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Strengthening the Banking System

By MAPLE T. HARL*

Chairman, Federal Deposit Insurance Corporation

FDIC Administrator decries worldwide trend toward nationalization of banks and points out advantages of the Federal system of insuring deposits. Notes capital and funds of FDIC have not kept pace with growth of bank deposits and points out need for careful and thorough bank examinations, though there has not been any bank failure for three years. Sees possibility business depressions and bank failures may again be with us, and warns of inflationary danger. Calls attention to need of additional capital funds for insured banks; to strengthening and broadening bank's public relations; and to importance of preserving the FDIC as an independent instrumentality.

Meetings such as this, are extremely important and manifestly play a vital role, in maintaining the business of banking as it exists in this country today. The dual system, of which most of you are integral parts, has been threatened many times in the past. World War I, the depression of the 30's, and World War II were catastrophes that destroyed or completely changed many of our social, financial, and political institutions. Banking did not escape unscathed, but fortunately for America, it has survived so far, in its basic form, as an independent unit system, each unit having the option of operating under Federal or State supervision. The destiny, progress, and prosperity of each unit depends upon the ability of its management such as officers, directors, etc. selected annually by the stockholders in meetings called for that particular purpose.

Maple T. Harl

In many other countries, such procedure is no longer permitted, thus chartered banking has not fared so well, since the end of World War II. Last July, in England, a Labor Government pledged to the nationalization of various forms of private enterprise, was swept into power. Socialization of the Bank of England led the list for action and is now an accomplished fact.

A more extreme form, of the same type of action has occurred in France, since she was liberated from the Germans. There, too, socialization of the central bank

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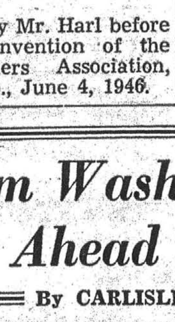
*An address by Mr. Harl before the Annual Convention of the Colorado Bankers Association, Estes Park, Colo., June 4, 1946.

From Washington Ahead of the News

By CARLISLE BARGERON

The recital by the railway trainmen's leader, A. F. Whitney, of his experience with Mr. Truman, and there is no reason to doubt its accuracy, is quite revealing about the latter. Particularly is this true of Whitney's statement that on one visit with the President, the latter asked him if any progress had been made in the negotiations and when Whitney replied in the negative, Truman began grabbing some papers and said: "I'm going to seize the railroads."

This is typical of his nervousness throughout the so-called crisis. When he denounced the strike leaders on the radio the night before he went to Congress, his voice quivered several times, most noticeably when he announced his determination to have the trains operated.



Carlisle Bargeron

Then, his demand for authority to draft workers smacked of a frightened boy's braggadocio. It was not any bid for dictatorial power as Republican Senators and others charged. The tone of his radio speech was one of humility. Unlike the suave, big-talking Roosevelt, he did not dwell upon the pronoun "I". He referred humbly to the office of President and said that the people expected the President, not him, the man Truman, to exercise leadership in a crisis.

Nothing Truman has done or can do, however, could possibly bring the harm to this country that Roosevelt the Great wrought. Regardless of how much he bungles his job we shall have a deep gratitude for his realization that he is not big enough to run this whole country. Roosevelt had perfect confidence in his ability to do so. We have a deep appreciation, too, of Truman's deep yearning to get the Government back to the people, to restore their dignity and their confidence in themselves.

We think he has lost this fight.

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Free Markets And Our Agricultural Economy

Samuel D. Jackson holds a wholesome agricultural economy for both domestic and export needs requires free markets serving both producer and consumer of commodities.

The inadequacy of an unbalanced and too tightly restricted agricultural economy has been shown at a time when we are struggling to feed the starving people abroad, Senator Samuel D. Jackson, Governor of the Associated Commodity Exchanges, told the American Feed Manufacturers Association at French Lick, Ind., on May 22.

Samuel D. Jackson

In a plea for free markets, Senator Jackson characterized the free commodity market as the secret of a free economy.

"One of America's greatest problems now is how we are to suply enough food to discharge our commitments to feed the starving abroad," he said. "Reports are now to the effect that this is not a seasonal problem, but one that will hold over through 1947. Our efforts to date have shown the inadequacy of an unbalanced and too tightly restricted agricultural economy.

"One fact stands out above all others—if we are to have a wholesome agricultural economy, either for domestic or export needs, we must have free markets," he con-

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GENERAL CONTENTS

Editorial

The Financial Situation

For a good while past we have been hearing no little about that "vicious spiral" of wages and prices. Recent pronouncements coming from the employees of the Chrysler Corporation and a number of other indications strongly suggest that we shall hear considerably more about it in the months to come. Some of the things which are being said are true; many of them are to be characterized as nothing more or less than part and parcel of the current "buncombe" about "inflation," which labor leaders and some others have seized upon with avidity because it serves their purposes.

Restatement of some general truths which, however obvious upon reflection, appear to be overlooked in all this, seems therefore to be quite in order. It should clarify the thinking of those able and willing to shake off the influence of current slogans and survey this whole question with the dispassion and shrewdness they apply from day to day to ordinary business problems. In any event, it will set the record straight, lest it presently be said that business no more than labor or Government understood the true inwardness of the situation which is now developing—if indeed it has not already developed.

Wage-Earner Purchasing Power

At the risk of tedium let it be reasserted once more at the very outset that in the circumstances now existing there can be, for the economy as a whole, no question of a lack of wage-earner purchasing power in relation to the price of the output of industry. Profits of owners of large aggregates of capital are relatively small—when they exist at all—and much the larger part of them is taken away in taxes which in turn flow through the Treasury to innumerable individuals who are primarily consumers rather than capitalists.

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Bank Service Charges

By ELLIOTT V. BELL*

Superintendent of Banks, New York State

Superintendent Bell describes the study made by the New York State Banking Department of the service charges levied against small bank depositors. Indicates that these charges are a considerable source of revenue to a number of banks, and substantial expense to many depositors. Says it is obvious that service charges have grown up in a haphazard fashion; that there are complexities in various methods employed; and that relationship of charges to costs is dubious. Urges banks consider adjusting their charges, which, he says, affect approximately a million depositors in New York State.

Not long ago a friend of mine who lives in the country decided to open a checking account in the local small-town bank. He deposited four checks over a three months' period totaling $2,000 and drew four checks aggregating some $160. Then one day he asked for a statement. When it came there was a service charge of seventy-two cents. My friend, who had some acquaintance with banking affairs, was surprised. He went into the bank to ask an explanation.

Elliott V. Bell

The cashier guessed what was coming immediately. Said he: "Whatever it is, we'll adjust it."

"That isn't the point," said my friend. "What I'd like to know is how you figure it."

For answer the cashier took seventy-two cents out of the till. "Here," he said, "it's easier to give it back than to explain it."

Another man I know had a special checking account—one of those advertised under the slogan: "No minimum balance." He had only a small balance so he left it idle for several months. Then he got a statement from his bank—this was a large bank. The statement showed a series of monthly deductions of fifty cents, reducing the balance to five cents. Then

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*An address by Mr. Bell before New York State Bankers Association at Atlantic City, N. J., May 28, 1946.

Smallness Everywhere Except Among Labor Unions

"In institutions such as this the teachers and the professors can give individual attention to each member of each class. . . .

"Now I would like for the President of Harvard, of Yale, or Columbia or Princeton, to have that individual touch that your President had here today. . . .

"You know, I am rather an advocate of small business, and small educational institutions, and small communities. I have said time and again that I would much rather see a thousand insurance companies with $4,000,000 in assets than one insurance company with $4,000,000,000. I would rather see a hundred steel companies than one United States Steel Corporation. I would rather see a thousand banks than one National City Bank.

"You know the reason for that? Every one of those small institutions gives some two or three men a chance to be "big shots" in their communities. When you go to the National City Bank, or the United States Steel Corporation, or the Metropolitan Life Insurance Company, you will find one "big shot" and a hundred or so vice-presidents, vice-presidents, vice-presidents. So many vice-presidents that you can't tell how the institutions run.

"I believe that an institution such as this will contribute more in the long run to the welfare of this great nation of ours than any other thing that is in this country at this time."—President Truman (Washington College, Chestertown, Maryland).

Some of the President's reasons for preferring "smallness" seem a trifle strange, but what impresses us, as doubtless it impresses many others, is that the President, like most other public figures, wants "smallness" in everything but labor unions.

Bank Ass'n in China to Administer Foreign Exch.

According to the May 25 issue of the "Journal of International Economy," published by the U. S. Department of Commerce, Shanghai banks appointed by the Central Bank of China to purchase and sell foreign exchange formed on March 6, 1946, a permanent organization known as the Association of Appointed Banks, one of the purposes of which is to "assist the National Government in the furtherance of its foreign-exchange and foreign-trade policies." The Association will also "secure uniformity among its members in all matters concerning foreign-exchange transactions" and will "promote the mutual interests of its members."

The Bank of China, according to press reports from Shanghai, has been elected permanent chairman of the Association, while the National City Bank of New York and the Shanghai Commercial & Savings Bank has been designated vice chairman and honorary secretary-treaurer, respectively. The office of the Association will be located at the Bank of China, 23, Chung Chan Lu, Eastern (1), Shanghai.

Among the rules of the Association, according to a report from the American Consulate General, Shanghai, are the following:

Qualification for Membership: Only banks appointed by the Central Bank of China to engage in foreign-exchange transactions may become members of this Association. Any member whose permission to engage in foreign-exchange transactions has been canceled by the Central Bank of China shall cease to be a member of the Association. In the case of temporary suspension by the Central Bank of China, that member shall be suspended from the Association for the duration of such suspension.

Member's Representative: Each member bank may designate a member of its staff of a rank not lower than submanager to be its representative in the Association, and another member of a rank not lower than assistant manager to be alternate representative.

Executive Officers: The executive officers shall consist of (1) chairman, (2) vice chairman, and (3) honorary secretary-treasurer. The chairman and the honorary secretary-treasurer shall hold office permanently, and the vice chairman shall be elected annually.

Standing Committee and Subcommittees: A Standing Committee shall be formed, consisting of 11 members, of whom 7 shall be Chinese members and 4 foreign members to manage the affairs of the Association. The Standing Committee shall include the executive officers of the Association, and the other 8 members shall be appointed annually by the chairman. The Standing Committee may appoint subcommittees to deal with the various phases of the Association's activities from time to time at its discretion.

Meetings: A general meeting of the Association's members shall be held once every year, of which notice shall be given 7 days in advance. Special meetings of the Association's members may be called at any time by the chairman if desired by the Standing Committee or at the request of five members. The Standing Committee shall meet once every month or at any time at the written request of three of its members.

Bylaws: Bylaws governing the functions of the various subcommittees may be enacted by the Standing Committee from time to time.

Enforcement: All rules and bylaws passed by the Standing Committee from time to time shall be binding upon all members of the Association.

Amendments: The rules of the Association and subsequent amendments thereto may be amended at any time by a resolution passed by two-thirds of the total membership of the Association.

Assets of U. S. Banks Show 17% Increase

The total assets of all commercial and savings banks in the United States and possessions amounted to $178,351,000,000 on Dec. 31, 1945, Comptroller of the Currency Preston Delano announced on May 23. This figure, which covers the returns of the 14,598 active banks of all classes, exceeds by $25,404,000,000, or 17%, the assets reported as of Dec. 30, 1944. The Comptroller also announces that the total deposits of the banks at the end of 1945 were $166,530,000,000 in comparison with $142,311,000,000 at the end of 1944, an increase of $24,219,000,000, or 17%. The advices add: "Demand deposits of individuals, partnerships and corporations were $73,932,000,000 and exceeded by $8,616,000,000, or more than 13%, this class of deposits reported at the close of the previous year; time deposits of individuals, partnerships and corporations were $45,292,000,000, an increase of $8,063,000,000, or nearly 22%, and deposits of the U. S. Government, including postal savings, were $24,779,000,000 which was an increase of 18% in the year.

"At the end of December 1945, the banks held obligations of the U. S. Government, direct and guaranteed, of $101,904,000,000, an increase of $15,489,000,000, or 18%, since December, 1944. Obligations of States and political subdivisions held at the close of 1945 amounted to $4,083,000,000, an increase of $424,000,000. Other securities held increased $591,000,000 in the year, and amounted to $4,528,000,000. The aggregate of all securities held on Dec. 31, 1945, was $110,516,000,000, and represented 62% of their total assets. At the end of the previous year the ratio was 61%.

"Loans and discounts amounted to $30,467,000,000, an increase of $4,365,000,000, or more than 16½%, since December, 1944. The increase in loans is chiefly in commercial and industrial loans, which advanced $1,567,000,000, or 19%, and loans to brokers and dealers in securities and other loans for the purpose of purchasing and carrying securities, which advanced $2,244,000,000, or 49% in the year.

"Cash and balances with other banks, including reserve balances, in December, 1945, were $35,615,000,000, which was an increase of $4,638,000,000, or 15%, in the year.

"Total capital accounts on Dec. 31, 1945, were $10,612,000,000, compared to $9,693,000,000 at the end of 1944. The total of surplus, profits and reserves at the end of 1945 was $7,424,000,000, an increase of $784,000,000, or nearly 12% in the year."

It may be noted here that profits of national banks in 1945 as reported by the Comptroller of the Currency were referred to in our issue of May 30, page 2971.

Short Positions on Curb in May

The total short position in stocks traded on the New York Curb Exchange amounted at the close of business on May 15, 1946, to 200,749 shares in 233 issues, the exchange reported on May 21. This compares with a total short position on April 15, 1946, of 195,142 shares in 207 issues and represents an increase of 5,607 shares. The increase in the previous month was 32,939 shares. The report reveals that eight stock issues out of the total of 867 traded on the Curb on May 15 showed a short position of 5,000 shares or more, compared with nine issues on April 15.

Truman and Daughter Receive Degrees

Speaking extemporaneously at the graduation exercises of George Washington University on May 29, President Truman declared that "the end of things has not come for this great nation, or for the world." "When the President of United States," he said, "by one speech, can succeed in getting Claude Pepper and Taft, and the Communist 'Daily Worker,' and the 'Wall Street Journal' all in accord, the country is perfectly safe." Mr. Truman's daughter, Mary Margaret, was a member of the graduating class and received her A.B. degree in history. At the same time the University conferred an honorary LL.D. degree on the President. Recalling the circumstances attending the founding of the University, Mr. Truman said, according to Associated Press Washington advices:

"One hundred and twenty-five years ago, James Monroe, President of the United States, and John Quincy Adams, Secretary of State, Henry Clay, John C. Calhoun, Gen. le Marquis Lafayette, the Congress—the House and Senate—the Supreme Court of the United States, witnessed the first graduating exercises of this great university, a university which was founded—so I am told by Dr. Marvin—by two good Baptists in conjunction with the President and the Secretary of State.

"Those were wonderful times, also. My good friend, Hugo Black, Justice of the Supreme Court, called to my attention the other day, a statement by Henry Clay in 1833, and if you will bear with me for a minute, I will read it to you. It's most interesting.

"Mr. Clay, speaking in the Senate of the United States on the action of Andrew Jackson in the United States Bank case — Mr. Clay says, and I have two quotations from him here—this is the first one:

"'By the third of March, 1837, if the progress of innovation continues, there will be scarcely a vestige remaining of the Government and its policy as they existed prior to the third of March, 1829. In a term of eight years little more than equal to that which was required to establish our liberties, the Government will have been transformed into an elective monarchy, the worst of all forms of government.'

"Can't you hear old Clay saying that?

"'Such is the melancholy but faithful picture of our present condition of our public affairs.'

"Haven't you heard that right lately?

"Now this other quotation from Mr. Clay:

"'Many of our best citizens entertain the serious apprehension that our Union and our institutions are destined to a speedy overthrow.'

"You see wonderful things happen in history. And I don't think there's anything ever been more truly said than that history repeats itself.

"One of the British Prime Ministers, Lord Russell, who retired sometime in the Forties, made the statement that he was exceedingly happy that he was getting out of the Premiership of Great Britain because he saw the end of the British Empire in a year or two. That was in 1848. It isn't quite dead yet—if I can believe Winston Churchill.

"And then, along in 1845, the Commissioner of Patents of the United States went down before the Appropriations Committee of the United States Senate and made a recommendation to the Senate Committee on Appropriations—and you can see that document, if you want to look, in the Library of Congress—this gentleman's recommendation was that the Patent Office be abolished, that there was nothing more that could be patented in 1845.

"Now we have just been through the greatest struggle in the history of the world, a struggle for liberty, a struggle for individual liberty. We fought for the fight of the individual. We are still fighting for the right of the individual, and we are going to continue that fight.

"You graduates now have the welfare and the safety of the republic of the United States in your hands. You have before you the greatest age in the history of the world. It is yours. I think this Government of ours is the greatest form of government ever dreamed of in the history of the world, or in the brain of man.

"The reason for that is that this Government is organized for the rights of the individual, and its powers are diffused. We have an executive, who is supposed to carry out the policy laid down by the Congress of the United States, and we have a Court, which decides, according to the Constitution, whether that policy is in the interests of the individual.

"Sometimes we have emergencies. We usually meet them in a way that is for the best welfare of the country. I know that you are going to see emergencies. I know that you are not going to listen to people like Henry Clay and Lord Russell, who will tell you that the end of things has come."

House Banking Group Urged to Approve British Loan

Numerous witnesses before the House Banking Committee recently have almost consistently testified in favor of the proposed $3,750,000,000 credit for Great Britain. Secretary of Commerce Henry A. Wallace went so far on May 27, according to Associated Press advices from Washington, as to assert that loans to many other nations also "are equally necessary if the world is not to be divided against itself." Speaking specifically of the British loan, Mr. Wallace declared "it will make important contributions to the solution of our two most pressing problems — the maintenance of lasting peace and the achievement of full employment."

Without referring to the recent Russian note received by the United States relative to a billion-dollar loan, or to the proposed extension of credit to France, Mr. Wallace told the committee that in his opinion an Anglo-American bloc would be as detrimental to world trade and economic recovery as a totally British bloc which excluded the United States would be. Mr. Wallace added that he felt the British credit would go far toward obviating the development of such blocs.

On May 21, Assistant Secretary of State William L. Clayton went before the House Committee to urge ratification of the loan to Great Britain, declaring that failure to do so "would mean a much more rapid socialization of British industry," and that Britain would be forced to withdraw from the Bretton Woods World Bank and Fund, and that the United States "would have to set up a dollar bloc" in world trade similar to the British sterling bloc.

Marriner S. Eccles, Federal Reserve Chairman, reiterated for the committee on May 22 his views regarding the proposed loan, and what he had to say was indicated to our issue of May 30, page 2921.

The Coal Mine Labor Agreement

Contract signed by J. A. Krug, Interior Secretary, and John L. Lewis, President of Mine Workers, provides for a Mine Safety Program; a Health and Welfare Fund derived from a 5-cent a ton royalty on coal mined and administered by three trustees, one, a neutral selected by other two; a rise in pay of $1.85 per day for each worker; a vacation payment of $100 to each worker of one year's service with pro rata payment for shorter period; a determination of unionization of supervisory and technical workers by National Labor Relations Board, and a retention of the National Bituminous Coal Wage Agreement of 1941.

An agreement between Secretary of the Interior, J. A. Krug acting as Coal Mines Administrator, and John L. Lewis, as President of the United Mine Workers Union, which ended the two months old work stoppage in the bituminous coal mines, was signed on May 22. In the agreement, the demands of John L. Lewis were largely met. A welfare fund, based upon a royalty of 5 cents a ton of coal mined was provided for, but, contrary to the former position taken by Mr. Lewis, it is not to be controlled entirely by the union, but is to be operated by three trustees, one a union representative, one a representative of the industry, and a third to be selected jointly by the first two. The increase in pay granted is $1.85 per day, and the question of unionization of supervisory employees was left to the determination of the National Labor Relations Board.

Text of the agreement follows:

AGREEMENT

This agreement between the Secretary of the Interior, acting as Coal Mines Administrator under the authority of executive order No. 9728 (dated May 21, 1946, 11 F. R. 5593), and the United Mine Workers of America, covers for the period of Government possession the terms and conditions of employment in respect to all mines in Government possession, which were as of March 31, 1946, subject to the national bituminous wage agreement, dated April 11, 1945.

1. Provisions of National Bituminous Coal Wage Agreement Preserved

Except as amended and supplemented herein, this agreement carries forward and preserves the terms and conditions contained in all joint wage agreements effective April 1, 1941, through March 31, 1943, the supplemental agreement providing for the six (6) day work week, and all the various district agreements executed between the United Mine Workers and the various coal associations and coal companies (based upon the aforesaid basic agreement) as they existed on March 31, 1943 and the national bituminous coal wage agreement, dated April 11 1945.

