	28,300	11,200
California	840,000	†835,000	885,400	- 400	862,600	945,100
Total United States	4,626,000	4,751,350	4,751,350	+ 17,000	4,714,200	4,867,465

*Pennsylvania Grade included above 65,350 + 3,650 63,650 62,450

*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 May. 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 15, 1946.

‡This is the net basic allowable as of May 1 calculated on a 31-day basis and includes shutdowns and exemptions for the entire month. With the exception of those fields which were exempted entirely the entire state was ordered shut down for five 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 5 days shutdown time during the calendar month.

§Recommendation of Conservation Committee of California Oil Producers. †Figures in these areas are on a strictly crude oil basis beginning this week. Comparable crude oil figures for last week (May 11) follow: No Louisiana, 78,500; Arkansas, 72,600; Mississippi, 60,450; Wyoming, 113,000 (less than 50 bbl. deleted).

CRUDE RUNS TO STILL; PRODUCTION OF GASOLINE, STOCKS OF FINISHED AND UNFINISHED GASOLINE, KEROSENE, GAS OIL AND DISTILLATE FUEL AND RESIDUAL OIL, WEEK ENDED MAY 18, 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.	Crude Runs to Stills Daily	% Op-erated	\$Gasoline Prod'n at Ref.	Unfin. Gasoline	\$Kero-sine	\$Gas Oil	\$Dist. Resid.	\$Stks. of Fuel Oil	\$Stks. of Resid. Fuel Oil
East Coast	99.5	802	101.4	1,890	22,950	5,079	10,092	7,497		
Appalachian										
District No. 1	76.8	97	66.4	307	2,635	231	390	154		
District No. 2	81.2	60	120.0	188	1,031	62	97	182		
Ind., Ill., Ky.	87.2	755	88.2	2,572	20,831	1,737	4,101	3,276		
Okla., Kan., Mo.	78.3	389	82.9	1,314	8,131	614	1,691	1,106		
Inland Texas	59.8	217	65.8	903	2,982	299	210	695		
Texas Gulf Coast	89.3	1,189	96.1	3,573	14,820	1,893	5,560	4,770		
Louisiana Gulf Coast	96.8	293	112.7	802	4,109	1,011	1,653	1,206		
No. La. & Arkansas	55.9	57	54.2	154	1,759	206	441	193		
Rocky Mountain										
District No. 3	17.1	10	76.9	37	92	10	36	41		
District No. 4	72.1	124	78.0	402	2,232	122	388	670		
California	86.5	762	78.8	2,056	15,478	584	7,427	22,855		
Total U. S. B. of M. basis May 18, 1946	85.7	4,756	88.0	14,198	97,050	11,848	32,186	41,875		
Total U. S. B. of M. basis May 11, 1946	85.7	4,820	89.2	13,903	98,158	11,079	31,736	41,008		
U. S. B. of M. basis May 19, 1945		4,951		15,329	†88,533	8,232	29,859	38,852		

*Includes unfinished gasoline stocks of 8,420,000 barrels. †Includes unfinished gasoline stocks of 11,388,000 barrels. ‡Stocks at refineries, at bulk terminals, in transit and in pipe lines. §Not including 1,984,000 barrels of kerosine, 5,595,000 barrels of gas oil and distillate fuel and 8,420,000 barrels of residual fuel oil producing during the week ended May 18, 1946, which compares with 2,027,000 barrels, 5,422,000 barrels and 8,724,000 barrels, respectively, in the preceding week and 1,523,000 barrels, 5,181,000 barrels and 9,425,000 barrels, respectively, in the week ended May 19, 1945.

Wholesale Prices Rose 0.7% in Week Ended May 18, Labor Department Reports

"Higher prices for grains and clothing were largely responsible for an advance of 0.7% in primary market prices during the week ended May 18, 1946," it was stated on May 23 by the Bureau of Labor Statistics, U. S. Department of Labor, which added that "at 110.9% of the 1926 average, the index of commodity prices in primary markets prepared by the Bureau was 1.2% higher than in mid-April 1946 and 4.8% above a year ago."

The Bureau further reported:

"Farm Products and Foods"—Substantial price advances for grains to new OPA ceilings raised average prices of farm products 1.5% during the week. The new ceilings, above current parity levels, were granted to encourage increased production to meet foreign commitments for relief and to discourage feeding to livestock. Quotations for corn advanced more than 20%, and for barley, oats, and wheat 6 to 10%. Rye quotations declined in anticipation of the OPA ceiling which becomes effective June 1. Prices of white potatoes increased in most markets with good demand and onions were higher reflecting good quality. Light supplies caused slight price advances for apples. Prices of oranges declined substantially because of a preponderance of small sizes. Quotations for steers increased with heavier demands from large packers and sheep quotations were higher with light supplies. On the average prices of farm products were 1.3% higher than a month ago and 6.5% above mid-May, 1945.