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Strike Curbing Legislation Wins Swift Congressional Approval

Returning from joint session with the House where it had gone to hear President Truman's urgent labor legislation recommendations, the Senate on May 25, irked to prompt decision by the railroad and soft coal strikes, approved by a vote of 49 to 29 the Case Labor Disputes Bill which had been called up for floor action on May 10. Passed by the House several weeks earlier, the measure before the Senate had been drastically softened by its Labor and Education Committee but as finally amended became stronger possibly than even the House-passed legislation.

On May 24 Associated Press Washington advices stated that, by a vote of 48 to 30, the Senate had approved a proposal by Senator Byrd (D.-Va.), aimed at the chief demand of John L. Lewis for his soft coal workers, which prohibits employer contributions to welfare funds unless they are administered equally by management and unions. This would serve to outlaw Mr. Lewis' demand for a fund financed by the coal operators but handled solely by the United Mine Workers Union. Two days earlier the Senate overwhelmingly rejected an amendment proposed by Senator Pepper (D.-Fla.), stiff opponent of the labor curbing bill, which would have given Congressional approval and aid to the establishment of such workers' welfare funds as that proposed for the coal operatives.

The Case bill is labor control legislation of a long-range aspect. The emergency measure sought by the President in his address to Congress would be limited to six months beyond the official end of the war. Overwhelming response to Mr. Truman's recommendations came from the House in a 40-minute session held immediately after hearing them. By a vote of 306 to 13 the House voted the President's bill which would, as summarized in advices from its Washington bureau to the "Wall Street Journal," in industries taken over by the Government:

"Provide fine and imprisonment for labor or management executives who do not take 'affirmative action' to terminate a strike, lockout, slowdown, or interruption of operations.

"Authorize the President to establish 'fair and just wages and other terms and conditions of employment.'

"Authorize the President to draft into the Army anyone refusing to return to work, 'including officers and executives of the employer' and officials of the labor unions.

"Provide that 'any net profit' as a result of Government operation shall go to the Treasury.

"Deprive a worker who fails to return to work of his status and rights as an employee under terms of the National Labor Relations Act or the Railway Labor Act.

"Authorize the Attorney General to enjoin in Federal Courts any violators of the provisions of the act."

Although Majority Leader Barkley (D.-Ky.) asked the Senate to act as promptly as the House had done with the emergency measure, this was momentarily laid aside so that action might be completed first on the Case bill.

Numerous Senators have indicated strong approval of the President's recommendations, but indications are that they will not be accepted as readily in the Senate as in the House and face stiff opposition from both labor and conservative elements.

The "work or draft" section of President Truman's emergency strike bill was challenged in the Senate on May 27 with an argument that drafted strikers could be shot as traitors for refusing to work in a Government-seized industry. United Press advices from Washington on May 27, reporting this, added in part:

"The charge was raised by Senator Robert A. Taft (R.-Ohio), in a heated debate with Senate Democratic Leader Alben W. Barkley of Kentucky on the bill to give the President unprecedented powers to cope with strikes in the reconversion period.

"Mr. Barkley denied at one point that drafted strikers would be considered as traitors for refusing to work for the Government. He finally agreed with Mr. Taft, however, that they could be subject to the ultimate sanctions which can be levied against a soldier for failure to carry out military orders.

"The 'work or draft' proposal in the emergency powers bill drew first fire as Mr. Barkley assembled the Senate an hour earlier than usual and contemplated night sessions to rush the House-approved measure into law.

On May 29, by a vote of 70 to 13, the drafting provision was stricken from the measure, which the Senate finally passed late on May 31 in a version deprived of many of the provisions sought by the President and differing from the bill passed by the House almost a week earlier. The conference committees are not expected to meet immediately, however, to reconcile differences because of the absence of many members of Congress from the capital attending primary elections in their districts, according to a special dispatch to the New York "Times," June 1. The same advices continued:

"The Senate version of President Truman's emergency strike control bill not only removed authority for the drafting of those remaining on strike after government seizure of an industry, but cut out a provision that would have put in the Treasury net profit made during the period of government operation of an industry and another section which would have denied seniority rights to strikers in a seized industry.

"Just what the Senate bill provides in the way of positive sanctions remained cloudy. At the Capitol it was held that it will remain for the conference committee to clarify the matter.

"The Senate's bill, while less forceful than the measure for which President Truman pleaded in his address to Congress on May 25, was described by some Senators as one of the most stringent labor measures adopted in recent years by that body.

"Remaining in the bill were such features as:

"Confirmation of the President's power to seize strikebound facilities and then negotiate wages and working conditions.

"A requirement that union leaders take 'affirmative action' to call off a strike following the Presidfent's proclamation that the operation of the industry is vital to the national economy. Penalties for failure to take such action could include a fine of $5,000, a year's prison term, or both.

"Authority for the Attorney General to invoke injunction proceedings to halt a strike after the Government has stepped in.

"All of the provisions of the President's proposals, whether or not they were eliminated by the Senate, are still subject to retention or compromise in conference, since they were all in the bill as it passed the House."

President Truman is reported by the "Times" to have stated that the Senate had emasculated the emergency control measure which he sought, but a number of Senators objected to this statement, on the ground that the majority leader, Senator Barkley, had offered all the amendments save that eliminating authority to draft workers into the Army.

The State of Trade

Total industrial production dropped the past week with raw materials shortages and component parts continuing to hamper output in many industries. The immediate effects of the two-day rail strike on production were negligible in many industries.

Total tonnage of steel ingot production was the lowest for any week, since the ending of the steel strike in February, and shortages of castings and forgings are adversely affecting automobile output in the United States. Though production was up 6.8%, it was 64% under that of the like week in 1941.

The month of June is expected to be a very poor one for car manufacturer. Current opinion, states the "American Machinist," is that "if auto plants get under way by July 1, it will be a good omen, with even mid-July a good guess for all the plants to re-open."

"Steel and coal are not the only worries," the magazine adds, "since copper is in very short supply and strikes in the copper mining areas offer a very definite threat to planning production." "The prospect of a maritime union tie-up in mid-summer would halt the flow of ore down the Great Lakes and create another bottleneck that would be hard to overcome," the "American Machinist" notes.

Production of lumber increased by 1.6% for the week ending May 18, while shipments declined 1.9% and orders rose by 12.6%. Despite the increase in production, furniture manufacturers were obliged to cut total output as shortages of available lumber became more acute.

Refined lead output in the United States for April was reported to be only 23,000 tons, with the month of May showing only slightly better results. Imports of the metal run to about 7,000 tons a month with the total supply only about 30,000 tons a month in a market seeking 70,000 tons.

The present week the Department of Commerce reported that 695,000 new businesses were started in the last two years, while 295,000 established firms were discontinued. The net increase of 400,000 brought the total number of business firms in the country to 3,235,000 at the beginning of 1946.

Total figures on the number of enterprises, and those for most industries, the Department of Commerce observed, were "not out of line," but at the same time dropped cautionary hints on "inflated values" in the sales of businesses and on the prospects for failures if the rising trends continue in some lines.

This increase was attributed in part to a reversal of the causes of decline during the war, such as the release of men from the armed forces and the return of war workers to their home communities.

Added impetus was given to the increase in new businesses, the Department stated, by "general business optimism, the gradually increasing supply of civilian goods, and the large amount of liquid savings held by prospective businessmen."

As for the condition of trade throughout the United States last week, retail volume was higher, being well above that of the like week a year ago. Total volume for wholesale trade also was very much above that of the corresponding week of last year, but practically unchanged from that of the previous week.

Steel Industry—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, stated "The Iron Age", national metal working paper, in its weekly review of the steel trade.

With the ending of the coal strike, it would take from one week to ten days before an ample flow of coal will reach steel plants whose supply has practically disappeared, the magazine stated. The step-up in steel operations, the paper adds, would be small and pre-strike output would not be expected to be reached until at least three weeks after the men return to the mines.

The tonnage of steel ingots lost by reason of the coal strike to the end of last week amounted to about 4,000,000 tons and an additional loss will be incurred this week of about 350,000 to 400,000 tons even if the pits are reopened on Monday.

Steel order volume, too, has fallen off somewhat as a result of customers finding little reason to place business until the strike issues were 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.

Another serious aspect of the current steel situation, comments "The Iron Age," is the failure of some customers to obtain steel supplies greatly needed at a specific time because of the seasonal character of their business. Farm implement makers who must produce implements at a given time in order to have the machines in the hands of the farmers when needed for seasonal use are finding some of these markets gone.

Another case in point involves the canning industry which must have containers when the packing season calls for them. Most can makers are short of supplies and if the maximum amount of food is to be packed this year, a hasty end to low steel output must be reached.

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 55.2% of capacity for the week beginning June 3, compared with 43.6% one week ago, 58.7% one month ago and 91.1% one year ago. This represents an increase of 11.6 points or 26.6% from the previous week.

This week's operating rate is equivalent to 972,800 tons of steel ingots and castings and compares with 768,400 tons one week ago, 1,034,500 tons one month ago and 1,668,600 tons one year ago.

Electrical Production—The Edison Electric Institute reports that the output of electricity increased to 3,941,865,000 kwh. in the week ended May 25, 1946 from 3,939,281,000 kwh. in the preceding week. Output for the week ending May 25, 1946, was 9.0% below that for the corresponding weekly period one year ago.

Consolidated Edison Co. of New York reports system output of 173,400,000 kwh. in the week ended May 26, 1946, compared with 161,100,000 kwh. for the corre-

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The Financial Situation

(Continued from first page)

There is no indication that individuals in the higher income tax brackets are hoarding cash, or that business enterprises are doing so. We must therefore conclude that for all practical purposes the entire cost of goods and services now being produced is flowing back into the hands of the great rank and file chiefly in the form of wages and salaries, the bulk, of course, being wages.

By and large this in the very nature of the case is true at practically all times. Any exception to the general rule could occur only under conditions which do not exist today. Indeed the current situation is peculiarly of the opposite nature. When, therefore, a labor leader, a politician, a Washington daydreamer, or any one else at this time asserts that price increases following wage advances are making or are in danger of making it impossible for the consumer out of his current income (to say nothing of past accumulations) to absorb current consumers' goods production, he is simply talking nonsense.

Foredoomed to Failure

A second observation is akin to the first. It is this: By and large in existing circumstances any effort on the part of the organized wage earner greatly to improve his economic position in the community by demanding higher wages for the same amount of production is foredoomed to failure. If, directly or indirectly, nearly all the proceeds of the sales of current production are today distributed to wage earners and lower-salaried employees, then added costs entailed by increased wages must be added to prices, and the wage earner is, relatively speaking, very nearly where he was before. In some degree, of course, the organized labor monopolies gain at the expense of other wage earners and unorganized "white collar" employees, but it is almost certainly true that the latter suffer more than the former gain—since in most of the industries in question the organized wage earners greatly outnumber other employees.

Events would work themselves out in the long run in about the same manner were business men taking initiative in a sellers' market to raise prices and profits, but as a matter of fact the shoe is on the other foot at present and no "long run," or certainly no very "long run" qualification is required in making such statements as have here been set down.

A third observation is in order: Monopoly labor can conceivably in some degree improve its position at the expense of other elements in the population not directly engaged in the branches which employ these men. One of these elements could, of course, be the farmer—although we must say that the agriculturist in this day and time appears to be quite able to take care of his own interests. But there are others who must pay through the nose for what organized labor is apparently determined to demand of large sections of industry. There are millions in public service; there are other millions in the so-called service and trade branches, often operating their own small establishments or working for small enterprises scattered throughout the land; and, of course, there is a substantial element whose livelihood depends upon small savings accumulated through many years of strenuous work and frugal living — the so-called "rentier" class—whose lot is made doubly difficult by reason of artificially low interest rates—these and others like them largely pay for what gains the greedy unions are able to make. And the paying is often likely to be dear although the gains may well be much less than they appear to be.

Production the Key

A fourth fact is of vital importance: It is the simple truth that economic advancement, no matter whether of the wage earner, the "rentier," the farmer, or of any other element in the population, depends in the final analysis upon production, or what is commonly termed "productivity." Other things being equal, the more abundantly we produce the things, goods and services, which the people want, the better we shall all be able to live. It is, of course, necessary that they be produced in proportion to the needs or desires of the people—that is to say, production must be "balanced" —but abundant production must occur if general economic progress is to be made. It must occur, as a matter of fact, if even the monopolistic labor unionist is to continue to go forward. Even a monopoly cannot get much blood from a turnip.

The gains of the wage earners in this country throughout our history, and certainly such real gains as have been obtained within the past decade or more (about which so much is constantly being said these days) have been possible only because technology and the organizing skill of business management have been successful in producing more and more per man hour. We carefully refrain from referring to this movement—which, so far as can be determined, incidentally, came to an end with the outbreak of war—as an increase in "labor productivity," as is so frequently done, the reason being that the phenomenon in question is an increase in the productivity of an economic system, an improvement with which, we suspect, labor had little or nothing to do. Whether it will be possible to resume this upward movement of production per man hour now that war is over remains to be seen, but if it is not resumed there will be no great or lasting economic gain for any of us. It is for this reason that the apparent desire of the unions to restrict the effort put forth by the men, and accordingly their output, is the most serious aspect of our current labor difficulties.

If the rank and file can be persuaded to think of our current labor troubles in terms such as these, much will have been accomplished.

Nat'l Defense Study Urged by Nimitz

A subcommittee of the Senate Interstate Commerce Committee which is holding hearings on the proposal to create a National Air Policy Board, amending the Transportation Act of 1940 "to develop a national air policy and to coordinate, strengthen and preserve a national transportation system by water, highway, air and rail," received endorsement of the movement from Admiral Chester W. Nimitz, Chief of Naval Operations, on May 21, according to special advices to the New York "Times" from Washington. However, the Admiral told the committee that the subject was so complex that separate boards should study civilian and military aspects of aviation, and that a non-partisan board should study the whole subject of naval defense. Following are some excerpts from Admiral Nimitz's remarks as given in the "Times" advice.

"I consider each of the subjects worthy of consideration by separate boards. The subject of transportation in all its aspects, including its relationship to the national defense, is one which will affect the entire logistical support of the armed forces as well as that of industry, should this country again be required to mobilize for war.

"It is my opinion that a study of this one subject will require a single board to study it for a period greater than three months.

"As to the size of the peacetime military air forces necessary for the national defense, no such study can be effective unless it is based upon the relationship of the size of all the armed forces.

"I have long been an advocate of the creation of a non-partisan board to examine the subject of national defense."

Greeting to Argentina

On Argentina's national anniversary President Truman addressed greetings to President Edelmiro J. Farrell, for himself and the American people. "The people of the United States," the message read, according to a dispatch on May 25 from Washington to the New York "Times," "join me in sending to you and to the people of Argentina greetings and best wishes on this national anniversary of Argentina."

Supreme Court Rules on Vet's Super-Seniority; Backs OPA Evictions

The United States Supreme Court ruled on May 27, in a 6 to 1 decision, that returning war veterans are not entitled under the Selective Service Act to preferential or "super-seniority" in their pre-war jobs. The case involved was that of Abraham Fishgold, Brooklyn welder and war veteran, who contended that he was entitled to regular work for one year on his old job with the Sullivan Drydock and Repair Corporation although it necessitated laying off a non-veteran with greater seniority.

The court's decision, delivered by Justice Douglas, said that a returning service men steps back on the "seniority escalator" at the point "he would have occupied had he kept his position continuously during the war." The ruling stated further, according to the Associated Press in advices from Washington, "we would distort the language of these provisions (Selective Service Act) if we read it as granting the veteran an increase in seniority over what he would have had if he had never entered the armed service."

Mr. Fishgold, re-employed by the company, had been laid off for nine days during a slack period, and brought suit to collect pay for the nine days on the assertion that he was entitled to regular work for one year on his old job. The Congress of Industrial Organizations Marine and Shipbuilding Workers Union, the Associated Press reported, entered the case to oppose Mr. Fishgold's contention. The Department of Justice intervened on the welder's behalf. From the Associated Press we quote:

In United States District Court, Mr. Fishgold won his nine days' pay—$86. But the union appealed to the Federal Circuit Court in New York and won a reversal. The Department of Justice thereupon appealed to the Supreme Court.

In its argument, the Department of Justice contended that Congress intended a veteran to have unlimited right to a year's re-employment at his old job, regardless of seniority.

The union contended that such a view would cause conflict with union bargaining contracts based on seniority and would "upset the whole fabric of industrial relations."

Associate Justice Hugo L. Black dissented from the majority opinion. He contended that the case should have been dismissed because the union was "not an aggrieved party and not entitled to appeal."

Justice Douglas, in the majority opinion, said that had Congress "desired to enact that, so long as there was work, no restored veteran, regardless of seniority, could be temporarily laid off during the year following his restoration when the slacking of work required a reduction of forces, we are bound to believe" that the lawmakers would have said so in specific terms.

Another ruling of the Supreme Court on the same day gave the Office of Price Administration stronger legal backing to protect tenants from unlawful evictions under rent control laws by declaring that OPA has the right to go directly into Federal Courts for authority to block evictions which are under way. The unanimous decision of the court reversed two decisions by the Sixth Circuit Court of Appeals which had held that Federal Courts lack the power to block evictions when proceedings against tenants are already under way in state courts.

In the two eviction cases cited the Federal courts refused to interfere in local law action. The OPA's contention was that these rulings would seriously hamper its agency's control of the "ever-sharpening house crisis" and would result in an increase of abuses by landlords. The Associated Press reported:

The high court agreed with this view. It held that if the administrator were forced always to seek relief in state courts, he would be unable to prevent unjust evictions.

"Since there is nothing in the (stabilization) act that limits the administrator's action to intervention in the state courts," Justice Black (who read the high court's decision) said, "we see no reason, nor are we authorized, to so restrict him."

The "speedy manner" in which eviction cases are handled by state courts was also cited by the court as another reason for permitting the administrator to act through Federal courts to restrain illegal actions.

Dezendorf President of Financial Writers Assn.

Franklyn B. Dezendorf, Assistant Editor of "Barron's," has been elected President of the New York Financial Writers Association, Inc., to succeed Todd W. Wright, formerly Financial Editor of the New York "Daily News," it was announced on May 24.

Robert Denver of the New York "World-Telegram" was elected Vice-President. H. Eugene Dickhuth of the "Herald-Tribune" was elected Secretary, and Warren R. Williams of the New York "Times" was elected Treasurer.

Governors chosen for the year were: Joseph D'Aleo, "World-Telegram"; Thomas J. A. Keller and Joseph M. Guilfoyle, "Wall Street Journal"; Kenneth Hayes, United Press, and G. Hudson Phillips, Associated Press.

McGowan 30 Years With NY Curb Exchange

Charles E. McGowan, Secretary of the New York Curb Exchange, celebrated on May 28 his 30th anniversary as an employee of the Exchange. Mr. McGowan first went to work for the Secretary of the Exchange as a clerk and stenographer at the age of 17 on May 28, 1916, when the Exchange was known as the New York Curb Market Association and its broker members carried on their activities out of doors in Broad Street near where the "Wall Street Journal" is now located. The office of the Secretary, then the only indoor phase of the Exchange's activities, was in 25 Broad Street. Mr. McGowan is the oldest employee of the Curb Exchange in the point of service and is the only one of the employees comprising the 1916 administrative staff remaining active today.

Mr. McGowan was active in the organization of the Curb Market as an indoor Exchange when the Curb moved indoors in 1921. He was made an Assistant Secretary in 1928 and First Assistant Secretary in 1931. In 1939 when the administration of the Curb Exchange was reorganized, Mr. McGowan was appointed Secretary and Director of the Department of Transactions and Quotations, which position he has since held.

The Curb Exchange entertained Mr. McGowan and the heads of its other administrative departments at a luncheon on May 28 in recognition of the Secretary's record of service.

Denial of U. S. Foreign Loans Urged by Foreign Trade Council As Property Safeguard

The National Foreign Trade Council on May 28 recommended that the United States Government make no loan to any foreign government, nor approve any loan by an international lending agency, unless properties abroad of United States nationals are assured of freedom from confiscation and from unfair treatment. In a resolution of its board of directors, the Council also urged the Departments of State and Treasury not to unfreeze foreign assets in the United States until assurance is received that foreign Governments have restored American properties to their owners, or that owners have been provided with adequate compensation.

Since VE-Day, American properties in Germany and in Eastern and Southeastern Europe have been placed increasingly in jeopardy, according to the Council. Most of these American properties are reported to be sequestered and unproductive.

"In some cases, American property has been seized as 'war booty' or reparations," says a statement issued simultaneously with the resolution. "In other cases, nationalization programs have engulfed American properties, while, in still other instances, repossession or use has been prevented through stultifying regulations and controls." The statement goes on to say:

"The loss or prospective loss of this American property is of direct interest to the American taxpayer because of the result, both immediate and long-range, which such loss may produce. Moreover, several millions of individual American stockholders may be forced to bear both permanent capital loss and the loss of income which might normally be expected from production.

"Apart from the problem of individual financial loss, the long-range position and prestige of the United States in the areas concerned will be impaired by the loss of the properties in question. Moreover, should American property rights abroad be subordinated to temporary political considerations, the impact upon the flow of private investments abroad, both as to volume and direction, may be serious."

Citing a principle of reparation advocated by the Council, that property of any of the United Nations should not be used for purposes of reparation, the Council pointed out that pronouncements of the Allied Governments, including our own, indicate that property in Germany owned by nationals of the United Nations may be allocated to and taken by various governments as reparation. The Council's statement says:

"The preservation of American property located in Eastern and Southeastern Europe is complicated further by the provisions for the disposal of German external assets in that area. By the terms of the Potsdam Agreement, Russian reparations claims are to be met in part from German external assets located in Bulgaria, Finland, Hungary, Roumania, and Eastern Austria. Nationals of some of the United Nations, including the United States, owned, through German subsidiaries, assets of various categories in other countries, including direct investments, accounts receivable, patents and trademarks, etc."

Such capital investment procedures were encouraged over many years as stimultaing international relations and trade, the Council said, while requirements in European countries were such that Americans had no choice but to buy into or organize local corporations. "Unless the beneficial ownership of United States nationals in such 'German' external assets is fully recognized by the Allied Control Council, such assets may be lost to their owners, which would be contrary to the historic position of our Government in the protection of American beneficial interests in foreign corporations."

Concluding its statement, the Council declared that it appreciates the efforts of our Government to obtain protection for American owners, but, such efforts having met with only partial success, more stringent measures have now become essential.

Anniversary of AIB Speaking Contest at Cincinnati June 10-13

A special program in observance of the 20th anniversary of the National Public Speaking Contest for the A. P. Giannini Educational Endowment Prizes will be a feature of the 44th annual convention of the American Institute of Banking, which will be held in Cincinnati, Ohio, from June 10 to 13, inclusive. The contest will be held in the Hall of Mirrors of the Netherland Plaza on Monday evening, June 10. Finalists from district public speaking contests in eight geographical areas of the United States will speak on the general theme, "Broadening Banking Services to the Community." Immediately following the speech of the last contestant, there will be a brief program honoring A. P. Giannini, founder of the educational endowment.

District contest winners who are to appear in the final contest on June 10 are: Lawrence K. Arthur, Federal Reserve Bank of St. Louis, Mo., for district five; Wilfred G. Bruce, Highland Park State Bank, Dallas, Tex., for district six; Helen Jackson, Wachovia Bank and Trust Company, Winston-Salem, N. C., for district three; C. Russell Moore, Pittsburgh, Pa. Branch, Federal Reserve Bank of Cleveland, for district two; Robert A. Potter, Bowery Savings Bank, New York, for district one; Don C. Sleeth, The Old National Bank of Spokane, Spokane, Wash., for district eight; Forde U. Steele, Central National Bank of Cleveland, Cleveland, Ohio, for district four; and Francis G. Stradcutter, The Bank of California N. A., San Francisco, Cal., for district seven.

Stephen O. Porter, of the Riggs National Bank, Washington, D. C., who is chairman of the Debate and Public Speaking Committee of the American Institute of Banking, will preside over the contest.

Increase in Subscription Price of Saturday Eve. Post

The subscription price of "The Saturday Evening Post" will be increased from $4 per year to $5 per year effective May 1, 1946, The Curtis Publishing Company has announced. Price of the single copy remains at 10 cents. The announcement of the Company adds:

"Higher costs of production brought about the increased rate. Under the new price structure, two-year subscriptions become $7.50; three years, $10, and four years, $12."

Reference to the proposed increase in advertising rates for the "Saturday Evening Post" was made in our issue of April 11, page 1936.

Chamber to Vote on British Loan June 6

The proposed loan to Great Britain will be discussed at the monthly meeting of the Chamber of Commerce of the State of New York today (June 6) when a joint report of the Committees on Foreign Trade and Finance and Currency favoring the loan comes before the membership for action. H. Harvey Pike, Chairman of the former Committee, and John M. Schiff, Chairman of the latter, will urge adoption of the report. Unless the loan is made, the report warns, the sterling area dollar pool, which operates to the disadvantage of American foreign trade, "undoubtedly must be continued and possibly even extended." Expectancy that the dollar pool will be liquidated eventually is one of the considerations involved in the loan.

The report points out that while the present arrangement continues it is to the advantage of Great Britain and the other countries in the sterling area dollar pool, which have accumulated $14 billion worth of British currency, to trade exclusively among themselves. "In Britain at the present time, for example, there is a resurgence of the 'buy British' slogan, and there is agitation for reducing to the very minimum, if not eliminating entirely, the purchase of certain American exports such as cigarettes and motion picture films," the report concludes.

Dividend Payments by U. S. Corps. in March

Publicly reported cash dividends paid by corporations in the United States amounted to $396,300,000 during March, an increase of 2.1% from the $388,200,000 paid in March, 1945, the Office of Business Economics, Department of Commerce, announced on May 17. For the first quarter of 1946 publicly reported dividends totaled $904,200,000, 7.7% above the $839,900,000 total distributed during the first quarter of 1945. The Department further said:

"Largest increases in dividend payments for the first quarter of 1946, as compared with the first quarter of last year, were scored by railroads, up 23%, and trade, up 21%. Mining, finance and manufacturing ranged at about the all-industry average of nearly 8%. However, payments by the heat, light and power group were up by less than 4% and communications dividends showed no change.

"Manufacturing, textiles and leather, paper and printing, oil refining and transportation equipment groups each paid 15% more in dividends during the first quarter, 1946, compared with the first quarter, 1945.

"Iron and steel and electrical machinery were the only groups reporting declines in dividend payments, but these were minor. Dividend payments of the automobile industry showed no change from the first quarter, 1945."

3 Chicago Papers Increase News Stand Price

Under date of May 22 Associated Press accounts from Chicago said:

"Chicago's three afternoon newspapers today increased the price of copies sold at news stands one cent.

The "Daily News" and the "Herald-American" boosted the price from four to five cents, and the "Daily Times" from three to four cents. Home delivery rates were unchanged. On May 4 the "Herald-American" raised the price of its Saturday edition from five to 10 cents.

Labor Leaders Assail President's Anti-Strike Proposals

Organized labor was quick to criticize President Truman on May 26 following his anti-strike legislative proposals, addressed to Congress the preceding day, after all other efforts failed to avert the railroad strike that paralyzed the nation for two days. A. F. Whitney, President of the Brotherhood of Railroad Trainmen, was quoted by Associated Press Cleveland dispatches as saying that the Brotherhood would spend the entire $47,000,000 in its treasury to assure the defeat of President Truman at the polls. Later advices, however, reported that Mr. Whitney had corrected this figure to $2,500,000, adding that even this expenditure would be unnecessary since, by his action, President Truman had "signed his political death warrant."

A meeting of the Greater New York Council of the Congress of Industrial Organizations, on May 26, was told by City Councilman Michael J. Quill, President of the Transport Workers Union, according to the New York "Times" that the President was the "No. 1 strike-breaker of the American bankers and railroads." Hyman Blumberg, State Secretary of the American Labor Party, told the delegates not to let the President's action cause them to lose faith in the effectiveness of democratic processes, but to express their resentment at the polls. The conference unanimously adopted a resolution asserting that enactment of Truman's proposals would "turn back the clock of progress and democracy in human relations by 100 years."

Dr. Frank Kingdon, the new Chairman of the National Citizens Political Action Committee, declared the President's action was distinguished "more by hysteria than by reasoned judgment," according to the New York "Herald-Tribune," and that the proposals "threaten to end the free labor movement in this country."

William Green, President of the American Federation of Labor, on May 27, according to Associated Press dispatches from Washington of that date, denounced the President's proposal as the institution of "slave labor under fascism" and declared that the A. F. of L. would resist its passage to the "last breath." The legislation, he said, "ranges the government on the side of private industry against labor."

Robert E. Hannegan, Postmaster General and Chairman of the Democratic National Committee, issued a statement May 27, according to special advices from Washington to the New York "Times," urging the membership of the Brotherhood of Railroad Trainmen to repudiate the reprisal threats of their leader, A. F. Whitney. The same advices quoted his statement as follows:

"The Democratic party and labor have fought long and hard together to remove inequities in our economic life. The record of President Truman in that long fight needs no defense. The primary concern of the President for the safety of America at this time likewise needs no defense.

"The 180,000 men in Mr. Whitney's union know the President's record through the years when he fought side by side with them against the enemies of labor. Each of these men shares with Harry Truman the primary concern for the safety of America. These union members should make it known that Mr. Whitney can no longer speak for them with authority.

"No amount of money—neither $47,000,000 nor $47,000,000,000—can shake the Democratic party or the forces of labor which support it from the resolve to place the safety of this nation before any other objective. Toward that objective the two will go on working together."

President Signs Bill Increasing Salary of Federal Employees

The legislation increasing the pay of about 1,000,000 Federal employees by 14% or $250 a year, whichever is greater, was signed by President Truman on May 24.

The estimated additional cost, it was noted by the Associated Press on May 24, is $321,000,000 a year, but the measure provides that 75% of this amount must be absorbed by a reduction in personnel. Ultimately it contemplates whittling down the force of classified employees from 2,400,000 to 1,600,000. These press advices from Washington, added:

There are a couple of exceptions to the general raise formula. Nobody's salary can be raised to more than $10,000 a year, and persons in the lower brackets will be allowed a maximum increase of 25%.

Final terms of the legislation were worked out by a conference committee of Senators and Representatives.

This is the second raise in a year for civil service employees. Postal workers are not covered by this bill. Congress already has approved a $400-a-year increase for them.

The Chairman of the House Civil Service Committee, Jennings Randolph (D.-Va.) on May 12 went on record as supporting President Truman's contention of the need for raising Federal salaries, particularly in the higher brackets, revealing the increasing number of resignations of Government officials earning $5,000 or more a year who have left for higher remuneration in private industry. Mr. Randolph pointed out the seriousness of the situations which is steadily depriving the President of the services of specialists and experts at a time when their advice is of the utmost importance in the formulation of vital decisions.

It is reported that the delay in Mr. Truman's choice of a new Supreme Court justice is due primarily to the comparatively low salary. The President himself has proposed that all Federal executive salaries be increased, with the $10,000 received by Senators and Representatives doubled.

Chairman Randolph, whose own predecessor on the Civil Service Committee, former Representative Ramspeck (D.-Ga.), resigned for a $25,000 private post, stated that last month the State Department lost 27 upper-bracket men who received between $5,000 and $8,750. The Veterans Administration lost twenty key employees, paid up to $9,000. Ninteen other departments and agencies suffered losses.

Aljian Elected President Of Purchasing Agents

George W. Aljian was on May 28 elected President of the National Association of Purchasing Agents to succeed Charles L. Sheldon, according to Chicago advices on that date to the New York "Journal of Commerce" in which it was also stated:

Mr. Aljian is Manager of purchasing and packaging for the California & Hawaiian Sugar Refining Corp., Ltd., in San Francisco. He has long been active in association affairs and last year represented the West Coast as regional Vice-President.

Steel Production Rises Following End of Soft Coal Strike—Order Volume Changes Slightly

"Free from strike threats for the first time since last fall, the steel industry this week is attempting to regain lost ground and contrary to general expectations the rebound will come quicker than even industry officials had believed," states "The Iron Age," national metalworking paper, in its issue of today (June 6), further adding: "While some sources feel that the prestrike level of steel activities is from four to six weeks away, there is already evidence that the ingot output may reach 80% within the next three to four weeks.

"Many mills which had cut operations because of the coal outlook last week are now using their total supplies in the hope that fresh coal will be moving to the mills by the end of this week in ever increasing volume.

"While some steel companies were forced to continue at reduced activity early this week, steel making schedules are expected to be advanced sharply by Friday or Saturday. Output next week may jump as much as 10 points since the normal flow of coal from the mines will be in transit.

"Order volume showed only a slight change during the past week, but after steel forms have time to revise their shipping schedules, an avalanche of fresh business is expected. Pressure is already heavy from all types of consumers for rapid delivery in order to start a much greater reconversion activity.

"Most steel consumers, however, will continue to find shortages among those steel products on which the profit or return is low. This situation will tend to keep consumer inventories unbalanced for several months or until the steel industry obtains from OPA what it considers to be proper price relief.

"It is a foregone conclusion that the steel industry will soon seek a general steel price increase from OPA on the basis that earlier advances were inadequate to carry the load of increased steelmaking costs. One point which will be given prominence will be the higher cost of some raw materials which steel companies mine or purchase.

"As the industry starts raising its activity to prestrike levels it will run smack into one of the worst scrap shortages experienced since peak wartime periods. Even during the time when steel production was reduced because of the coal strike, scrap supplies throughout the country were tight. Many firms which were short of pig iron because of shutdown blast furnaces turned to greater scrap charges in order to maintain output as high as possible.

"Many steel consumers who in normal times are a source of scrap for steel companies are now operating at such a low point that the flow of scrap from those sources is considerably restricted. As steel ingot output increases firms will have to reach farther from home if a minimum supply of scrap is to be obtained. The outlook for sufficient scrap to enable mills to reach a level of activity in excess of 85% of capacity is so serious that it may be the one drawback in reaching such a goal.

"One optimistic note which may not be sounded for at least a month is the probability that pig iron production at steel company plants will be pushed to the highest level posible. Blast furnace activity has been interfered with by strikes and coal shortages to such an extent that normal output has not been possible since early last fall.

"While it is too early to judge the possible efects of a nationwide Maritime strike on the steel industry, a prolonged tieup involving Great Lakes carriers would eventually cause a shortage of iron ore. At the present time, substantial stocks of iron ore are in the hands of steelmakers and loaded at the docks. If a strike of seamen were effective on the Great Lakes, shipments of coal and ore would be stifled. A short tieup would have little or no effect upon the supply of the industry's raw material."

The American Iron and Steel Institute on June 3 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 55.2% of capacity for the week beginning June 3, compared with 43.6% one week ago, 58.7% one month ago and 91.1% one year ago. This represents an increase of 11.6 points or 26.6% from the preceding week. The operating rate for the week beginning June 3 is equivalent to 972,800 tons of steel ingots and castings, compared to 768,400 tons one week ago, 1,034,500 tons one month ago, and 1,668,600 tons one year ago.

"Steel" of Cleveland, in its summary of latest news developments in the metalworking industry, on June 3 said in part as follows:

"The biggest and blackest cloud now on the industrial horizon is the copper shortage.

"Virtually all lines of manufacturing are feeling the pinch, and complete shutdowns are expected in many assembly lines this month. Supplies of copper for June will be the lowest in many years.

"Drying up of the copper supply has already pared supplies of copper wire to the bone, and this in turn has caused nation-wide holdups in home wiring, in the production of electric motors, and in countless other applications.

"The motor shortage is most important, because it will clamp the lid tight on production of virtually all home appliances. It will also tie up auto output because starters and generators cannot be procured. Some producers have already arranged for mass vacations of employes during June in order to shut down plants until supplies of copper - dependent components improve.

"Twin causes of this situation are strikes and price ceilings. Strikes at copper mines in January were followed by strikes at smelters and refiners during February. Since then there have been strikes in the copper rolling mills, and it is estimated that a month to six weeks will be required before the strike backwash is ironed out. Price ceiling on copper has been held at 12 cents per pound by OPA despite rising costs, and this factor has added to the difficulty.

"On the iron and steel front, while resumption of soft coal mining will be reflected in sharp increases in steel production during the ensuing two or three weeks a much longer time will be required for return to normal. In some quarters it is believed at least six or seven weeks will be required, with a further period for steel producers to catch up on lost tonnage.

"Producers now are behind schedule eight to 12 weeks on commitments and in some cases even further. Due to efforts to maintain production as far as possible on sheets, strip and tin plate these products are in relatively better position than most other major items. This difference is impressive because of the particularly strong demand for light flat products.

"On the other hand arrearages on small hot-rolled carbon bars are heaviest of all, as production has not been as well sustained and demand has been especially active, only a shade less than for light flat items. Plate producers are behind two or three months on an average, with some expecting a carryover of more than three months at the end of this quarter.

"A tight situation has developed in wire and wire products. Supply of wire rods has shrunk, partly with the general reduction in steel output and partly because of price considerations. The latter have caused some nonintegrated wiremakers to be almost cut off from supplies.

"Raw material supplies impose the greatest deterrent on steelmaking. There simply is not sufficient scrap in the country and shortage of steel for fabricators limits production of industrial scrap."

World Congress on Air Age Study to Be Held

The first world Congress on air age education will be held at International House in New York City the week of Aug. 21-28, it was announced on April 28 by Dr. N. L. Engelhardt, Jr., director of Air-Age Education Research. The Congress it is said is the largest of its kind ever held and is being sponsored by Air-Age Education Research in cooperation with leading universities, colleges, and other educational institutions in the United States and Europe. The problems of aviation education in peacetime and the contributions which aviation can make to a peaceful and united world, will be the main topics of discussion.

Outlining the objectives of the coming Congress, Dr. Englehardt said in part:

"The rapid strides being made in the science of aeronautics and in the development of commercial air transportation impose upon us the necessity of understanding the social, economic, and political implications of this new air age which is upon us. Educators, economists, and business men all over the world have expressed the belief that the airplane will be an instrument of peace, bringing the peoples of the world closer together in understanding as well as distance. We, as educators, are planning a training program now, in an effort to determine how aviation can best be utilized for the benefit of all mankind."

Universities which will be represented at the Congress include: Bucknell, Cornell, Indiana, New York, Syracuse, U.C.L.A., Denver, Minnesota, Ohio State, Oklahoma, Omaha, Pittsburgh, and the University of Texas. Other institutions which will be represented include: Iowa Wesleyan College, Oklahoma Agricultural and Mechanical College, Stephens College, Massachusettes Department of Public Education, Nebraska Department of Public Instruction, Technische Hoogeschool (Delft, Netherlands), and the University of Ottawa.

Living Costs Down In First Quarter

Living costs of wage earners and lower-salaried clerical workers declined generally in the first quarter in the 63 industrial cities surveyed by the National Industrial Conference Board, and reported by the board on May 18; the Board continued:

Declines ranged from 0.1% in Baltimore, to 0.9% in Los Angeles and 1.0% in Evansville, Indiana. Increases ranged from 0.1% in Syracuse, Parkersburg, W. Va., San Francisco-Oakland, and Richmond, to 0.6% in Wilmington, 0.7% in Erie, Pa., and 2.7% in Front Royal, Va. Living costs were unchanged in this period in Cincinnati, Dayton, Joliet, Ill., and

Snyder Urges Delay in Official Declaration of End of War; Cites Reasons for Stand

Opposition at this time to any action which would declare an official end to the war, was expressed on May 27 by John W. Snyder, Director of Reconversion, before the House Judiciary Committee. Mr. Snyder stated that "the time has not arrived when we can safely proclaim that either hostilities, the emergency, or the war have, in fact, ended" because of the "effect that such a declaration would have upon important war powers." Associated Press accounts from Washington May 27, from which we quote, added:

Mr. Snyder said the "most significant" effect of any such declaration would pertain to the emergency labor bill which President Truman called for on Saturday (May 25) and which the House almost immediately passed.

The bill, which awaits Senate action, would empower the President to draft strikers in an industry which has been seized by the Government.

Mr. Snyder said an official end to the war also would put an end to the Selective Service Act, whose continuance Congress now is considering, and would disrupt Government atomic bomb research and development at Oak Ridge, Tenn.

"The Army is using a large amount of Government-owned silver in the atomic energy plant at Oak Ridge," Mr Snyder said in a statement. "The act of June 12, 1943, which permits such use provides that the silver must be returned to the Treasury within six months after the cessation of hostilities.

"I am informed that removal of this silver in the near future would completely disrupt the complex machinery at Oak Ridge."

Mr. Snyder recommended that instead of declaring an official end to hostilities, thus killing all legislation dependent upon such declarations, the Congress repeal from time to time those emergency laws which are found to be no longer necessary.

Future Trend of Interest Rates of Vital Concern

The effect of the general interest rate trend on the earning power of life insurance funds is of significance to the American public because of its bearing on the cost to policyholders of life insurance protection and, consequently, on the adequacy of such protection which can be availed of by the American people generally, Dave E. Satterfield, Jr., Executive Director and general Counsel of the Life Insurance Association of America, reported at the spring meeting of the Association held at the Waldorf-Astoria Hotel in New York on May 7. Mr. Satterfield added:

"The burden of low interest returns must necessarily be absorbed by policyholders through bearing higher life insurance costs than would otherwise be necessary and, in many cases, through having less protection than is desired or needed. It is evident, therefore, that the future trend of interest rates generally will be a vital concern to life insurance policyholders and will have an important bearing on the potential services of life insurance in the years ahead."