"The group index for foods advanced 0.5% during the week chiefly because of higher prices for bread due to reductions in the loaf size without corresponding price reductions. Prices of foods averaged 1.0% above mid-April 1946 and 4.4% above the corresponding week of last year.

"Other Commodities"—Average prices of all other commodities rose 0.3% during the week, with the largest advances in clothing, hides and skins, and cattle feed. Prices of work clothing increased following ceiling adjustments to restore 1936-39 earnings and prices of men's suits were higher. Quotations for Brazilian goatskins advanced sharply as the Reconstruction Finance Corporation increased its buying price to meet world competition. Higher OPA ceilings to encourage production were reflected in a substantial price increase for linseed meal during the week. There also were increases for anthracite, drain tile, cement, and rugs reflecting earlier adjustments of ceilings. The group index for all commodities other than farm products and foods was 0.9% above a month ago and 4.3% higher than mid-May 1945."

The following notation is included in the 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 20, 1946 and May 19, 1945, and (2) percentage changes in subgroup indexes from May 11, 1946 to May 18, 1946.

CHANGES IN WHOLESALE PRICES BY COMMODITY GROUPS FOR WEEK ENDED MAY 18, 1946 (1926=100)

Commodity group—	Percentage changes to May 18, 1946, from—								
	5-18 1946	5-11 1946	5-4 1946	4-20 1946	5-19 1945	5-11 1945	4-20 1945	5-19 1945	5-11 1945
All commodities	110.9	110.1	109.9	109.6	105.8	+0.7	+1.2	+4.8	+1.8
Farm products	137.9	135.8	135.6	135.4	129.5	+1.5	+1.8	+6.5	+4.4
Foods	111.5	110.9	110.7	110.4	106.8	+0.5	+1.0	+4.4	+2.2
Hides and leather products	120.9	120.3	120.3	120.3	118.3	+0.5	+0.5	+2.2	+2.2
Textile products	108.2	106.7	106.7	105.2	99.1	+1.4	+2.9	+9.2	+2.8
Fuel and lighting materials	87.0	87.0	87.0	86.6	84.6	0	+0.5	+2.8	+0.5
Metal and metal products	109.3	109.3	109.1	109.0	104.3	0	+0.3	+4.6	+8.3
Building materials	126.9	126.8	126.6	126.0	117.2	+0.1	+0.7	+8.3	+1.5
Chemicals and allied products	96.3	96.2	96.1	96.1	94.9	+0.1	+0.2	+1.5	+3.0
Housefurnishings goods	109.4	108.9	108.7	108.7	106.2	+0.5	+0.6	+3.0	+1.8
Miscellaneous commodities	96.3	96.2	96.2	95.4	94.6	+0.1	+0.9	+1.8	+5.7
Raw materials	124.6	123.2	123.1	123.0	117.9	+1.1	+1.3	+5.7	+7.3
Semi-manufactured articles	101.7	101.6	101.5	100.8	94.8	+0.1	+0.9	+7.3	+1.0
Manufactured products	106.1	105.6	105.5	105.1	102.1	+0.5	+1.0	+3.9	+4.3
All commodities other than farm products	104.8	104.4	104.3	103.9	100.5	+0.4	+0.9	+4.3	+3.9
All commodities other than farm products and foods	104.0	103.7	103.6	103.1	99.7	+0.3	+0.9	+4.3	+3.9

PERCENTAGE CHANGES IN SUBGROUP INDEXES FROM MAY 11, 1946 TO MAY 18, 1946

Commodity group—	Increases	
	5-18 1946	5-11 1946
Grains	10.4	0.5
Clothing	5.2	0.4
Other-textile products	3.3	0.3
Brick and tile	3.1	0.2
Cement	2.2	0.2
Other food	0.9	0.1
Fruits and vegetables	0.6	0.1
Meats	0.6	0.1
Other farm products	0.1	

Hours Worked and Weekly Earnings Higher in March

All the factors which contribute to the income of wage earners in manufacturing turned upward in March, in most cases reversing the course of reconversion slumps, according to the National Industrial Conference Board, whose report issued on May 20 continued: With the exception of total and weekly hours worked, all the indicators reached levels in March which were well above the immediate postwar troughs. Many of the declines, such as those in employment, total man-hours worked, and payrolls, began long before reconversion got under way, and were due in the earlier stages not to reconversion but rather to manpower shortages and, in a number of cases, to pro-

duction-saturation of war goods. The declines were accentuated in most cases in the latter half of 1945 and continued through February, 1946, under the influence of major strikes.

There follow The Conference Board's figures for March, 1946, and comparisons with the wartime peaks, with January, 1941 (base date of the Little Steel Formula), with August, 1939, and with the average for 1929. All data cover all production workers in the 25 manufacturing industries that have been regularly surveyed by The Conference Board for more than a quarter of a century.

Average Actual Hourly Earnings. At all-time peak of \$1.145 in

March, as compared with the recent low of \$1.079 in October, 1945. The March figure was 50.9% above January, 1941, and 59.0% above August, 1939, and 94.1% over the average for 1929.