The earning power of life insurance funds has been reduced in recent years, Mr. Satterfield pointed out, due to the narrowing opportunity for suitable and profitable investment in private enterprise, the extent of investment in Government bonds and the trend of interest rates generally. The extent of this decline, which is of major concern to life insurance management, charged with the stewardship of life insurance funds, is indicated by the trend of net investment earnings of 49 companies reported at 3.09% for 1945, as compared with 5.03% for 1930.

"The decline in the rate of net investment earnings indicates that for all United States legal reserve life insurance companies net investment earnings for the years 1931 to 1945 were nearly $5,800,000,000 less than they would have been had the 1930 rate continued throughout the period," said Mr. Satterfield. "In 1945 alone such earnings were approximately $800,000,000 lower than they would have been at the 1930 level. This 1945 difference is about $325,000,000 more than the amount of dividends paid and credited to policyholders that year and about $350,000,000 greater than the initial premiums paid on new business."

While the total of life insurance in force at the end of 1945, $154,600,000,000, is the result of great strides forward by the American people in their voluntary efforts to achieve security, Mr. Satterfield said, it represents an exceedingly modest average per insured—less than $2,200. To advance individual coverages to standards of greater adequacy is, therefore, a challenging task which the institution of American life insurance faces at the threshold of the post-war world." "Life insurance, through its function of accumulating and investing capital in the interests of policyholders," Mr. Satterfield said in commenting on investments, "has been enabled to play a significant role in our national economy and to contribute to the development of American life by helping to finance public and private enterprise."

Noting that during the war period life insurance holdings of United States Government securities had expanded more rapidly than assets, Mr. Satterfield reported that the ratio of Federal securities to assets rose from 20.8% at the end of 1941 to 40.3% at the end of 1944 and to about 46.0% at the end of 1945. At the last year-end, he said, all U. S. legal reserve companies had approximately $20,575,000,000 of their total assets of about $44,700,000,000 invested in U. S. Government securities. The flow of life insurance funds into private enterprise, he added, had been somewhat curtailed during the war years and the proportion of assets so invested declined.

U. S. Loan to Poland

On the basis of a promise by Poland to hold free elections this year, the United States on April 24, according to a State Department announcement reported from Washington by the Associated Press, granted the war-torn nation a credit of $90,000,000, of which $40,000,000 is in the form of a loan and the balance an arrangement for the acquisition of surplus United States property in Europe valued at $50,000,000.

The $40,000,000 loan is to be made through the Export-Import Bank. Repayable in 40 semi-annual installments beginning in 1951, it is to draw 3% interest. It will be used to finance the purchase in the United States of locomotives and railroad coal cars needed to transport Polish coal not only to various parts of Poland, but to nations of Western Europe and the Balkans as well. It is added that the pledges exacted from Poland on non-discriminatory trade practices appeared to diplomats to be an attempt by the United States to head off any exclusive Soviet-Polish trade agreement, such as Russia has signed with other Eastern European countries.

Strengthening the Banking System

(Continued from first page)

took priority, and the Bank of France is now "the property of all the people of that Nation."

In Australia, New Zealand and the Argentine, all young countries like our own, the central banks have been nationalized and the controls to which private banks were subjected during the war, have been extended into the postwar period.

If something like this were to happen in the United States in the near future, it would come as a shock to all of us assembled here today. We know and appreciate the tremendously fine job our banks have done during the war—we are satisfied that they are now doing all within their power to speed reconversion and to aid civilian production.

But there are forces within the nation, actively at work to achieve the nationalization of our banking system. In view of the international trend in that direction, we cannot safely ignore the challenge that these forces issue to those of us who are convinced that the present system of American banking is the best system.

The FDIC and Recent Developments in Banking

Before going on to discuss some of the problems, with which we must deal with during the next few years, if the present dual system is to be perpetuated, preserved and strengthened, I want to review some of the developments in banking since the middle 30's and particularly, something of the development and experience of the Federal Deposit Insurance Corporation during that period.

As you know, the FDIC was conceived and created in 1933 after the most severe banking crisis that this nation had ever experienced. This crisis resulted in the loss of a large volume of bank deposits in those institutions which were unable to withstand, the most terrific economic depression in our history. Adaption by the Federal Government of the principle of deposit insurance was intended to restore confidence in our banking structure, and to provide a speedy method to thaw out and release deposits tied up in suspended banks. Restoration of the public's confidence in the stability of banks and the safety of their deposits, was one of the first and major steps necessary to prepare the way for a general economic recovery. Without a doubt, bank depositors are the life blood of our economy. To leave them frozen would have done much to nullify any other steps taken to facilitate our economic rehabilitation.

Federal deposit insurance has now been in operation for about twelve and a half years. During this period, the public has been free from concern about the loss of their deposits in banks. In this respect, the past twelve years have been most unique in the history of this country. Anxiety over potential or actual failures was present, in greater or lesser degree, continually from the beginning of this nation until 1933. For example, in the period 1892 to 1920, there was not a year in which the country experienced less than 30 bank failures. The average number was about 100. However, thanks to alert and capable bank management during recent years, plus deposit insurance, we find ourselves today, June 4th, on the threshold of the third consecutive year in which there has not been a bank failure in this country. An all time record since 1870.

It is indeed a tribute to the FDIC and the confidence of the public in same, though depositors have been aware of occasional banking difficulties since 1933, that the quiet, yet effective operations of the Corporation to protect depositors have allayed all fears, have eliminated runs on banks, and have, in fact, made a pay-off or merger by the FDIC an occasion for thanksgiving and sighs of relief.

During the last twelve years, the Corporation has disbursed $300 million to protect depositors in more than 500 insured banks which were placed in receivership or which were merged because of their insolvent condition. Thereby protection was given to $500 million in deposits and thousands of depositors and customers of those insolvent institutions.

Recoveries on the above mentioned disbursements already have been substantial. Thus the final net loss to the Corporation will be infinitesimal, compared with the service rendered in keeping our banking system on an even keel.

Since June 30th, 1935, the Corporation has levied an annual assessment, as required by law, of 1/12 of 1%, on the average total deposits of insured banks. Income from this source—together with income from the investment of its capital funds—permitted the Corporation to accumulate as of December 31st, 1945, an earned surplus of $640 million which makes a total capital and surplus of $929 million.

Despite this substantial earned surplus, the capital funds of the Corporation have not grown in proportions, as rapidly as have the deposits of the insured banks. Total deposits in insured banks amounted to $40 billion at the end f 1934, as compared with approximately $157 billion at the end of 1945; an increase of almost 300%. The capital and surplus of the Corporation during the same period increased only 218%. As a result, the ratio of capital and surplus of the Corporation to deposits of all insured banks has declined materially.

Out of a total of 14,725 commercial and mutual savings banks in the United States, 92% were insured as of December 31st 1945. These insured institutions held 95% of all bank deposits in the country. During 1945, 122 banks were granted insurance, of which 19 were in operation before January 1st, 1945 and 103 began operations after that date. During the year, 88 insured banks ceased operations either through voluntary liquidation or merger, leaving a net increase of 34 insured banks for the year. Please note again that there were no failures in 1945.

Bank Examinations

The FDIC trusts that you recognize the vital role that bank examinations play in preventing a few careless bankers from subjecting their depositors and the Corporation to inordinate risks. Consequently, in the interest of protecting safe, sound and conservative bankers and the banking system generally, the Corporation carefully reviews all reports of examinations made by the Comptroller of the Currency, and/or by the Federal Reserve System. Representatives of the Corporation examine all other insured banks. These examinations are made either jointly or alternately with State Bank Supervisors with whom we enjoy the closest cooperation at all times.

In Colorado the FDIC makes regular examinations of 41 banks and reviews the reports covering the examination of 92 banks made by the Comptroller of the Currency and/or the Federal Reserve System. Incidentally, in examining the insured State chartered banks in Colorado we have always received the wholehearted support and splendid cooperation of the State Banking Department.

The gentlemen comprising same are, in every sense of the word, rendering a real service to the people of this great state. I trust that they are held in high esteem by all members of your splendid association.

Importance of FDIC

The present period is, as you know, not one of bank failures. Nevertheless the FDIC is a factor of major importance in the economic structure of our country, in that is insures the solvency of our dual banking system. We hope that the time will never come when the FDIC will have to engage in making wide-spread disbursements to a great number of depositors. However, it is our duty to be realistic and to recognize the possibility, that if we do not meet all situations in a manner adjusted to changing conditions, days of business depressions and bank failures may again be with us. It is therefore to the interest of the FDIC and the bankers whom it represents, to cooperate in adopting policies which will make it unnecessary for the Corporation and the nation, ever to be faced with a banking catastrophe such as that of the early 1930's.

Now, let's look at some of the problems which we, of the FDIC think require the cooperative efforts of all gathered here today, if banking is to continue in its present status.

Because of the close relation between general economic conditions and the success of deposit insurance, we have been concerned with those great public issues, related to the question of how we can convert from a war to a peace-time economy, without either crashing into a deep economic depression or experiencing disruptive inflation.

Inflation Danger

As the war drew to a close, there seemed to be a philosophy prevailing that our greatest danger was one of unemployment, declining income and business failures. In large measure those fears have proved to be unfounded. General opinion now seems to be that our chief economic danger, is one of inflation rather than of deflation. It has come to recognize that the public is in possession of an unprecedented volume of funds; that there is a tremendous demand for goods and that the immediate problem is one of production rather than of unemployment. Therefore, one of the most important problems for the time being is to retard any further increase of funds in the hands of the public, so long as said funds exceed the possible supply of goods.

The most dangerous indication of inflation is the tremendous volume of funds in the hands of the people. For example, at the end of 1945, cash and deposits held by the public stood at $138 billion as compared with $58 billion five years earlier. Should the people decide to use these holdings to purchase the present supply of goods available, the pressure upon prices would be exceedingly great.

Furthermore, there is every prospect that funds of the public, namely, cash and bank deposits will continue to expand in 1946.

The FDIC stands ready to insure any quantity of bank deposits, necessary to meet the needs of the public under conditions of high employment, at stable prices, but sound public policy does not permit the creation of a volume of deposits that will promote inflationary price rises. This would lead to maladjustments harmful not only to the general public and banking but also to the deposit insurance system.

Increase in Bank Loans

In this connection, it should be noted that bank loans have been increasing rapidly in the past six months. In fact, business loans by reporting banks have already increased 25%. Receivables will no doubt continue to increase substantially as the demand for GI loans, consumer and business credit expands. As stated, any additional increase in bank loans will add to the total volume of funds in the hands of the public.

Manifestly, the increased volume of funds would not add to the inflationary process if said increase is accompanied by increased production and a decline in the desire of the public to spend their money. Unfortunately, however, there is every indication that the inclination to spend is increasing rather than decreasing. As wage controls and rationing disappear, the general atmosphere becomes increasingly one of spending rather than saving.

The real problem, then, is to prevent inflation. A basic device would be to unmobilize those funds in the hands of the people by continually encouraging your customers to invest same in government bonds. More specifically, the self-interest of all of us interested in banks and banking, seems to require that we give our serious attention to the adoption of public policies and procedures which will adequately control inflation and credit expansion, without crippling enterprise.

Capital Funds of Insured Banks

Now let us look at another situation; namely the capital funds of insured banks. This is a matter of primary concern to the FDIC. For better than a hundred years, and particularly since the advent of bank supervision, it has been considered fundamental that bankers maintain adequate capital funds with which to cushion their depositors against asset fluctuations. The ratio of capital to deposits had shrunk from 25% in 1914 to 11% in 1940, and is only about 6% today.

It is particularly encouraging to us of FDIC, however, and a real tribute to the bankers of this nation, to notice that in 1945, the net profits of all insured banks, after income taxes reached a new high of $911 million but that the management of same chose to retain in the capital account $637 million, or 70% of said profits. This is both the largest amount and the greatest percentage of net profits utilized for this purpose, since advent of the dual banking system in 1863.

There seems little likelihood that bank deposits will revert to their prewar levels. Thus the question arises, whether it would be good public policy to require increases in bank capital that would restore capital ratios to their former status, or whether some new standard or standards may be developed. New standards might take the form of establishing a required minimum ratio of capital to total funds at some agreed level. On the other hand, some entirely different ratio, such as a ratio of capital funds to risk assets, has been suggested. It should be recognized, however, that this problem of capital ratio, which is of such great interest to bankers, is being watched likewise by both depositors and the general public. Thus, the maintenance of a really substantial investment by bankers in their respective institutions, as represented by capital funds, is necessary in order to insure the perpetuation of the present dual banking system. Bankers who have the real interest of the system at heart, will want to be protected from the repercussions and ill effects which might come to banking from the attempts of a small minority to do business on an inadequate capital. Yes, beware of the shore string banker.

Bank Public Relations

Incidentally, we all are cognizant that bankers might be doing an excellent job in their strictly banking category but still be so weak from a public relations angle as to be constantly in danger from a legislative standpoint. We all have known men with moderate ability to achieve success because of their personality; by the same token, we have seen brilliant men who have been failures because of their peculiar personalities. The American banking system is just as dependent on personality and good public relations as an individual is on his ability to make and retain friends.

One of the greatest vehicles with which to make friends and create better public relations ever to be conceived has been offered the banking fraternity in the GI bill. Some twelve million potential GI borrowers, each with a government guarantee up to $4,000 adds up to a lot of good business, and the possibility of creating a tremendous amount of good will. But this opportunity is not without its responsibilities. The banker must help the veteran to help himself into a successful career and must guide him away from pitfalls into which his enthusiasm might carry him. In other words, the veteran looks to you as the real leaders in your respective communities for advice and protection. Create his good will by not disappointing him.

If our time tested and splendid dual system of banking is to continue on its present democratic basis, we must by precept and example give careful consideration, first, to ways and means of retarding and curtailing inflation; second, to maintain adequate capital ratios at all times; third, to strengthening and broadening our public relations program; and fourth, to bring constantly alert and on guard to preserve and maintain the FDIC as an independent instrumentality.

Capitalism in America Not Dead

Finally, I do not subscribe to the recent statement made by a famous British economist that the age of capitalism in America is dead. The British guessed wrong in 1776 and I submit to you, that insofar as America is concerned, they have guessed wrong in 1946. Capitalism, thanks largely to you gentlement, is still very much alive in America. In this new era, capitalism, as represented by banks and bankers of this great nation, will furnish the leadership so necessary for success in the postwar period.

But let us always remember that it is not the number of square miles that makes a country great, but the number of square bankers. In this respect Colorado excels—Carry on.

Senate Group Urges Ending Meat Control

A Senate Small Business Subcommittee, headed by Senator Stewart of Tennessee, which has been studying the effects of price control on the meat packing industry, recommended to Congress on April 24, according to Associated Press Washington advices, that price controls and subsidies on meat be gradually removed, starting with the beef-slaughtering period in September and becoming ultimately effective after the hog-slaughtering season in December. The committee's report stated that in the face of livestock production figures, and provided no shortage developed, it was difficult to defend continued meat price control. It added that the present cattle population and 1945 slaughter figures were both "enormous" and cited Department of Agriculture estimates that use of meat in the United States in 1946 would average 150 pounds a person, compared with 130 before the war.

Bank Service Charges

(Continued from first page)

there was a deduction of five cents—balance zero. Now he knows just what they mean by "no minimum balance."

Some of you may think these stories are exaggerated. They are both true. They illustrate some of the vagaries of bank service charge operations in actual practice today.

It was a fairly steady stream of items like these coming to my desk that caused me a few months ago to ask a few questions about bank service charges. We didn't have the answers in the Banking Department. Nor could we find anyone else who had them. So, as most of you know, we decided to make a survey of the subject. We were not out to prove any theories or to justify any preconceived notions. We simply wanted some information. We wanted the answers to some questions such as:

How widespread are bank service charges?

How important are they as a source of bank income?

How many different kinds of service charges are there?

How widely do they vary?

How closely are they related to actual costs?

We now know some of these answers and your amiable President, Emmet Finucane, has encouraged me to believe you might be interested in hearing them.

Service Charges Practically Universal

First, how widespread are service charges? The answer is: Practically universal. Out of 272 banks and trust companies, all but a dozen employ service charges and those exceptions are confined almost entirely to banks doing a specialized type of business in which demand deposits are unimportant or nonexistent. Of the 260 banks with service charge plans for regular checking accounts, 164 also carried "special" or "no minimum balance" checking accounts.

During the period surveyed 43% of all accounts were charged, including both regular and special accounts, the proportion of regular accounts charged being one in five. The special type of account was far more common in the larger than in the smaller banks. Such accounts constituted 34% of all checking accounts in banks with resources between $50 million and $100 million, whereas they represented only 3% of accounts in banks of less than $1,000,000.

Importance as Source of Income

Now, how important are these service charges as a source of income? That depends. On the average, for the State as a whole, service charges in 1945 accounted for 2.69% of gross operating income and equalled 5.6% of net operating income. Those are not large proportions; but there is a wide variation among size groups. For the very largest banks (over $500 million resources), service charges equalled 3⅓% of net operating income, but for the smallest banks (less than $1,000,000) they equalled 26%. For banks in the $10 million to $20 million bracket they equalled 24%.

Interestingly enough, the importance of service charges as a source of income for the banks as a whole has been declining for some years. While the amount of revenue derived from service charges has increased, it has increased much more slowly than total operating income. As a result the proportion of income derived from service charges last year was only about half what it was four or five years ago.

For the entire banking system of the state, revenue derived from service charges is not important. But for certain individual banks and classes of banks in the smaller size groups, it is vital.

Methods of Applying Service Charges

How many different kinds of service charges are there? The answer is: A well-nigh infinite variety.

Apart from special accounts, there are three main methods of applying service charges—the flat charge, the measured charge and the analysis method. Within these groupings there are countless variations and many banks use more than one method. Out of the 260 banks, eighty-eight use two methods and fifteen use all three.

The simplest method is, of course, the flat uniform charge per month, levied against balances which fall below a specified amount. This is the least used plan. It is employed by forty banks, of which fifteen use the flat method alone and twenty-five use it in combination with other plans.

The so-called measured plan provides for a basic monthly charge on all accounts below a specified amount, against which the depositor is allowed to draw a specified number of checks without additional charge. Additional free checks are allowed in accordance with the excess in the account above the minimum balance. Checks in excess of the number allowed free are charged for at a fixed rate per check. A total of 134 banks use the measured plan, of which ninety use it in conjunction with other plans.

The analysis method provides for item-by-item charges for all or some of the typical transactions in an account. As an offset there is an earnings credit based upon the size of the balance maintained. This is the most widely used plan. It is in operation in 193 banks, of which approximately half use the analysis plan alone and half use it together with other plans.

Variations in Charges

Now for the variations in charges. The range of charges under the flat method runs from a fee of twenty-five cents on accounts below $1,000 in one bank to a fee of $4 on accounts below $100 in another case. In between there is every conceivable variation.

Under the measured plan the range is from no monthly charge, with the number of free checks determined by the size of the balance, to a charge of $3 on balances below $100 with thirty free checks. Within this range again there is a wide variety of charges. Typical charges involve a fee of 50 cents or $1 applied to balances up to $100, with five or ten free checks allowed, and one additional free check for each $10 or in some cases $20 of additional balance. Charges for additional checks range from three cents each to ten cents each, with the largest number of banks charging five cents.

In addition to those banks which impose a single basic monthly charge there are 24 banks which vary the charge with the size of the balance. In most of these cases a lower charge is made on a larger balance, but in a few cases the procedure is reversed and the charge raised as the balance increases. In one of the plans, for example, there is a charge of $1 on balances below $100 and a charge of $2 on balances between $100 and $500.

Under the analysis method the charge to the depositor, as I have said, is related to the activity in his account and to the earnings of the bank on the investable balance. The variations under this method are almost endless, for they depend not merely upon differences in amounts charged for individual items but also on differences in the items taken into account.

Of the 193 banks using this method, for example, all make a charge for each check drawn, but only 123 of them make a separate charge for deposits. Monthly maintenance charges under the analysis plan range from 20 cents to $2. The charge for checks paid varies from three cents to ten cents and the charge for deposits from two cents to ten cents. Fifty-four banks make a charge varying from one-half a cent to five cents for the deposit of checks drawn on themselves. One hundred and eleven banks charge anywhere from one cent to five cents for the deposit of checks drawn on other local banks and 189 banks make a charge ranging from one to six cents on the deposit of checks drawn on out-of-town banks.