Average Actual Weekly Earnings. From the wartime peak of \$50.99, reached in March, 1945, there was a full twelve-month decline to \$43.56 in February 1946. The upturn in March brought the average up to \$46.44, as compared with \$30.61 in January, 1941, and \$27.29 in August, 1939. The March average was 51.7% higher than that for January, 1941, 70.2% higher than August, 1939, and 62.7% above the average for 1929.

Average "Real" Weekly Earnings—average weekly earnings adjusted for changes in the cost of living (index numbers, 1923=100). Following the wartime peak of 181.8 in March, 1945, there was a year's decline to 153.4 in February, 1946. The March upturn brought the index up to 163.5, which represented gains of 22.3% over January, 1941, 33.9% over August, 1939, and 52.5% above the 1929 average.

Average Actual Hours Per Week. From the wartime peak of 46.2 hours in January, 1945 there was a downward trend to 39.2 in February, 1946. The March average of 40.7 hours was 1.2% longer than the average work week in January, 1941, 7.4% longer than in August, 1939 (37.9 hours), and 15.7% shorter than the 48.3 hours worked on the average in 1929.

Payrolls (Index numbers, 1923=100). Here, the peak was as far back as November, 1943, with the index at 275.7. After a gradual decline for a year and a half, there was a steep decline from March, 1945, to February, 1946, when the index was 171.1. March saw a recovery to 189.9, which was 47.4% above January 1941, 116.5% above August, 1939, and 75.2% over the 1929 average.

Total Man Hours Worked in Manufacturing (index numbers, 1923=100). The wartime peak of 142.6, was reached in October and November, 1943. From that time there was a downward trend to 83.3 in February, 1946. The index recovered in March to 90.0, which was 1.6% under January, 1941, 36.8% above August, 1939, and 9.3% below the average for 1929.

Employment (index numbers, 1923=100). From the all-time peak of 154.2 in October and November, 1943, there was a downward trend to October, 1945, when the index stood at 104.1. It rose gradually to 108.8 in March, 1946. The March level was 2.9% under that of January, 1941, but 27.3% above that of August, 1939, and 7.7% above the average for 1929.

Four New Committees Named by World Bank

Four new committees of the Board of Directors of the World Bank were announced on May 23 by Emilio G. Collado, American member, according to special advices from Washington on that date to the New York "Times" which further said:

They will deal with questions relating to the bank's capital, deposits, etc.; the marketing of securities; loan policies and interpretations of agreements and by-laws."

Cooper Ambassador to Peru

The nomination of Prentice Cooper of Tennessee, to be Ambassador to Peru, was confirmed by the United States Senate on May 1. The nomination was sent to the Senate by President Truman on April 29. Mr. Cooper succeeds William D. Pawley, who recently became Ambassador to Brazil. Formerly Governor of Tennessee, Mr. Cooper, it is stated has long been associated in the Democratic party activities with Senator McKellar, President pro tempore of the Senate.

Revenue Freight Car Loadings During Week Ended May 18, 1946, Increased 3,298 Cars

Loading of revenue freight for the week ended May 18, 1946 totaled 688,240 cars, the Association of American Railroads announced on May 23. This was a decrease below the corresponding week of 1945 of 180,674 cars, or 20.8%, and a decrease below the same week in 1944 of 181,835 cars of 20.9%.

Loading of revenue freight for the week of May 18, increased 3,298 cars or 0.5% above the preceding week.

Miscellaneous freight loading totaled 307,247 cars, a decrease of 81,814 cars below the preceding week, and a decrease of 97,694 cars below the corresponding week in 1945.

Loading of merchandise less than carload lot freight totaled 119,360 cars, a decrease of 7,608 cars below the preceding week, but an increase of 10,943 cars above the corresponding week in 1945.

Coal loading amounted to 139,497 cars, an increase of 104,924 cars above the preceding week, but a decrease of 9,141 cars below the corresponding week in 1945, due to coal strike.

Grain and grain products loading totaled 42,138 cars, an increase of 990 cars above the preceding week, but a decrease of 11,051 cars below the corresponding week in 1945. In the Western Districts alone, grain and grain products loading for the week of May 18 totaled 28,686 cars, an increase of 1,514 cars above the preceding week, but a decrease of 8,179 cars below the corresponding week in 1945.

Livestock loading amounted to 14,635 cars, a decrease of 1,387 cars below the preceding week, but an increase of 333 above the corresponding week in 1945. In the Western Districts alone loading of livestock for the week of May 18 totaled 10,837 cars, a decrease of 1,406 cars below the preceding week, and a decrease of 19 cars below the corresponding week in 1945.

Forest products loading totaled 34,820 cars, a decrease of 11,083 cars below the preceding week and a decrease of 8,983 cars below the corresponding week in 1945.

Ore loading amounted to 25,581 cars, a decrease of 593 cars below the preceding week and a decrease of 55,378 cars below the corresponding week in 1945.

Coke loading amounted to 4,962 cars, a decrease of 131 cars below the preceding week, and a decrease of 9,703 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
4 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	856,034	835,538
Week of May 11	684,942	836,764	867,182
Week of May 18	688,240	868,914	870,075
Total	14,381,604	16,029,277	16,077,494

The following table is a summary of the freight carloadings for the separate railroads and systems for the week ended May 18, 1946. During this period only 31 roads reported gains over the week ended May 19, 1945.

REVENUE FREIGHT LOADED AND RECEIVED FROM CONNECTIONS (NUMBER OF CARS) WEEK ENDED MAY 18

Railroads	Total Revenue Freight Loaded			Total Loads Received from Connections	
	1946	1945	1944	1946	1945
Eastern District—					
Ann Arbor	352	280	255	1,144	1,502
Bangor & Aroostook	1,263	1,195	1,115	397	146
Boston & Maine	6,853	7,062	7,019	10,867	12,983
Chicago, Indianapolis & Louisville	379	1,023	1,377	1,571	2,210
Central Indiana	31	1,148	1,067	31	56
Central Vermont	1,017	1,248	1,067	1,829	2,155
Delaware & Hudson	4,426	3,317	5,003	7,921	12,512
Delaware, Lackawanna & Western	7,524	6,298	7,900	7,349	10,861
Detroit & Mackinac	301	245	283	168	148
Detroit, Toledo & Ironton	1,272	1,641	1,781	827	1,264
Detroit & Toledo Shore Line	274	426	341	1,641	3,370
Erie	10,241	11,572	13,535	11,129	16,393
Grand Trunk Western	3,956	4,059	3,867	5,776	8,361
Lehigh & Hudson River	208	146	187	2,031	2,367
Lehigh & New England	2,793	704	1,952	813	1,219
Lehigh Valley	8,134	5,342	9,186	6,029	11,640
Maine Central	2,443	2,426	2,204	2,387	2,761
Monongahela	5,542	3,260	6,513	198	265
Montour	1,517	2,927	2,772	6	31
New York Central Lines	39,665	51,182	51,238	36,384	59,487
N. Y., N. H. & Hartford	10,202	10,801	10,313	14,226	16,801
New York, Ontario & Western	1,048	841	1,194	2,508	3,667
New York, Chicago & St. Louis	5,356	6,627	6,400	10,380	15,007
N. Y., Susquehanna & Western	304	387	505	1,286	2,131
Pittsburgh & Lake Erie	4,708	7,914	7,905	6,963	8,165
Pere Marquette	5,244	5,274	4,881	5,172	8,883
Pittsburgh & Shawmut	825	762	883	39	44
Pittsburgh, Shawmut & North	248	325	385	178	218
Pittsburgh & West Virginia	951	1,046	1,333	1,617	3,194
Rutland	380	372	365	1,034	1,163
Wabash	5,419	6,104	5,666	8,955	12,988
Wheeling & Lake Erie	4,046	6,475	6,312	3,014	4,622
Total	137,522	151,209	163,775	153,870	217,616
Allegheny District—					
Akron, Canton & Youngstown	419	764	779	988	1,363
Baltimore & Ohio	37,377	47,010	48,428	20,208	28,353
Bessemer & Lake Erie	2,600	6,911	7,321	761	2,064
Cambria & Indiana	2	1,585	1,634	8	4
Central R. R. of New Jersey	5,784	5,619	7,203	12,640	18,600
Cornwall	409	454	515	19	29
Cumberland & Pennsylvania	334	162	251	8	7
Ligonier Valley	86	91	163	13	52
Long Island	1,269	1,889	1,655	4,908	4,064
Penn-Reading Seashore Lines	1,524	1,880	1,743	1,954	2,048
Pennsylvania System	62,771	87,704	88,998	46,144	63,926
Reading Co.	14,352	10,762	15,298	18,446	27,938
Union (Pittsburgh)	3,995	20,619	20,500	3,454	7,966
Western Maryland	3,851	3,844	4,125	7,864	12,909
Total	134,773	189,314	198,613	117,415	169,323
Poconos District—					
Cheapeake & Ohio	26,214	28,433	29,037	10,368	15,941
Norfolk & Western	18,103	21,494	21,725	5,627	8,483
Virginian	4,632	4,520	4,688	1,278	2,435
Total	48,949	54,437	55,450	17,273	26,859