In some cases charges are made for the deposit of currency and in at least one case there is a charge of $2 an hour for counting currency brought in for deposit in large amounts.

Comparison of Methods

It should be obvious from the wide variations involved that no general description of these various plans will give any clear idea of the extent to which they will result in different charges to depositors upon substantially similar accounts. In order to obtain such a comparison our study provided the banks with two sample accounts with respect to which they were requested to indicate the method by which they would compute the service charge on each and the amount of the charges.

Example "A" supposed an account having an average ledger balance of $400 with average uncollected funds of $20 and a minimum ledger balance during the month in question of $200, the uncollected funds included in this minimum ledger balance being also $20. It was supposed that thirty checks had been paid during the month and that four deposits, consisting entirely of checks, had been made. These checks included four drawn upon the bank in which the account was kept, four drawn upon other local banks and eight drawn on out-of-town banks.

The range of charges which resulted from this concrete example was extremely wide. In the case of those banks which applied the flat method the range was from zero to $3. In the case of banks applying the measure method it was from zero to $4.50, and in the case of those applying the analysis method the range was from thirty cents to $4.50.

Example "B" involved a larger and more active account. In this example the average ledger balance was $3,000, average uncollected funds $150, minimum ledger balance $1,500, with uncollected funds in the minimum ledger balance of $150. Checks paid against this account during the month numbered 100 and deposits, again all checks, amounted to ten. These included ten checks drawn on the bank in which the deposit was made, ten checks drawn on other local banks, and twenty checks on out-of-town banks.

Under the flat method the range of charges ran from zero to fifty cents, while the range in the case of the measured method was from zero to $4.30 and in the analysis method from zero to $8.

The Service Charges Related to Costs

How closely are these service charges related to actual costs? Our survey indicates that there is not very much accurate, up-to-date knowledge of the costs of performing the services for which charges are made. Considerably less than half of the banks which make service charges of any type have made any cost studies. Of those which have made cost studies a relatively large proportion made them prior to 1942, since when, as we all know, costs have undergone a considerable change. Even where cost studies have been made the results leave much to be desired.

Exceedingly wide variations in costs between banks are disclosed. For example, the monthly cost of maintaining an account as calculated by the various banks varied from ten cents to $2; the cost of paying a check from two cents to thirteen cents; and the cost of handling a deposit from one cent to twenty cents. Naturally differences in cost are to be expected as a result of differences in the size, location and types of business of various banks. These, however, hardly explain the wide variations found.

Another questions which seems to need some explanation is the frequency with which calculations of cost as made by the banks work out at nice, round even figures, such as five cents or thirty-five cents. Statisticians are aware that the world is full of fractions, proper and improper. It is not often that we can expect an accurate calculation of costs to work out at precisely even figures, yet sixty-six banks out of a total of 116 reporting cost studies informed us that by a happy coincidence their costs and their charges were identical for all items.

Earnings Credits

In the matter of earnings credits under the analysis plan there was also a considerable variation even among banks of approximately the same size in estimates of what could be earned on an investable balance. In order to make the reported earnings credits comparable they were all adjusted to a rate applicable to deposit balances reduced for legal reserves and cash requirements. Most banks make an allowance for the float in an account in one way or another. Four banks, however, give the depositor the double blow of using only his minimum balance and deducting the float as well, while twenty banks give him the advantage of calculating the earnings credit on his average balance with no deduction for float.

The figures I am about to quote are earnings credits applied by the banks to average balances which have been reduced for float. They show that for all banks earnings credits ranged from a low of eight-tenths of 1% to a high of 5.6%. The median above and below which the number of banks was evenly divided amounted to 1.9 percent. This compares with an average rate of return on loans and investments during 1945 of 1.48%. In general, earnings credits tended to be larger in smaller banks, but in nearly all groups the majority of banks gave an earnings credit above the actual average rate of return on loans and investments.

Special Accounts

What I have said up to now applies, of course, only to regular checking accounts. The special or "no minimum balance" accounts have increased greatly in importance in recent years. At the time of our survey there were more accounts of this type than there were regular checking accounts subject to charge. These special checking accounts are used by 164 banks. In these plans all of the costs of the account are supposed to be covered by either a single charge for each check or a charge for each check and each deposit. The range of charges varies from as little as five cents a check to as much as twelve and one-half cents. Seventy-five per cent of all accounts are charged at the rate of ten cents a check. In addition to the charge for checks drawn and deposits made, a number of banks charge if there is no activity in the account or make a minimum or a maintenance charge. Under these arrangements a special checking account, which is not actively used, will be gradually eaten away and absorbed by the bank which holds it.

Results of Study

I have given you only a few highlights drawn from the study our Department has just completed. When you return to your desks, or shortly thereafter, you will find there a more comprehensive report, together with a full statistical summary of the facts obtained. It is, I believe, the most complete factual study of service charges that has ever been made and I commend it to your study as individual bankers and as an association. Now what conclusions are we to draw from these facts? Some I think are fairly obvious:

That the system of bank service charges has grown up in a haphazard fashion;

That the complexities and varieties of methods employed make service charges often difficult for bankers to explain and well-nigh impossible for the public to understand;

That the relationship of charges to costs is highly dubious. Many banks have not troubled to analyze their costs; others have made studies which are now antiquated, if not obsolete.

These defects are serious, yet a very considerable part of our banking system's relations with the public is connected with service charges. It is, I am sure, no exaggeration to say that more people are today paying service charges to banks than are borrowing money from these same banks. No less than 729,711 persons in New York State paid service charges last November to our State-chartered banks and trust companies. If we were to include national banks the figure would be very much larger. Service charges paid by the public to the banks in the last few years have equalled, in the case of a substantial group of medium-sized banks, just about ½ of 1% of total private checking accounts in those banks. In 1944, for example, the banks in the $10 million to $20 million dollar sized group collected service charges equal to 0.53% of their checking deposits. Here is an interesting illustration of the change that has taken place in the character of the banking business in comparatively recent years.

I suppose that if one had asked a banker of the last generation what his principal business was he would have answered: "I am in the business of lending other people's money." In those days banks actively solicited deposits and paid interest on them. Times have changed. Last December the commercial loans of all banks in the United States equalled less than 8% of their total loans and investments. So far as their contacts with the public are concerned our banks today are primarily service institutions. They perform for the public the vital and essential service of providing the mechanism through which the major part of our money supply is expanded and contracted and through which it circulates. Such a mechanism is obviously affected with the deepest public interest.

The system of service charges obtained its greatest growth in the years that followed the Great Depression. It was a natural and inevitable response to the drastic cheapening of interest rates and the dearth of sound and profitable investments. Faced with the hard fact that they could scarcely find employment for the money that was brought to them, and realizing that the small checking account cost more to handle than it could possibly earn, banks concluded that they could not in simple fairness to their depositors continue to handle large numbers of small accounts at a loss.

Yet there is more than one side to this question of costs. What is the cost in money that is kept out of the banking system—in hoarding? Today we have some $28 billion in currency outstanding. Obviously that is far more than is needed. I cannot escape the belief that the existence of so large a volume of currency—nearly six times what was needed to do the business of the boom year of 1929 at its peak—is in some degree a reproach to our banking system. If even $10 billion of this amount could be lured back into the banks the earnings thereon, even at current low interest rates, would exceed the total return from all service charges in all banks in the country.

Reform But Not Abandonment of Service Charges

It seems to me the time has come when bankers may well take another look at service charges. I don't think they can be done away with. I do think that they can be made simpler, more understandable, more uniform. I do not think that banks which regard service charges as a source of profit rather than a protection against loss are doing a poor job of banking—one that hurts themselves and hurts the entire banking system. I do think that banks which levy service charges to protect themselves against loss ought to know what their costs are so that they can know what they should reasonably charge.

Service charges in our State affect well over a million people. That is too large a segment of the public to be dealt with on the basis of the haphazard, unsystematic methods which now govern bank service charges.

I urge that the bankers of our State of New York, acting through your excellent association and through discussions in your group meetings, should study further this whole question of service charges and consider what bearing it has upon the future of banking in our state and country.

The Coal Mine Labor Agreement

(Continued from 3111)

2. Mine Safety Program

(A) Federal Mine Safety Code

As soon as practicable and not later than thirty days from the date of the making of the agreement the director of the Bureau of Mines, after consultation with representatives of the United Mine Workers and such other persons as he deems appropriate, will issue a reasonable code of standards and rules pertaining to safety conditions and practices in the mines. The Coal Mines Administrator will put this code into effect at the mines. Inspectors of the Federal Bureau of Mines shall make periodic investigations of the mines and report to the Coal Mines Administrator any violations of the Federal safety code. In cases of violation the Coal Mines Administrator will take appropriate action, which may include disciplining or replacing the operating manager so that with all reasonable dispatch said violation will be corrected.

From time to time the director of the Bureau of Mines may, upon request of the Coal Mines Administrator or the United Mine Workers, view and revise the Federal mine safety code.

(B) Mine Safety Committee

At each mine there shall be a mine safety committee selected by the local union. The mine safety committee may inspect any mine development or equipment used in producing coal for the purpose of ascertaining whether compliance with the Federal code exists. The committee members while engaged in the performance of their duties shall be paid by the union, but shall be deemed to be acting within the scope of their employment in the mine within the meaning of the workmen's compensation law of the state where such duties are performed.

If the committee believes conditions found endanger the life and bodies of the mine workers, it shall report its findings and recommendations to the management. In those special instances where the committee believes an immediate danger exists and the committee recommends that the management remove all mine workers from the unsafe area, the operating manager or his managerial subordinate is required to follow the recommendation of the committee, unless and until the coal mines administrator, taking into account the inherently hazardous character of coal mining, determines that the authority of the safety committee is being misused and he cancels or modifies that authority.

The safety committee and the operating manager shall maintain such records concerning inspections, findings, recommendations and actions relating to this provision of the agreement as the coal mines administrator may require and shall supply such reports as he may request.

3. Workmen's Compensation and Occupational Disease

The coal mines administrator undertakes to direct each operating manager to provide its employees with the protection and coverage of the benefits under workmen's compensation and occupational disease laws, whether compulsory or elective, existing in the states in which the respective employees are employed. Refusal of any operating manager to carry out this direction shall be deemed a violation of his duties as operating manager. In the event of such refusal the coal mines administrator will take appropriate action which may include disciplining or replacing the operating manager or shutting down the mine.

4. Health and Welfare Program

There is hereby provided a health and welfare program in broad outline—and it is recognized that many important details remain to be filled in—such program to consist of three parts, as follows:

(A) Welfare and Retirement Fund

A welfare and retirement fund is hereby created and there shall be paid into said fund by the operating managers five cents per ton on each ton of coal produced for use or for sale. This fund shall be managed by three trustees, one appointed by the coal mines administrator, one appointed by the President of the United Mine Workers, and the third chosen by the other two. The fund shall be used for making payments to miners and their dependents and survivors, with respect to (I) wage loss not otherwise compensated at all or adequately under the provisions of Federal or state law and resulting from sickness (temporary disability), permanent disability, death or retirement, and (II) other related welfare purposes, as determined by the trustees. Subject to the stated purposes of the fund, the trustees shall have full authority with respect to questions of coverage and eligibility, priorities among classes of benefits, amounts of benefits, methods of providing or arranging for provision of benefits and all related matters.

The coal mines administrator will instruct the operating managers that the obligation to make payments to the welfare and retirement fund become effective with reference to coal produced on and after June 1, 1946; the first actual payment is to be made on August 15, 1946, covering the period from June 1 to July 15; the second payment to be made on Sept. 15, covering the period from July 15 to Aug. 31; and thereafter payments are to be made on the fifteenth day of each month covering the preceding month.

(B) Medical and Hospital Fund

There shall be created a medical and hospital fund, to be administered by trustees appointed by the President of the United Mine Workers. This fund shall be accumulated from the wage deductions presently being made and such as may hereafter be authorized by the union and its members for medical, hospital related purposes. The trustees shall administer this fund to provide, or to arrange for the availability of medical, hospital and related services for the miners and their dependents. The money in this fund shall be used for the indicated purposes at the discretion of the trustees of the fund, and the trustees shall provide for such regional or local variations and adjustments in wage deductions, benefits and other practices, and transfer of funds to local unions, as may be necessary and as are in accordance with agreements made within the framework of the union's organization.

The coal mines administrator agree (after the trustees make arrangements satisfactory to the coal mines administrator) to direct each operating manager to turn over to this fund, or to such local unions as the trustees of the fund may direct, all such wage deductions, beginning with a stated date to be agreed upon by the administrator and the President of the United Mine Workers; provided, however, that the United Mine Workers shall first obtain the consent of the affected employees to such turnover. The coal mines administrator will co-operate fully with the United Mines Workers to the end that there may be terminated as rapidly as may be practicable any existing agreements that earmark the expenditure of such wage deductions, except as the continuation of such agreements may be approved by the trustees of the fund.

Present practices with respect to wage deductions and their use for provision of medical, hospital and related services shall continue until such date or dates as may be agreed upon by the coal mines administrator and the President of the United Mine Workers.

(C) Co-ordination of the welfare and retirement fund and the medical and hospital fund.

The coal mines administrator and the United Mine Workers agree to use their good offices to assure that trustees of the two funds described above will co-operate in and co-ordinate the development of policies and working agreements necessary for the effective operation of each fund toward achieving the result that each fund will, to the maximum degree practicable, operate to complement the other.

5. Survey of Medical and Sanitary Facilities

The coal mine administrator undertakes to have made a comprehensive survey and study of the hospital and medical facilities, medical treatment, sanitary and housing conditions in the coal mining areas. The purpose of this survey will be to determine the character and scope of improvements which should be made to provide the mine workers of the nation with medical, housing and sanitary facilities conforming to recognized American standards.

6. Wages

(A) All mine workers, whether employed by the day, tonnage or footage rate, shall receive $1.85 per day in addition to that provided for in the contract which expired March 31, 1946.

(B) Work performed on the sixth consecutive day is optional, but when performed shall be paid for at time and one-half or rate and one-half.

(C) Holidays, when worked, shall be paid for at time and one-half or rate and one-half. Holidays shall be computed in arriving at the sixth and seventh day in the week.

7. Vacation Payment

An annual vacation period shall be the rule of the industry. From Saturday, June 29, 1946, to Monday, July 8, 1946, inclusive, shall be a vacation period during which coal production shall cease. Daymen required to work during this period at coke plants and other necessarily continuous operations or on emergency or repair work shall have vacations of the same duration at other agreed periods.

All employees with a record of one year's standing (June 1, 1945 to May 31, 1946) shall receive as compensation for the above mentioned vacation period the sum of one hundred dollars ($100), with the following exception: Employees who entered the armed services and those who returned from the armed services to their jobs during the qualifying period shall receive the $100 vacation payment.

All the terms and provisions of district agreements relating to vacation pay for sick and injured employees are carried forward to this agreement and payments are to be made in the sum as provided herein.

Pro rata payments for the months they are on the payroll shall be provided for those mine workers who are given employment during the qualifying period and those who leave their employment.

The vacation payment of the 1946 period shall be made on the pay day occurring in the month of June of that year.

8. Settlement of Disputes

Upon petition filed by the United Mine Workers with the coal mines administrator showing that the procedure for the adjustment of grievances in any coal producing district is inequitable in relation to the generally prevailing standard of such procedures in the industry, the coal mines administrator will direct the operating managers at mines in the district shown to have an inequitable grievance procedure to put into effect within a reasonable period of time the generally prevailing grievance procedure in the industry.

9. Discharge Cases

The coal mines administrator will carry out the provision in agreements which were in effect on March 31, 1946, between coal mine operators and the United Mine Workers that cases involving the discharge of employees for cause shall be disposed of within five days.

10. Fines and Penalties

No fines or penalties shall be imposed unless authorized by the coal mines administrator. In the event that such fines or penalties are imposed by the coal mines administrator, the fund withheld for that reason shall be turned over to the trustees of the fund provided for in Section 4 (B) hereof, to be used for the purpose stated therein.

11. Supervisors

With respect to questions affecting the employment and bargaining status of foremen, supervisors, technical and clerical workers employed in the bituminous mining industry, the coal mines administrator will be guided by the decisions and procedure laid down by the National Labor Relations Board.

12. Safety

Nothing herein shall operate to nullify existing state statutes, but this agreement is intended to supplement the aforesaid statutes in the interest of increased mine safety.

13. Retroactive Wage Provisions

The wage provisions of this agreement shall be retroactive to May 22, 1946.

14. Effective Date

This agreement is effective as of May 29, 1946, subject to approval of appropriate government agencies.

Signed at Washington, D. C., on this 29th day of May, 1946.

J. A. KRUG,
Coal Mines Administrator.

JOHN L. LEWIS,
President United Mine Workers of America.

NYSE Borrowings Lower in April

The New York Stock Exchange announced on May 2 that money borrowings reported by member firms as of the close of business on April 30, aggregated $744,769,491, as compared with the figure of $895,170,763 on March 30. Details, as given by the Exchange, follow:

Total of money borrowed from banks, trust companies and other lenders in the United States, (excluding borrowings from other members of national securities exchanges), on direct obligations of, or obligations guaranteed as to principal or interest by the U. S. Government, $305,911,348; on all other collateral, $438,858,143; grand total, $744,769,491.

On the same basis, the total borrowings as of the close of business March 30, 1946 (revised) were: on direct obligations of, or obligations guaranteed as to principal or interest by the U. S. Government, $459,575,156; on all other collateral, $435,595,607; grand total, $895,170,763.

Annual Convention of Morris Plan Bankers

The 26th annual national convention of the Morris Plan Bankers Association, together with the affiliated Consumer Bankers Association, will be held at the Cavalier Hotel, Virginia Beach, Va., Oct. 21-22-23, it was announced on May 11 by Joseph E. Birnie, President of the Bank of Georgia, Atlanta, and President of the national Association. At the same time, Mr. Birnie announced the appointment of Malcolm C. Engstrom, Vice-President and Comptroller of the Bank of Virginia, Richmond, as general Convention Chairman. Committee appointments and program plans for the convention will be announced at a later date.

Other officers of the Association are: First Vice-President L. P. Harrell, President of the Morris Plan Bank of Washington, D. C.; Second Vice-President H. M. Harris, President of the Topeka Morris Plan Company, Topeka, Kansas; plus the following staff officers in the national offices of the Association at Washington: Gary M. Underhill, Executive Director; Robert R. Spooner, Secretary; Calvin C. Vane, Treasurer, and Alice G. WyKoff, Assistant Treasurer.

Civil Engineering Construction Totals $71,855,000 for Holiday-Shortened Week

Civil engineering construction volume in continental United States totals $71,855,000 for the four-day week ended May 30, 1946 as reported to "Engineering News-Record." This volume is 31% below the previous week, 236% above the corresponding week of last year, and 41% below the previous four-week moving average. The report issued on May 30 went on to say:

Private construction this week, $29,412,000, is 59% below last week and 459% above the week last year. Public construction, $42,-443,000, is 29% above last week and 163% greater than the week last year. State and municipal construction, $37,028,000, 42% above last week, is 761% above the 1945 week. Federal construction, $5,-415,000, is 22% below last week and 54% below the week last year.

Total engineering construction for the 22-week period of 1946 records a cumulative total of $2,076,717,000, which is 203% above the total for a like period of 1945. On a cumulative basis, private construction in 1946 totals $1,329,550,000, which is 596% above that for 1945. Public construction, $747,167,000, is 51% greater than the cumulative total for the corresponding period of 1945, whereas State and municipal construction, $498,397,000, to date, is 422% above 1945. Federal construction, $248,770,000 dropped 38% below the 22-week total of 1945.

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

	May 30, 1946 (Four Days)	May 23, 1946 (Five Days)	May 31, 1945 (Four Days)
Total U. S. Construction	$71,855,000	$104,163,000	$21,404,000
Private Construction	29,412,000	71,233,000	5,260,000
Public Construction	42,443,000	32,930,000	16,144,000
State and Municipal	37,028,000	26,021,000	4,300,000
Federal	5,415,000	6,909,000	11,844,000

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

New Capital

New capital for construction purposes this week totals $53,399,-000, and is made up of $22,854,000 in State and municipal bond sales and $30,545,000 in corporate security issues. New capital for the 22-week period of 1946 totals $594,479,000, 16% greater than the $511,-710,000, reported for the corresponding period of 1945.

The State of Trade

(Continued from page 3111)

sponding week of 1945, or an increase of 7.6%. Local distribution of electricity amounted to 166,200,000 kwh. compared with 160,400,000 kwh. for the corresponding week of last year, an increase of 3.6%.