Railroads	Total Revenue Freight Loaded			Total Loads Received from Connections	
	1946	1945	1944	1946	1945
Southern District—					
Alabama, Tennessee & Northern	273	437	311	137	367
Atl. & W. P.—W. R. R. of Ala.	645	815	810	1,822	2,520
Atlanta, Birmingham & Coast	↑	↑	711	↑	↑
Atlantic Coast Line	11,834	12,628	12,320	7,001	11,440
Central of Georgia	3,713	3,885	3,780	3,929	4,638
Charleston & Western Carolina	412	516	418	1,231	1,617
Chinchfield	1,284	1,801	1,665	2,493	2,895
Columbus & Greenville	315	223	236	288	281
Durham & Southern	87	147	153	369	592
Florida East Coast	1,902	1,460	1,672	1,196	1,186
Gainesville Midland	56	63	52	100	101
Georgia	1,142	1,140	1,254	1,706	2,505
Georgia & Florida	352	431	340	736	730
Gulf, Mobile & Ohio	3,663	5,610	3,996	2,958	4,162
Illinois Central System	22,734	29,630	28,748	12,558	18,449
Louisville & Nashville	19,292	27,091	25,761	8,368	12,414
Macon, Dublin & Savannah	208	187	207	1,179	1,074
Mississippi Central	275	559	284	367	415
Nashville, Chattanooga & St. L.	2,997	3,507	3,395	3,543	4,426
Norfolk Southern	872	891	980	1,192	1,473
Piedmont Northern	335	414	396	1,100	1,228
Richmond, Fred. & Potomac	308	474	413	9,999	10,845
Seaboard Air Line	10,440	11,236	10,639	6,747	8,521
Southern System	20,519	25,092	24,032	19,926	25,986
Tennessee Central	538	582	732	645	800
Winston-Salem Southbound	120	137	134	969	1,142
Total	104,316	128,956	123,439	90,559	119,818
Northwestern District—					
Chicago & North Western	14,534	19,731	19,713	11,114	14,304
Chicago Great Western	2,074	2,428	2,828	2,759	3,345
Chicago, Milw., St. P. & Pac.	18,857	21,459	21,191	8,253	10,519
Chicago, St. Paul, Minn. & Omaha	3,025	3,587	3,351	3,651	3,590
Duluth, Missabe & Iron Range	12,273	26,561	30,048	173	320
Duluth, South Shore & Atlantic	455	1,116	671	493	602
Elgin, Joliet & Eastern	5,692	9,057	9,230	6,987	10,520
Ft. Dodge, Des Moines & South	499	386	242	116	102
Great Northern	13,131	24,892	21,765	5,384	7,842
Green Bay & Western	391	458	442	704	920
Lake Superior & Ishpeming	162	2,024	1,980	61	57
Minneapolis & St. Louis	1,938	1,972	1,869	2,256	2,462
Minn., St. Paul & S. S. M.	4,716	7,520	6,697	3,328	3,380
Northern Pacific	9,375	11,932	10,230	4,460	6,210
Spokane International	144	276	180	378	571
Spokane, Portland & Seattle	2,125	2,939	2,793	2,305	4,060
Total	89,391	136,338	133,230	52,422	68,804
Central Western District—					
Atch., Top. & Santa Fe System	23,974	26,532	22,573	9,339	16,081
Alton	2,481	3,326	3,210	2,734	4,338
Bingham & Garfield	5	365	395	6	75
Chicago, Burlington & Quincy	17,703	18,669	17,957	9,354	12,128
Chicago & Illinois Midland	3,370	3,072	3,540	1,151	1,009
Chicago, Rock Island & Pacific	11,054	12,807	11,517	11,010	12,815
Chicago & Eastern Illinois	1,981	2,966	2,538	2,827	5,784
Colorado & Southern	463	536	698	1,709	2,080
Denver & Rio Grande Western	2,364	3,410	3,624	4,095	7,373
Denver & Salt Lake	411	538	699	64	33
Fort Worth & Denver City	1,228	1,047	804	1,231	1,744
Illinois Terminal	1,725	2,407	2,122	1,428	2,198
Missouri-Illinois	999	1,117	876	518	646
Nevada Northern	1,404	1,492	1,748	77	103
North Western Pacific	615	703	829	530	682
Peoria & Pekin Union	8	0	4	0	0
Southern Pacific (Pacific)	32,390	32,369	31,454	9,470	13,661
Toledo, Peoria & Western	0	410	247	0	2,308
Union Pacific System	12,294	15,633	14,077	13,211	19,409
Utah	570	517	541	0	7
Western Pacific	1,935	2,303	2,229	3,162	5,784
Total	116,974	130,219	121,682	71,916	108,258
Southwestern District—					
Burlington-Rock Island	287	398	315	480	542
Gulf Coast Lines	5,924	7,636	7,437	2,549	2,480
International-Great Northern	1,755	3,032	2,735	4,456	4,461
K. O. & G. M. V. & O. C. A.-A.	1,018	1,276	982	1,262	1,893
Kansas City Southern	2,839	5,243	6,072	2,559	3,153
Louisiana & Arkansas	2,112	4,028	3,650	2,139	3,338
Litchfield & Madison	280	316	459	907	1,396
Missouri & Arkansas	111	169	189	282	316
Missouri-Kansas-Texas Lines	4,689	7,198	6,803	3,813	5,707
Missouri Pacific	13,058	17,090	16,005	14,134	21,048
Quannah Acme & Pacific	151	89	70	199	367
St. Louis-San Francisco	7,736	9,981	8,603	6,100	9,993
St. Louis-Southwestern	2,374	3,513	2,948	4,883	7,697
Texas & New Orleans	5,048	12,672	13,193	4,956	5,788
Texas & Pacific	6,048	5,632	4,480	6,213	8,182
Wichita Falls & Southern	119	100	119	54	50
Weatherford M. W. & N. W.	30	48	26	2	

Items About Banks, Trust Companies

Percy N. Edwards, Secretary and Treasurer of the New York Telephone Co., was this week elected a Director of the Public National Bank of New York together with Luke J. Murphy, a Vice-President, in accordance with the action taken by the shareholders at a special meeting. The shareholders also voted approval of the directors' recommendation that the date of the regular annual shareholders' meeting be changed from the second to the third Tuesday in January.

Cable advices received by the New York agent of Barclays Bank (Dominion, Colonial and Overseas), 120 Broadway, New York, state that the bank has declared interim dividends of 4% actual on the cumulative preference stock and 3% actual on the A stock and B shares payable on the 19th of June, 1946. These dividends are for the period Oct. 1, 1945, to March 31, 1946, and are subject to deduction of British income tax at the standard rate of 9 shillings in the £. The dividends are the same as those declared for the corresponding period one year ago.

Barclays Bank (Dominion, Colonial and Overseas) which is affiliated to Barclays Bank Limited, London, maintains branches overseas in South, East and West Africa, Egypt and the Sudan, the Mediterranean, Palestine, the British West Indies and also in Eritrea, Libya and Somalia.

It was announced on May 23 by F. Abbot Goodhue, President of Bank of the Manhattan Co. of New York, that John M. Lyons had been appointed Assistant Treasurer. After graduating from Lehigh University, Mr. Lyons joined Merrill, Lynch, Fenner & Beane. Following this in 1944 he became the New England District Traffic Manager of the Eastern Air Lines. In March, 1946, he joined the bank's staff. He will be a representative of the bank in the Central Atlantic States.

O. Parker McComas has resigned as Vice-President of Bankers Trust Co. of New York. Mr. McComas had been with Bankers Trust Co. since 1928 and for the past eight years was in charge of the Banking and Foreign Departments.

Practical helps and guides for vacation travelers are offered in the new Travel Exhibition at the Bank for Savings, Fourth Avenue and Twenty-second Street, New York. Recognizing that recreation is a human need and that thrift is not merely putting money in the bank, but also the wise utilization of time and energy, Rowland R. McElvare, senior Vice-President of the bank, has arranged this exhibition to supply to those interested information on some available vacation facilities. The acquisition for future bank expansion of an adjoining old brownstone house, one time residence of the late Bishop Potter, made possible a series of attractive exhibitions in rooms that open directly upon the banking floor. The new exhibit is the third in a series which has previously featured home furnishing and home sewing. In conjunction with leaders in the travel field, the bank has assembled this exhibition to give helpful suggestions to those planning a short holiday or long trip, with details on where to go—how to go—and what to see.

Philip A. Benson, President of

the Dime Savings Bank of Brooklyn, recently announced the election of Alvin G. Brush and Gordon S. Braislin to the Board of Trustees of the bank. The Brooklyn "Eagle" of May 20 reporting this, said:

"Mr. Braislin, a resident of Brooklyn, is the President of Braislin, Porter & Baldwin, Inc., Brooklyn realtors, a trustee of the Title Guaranty & Trust Co., and a director of the National Institute of Real Estate Brokers. He is also Vice-President and a member of the Board of Governors of the Real Estate Board of New York, Inc.

"Mr. Brush is Chairman of the Board of Directors of American Home Products Corp. He is also a director of the Manufacturers Trust Co., Stevens-Nelson Paper Corp., H. D. Roosen & Co., Buckhills Falls Co., and a trustee of the Long Island College of Medicine." Mr. Brush is also a member of the New York State Society of Certified Public Accountants.

Stephen Valentine, a trustee and former Treasurer of the City Savings Bank of Brooklyn, died on May 23. He was 93 years of age, it is learned from the Brooklyn "Eagle," which in part also said:

"Mr. Valentine was graduated from Swarthmore College in 1874. He then entered the flour firm which his grandfather had founded. He retired from the flour business in 1912, and in 1918 became associated with the City Savings Bank.

"For many years he had been a member of the New York Produce Exchange."

Merger of the Merchants National Bank of Dunkirk, N. Y., and the Bank of Corfu, N. Y., with the Manufacturers & Traders Trust Co. of Buffalo has been approved by directors of the three banking institutions, President Lewis G. Harriman of the M. & T., announced on May 21. The Buffalo "Evening News" in its advices in the matter adds:

"The merger agreements still require the approval of stockholders and the State Superintendent of Banks. Nine-tenths of a share of \$10 par value M. & T. stock will be exchanged for each share of Merchants National stock, which has the same par value. Ten shares of M. & T. stock will be exchanged for each share of Bank of Corfu stock, with a \$100 par value.