Railroad Freight Loading—Car loadings of revenue freight for the week ended May 25, 1946, totaled 571,574 cars, the Association of American Railroads announced. This was a decrease of 116,666 cars (or 17.0%) below the preceding week, due to the railroad strike and 311,179 cars, or 35.3% below the corresponding week for 1945. Compared with the similar period of 1944, a decrease of 297,-247 cars, or 34.2%, is shown.

Paper and Paperboard Production — Paper production in the United Staes for the week ending May 25 was 99.2% of mill capacity, against 98.3% in the preceding week and 92% in the like 1945 week, according to the American Paper & Pulp Association. Paperboard output for the current week was 93% against 92% in the preceding week, and 97% the corresponding week a year ago.

Business Failures Slightly Lower — In the holiday-shortened week ending May 30, commercial and industrial failures were slightly lower than in the previous week but continued above the 1945 level. Dun & Bradstreet, Inc., reports 18 concerns failing as compared with 21 last week and 13 in the corresponding week a year ago. This was the fourteenth week so far in 1946 in which failures have been higher than in the comparable week of 1945.

Large failures involving liabilities over $5,000 fell off somewhat in the week just ended, but accounted for two-thirds of the total week's failures. Numbering 11, these large failures, although lower than the 17 reported last week, exceeded the 8 occurring a year ago. Small failures with losses under $5,000, on the other hand, showed an increase this week, rising from 4 to 7 and they also were higher than the 5 reported in the same week of 1945.

Almost half of the failures were concentrated in manufacturing. Down 2 from the number last week, 8 manufacturers failed, the same number as in the corresponding week of 1945. In retailing, failures numbered 5, representing a decline of 1 from a week ago but 2 above those occurring last year. Concerns failing in wholesale trade and construction, although low in number, 2 and 3 respectively, showed an increase from both last week and a year ago. No failures were reported in commercial service during the week.

Three Canadian failures were reported as compared with two last week and one a year ago.

Wholesale Food Price Index Slightly Under Peak Level — The Dun & Bradstreet wholesale food price index for May 28 held unchanged at $4.20, slightly under the 25½-year peak of two weeks ago. The current figure compares with $4.08 last year, an increase of 2.9%. Advances during the week occurred in rye, potatoes and steers, with declines shown for eggs and lambs. The index represents the sum total of the price per pound of 31 foods in general use.

Wholesale Commodity Price Index — The wholesale price level edged slightly higher in the past week. The daily wholesale commodity price index, compiled by Dun & Bradstreet, Inc., rose to a new post-war high of 194.58 on May 28, as compared with 194.11 a week earlier, and 176.86 on the corresponding date last year.

Grain markets last week were again quiet with little speculative interest in evidence. Cash rye moved higher while other cash grains held nominally at ceilings with few offerings noted in the open market. Oats futures were somewhat easier, reflecting favorable crop advices and an anticipated cut in feeding requirements. Most flour mills at the week-end were reported shut down. New flour bookings for nearby shipment were practically nil and those mills still operating were allocating their output against old orders. Some relief was in prospect as the result of the early winter wheat harvest in the Southwest where yields were reported above expectations. A sharp advance in coffee prices in producing countries was said to have taken place, reflecting prospects of higher ceilings in this country. The supply situation in dairy products continued acute as the trade awaited confirmation of reports that ceilings would be raised on butter, cheese, and milk. Comparatively light hog receipts during the week were readily cleared at ceiling levels. Reserve stocks of lard showed a further shrinkage as Government set-aside orders continued to take about 60% of the output of lard and rendered pork fat.

Following a weak start, cotton prices moved sharply higher during the past week in contrast to the downward trend of the previous week. Buying was stimulated to some extent by political developments in Washington and by unfavorable crop news resulting from cool nights and heavy rains over a large portion of the belt which delayed progress of the new crop and prevented planting. Repossessions of Government loan cotton during the week ended May 18 were placed at 22,327 bales, down sharply from the 35,-785 in the preceding week. Total repossessions of growers to that date amounted to approximately 634,000 bales from the 1944 loan, and 125,000 bales from the 1945 loan, or a total of 759,000 bales. About 472,000 bales of 1944 cotton, and 90,000 bales of 1945 cotton are reported still in the hands of the Commodity Credit Corporation.

Domestic wools in the Boston market were again slow as mills awaited a clearer outlook as to the labor situation. Some trading was noted in both fleece and territory wools for filling in purposes. There was moderate buying activity in Western producing areas. Prices were firm to slightly higher and shearing was reported in full swing after having been delayed for several weeks by unfavorable weather. Foreign wools were less active than in the previous week. Fine staple Australian wools were reported sold as soon as shipments had been entered. High prices hindered trading in South American primary markets. Imports of foreign wools at the three leading Eastern ports continued in good volume.

Wholesale and Retail Trade — The recent rail strike apparently had little effect upon total retail volume for the country as a whole. It continued to rise this week and was very high in comparison with that of the corresponding week a year ago, according to Dun & Bradstreet, Inc., in its weekly report on trade. There was a rising tendency for consumer demand to be directed toward staple goods. With the ending of the strike attention was directed toward shopping for Memorial Day.

Food volume, rising sharply over the week-end, remained high during the week with estimates placing it well above that of the corresponding week a year ago. The supply of meat was more scarce than it had been during the last few weeks, while supplies of fish and poultry continued to be plentiful. Bread and other bakery goods were becoming scarce in some localities. The supply of canned goods generally was adequate. Fresh vegetables were abundant and limited stocks of peaches and blueberries were added to the growing list of fresh fruits that were available.

Summer apparel and sportswear continued to attract the attention of many women shoppers. Interest in cotton and rayon dresses was high. Summer coats were reported to be slightly more plentiful than at this time a year ago. Limited supplies of women's silk hosiery appeared on some retail shelves. The consumer demand for men's clothing remained high with interest in lightweight suits and straw hats rising.

Slightly increased selections of linen bedding, and draperies attracted many eager consumers. Piece goods departments generally reported that volume rose this week. Stocks, however, continued to be limited.

Furniture, housewares, and electrical appliances attracted much attention and stocks were slightly larger than during previous weeks. The demand for popular and classical phonograph recordings was rising rapidly. Interest in garden supplies and hardware remained high.

Retail volume for the country was estimated to be from 22 to 26% over that of the corresponding week a year ago. Regional percentage increases were: New England 15 to 19, East 24 to 28, Middle West 22 to 26, Northwest 28 to 32, South 21 to 25, Southwest 20 to 24, and Pacific Coast 18 to 22.

Wholesale volume this week was almost unchanged from that of the previous week, but it continued to be considerably above that of the corresponding week a year ago. The number of buyers attending markets declined slightly. Both new order and reorder volume remained high. Deliveries of goods that were halted during the two-day rail strike were further delayed by freight congestion during the week.

Department store sales on a country wide basis, as taken from the Federal Reserve Board's index for the week ended May 25, 1946, increased by 34% above the same period of last year. This compared with an increase of 38% in the preceding week. For the four weeks ended May 25, 1946, sales increased by 35% and for the year to date by 26%.

According to the Federal Reserve Bank's index, department store sales in New York City for the weekly period to May 25, 1946, increased 39% above the same period last year. This compared with on increase of 47% (revised figure) in the preceding week. For the four weeks ended May 25, 1946, sales rose by 44% and for the year to date by 32%.

Free Markets and Our Agricultural Economy

(Continued from first page)

tinued. "The free commodity market is the secret of a free economy. That is why I call upon you as feed manufacturers and have called upon farmers, processors and consumer groups everywhere asking that in all your negotiations with Government representatives you strive for a postwar economy that will leave the exchanges of America in the vital role of serving both the producer and consumer of commodities."

Senator Jackson said the commodity exchanges are seeking to assume a cooperative role and to play an effective part in harmony with other interested groups working for the general welfare.

"We do not expect postwar economic policies to be blueprinted for the particular benefit of the markets at the expense of any other segment of the society," he pointed out. "But we do claim the futures market is of such importance to the whole structure of the trade that those responsible for the blueprinting should give more thought to the manner in which, and the extent to which any particular legislation or order might diminish or tend to destroy the usefulness of the exchanges."

From Washington Ahead Of The News

(Continued from first page)

The people seem to have become fairly docile and to have come to look to the Federal Government to tell them what and what not to do. They become frightened when one Bureaucrat, Chester Bowles, goes on the air and tells them that disaster is ahead unless he is permitted to retain his price control authority, and flood Congress with letters and telegrams in support of him. They become further frightened when the same forces that are behind Bowles, tell them we are in danger from the atom bomb unless a group of impractical scientists are to have complete say about it, and like automatons, they flood Congress with communications on this. They don't really understand the controversy, either. They shudder obediently when they are told that we must get along with other nations, regardless of the cost, and the other nations need not get along with us, to prevent another and the last of wars. They become frightened when men who have been drunk with power for years browbeat them about sending food to Europe, tell them they aren't send enough, when they are sending more than the rest of the world combined, and when 90% of what they send to Poland, for example, is seized by Russia. Incidentally, Mr. Truman is getting quite impatient about these lectures and may explode some time. We may whimper but would not dare protest when our whole food distributing system is nearly demoralized by this feeding Europe racket.

That our people have become this way is not Truman's fault. His true greatness is that he would like to restore them to their former dignity. It seems that it cannot be done.

He did not want to intervene in the Steel, the Rail or the Coal strikes. But there came the irresistible clamor for him to do so. There was an incessant demand that he "assume the leadership."

The Roosevelt design of making every major labor dispute a national crisis must apparently be accepted by Truman. It is the business of CIO leaders and Communists to make them national crises. Schwellenbach now sees a national crisis in the strike in the farm implement industry and threatens Government seizure there. For the life of us we can't see why the coal operators let the Government take over their controversy when the majority of them, certainly, were willing weeks ago to give practically just what the Government gave Lewis.

Laurence Beckwith Dead

Laurence Bladwin Beckwith, retired Toledo investment broker, died on May 31st. Mr. Beckwith began his career in the investment business with Secor & Bell in 1902. In 1919 when he became a partner in the firm, the name was changed to Bell & Beckwith. He was senior partner when he retired in 1942. While the Toledo Stock Exchange was in existence, he served a term as its President.

Federal Reserve April Business Indexes

The Board of Governors of the Federal Reserve System issued on May 24 its monthly indexes of industrial production, factory employment and payrolls, etc. At the same time, the Board made available its customary summary of business conditions. The indexes for April together with comparison for a month and a year ago follow:

BUSINESS INDEXES

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

	Adjusted for Seasonal Variation			Without Seasonal Adjustment		
	—1946—		1945	—1946—		1945
	Apr.	Mar.	Apr.	Apr.	Mar.	Apr.
Industrial production—						
Total	*164	168	230	*161	164	229
Manufactures—						
Total	*174	173	247	*173	170	245
Durable	*187	182	336	*187	181	335
Nondurable	*164	166	174	*161	162	171
Minerals	*103	137	140	*99	131	140
Construction contracts, value—						
Total	†	147	70	†	148	79
Residential	†	129	18	†	135	21
All other	†	161	112	†	158	125
Factory employment—						
Total	*134.8	130.1	163.8	*134.1	129.7	163.0
Durable goods	*148.0	138.2	217.6	*147.9	138.1	217.5
Nondurable goods	*124.4	123.7	121.3	*123.2	123.1	120.1
Factory payrolls—						
Total	---	---	---	†	232.5	333.3
Durable goods	---	---	---	†	235.7	451.6
Nondurable goods	---	---	---	†	229.3	217.5
Freight carloadings	110	139	141	107	132	139
Department store sales, value	*251	263	182	*255	238	174
Department store stocks, value	†	177	166	†	171	165

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

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

Construction contract indexes based on 3-month moving averages, centered at second month, of F. W. Dodge data for 37 Eastern States. To convert indexes to value figures, shown in the Federal Reserve Chart Book, multiply total by $410,269,000; residential by $184,137,000, and all other by $226,132,000.

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

INDUSTRIAL PRODUCTION

(1935-39 average = 100)

	Adjusted for Seasonal Variation			Without Seasonal Adjustment		
	—1946—		1945	—1946—		1945
MANUFACTURES	Apr.	Mar.	Apr.	Apr.	Mar.	Apr.
Iron and steel	*159	169	206	*159	169	206
Pig iron	†	168	188	†	168	188
Steel	175	176	232	175	176	232
Open hearth	149	161	184	149	161	184
Electric	366	286	573	366	286	573
Machinery	*219	206	419	*219	206	419
Transportation equipment	*234	205	651	*234	206	651
Automobiles	*148	110	231	*148	110	231
Nonferrous metals and products	*133	141	263	*133	141	263
Smelting and refining	†	123	194	†	123	194
Lumber and products	*126	125	119	*125	120	119
Lumber	†	*119	118	†	*119	117
Furniture	*144	142	140	*144	142	140
Stone, clay and glass products	*191	191	167	*188	183	165
Plate glass	130	136	62	130	136	62
Cement	†	152	85	†	125	81
Clay products	*150	150	122	*146	143	119
Gypsum and plaster products	*203	204	180	*201	197	177
Abrasive & asbestos products	*209	207	300	*209	207	300
Textiles and products	*162	162	149	*162	162	149
Cotton consumption	144	147	143	144	147	143
Rayon deliveries	246	241	218	246	241	218
Wool textiles	†	173	142	†	173	142
Leather products	†	133	122	†	133	122
Tanning	†	†119	118	†	*119	117
Cattle hide leathers	†	139	134	†	139	134
Calf and kid leathers	†	84	95	†	82	91
Goat and kid leathers	†	61	61	†	61	63
Sheep and lamb leathers	†	149	146	†	145	143
Shoes	†	†	125	†	†	125
Manufactured food products	*150	156	160	*136	139	145
Wheat flour	*131	137	138	*126	134	133
Meatpacking	*130	140	134	*120	129	125
Other manufactured foods	*159	166	168	*142	147	148
Processed fruits & vegetables	*145	153	170	*89	84	104
Tobacco products	---	161	120	---	152	115
Cigars	---	110	91	---	110	91
Cigarettes	---	217	143	---	202	133
Other tobacco products	---	65	90	---	65	90
Paper and products	*147	146	140	*147	146	141
Paperboard	166	165	158	166	165	158
Newsprint production	86	86	80	88	86	82
Printing and publishing	*126	127	105	*129	129	108
Newsprint consumption	108	110	85	114	114	90
Petroleum and coal products	†	168	268	†	168	268
Petroleum refining	---	---	---	---	---	---
Gasoline	*135	130	145	*135	130	145
Fuel oil	†	172	167	†	172	167
Lubricating oil	†	141	136	†	139	141
Kerosene	†	183	120	†	187	123
Coke	†	151	161	†	151	161
Byproduct	†	145	157	†	145	157
Beehive	*21	337	284	*21	337	284
Chemicals	*236	234	318	*238	236	320
Rayon	*257	256	241	*257	256	241
Industrial chemicals	*397	389	405	*397	389	405
Rubber	*223	220	233	*223	220	233
MINERALS						
Fuels	*107	145	145	*107	145	145
Bituminous coal	*10	168	138	*10	168	138
Anthracite	*120	125	131	*120	125	131
Crude petroleum	*144	*138	150	*144	*138	150
Metals	†	*93	111	†	*48	109
Iron ore	---	---	---	†	28	216

*Preliminary or estimated. †Data not yet available.

FREIGHT CARLOADINGS

(1935-39 average = 100)

Coal	26	155	126	26	155	126
Coke	95	165	180	93	166	176
Grain	112	141	160	99	130	141
Livestock	143	140	124	127	111	111
Forest products	143	134	133	143	134	133
Ore	91	121	204	50	35	203
Miscellaneous	143	143	153	141	136	151
Merchandise, l.c.l.	81	78	71	82	79	71

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

Statutory Debt Limitation as of March 31, 1946

The Treasury Department made public on April 5 its monthly report showing that the face amount of public debt obligations issued under the Second Liberty Bond Act (as amended) outstanding on March 31, 1946 totaled $286,311,897,669, thus leaving the face amount of obligations which may be issued subject to the $300,000,000,000 statutory debt limitation at $13,688,102,331. In another table in the report, the Treasury indicates that from the total gross public debt and guaranteed obligations of $276,565,494,580 should be subtracted $983,668,767 (outstanding public debt obligations not subject to debt limitation), and to this figure should be added $10,730,071,856 (the unearned discount on U. S. Savings Bonds). Thus the grand total of public debt obligations outstanding as of March 31, 1946 amounted to $286,311,897,669.

The Treasury Department's announcement of April 5 follows:

Section 21 of the Second Liberty Bond Act, as amended, provides that the face amount of obligations issued under authority of that Act, and the face amount of obligations guaranteed as to principal and interest by the United States (except such guaranteed obligations as may be held by the Secretary of the Treasury), "shall not exceed in the aggregate $300,000,000,000 outstanding at any one time."

The following table shows the face amount of obligations outstanding and the face amount which can still be issued under this limitation:

Total face amount that may be outstanding at any one time			$300,000,000,000
Outstanding March 31, 1946—			
Obligations issued under Second Liberty Bond Act, as amended:			
Interest-bearing:			
Bonds—			
Treasury	$121,177,405,350		
Savings (maturity value)	*59,463,150,700		
Depositary	451,317,000		
Adjusted Service	500,157,956		
		$181,592,031,006	
Treasury notes	37,545,296,200		
Certificates of indebtedness	49,114,483,000		
Treasury bills	17,047,223,000		
		103,707,002,200	
Total interest-bearing		285,299,033,206	
Matured, interest-ceased		238,299,056	
Bearing no interest:			
War Savings Stamps	112,335,135		
Excess profits tax refund bonds	109,154,539		
		221,489,674	
Total		285,758,821,936	
Guaranteed obligations (not held by Treasury):			
Interest-bearing:			
Debentures: FHA	40,386,936		
Demand obligations: CCC	501,322,322		
		541,709,258	
Matured, interest-ceased		11,366,475	
		553,075,733	
Grand total outstanding			286,311,897,669
Balance face amount of obligations issuable under above authority			13,688,102,331

RECONCILEMENT WITH STATEMENT OF THE PUBLIC DEBT—MARCH 31, 1946
(Daily Statement of the United States Treasury, April 1, 1946)

Outstanding March 31, 1946:		
Total gross public debt		$276,012,418,847
Guaranteed obligations not owned by the Treasury		553,075,733
Total gross public debt and guaranteed obligations		$276,565,494,580
Add—unearned discount on U. S. Savings Bonds (difference between maturity value and current redemption value)	$10,730,071,866	
Deduct—other outstanding public debt obligations not subject to debt limitation	983,668,767	
		9,746,403,089
		$286,311,897,669

*Approximate face or maturity value; current redemption value $48,733,078,843.

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

The New York Stock Exchange announced on May 15 that the following companies have reported changes in the amount of stock held as heretofore reported by the Department of Stock List:

Company and Class of Stock—	Shares Previously Reported	Shares Per Latest Report
American Ice Co., 6% non-cum. non-red. pfd.	32,124	32,135
American Rolling Mill Co. (The), 4½% cum. conv. pfd.	5,080	15,195
Associates Investment Co., common	40,063	39,886
Associates Investment Co., 5% cum. pfd.	471	481
Atlas Corporation, common	46,247	46,316
Borden Co. (The), common	184,958	187,758
Bucyrus-Erie Co., 7% pfd.	13,853	13,855
City Investing Co., 5½% ser. cum. pfd.	170	310
International Minerals & Chemical Corp., common	38,009	32,359
Jewel Tea Co., Inc., common	1,640	1,635
Plymouth Oil Co., common	4,384	5,384
Virginia Iron Coal and Coke Co., 5% pfd.	6,177	6,377
Wilson & Co., common	35	36

The New York Curb Exchange made available on May 15 the following list of issuers of fully listed securities which have reported changes in their holdings of reacquired stock:

Company and Class of Stock—	Shares Previously Reported	Shares Per Latest Report
Air Investors, Inc., conv. pref.	51	66
American Cities Pwr. & Lt. Corp., A opt. div. ser. 1936	1,350	2,250
American Cities Pwr. & Lt. Corp., cv. A opt. div. ser.	1,650	1,750
American General Corp., common	493,268	494,035
Bridgeport Oil Co., Inc., common	5,300	4,800
Chamberlin Co. of America, common	5,000	None
Coro, Inc., common	20,533	20,433
Crown Central Petroleum Corp., common	622	625
Detroit Gasket & Mfg. Co., 6% pfd.	250	115
Electrographic Corp., common	1,486	886
Henry Holt & Co., Inc., common	1,730	1,946
Hygrade Food Products Corp., common	37,969	38,970
International Utilities Corp., common	316 Old	968 New
King Seeley Corp., common	1,457	82
Klein (D. Emil) Co., Inc., common	20,569	16,663
Mangel Stores Corp., common	780	25,668
Merritt, Chapman & Scott Corp., 6½% A pfd.	1,630	1,245
Morris Plan Corp. of America, common	149	155
Niagara Hudson Power Corp., common	282	302
Niagara Hudson Power Corp., 5% 1st pfd.	15,678	None
Niagara Share Corp., B common	226,267	250,167
Pacific Public Service Co., 1st pfd.	80,473	80,478
Pacific Public Service Co., common	24,766	24,772
Savoy Oil Co., capital	1,100	None
Standard Brewing Co. of Scranton, common	950	1,350
Standard Cap & Seal Corp., conv. pref.	None	9
[illegible] Inc., common	5,394	2,228
Utility Equities Corp., $5.50 div. pr. stk.	13,250	13,275

Myron Taylor Returns to Vatican

Dispelling reports that Myron C. Taylor, who had been in the United States for several months, might resign as this country's representative at the Vatican, President Truman announced on May 3 that Mr. Taylor would soon return to Rome, retaining the rank of Ambassador, to represent him as he did the late President Roosevelt. A wireless dispatch to the New York "Times" told of Mr. Taylor's arrival in Rome by airplane on May 5. Despite the opposition in some circles to the assignment, the President issued his statement which said in part, according to Washington advices of the Associated Press:

"I have asked Mr. Myron C. Taylor to return to Italy as my personal representative to His Holiness the Pope, with the rank of Ambassador.

"After the cessation of hostilities Mr. Taylor came home for consultation and report. I have studied his report of his several audiences with the Pope with interest and with profit. I feel that he can continue to render helpful service to the cause of Christian civilization if, at my instance from time to time, he resumes his duties in Italy."

Referring to the state of unrest in the world today, and what he called the "lamentable conflicts of principle and policy," Mr. Truman continued:

"Out of all of this unrest and conflict, however, one conviction emerges as clear as the noonday. It is that we shall establish an enduring peace only if we build it upon Christian principles."

The President's statement ended, by saying:

"There is no minimizing the gravity of the days in which we live. I feel the necessity of having for my guidance the counsel and cooperation of all men and women of good will whether in religion, in government, or in the pursuits of everyday life. I have therefore sought the advice of leaders in religion of various convictions and allegiances, not only in this country but from abroad. I feel that all have a vital contribution to make. I shall continue to welcome the counsel of such leaders to the end that the voice of conscience may be heard in the councils of nations as they seek a solution of that age-old problem: the government of man."

The Associated Church Press, made up of editors of Protestant publications, according to the Associated Press, adopted a resolution recently saying that the appointment of a representative of this Government at the Vatican violated the principle of separation of Church and State. The resolution added that such an envoy did not have Senate approval as required by the Constitution.

Dr. Holtrop President of Netherlands Bank

From The Hague, April 30 (Aneta) the New York "Times" reported the following:

"Shareholders of the Bank of the Netherlands meeting in Amsterdam today appointed Dr. L. J. A. Trip, who resigns the Presidency of the bank tomorrow, to the board of directors. The new President of the bank will be Dr. M. W. Holtrop, former managing director of the Royal Dutch blast furnaces and steel factories at Ymuiden.

"The shareholders' meeting also authorized the directors to pay a 3½% dividend for 1945 when the Netherlands Bank's claims against Germany have been 'regularized.'"

Moody's Bond Prices and Bond Yield Averages

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

MOODY'S BOND PRICES
(Based on Average Yields)

1946— Daily Averages	U. S. Govt. Bonds	Avge. Corpo-rate*	Corporate by Ratings* Aaa	Aa	A	Baa	Corporate by Groups* R. R.	P. U.	Indus.
June 4	124.02	118.60	122.92	121.46	118.20	112.56	116.22	119.00	121.04
3	124.02	118.80	123.13	121.46	118.40	112.56	116.22	119.00	121.04
1	Stock Exchange Closed								
May 31	123.99	118.80	122.92	121.46	118.40	112.56	116.22	119.00	121.04
30	Stock Exchange Closed								
29	123.99	118.80	123.13	121.46	118.40	112.56	116.22	119.00	121.04
28	123.92	118.80	123.13	121.46	118.40	112.56	116.22	119.00	121.04
27	123.99	118.80	122.92	121.46	118.40	112.56	116.22	119.00	121.04
25	Stock Exchange Closed								
24	123.99	118.80	123.13	121.46	118.40	112.56	116.22	119.00	121.04
23	123.99	118.80	123.13	121.46	118.40	112.56	116.22	119.00	121.25
22	123.99	118.80	123.13	121.46	118.40	112.75	116.22	119.00	121.25
21	123.95	118.80	122.92	121.46	118.40	112.75	116.20	119.00	121.25
20	124.05	118.60	122.71	121.46	118.40	112.56	116.20	119.00	121.04
18	124.11	118.60	122.71	121.46	118.40	112.56	116.20	119.00	121.04
17	124.14	118.60	122.71	121.46	118.20	112.56	116.20	119.00	121.04
16	123.83	118.60	122.71	121.25	118.40	112.56	116.20	119.00	120.84
15	123.64	118.80	122.92	121.46	118.20	112.75	116.20	119.00	121.04
14	123.49	118.80	122.92	121.25	118.40	112.75	116.22	119.20	120.84
13	123.45	118.80	122.92	121.25	118.40	112.75	116.22	119.20	120.84
11	123.80	118.80	122.92	121.46	118.60	112.75	116.22	119.20	121.04
10	123.83	118.80	122.92	121.46	118.60	112.75	116.41	119.20	121.04
9	123.86	118.80	122.92	121.25	118.60	112.75	116.41	119.20	120.84
8	124.27	119.00	122.92	121.67	118.60	112.93	116.61	119.20	120.84
7	124.33	118.80	122.92	121.46	118.60	112.93	116.81	119.41	120.84
6	124.45	118.80	122.92	121.46	118.60	112.93	116.61	119.20	120.84
4	124.49	119.00	122.92	121.46	118.60	113.12	116.61	119.41	121.04
3	124.49	119.00	122.92	121.67	118.60	113.12	116.61	119.41	121.04
2	124.52	119.00	122.92	121.46	118.60	113.12	116.61	119.41	120.84
1	124.45	118.80	122.92	121.46	118.40	113.12	116.41	119.41	120.84
Apr. 26	124.33	119.00	123.34	121.25	118.40	113.12	116.41	119.41	121.04
18	125.30	119.61	123.99	121.88	119.20	113.89	117.20	120.22	121.67
12	125.77	120.02	123.99	122.29	119.61	114.27	117.60	120.22	121.88
5	125.92	120.02	123.99	122.29	119.61	114.46	117.60	120.22	122.09
Mar. 29	125.61	119.82	123.99	122.29	119.41	114.27	117.40	120.22	122.09
22	125.74	119.82	123.77	122.29	119.41	114.08	117.20	120.22	122.09
15	125.80	119.82	123.77	122.29	119.20	114.27	117.00	120.22	122.29
8	125.86	119.82	123.56	122.50	119.20	114.46	116.80	120.43	122.29
1	125.84	119.61	123.56	121.88	119.20	114.27	116.61	120.22	122.09
Feb. 21	126.02	120.22	123.34	121.88	119.00	114.27	116.41	120.22	122.09
15	126.14	119.61	123.56	121.88	119.20	114.27	116.80	120.02	122.29
8	126.15	119.61	123.34	121.88	119.20	114.27	116.41	120.02	122.29
1	126.05	119.20	123.34	121.46	118.80	113.50	115.82	119.41	122.29
Jan. 25	126.28	119.00	123.12	121.25	119.00	113.31	115.63	119.41	122.09
High 1946	126.28	120.02	124.20	122.50	119.61	114.46	117.60	120.43	122.50
Low 1946	123.45	117.60	121.46	119.82	117.40	112.19	114.46	117.80	120.63
1 Year Ago June 4, 1945	122.36	115.43	120.63	119.00	115.63	107.44	112.37	115.04	119.20
2 Years Ago June 3, 1944	120.02	112.19	118.40	116.61	111.81	102.63	105.86	113.70	117.00

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

1946— Daily Averages	U. S. Govt. Bonds	Avge. Corpo-rate*	Corporate by Ratings* Aaa	Aa	A	Baa	Corporate by Groups* R. R.	P. U.	Indus.
June 4	1.47	2.72	2.51	2.58	2.74	3.03	2.84	2.70	2.60
3	1.47	2.71	2.50	2.58	2.73	3.03	2.84	2.70	2.60
1	Stock Exchange Closed								
May 31	1.48	2.71	2.51	2.58	2.73	3.03	2.84	2.70	2.60
30	Stock Exchange Closed								
29	1.48	2.71	2.50	2.58	2.73	3.03	2.84	2.70	2.60
28	1.48	2.71	2.50	2.58	2.73	3.03	2.84	2.70	2.60
27	1.48	2.71	2.51	2.58	2.73	3.03	2.84	2.70	2.60
25	Stock Exchange Closed								
24	1.48	2.71	2.50	2.58	2.73	3.03	2.84	2.70	2.60
23	1.48	2.71	2.50	2.58	2.73	3.03	2.84	2.70	2.59
22	1.48	2.71	2.50	2.58	2.73	3.02	2.84	2.70	2.59
21	1.48	2.71	2.51	2.58	2.73	3.02	2.84	2.70	2.59
20	1.47	2.72	2.52	2.58	2.73	3.03	2.84	2.70	2.60
18	1.47	2.72	2.52	2.58	2.73	3.03	2.84	2.70	2.60
17	1.47	2.72	2.52	2.58	2.74	3.03	2.84	2.70	2.60
16	1.49	2.72	2.52	2.59	2.73	3.03	2.84	2.70	2.61
15	1.50	2.71	2.51	2.58	2.74	3.02	2.84	2.70	2.60
14	1.51	2.71	2.51	2.59	2.73	3.02	2.84	2.69	2.61
13	1.51	2.71	2.51	2.59	2.73	3.02	2.84	2.69	2.61
11	1.49	2.71	2.51	2.58	2.72	3.02	2.84	2.69	2.60
10	1.49	2.71	2.51	2.58	2.72	3.02	2.83	2.69	2.60
9	1.48	2.71	2.51	2.59	2.72	3.02	2.83	2.69	2.61
8	1.46	2.70	2.51	2.57	2.72	3.01	2.82	2.69	2.61
7	1.45	2.71	2.51	2.58	2.72	3.01	2.82	2.68	2.61
6	1.44	2.71	2.51	2.58	2.72	3.01	2.82	2.69	2.61
4	1.44	2.70	2.51	2.58	2.72	3.00	2.82	2.68	2.60
3	1.44	2.70	2.51	2.57	2.72	3.00	2.82	2.68	2.60
2	1.44	2.70	2.51	2.58	2.72	3.00	2.82	2.68	2.61
1	1.44	2.71	2.51	2.58	2.73	3.00	2.83	2.68	2.61
Apr. 26	1.45	2.70	2.49	2.59	2.73	3.00	2.83	2.68	2.60
18	1.38	2.67	2.46	2.56	2.69	2.96	2.79	2.64	2.57
12	1.35	2.65	2.46	2.54	2.67	2.94	2.77	2.64	2.56
5	1.34	2.65	2.46	2.54	2.67	2.93	2.77	2.64	2.55
Mar. 29	1.36	2.66	2.46	2.54	2.68	2.94	2.78	2.64	2.55
22	1.35	2.66	2.47	2.54	2.68	2.95	2.79	2.64	2.55
15	1.34	2.66	2.47	2.54	2.69	2.94	2.80	2.64	2.54
8	1.34	2.66	2.48	2.53	2.69	2.93	2.81	2.63	2.54
1	1.34	2.67	2.48	2.56	2.69	2.94	2.82	2.64	2.55
Feb. 21	1.33	2.67	2.49	2.56	2.70	2.94	2.83	2.64	2.55
15	1.32	2.67	2.48	2.56	2.69	2.94	2.81	2.65	2.54
8	1.32	2.67	2.49	2.56	2.69	2.94	2.83	2.65	2.54
1	1.33	2.69	2.49	2.58	2.71	2.98	2.86	2.68	2.54
Jan. 25	1.31	2.70	2.50	2.59	2.70	2.99	2.87	2.68	2.55
High 1946	1.51	2.77	2.58	2.66	2.78	3.05	2.93	2.76	2.62
Low 1946	1.31	2.65	2.45	2.53	2.67	2.93	2.77	2.63	2.53
1 Year Ago June 4, 1945	1.63	2.88	2.62	2.70	2.87	3.31	3.04	2.90	2.69
2 Years Ago June 3, 1944	1.81	3.05	2.73	2.82	3.07	3.59	3.40	2.97	2.80

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

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

National Fertilizer Association Upward Trend Continues in Commodity Price Index

The upward trend in wholesale commodity prices continued in the week of June 1, 1946, when the index compiled by The National Fertilizer Association and made public on June 5 rose to the new high level of 148.0 from 147.5 in the preceding week. A month ago the index stood at 145.7, and a year ago at 141.4, all based on the 1935-1939 average as 100. The Association's report added:

The advances in the foods, farm products and textiles groups were entirely responsible for the rise in the general index. The foods group advance to a new high peak. The rise in the foods index was principally because of higher price ceilings established by OPA for corn meal, dried beans and evaporated milk. Potato prices also advanced. The farm products index also reached a new high peak. The cotton subgroup advanced to a new high level. The advance in the livestock subgroup reflected higher prices for cattle, both good and choice, calves, lambs, and eggs. The textile index advanced during the week. There were no price changes in any of the other composite groups.

During the week 10 price series in the index advanced and 2 declined; in the preceding week 11 advanced and 2 declined; in the second preceding week 11 advanced and 4 declined.

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

% Each Group Bears to the Total Index	Group	Latest Week Jun. 1, 1946	Preceding Week May 25, 1946	Month Ago May 4, 1946	Year Ago Jun. 2, 1945
25.3	Foods	146.8	145.8	144.6	142.7
	Fats and Oils	147.4	147.4	147.4	144.9
	Cottonseed Oil	163.1	163.1	163.1	162.0
23.0	Farm Products	179.4	178.4	175.0	167.4
	Cotton	264.7	261.2	260.4	215.8
	Grains	192.1	102.7	173.9	164.8
	Livestock	162.9	161.8	162.0	160.6
17.3	Fuels	131.4	131.4	130.8	132.0
10.8	Miscellaneous commodities	138.6	138.6	134.5	133.7
8.2	Textiles	167.1	166.6	166.5	157.2
7.1	Metals	117.9	117.9	117.9	108.0
6.1	Building materials	167.8	167.8	167.8	155.4
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	148.0	147.5	145.7	141.4

*Indexes on 1926-1928 base were: June 1, 1946, 115.3; May 25, 1946, 114.9, and June 2, 1945, 110.2.

Electric Output for Week Ended June 1, 1946 11% 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 June 1, 1946, was 3,741,256,000 kwh., which compares with 4,203,502,000 kwh. in the corresponding week a year ago, and 3,941,865,000 kwh. in the week ended May 25, 1946. The output for the week ended June 1, 1946, was 11% below that of the same week in 1945.

PERCENTAGE DECREASE UNDER SAME WEEK LAST YEAR

Major Geographical Divisions—	Week Ended— June 1	May 25	May 18	May 11
New England	3.3	1.5	1.6	§1.6
Middle Atlantic	5.0	5.2	3.7	1.2
Central Industrial	15.1	12.0	14.4	14.5
West Central	9.4	2.0	3.6	2.9
Southern States	15.1	12.1	13.4	12.2
Rocky Mountain	§12.9	§7.3	2.5	§0.2
Pacific Coast	10.4	9.8	8.7	9.3
Total United States	11.0	9.0	10.0	9.1

§Increase.

DATA FOR RECENT WEEKS (Thousands of Kilowatt-Hours)

Week Ended—	1946	1945	% Change under 1945	1944	1932	1929
March 2	4,000,119	4,472,110	—10.6	4,464,686	1,538,452	1,702,570
March 9	3,952,539	4,446,136	—11.1	4,425,630	1,537,747	1,687,229
March 16	3,987,877	4,397,529	— 9.3	4,400,246	1,514,553	1,683,262
March 23	4,017,310	4,401,716	— 8.7	4,409,159	1,480,208	1,679,589
March 30	3,992,263	4,329,478	— 7.8	4,408,703	1,465,076	1,633,291
April 6	3,987,673	4,321,794	— 7.7	4,361,094	1,480,738	1,696,543
April 13	4,014,652	4,332,400	— 7.3	4,307,498	1,469,810	1,709,331
April 20	3,987,145	4,411,325	— 9.6	4,344,188	1,454,505	1,699,822
April 27	3,976,750	4,415,889	— 9.9	4,336,247	1,429,032	1,688,434
May 4	4,011,670	4,397,330	— 8.8	4,233,756	1,436,928	1,698,942
May 11	3,910,760	4,302,381	— 9.1	4,238,375	1,435,731	1,704,426
May 18	3,939,281	4,377,221	—10.0	4,245,678	1,425,151	1,705,460
May 25	3,941,865	4,329,605	— 9.0	4,291,750	1,381,452	1,615,085
June 1	3,741,256	4,203,502	—11.0	4,144,490	1,435,471	1,689,925
June 8		4,327,028		4,264,600	1,441,532	1,699,227
June 15		4,348,413		4,287,251	1,440,541	1,702,501
June 22		4,358,277		4,325,417	1,456,961	1,723,428
June 29		4,353,351		4,327,359	1,341,730	1,592,075

Weekly Coal and Coke Production Statistics

Production of soft coal in the week ended May 25, 1946, as estimated by the United States Bureau of Mines, was 7,950,000 net tons, which compares with 9,300,000 tons in the preceding week and 11,707,000 tons in the corresponding week of 1945. For the calendar year to May 25, 1946, bituminous coal and lignite output totaled 181,790,000 net tons, a decrease of 24.0% when compared with the 239,198,000 tons produced during the period from Jan. 1 to May 26, 1945.

Production of Pennsylvania anthracite for the week ended May 25, 1946, as estimated by the Bureau of Mines, was 1,014,000 tons, a decrease of 323,000 tons (24.2%) from the preceding week. When compared with the output in the corresponding week of 1945 there was a decrease of 209,000 tons, or 17.1%. The calendar year to date shows an increase of 23.3% when compared with the corresponding period of 1945.

The Bureau also reported that the estimated production of beehive coke in the United States for the week ended May 25, 1946 showed a decrease of 4,500 tons when compared with the output for the week ended May 18, 1946; and was 119,000 tons less than for the corresponding week of 1945.

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

Bituminous coal & lignite—	Week Ended— May 25, 1946	May 18, 1946	May 26, 1945	Jan. 1 to Date— *May 25, 1946	May 26, 1945
Total, including mine fuel	7,950,000	9,300,000	11,707,000	181,790,000	239,198,000
Daily average	1,325,000	1,550,000	1,951,000	1,477,000	1,917,000

*Subject to current adjustment.

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

Penn. Anthracite—	Week Ended— ‡May 25, 1946	§May 18, 1946	May 26, 1945	Calendar Year to Date— May 25, 1946	May 26, 1945	May 29, 1937
*Total incl. coll. fuel	1,014,000	1,337,000	1,223,000	25,078,000	20,346,000	23,841,000
†Commercial produc.	973,000	1,284,000	1,174,000	24,074,000	19,532,000	22,649,000
Beehive coke— United States total	11,800	16,300	130,800	1,250,300	2,382,200	1,544,100

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

ABA Urges Bank Sales Promotion of Treasury Savings Bonds

The 15,000 banks of the nation have been asked to carry on a special sales promotion program for the sale of United States Savings Bonds beginning on June 6, the second anniversary of D-Day in France, and ending July 4. In a letter to the banks urging fullest cooperation with the Treasury, H. Frederick Hagemann, Jr., Chairman of the Committee on Treasury Savings Bonds of the American Bankers Association, said: "As bankers we are in a position to take a major part in this intensified sales effort through lobby posters, newspaper advertising and general publicity. It was important during the war that a large proportion of Treasury financing should be placed with the public," said Mr. Hagemann, who is also Vice President of The Boatmen's National Bank, St. Louis, Mo., "and the banks played a vital part in that sales program." He went on to say:

"It is equally important now, in order to prevent further monetization of the debt, for the banks to continue to help sell bonds to the public. On behalf of your National Committee, I urge you to continue to give every aid to the Treasury in the sale of savings bonds. A wide distribution of the public debt in the hands of non-bank investors is an essential safeguard against ruinous inflation, and no banker needs to be told that the future of his bank and the free enterprise system depends on how successful we are in curbing inflation.

"While emphasizing that a balanced national budget continues to be the greatest single necessity, the Executive Council of the American Bankers Association, as one of its main points regarding the monetary phases of the problem, recommended that: 'The continued vigorous sale of Treasury Savings Bonds by the banks is of the greatest importance in combating inflation'."