"Under the active Chairmanship of Lewis N. Murray, directors of Merchants will continue to act in an advisory capacity in the Dunkirk area. Henry B. Kingman will become an M. & T. Vice-President and will be in charge of the Dunkirk office. Carl E. Frantzen and John G. Flahaven will be Assistant Secretaries and Harry E. Straight and Jerome C. King will be Assistant Managers of the office.

"Directors of the Bank of Corfu also will act as advisers under the Chairmanship of Anson R. Lawrence. Cyrus W. Carrier will be manager and Clarence H. Bordwell and Henry M. Bangert will be Assistant Managers. The staffs of both banks will remain unchanged."

Alfred J. Speak has been made Second Vice-President of Fidelity Union Trust Co. of Newark, N. J., and assigned to the bank's Ironbound Branches, it was announced on May 22 by Horace K. Corbin, President, according to the Newark "Evening News," which further said:

"Mr. Speak returned to the bank in January with the rank of Lieutenant Colonel after three years and 10 months with the Army Air Forces in England. Associated with the bank since 1920, he has been Assistant Secretary and Assistant Treasurer."

On May 23 stockholders of the Broad Street Trust Co. and Chestnut Hill Title & Trust Co., both of Philadelphia, unanimously approved the merger of the two institutions. The merger is to be effected by the exchange of two shares of capital stock of Broad Street Trust Co. for each share of the capital stock of Chestnut Hill Title & Trust Co. Total combined resources of the two institutions are \$33,500,000.

A plan for the consolidation of the First National Bank at Pittsburgh and Peoples-Pittsburgh Trust Co. was submitted to the shareholders of both institutions on April 17; the consolidation was ratified by the shareholders of both institutions on May 20, and is subject only to final approval of the Comptroller of the Currency. An announcement May 21 by the bank says:

"In view of the numerous details to be worked out in connection with the consolidation, the Boards of Directors have determined that the consolidation will become effective as of July 1, 1946. This will enable us to complete our plans for the new institution without confusion or interruption of service to our customers.

"Accordingly, the new bank, under the name of Peoples First National Bank & Trust Co., will commence operations on July 1, 1946."

The enlarged bank will have 10 banking offices, viz.:

Two downtown offices—Fourth Avenue Office—The present main office of Peoples-Pittsburgh Trust Co., located at Fourth Avenue and Wood Street, will be known as the "Fourth Avenue Office," and the Fifth Avenue Office—the present First National Bank at Pittsburgh, located at Fifth Avenue and Wood Street, will be known as the "Fifth Avenue Office," and in addition to these two offices, eight branch offices.

The issuance of a charter on May 14 for the Anacostia National Bank of Washington, D. C., was announced by the office of the Comptroller of the Currency on May 20. The capital stock consists of \$300,000 all common stock. The President is W. Ledru Koontz; Cashier, H. I. Beall, Jr. This represents a conversion of the Anacostia Bank, Anacostia, Washington, D. C. The change became effective May 15.

The stockholders of the Union Bank of Commerce of Cleveland at their annual meeting on May 22 approved a proposal to change the 35,300 shares of capital stock of \$100 par value to 353,000 shares of \$10 par. The ten-for-one exchange of shares will be made effective within a few weeks, John K. Thompson, President, reported in special advices to the "Wall Street Journal" from its Cleveland bureau, which also had the following to say:

"Stockholders also voted to permit the bank to conduct trust company business and to change the date of the annual meeting from the fourth Wednesday in May to the second Wednesday in January.

"Earnings for the year ended April 30, 1946, amounted to \$892,028 after transfers to reserves. This was equal to \$25.27 a share, compared with \$532,301 earnings, or \$15.08 a share in the preceding year, Mr. Thompson reported.

"After transfers of \$500,000 to surplus and payment of \$886,496 in dividends during the fiscal year, the undivided profit account stood at \$900,187 on April 30, com-

pared with \$897,605 at April 30, 1945.

"As a previous transfer to surplus of \$500,000 had been made from miscellaneous reserves, capital and surplus on April 30, totaled \$3,060,000, compared with \$7,060,000 a year ago."

The office of Comptroller of the Currency reports the issuance of a charter on May 15 for the Marine National Bank of Chicago, Ill. The capital stock consists of \$200,000, all common. President of the primary organization is R. E. Law; Cashier, Harry Teplin.

The stockholders of Harris Trust & Savings Bank of Chicago will be called to a special meeting June 12 to vote on a proposal to add two members to the Board of Directors, it was announced on May 23, and if the proposal is approved, stockholders will also be asked to elect the directors at the meeting, it was stated in the Chicago "Journal of Commerce" of May 24.

C. T. Wienke, Vice-President and member of the six-man managing committee of Security-First National Bank of Los Angeles, has been elected to the Board of Directors, according to George M. Wallace, President. Mr. Wienke has served the bank since 1923, and previously was in the banking business in Utica, N. Y., for eight years. He also serves on three other important committees, the executive, central credit and real estate loan. Dr. William B. Munro, a director of the bank and Treasurer of California Institute of Technology, has been appointed to the bank's executive committee. William E. Siegel, who was a Lieutenant Colonel in the Infantry in World War II and participated in several major Pacific invasions, has been elected Assistant Vice-President in the real estate loan department at the head office.

At its regular monthly meeting held May 21, the Board of Directors, Citizens National Trust & Savings Bank of Los Angeles, Calif., elected J. Hartley Taylor a member of the board, H. D. Ivey, President, announced on May 22. Mr. Taylor is owner of Runnymede Farms, Reseda, Calif., and President of Modern Motors, Glendale Cadillac and Oldsmobile Agency, Glendale, Calif. He was formerly Chairman of the board, Taylor Milling Co., recently purchased by Ralston Purina Co., and is a former owner of Mountain Meadow Creamery, San Diego. In addition to the election of the new board member, the board also elected Glen Weber, with the bank 24 years, to Manager, Installment Loan Department.

Morris Plan Bankers Meet in Philadelphia

Gary M. Underhill, Executive Director of the Morris Plan Bankers Association, Washington, D. C., announces that a joint meeting of the New England, Atlantic States, and Southeastern sectional groups will be held at the Warwick Hotel, Philadelphia, May 30, 31 and June 1. Royden C. Bryan, Vice-President of the Equitable Trust Company of Wilmington, Del., is program Chairman. Officers of these three groups are: New England—A. B. Jenks, Manchester, N. H., President; William H. Butler, Haverhill, Mass., Vice-President; T. Maxwell Marshall, Portland, Maine, Secretary-Treasurer. Atlantic States—Syd J. Hughes, New York, President; Harry O'Brien, New York, Vice-President; Royden C. Bryan, Wilmington, Del., Secretary-Treasurer. Southeastern—Emsley A. Laney, Wilmington, N. C., President; Malcolm C. Engstrom, Richmond, Va., Vice-President; F. Van Benthuysen, Columbia, S. C., Treasurer.

Mid-America Exposition At Cleveland

"The show of today with a preview of tomorrow." That is what the Mid-America Exposition at Cleveland, May 23 through June 2 it termed. It will be held in the Cleveland, Ohio, Public Auditorium, and attached exhibition halls, and is expected to draw upwards of a quarter-million people. The exposition planned, as signaling Cleveland's sesquicentennial celebration, is hoped by its sponsors, civic, business, and labor groups, to become an annual "show window" and market place for the manufactured products of Mid-America—an area bounded roughly by Detroit, Cincinnati, Pittsburgh and Buffalo with Cleveland as its "capital." It is hoped to be equal in magnitude to that of the annual fairs at Toronto, Canada; Manchester, England; and Leipzig, Germany before the war. The fair is designed to give visitors a view of the new postwar products, processes, machinery for home and work. Thousands of items now made in plastics, ranging from bathing suits to houses, will be on display. Industrialists, trade buyers and visitors will find interest in the march of industrial science and miracles of production progress to be shown in the "Avenue of Metals" and "Machinery in Motion" sections. Hundreds of new products, new uses for metals, machinery in actual operation, and gadgets for home and work will be displayed. Several of the new pre-fabricated and pre-assembled homes, as well as the series of prize-winning model homes selected by National authorities, will be erected in one of the exhibition halls. With 1946 the golden jubilee of the automotive industry and the Mid-America region an integral part of the industry, one hall will be devoted to an auto show—from "horseless carriage" days to the streamlined ultra-modern models.

Report on Small Business Loans Shows New High

The first bimonthly report to be made to the President and the Congress by the Reconstruction Finance Corporation on its small business activities, following the transfer to RFC of the lending functions of the Smaller War Plants Corporation, effective Jan. 28, 1946, was submitted on May 21 by Charles B. Henderson, Chairman of the RFC Board. The report covers RFC small business activities during the period Feb. 1 through March 31, 1946, and is made in compliance with Section 5 of the Smaller War Plants Corporation Act and with Executive Order 9665, issued by the President on Dec. 27, 1945. In his report, Chairman Henderson said:

"Small business loans of the Reconstruction Finance Corporation attained a new high for any postwar month in March, 1946, when 1,027 loans, aggregating \$48,617,731, were authorized to business concerns. Of this number, 951 loans, or 92.6%, totaling \$17,913,041, were for \$100,000, or less. Approximately one-half were in amounts of \$10,000 or less. Principal borrowers have been small concerns engaged in wholesale and retail trade, in the metal working industries, in food and related products, in transportation and communication, in the construction industry, and in the lumber and wood products business."

The foregoing figures it is indicated include direct RFC loans to small business and loans made in participation with banks. Included also are veterans' loans and loans made for the purpose of helping small business enterprises to purchase Government-owned surplus property.