The American Bankers Association is ready to cooperate with the Treasury to gain the widest distribution of government obligations. The A.B.A. Committee on Treasury Savings Bonds has been appointed and is composed of representative bankers from each of the broad geographical regions of the United States, and state chairmen have been named to head up bank savings bonds activities in each of the states. There are also six State Chairmen representing the six mutual savings banks associations.

Memorial Day Rites

President Truman led the nation in observance of Memorial Day in a brief ceremony at the tomb of the Unknown Soldier in Arlington National Cemetery. Arriving there before 9 a.m. the President laid a wreath of white roses on the tomb, and stood at attention with head bared, while an Army bugler sounded "Taps." No gathering of any size was present for the proceedings and Mr. Truman did not speak. Later in the day the President took a family group for a cruise on the Potomac, in the Presidential yacht Williamsburg.

Moodys Daily Commodity Index

Tuesday, May 28, 1946	280.4
Wednesday, May 29	280.3
Thursday, May 30	*
Friday, May 31	280.6
Saturday, June 1	280.8
Monday, June 3	284.1
Tuesday, June 4	284.1
Two weeks ago, May 21	279.2
Month ago, May 4	272.9
Year ago, June 4, 1945	257.3
1945 High, Dec. 27	265.0
Low, Jan. 24	252.1
1946 High, June 3	284.1
Low, Jan. 2	254.7

*Holiday.

Trading on New York Exchanges

The Securities and Exchange Commission made public on May 29, 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 11, 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 11 (in round-lot transactions) totaled 2,770,669 shares, which amount was 17.43% of the total transactions on the Exchange of 7,946,630 shares. This compares with member trading during the week ended May 4 of 1,856,924 shares or 15.85% of the total trading of 5,859,200 shares.

On the New York Curb Exchange, member trading during the week ended May 11 amounted to 711,325 shares, or 14.09% of the total volume on that exchange of 2,524,205 shares. During the week ended May 4, trading for the account of Curb members of 587,095 shares was 13.36% of the total trading of 2,197,735 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 11, 1946

	Total for Week	†%
A. Total Round-Lot Sales:		
Short sales	285,100	
‡Other sales	7,661,530	
Total sales	7,946,630	
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	834,870	
Short sales	152,580	
‡Other sales	813,600	
Total sales	966,180	11.33
2. Other transactions initiated on the floor—		
Total purchases	82,450	
Short sales	11,400	
‡Other sales	102,150	
Total sales	113,550	1.23
3. Other transactions initiated off the floor—		
Total purchases	308,788	
Short sales	59,130	
‡Other sales	405,701	
Total sales	464,831	4.87
4. Total—		
Total purchases	1,226,108	
Short sales	223,110	
‡Other sales	1,321,451	
Total sales	1,544,561	17.43

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

WEEK ENDED MAY 11, 1946

	Total for Week	†%
A. Total Round-Lot Sales:		
Short sales	41,595	
‡Other sales	2,482,610	
Total sales	2,524,205	
B. Round-Lot Transactions for Account of Members:		
1. Transactions of specialists in stocks in which they are registered—		
Total purchases	221,775	
Short sales	23,085	
‡Other sales	222,565	
Total sales	245,650	9.26
2. Other transactions initiated on the floor—		
Total purchases	36,955	
Short sales	1,300	
‡Other sales	35,600	
Total sales	36,900	1.46
3. Other transactions initiated off the floor—		
Total purchases	58,375	
Short sales	12,300	
‡Other sales	99,370	
Total sales	111,670	3.37
4. Total—		
Total purchases	317,105	
Short sales	36,685	
‡Other sales	357,535	
Total sales	394,220	14.09
C. Odd-Lot Transactions for Account of Specialists—		
Customers' short sales	0	
§Customers' other sales	128,925	
Total purchases	128,925	
Total sales	131,848	

*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."

NYSE Odd-Lot Trading

The Securities and Exchange Commission made public on May 29, a summary for the week ended May 18, of complete figures showing the daily volume of stock transactions for odd-lot account of all odd-lot dealers and specialists who handled odd lots on the New York Stock Exchange, continuing a series of current figures being published by the Commission. The figures are based upon reports filed with the Commission by the odd-lot dealers and specialists.

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

Week Ended May 18, 1946

	Total Per Week
Odd-Lot Sales by Dealers— (Customers' purchases)	
Number of orders	33,263
Number of shares	969,308
Dollar value	$44,533,370
Odd-Lot Purchases by Dealers— (Customers' sales)	
Number of Orders:	
Customers' short sales	160
*Customers' other sales	29,591
Customers' total sales	29,751
Number of Shares:	
Customers' short sales	5,825
*Customers' other sales	842,764
Customers' total sales	848,589
Dollar value	$38,809,938
Round-Lot Sales by Dealers—	
Number of Shares:	
Short sales	200
†Other sales	195,090
Total sales	195,290
Round-Lot Purchases by Dealers—	
Number of shares	312,230

*Sales marked "short exempt" are reported with "other sales."

†Sales to offset customers' odd-lot orders and sales to liquidate a long position which is less than a round lot are reported with "other sales."

Connecticut Banks to Close on Saturdays June-Sept.

All banks in Connecticut will close each Saturday during June, July, August and September in accordance with a proclamation issued on May 24 by Governor Baldwin, it was indicated in the Hartford "Courant" of May 25 in which it was also stated:

The proclamation was issued after the Governor had conferred with State Banking Commissioner Richard Rapport and leading bankers in the State and followed a decision of the majority of banks in New York, Massachusetts and New Jersey to close Saturdays during these four months.

The Governor said, "The inability of Connecticut banks to do business with the Federal Reserve banks in New York and Boston and their important correspondent banks in these cities would interrupt and delay transactions between them and our Connecticut banks on Saturdays if Connecticut banks remained open for business, during the summer months."

Non-Ferrous Metals — Copper, Lead and Brass Prices Revised Upward—Market Quiet

"E. & M. J. Metal and Mineral Markets," in its issue of May 30, stated: "Though the two-day railroad strike would have been voted the most distressing event of the week, both consumers and producers of major non-ferrous metals were unhappy throughout the period over the delay in Washington in arriving at a decision on new ceiling prices for copper, lead, and zinc. [Announcement of a revision in prices was made late on May 29—Ed.] Action on zinc has been temporarily sidetracked. Negotiations in reference to the Bolivian tin contracts are deadlocked, owing to a diference of opinion on the new settlement basis. The strike at the Raritan refinery of Anaconda has been settled. The Banking and Currency Committee has voted $100,000,000 for subsidy payments on non-ferous metals, at the same time extending the plan to June 30, 1947." The publication further went on to say in part as follows:

Copper

There was no mystery over the new level at which copper would be established by OPA, namely 14.375¢ per pound (effective June 3). In view of the fact that business in copper almost ceased so far as the domestic market was concerned, operators were satisfied to mark time pending further developments in Washington. Delay in announcing the new ceiling was attributed to the railroad strike, as well as a desire to release the information on copper along with brass ingot and lead prices.

The foreign division of the copper market was disturbed on news that a strike has shut down operations at Chile Copper. Prices realized abroad were a little lower than in the preceding week.

Copper consumed at fabricating plants in this country in the first four months of 1946 totaled 333,373 tons. Deliveries to fabricators in the same period totaled 336,036 tons. The fabricating division of the copper industry estimates consumption in the first four months of 1946 and 1945, in tons, as follows:

	1946	1945
January	100,213	153,904
February	73,316	165,387
March	73,225	171,558
April	86,619	147,209

Lead

The guessing contest on the new ceiling price of lead continued throughout the week. Until the price situation has been clarified and the strikes are settled, the supply problem will remain acute. [According to a report received in New York from Washington on May 29, the new price will be 8¼¢, New York.—Ed.]

Sales of lead for the week amounted to only 2,002 tons, against 3,364 tons in the preceding week.

Stocks of lead in the hands of the Government on May 1 amounted to 40,320 tons, which compares with 41,219 tons a month previous and 68,700 tons at the beginning of the year.

Lead allocated from the Office of Metals Reserve's stocks in April totaled 6,931 tons, which contrasts with 15,918 tons in March, 13,844 tons in February, and 22,270 tons in January.

Production of lead by domestic refineries again declined during April, owing to work stoppages. Production totaled 23,766 tons in April, against 25,336 in March, and 46,511 tons in April last year, the American Bureau of Metal Statistics reports.

Shipments of refined lead by the domestic industry totaled 23,941 tons in April, which compares with 28,702 tons in the previous month and 44,179 tons in April a year ago.

The refined-lead statistics of primary refiners in the United States, in tons, are summarized as follows:

	April	March
Stock at beginning	41,939	45,312
Production:		
*Primary	22,726	24,179
Secondary	1,040	1,157
Total	23,766	25,336
Domestic shipments	23,941	28,702
Stock at end	41,758	41,939

*Includes some secondary that it is impracticable to separate statistically month by month.

Zinc

The price situation in zinc remains under scrutiny, largely because of a wide difference in opinion among producers on the extent of the rise in the new ceiling. Prices mentioned as satisfactory by different groups ranged from 9¢ to 10¢ per pound for Prime Western, East St. Louis. A sharp increase might prove embarrassing to producers of Special High Grade, who have an eye on aluminum as a possible source of stiff competition. The custom smelters feel that their position must be weighed carefully before arriving at a decision on prices. In the meantime it is not known when the revision in prices will take place.

Tin

Negotiations for extending the Bolivian tin concentrate contracts have become deadlocked, according to advices from Washington. As usual, the price offered is regarded as too low. The ideas of Bolivian producers center around a settling basis of at least 65¢ a pound of tin contained, f.o.b. port of shipment. The United States has offered to purchase Bolivian concentrates on the basis of 62½¢, with a bonus of 1¢ for shipments in excess of the 1943-44 average.

Straits quality tin is being released to domestic consumers at 52¢ a pound. Forward quotations were nominally as follows:

	June	July	August
May 23	52,000	52,000	52,000
May 24	52,000	52,000	52,000
May 25	52,000	52,000	52,000
May 27	52,000	52,000	52,000
May 28	52,000	52,000	52,000
May 29	52,000	52,000	52,000

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

Quicksilver

With the market a rather thin affair, most holders of quicksilver refused to force sales, and the price situation was generally regarded as unchanged. Quotations on spot metal held at $100 to $103 per flask. On forward business prices might have been shaded where large parcels are involved.

Advices from London indicate that the Ministry of Supply is weighing the consequences of removing controls from quicksilver and bringing the price in the United Kingdom down to the world level.

Silver

The Senate Committee on Banking and Curency has ordered reported a bill introduced by Senator Murdock (Utah), which is to replace the rider now atached to the Treasury-Post Office appropriations bill. The proposed silver legislation contained in the rider could be blocked on a point of order, some contend, because new legislation should not be attached to an appropriations bill. The Murdock bill carries the provisions of the Hayden amendment authorizing the Treasury to increase the price of silver immediately to 90.5¢ an ounce troy, and to $1.29 after two years.

In market circles it was felt that removal of the rider from the appropriations bill will further delay enactment of silver legislation originally aimed at releasing the metal to industry.

The New York Official price of foreign silver continued at 70¾¢ an ounce troy. The London quotation was unchanged at 44d.

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

May	—Electrolytic Copper— Dom. Refy.	Exp. Refy.	Straits Tin, New York	—Lead— New York	St. Louis	Zinc St. Louis
23	11.775	14.150	52.000	6.50	6.35	8.25
24	11.775	14.200	52.000	6.50	6.35	8.25
25	11.775	14.200	52.000	6.50	6.35	8.25
27	11.775	14.200	52.000	6.50	6.35	8.25
28	11.775	14.200	52.000	6.50	6.35	8.25
29	11.775	14.200	52.000	6.50	6.35	8.25
Average	11.775	14.192	52.000	6.50	6.35	8.25

Average prices for calendar week ended May 25 are: Domestic copper f.o.b. refinery, 11.775¢; export copper f.o.b. refinery 14.254¢; Straits tin, 52.000¢; New York lead, 6.500¢; St. Louis lead, 6.350¢; St. Louis zinc, 8.250¢; and silver, 70.750¢.

The above quotations are "E. & M. J. M. & M. M's" appraisal of the major United States markets, based on sales reported by producers and agencies. They are reduced to the basis of cash, New York or St. Louis, as noted. All prices are in cents per pound.

Copper, lead and zinc quotations are based on sales for both prompt and future deliveries; tin quotations are for prompt delivery only.

In the trade, domestic copper prices are quoted on a delivered basis: that is, delivered at consumers' plants. As delivery charges vary with the destination, the figures shown above are net prices at refineries on the Atlantic seaboard. Delivered prices in New England average 0.225c. per pound above the refinery basis.

Effective March 14, the export quotation for copper reflects prices obtaining in the open market and is based on sales in the foreign market reduced to the f.o.b. refinery equivalent, Atlantic seaboard. On f.a.s. transactions we deduct 0.075c. for lighterage, etc., to arrive at the f.o.b. refinery quotation.

Quotations for copper are for the ordinary forms of wirebars and ingot bars. For standard ingots an extra 0.05c. per pound is charged; for slabs 0.075c. up, and for cakes 0.125c. up, depending on weight and dimensions; for billets an extra 0.75c. up, depending on dimensions and quality. Cathodes in standard sizes are sold at a discount of 0.125c. per pound.

Quotations for zinc are for ordinary Prime Western brands. Contract prices for High-Grade zinc delivered in the East and Middle West in nearly all instances command a premium of 1c. per pound over the current market for Prime Western but not less than 1c. over the "E. & M. J." average for Prime Western for the previous month.

Quotations for lead reflect prices obtained for common lead only.

Daily Average Crude Oil Production for Week Ended May 25, 1946, Increased 7,750 Bbls.

The American Petroleum Institute estimates that the daily average gross crude oil production for the week ended May 25, 1946, was 4,759,100 barrels, an increase of 7,750 barrels per day over the preceding week and a gain of 133,100 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 107,665 barrels per day below the output for the week ended May 26, 1945. Daily production for the four weeks ended May 25, 1946 averaged 4,741,500 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 4,857,000 barrels of crude oil daily and produced 14,322,000 barrels of gasoline; 2,041,000 barrels of kerosine; 5,463,000 barrels of distillate fuel, and 8,908,000 barrels of residual fuel oil during the week ended May 25, 1946; and had in storage at the end of the week 95,769,000 barrels of finished and unfinished gasoline; 12,235,000 barrels of kerosine; 32,973,000 barrels of distillate fuel, and 43,368,000 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 25, 1946	Change from Previous Week	4 Weeks Ended May 25, 1946	Week Ended May 26, 1945
**New York-Penna.	47,200		49,200	— 2,500	50,400	47,800
Florida	----		250	----	250	15
**West Virginia	8,400		7,800	— 100	7,700	7,350
**Ohio-Southeast }	7,300		5,550	— 200	5,350	5,250
Ohio—Other }			2,550	— 100	2,700	2,600
Indiana	16,400		19,000	— 1,400	19,300	12,550
Illinois	204,000		209,050	+ 1,200	209,900	195,950
Kentucky	30,000		30,700	+ 550	30,900	27,700
Michigan	46,000		48,050	+ 2,050	46,900	46,600
Nebraska	800		†750	----	750	900
Kansas	252,000	250,000	†270,150	+ 8,880	255,350	275,100
Oklahoma	370,000	370,000	†372,650	— 750	370,750	383,700
Panhandle Texas			83,000	----	83,000	90,000
North Texas			164,800	----	164,800	153,900
West Texas			521,100	----	521,100	495,300
East Central Texas			139,600	----	139,600	138,200
East Texas			388,800	----	388,800	379,800
Southwest Texas			331,500	----	331,500	355,650
Coastal Texas			486,000	----	486,000	563,300
Total Texas	2,050,000	‡2,103,120	2,114,800	----	2,114,800	2,176,150
North Louisiana			79,850	+ 1,200	80,550	70,250
Coastal Louisiana			231,450	----	291,450	299,800
Total Louisiana	380,000	372,000	371,300	+ 1,200	372,000	370,050
Arkansas	79,000	77,387	72,900	+ 650	73,950	80,000
Mississippi	53,000		63,100	+ 1,250	60,600	49,800
Alabama	900		1,150	+ 100	1,100	450
New Mexico—So. East }	99,000	106,000	95,300	----	95,300	103,500
New Mexico—Other }			500	----	500	400
Wyoming	97,000		115,700	+ 2,750	111,850	107,400
Montana	22,000		19,350	— 50	19,550	20,300
Colorado	23,000		29,100	— 500	28,600	11,000
California	840,000	§835,000	860,200	— 5,200	863,000	940,200
Total United States	4,626,000		4,759,100	+ 7,750	4,741,500	4,866,765
**Pennsylvania Grade included above			62,550	— 2,800	63,450	60,400

*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 22, 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.

CRUDE RUNS TO STILLS; PRODUCTION OF GASOLINE; STOCKS OF FINISHED AND UNFINISHED GASOLINE, KEROSINE, 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. Report'g	Crude Runs to Stills Daily Av.	Crude Runs to Stills % Operated	§Gasoline Produc'n at Ref. Inc. Nat. Blended	‡Finish'd and Unfin. Gasoline Stocks	‡Stocks of Kerosine	‡Stks. of Gas Oil & Dist. Fuel Oil	‡Stks. of Resid. Fuel Oil
East Coast	99.5	806	101.9	1,872	22,901	5,028	10,556	8,133
Appalachian—								
District No. 1	76.8	103	70.5	306	2,568	205	364	192
District No. 2	81.2	55	110.0	184	1,027	59	113	184
Ind., Ill., Ky.	87.2	788	91.9	2.684	20,273	1,733	4,222	3,321
Okla., Kan., Mo.	78.3	395	84.2	1,304	8,152	628	1,781	1,143
Inland Texas	59.8	234	70.9	926	3,080	314	319	637
Texas Gulf Coast	89.3	1,151	93.0	3,233	14,763	2,189	5,667	4,882
Louisiana Gulf Coast	96.8	329	126.5	914	3,785	1,152	1,652	1,295
No. La. & Arkansas	55.9	60	47.6	151	1,805	187	388	192
Rocky Mountain—								
District No. 3	17.1	10	76,9	37	92	10	37	39
District No. 4	72.1	125	78.6	382	2,207	122	384	746
California	86.5	801	82.8	2,329	15,116	608	7,490	22,604
Total U. S. B. of M. basis May 25, 1946	85.7	4,857	89,9	14,322	*95,769	12,235	32,973	43,368
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
U. S. B. of M. basis May 26, 1945		4,996		15,252	†88,361	8,528	29,246	38,891

*Includes unfinished gasoline stocks of 8,206,000 barrels. †Including unfinished gasoline stocks of 11,515,000 barrels. ‡Stocks at refineries, at bulk terminals, in transit and in pipe lines. §Not including 2,041,000 barrels of kerosine, 5,463,000 barrels of gas oil and distillate fuel oil and 8,908,000 barrels of residual fuel oil during the week ended May 25, 1946, which compares with 1,984,000 barrels, 5,595,000 barrels and 8,420,000 barrels, respectively, in the preceding week and 1,432,000 barrels, 4,816,000 barrels and 9,532,000 barrels, respectively, in the week ended May 26, 1945.

Wholesale Prices Dropped 0.2% in Week Ended May 25, Labor Department Reports

"Primary market prices declined 0.2% during the week ended May 25, 1946, because of decreases for agricultural commodities," it was announced on May 31 by the Bureau of Labor Statisitcs, U. S. Department of Labor, which stated that "this decline, the first since early January brought the index of commodity prices in primary markets prepared by the Bureau to 110.7% of the 1926 average. Prices for all commodities averaged 1.0% above late April, 1946 and 4.5% higher than a year ago," according to the Buraeu, which further reported:

"Farm Products and Foods.—Prices of farm products were down 0.5% largely reflecting decreases for fresh fruits and vegetables and eggs. Raw cotton quotations declined 0.6% because of uncertainty regarding railroad transportation and coal supplies for textile mills. Continued heavy receipts and lack of storage space lowered prices of eggs. Rye quotations continued to decline toward OPA ceilings which become effective June 1. Lemon prices averaged lower, and poor quality and small sizes, marking the end of the season, caused a sharp decline in sweetpotatoes. Shortages raised prices of calves and sheep quotations were higher with shipment of good quality wooled lambs. Prices advanced for oranges and onions. Quotations for flaxseed rose with higher ceilings. As a group prices of farm products were 1.3% higher than a month ago and 5.1% above the corresponding week of last year.

"The group index for foods was down 0.4% during the week, largely because of the declines for fresh fruits and vegetables and eggs. In addition, dried apples dropped 0.6% in a generally weak market. An increase of 25 cents per case was allowed by OPA for evaporated milk to cover increased labor and raw material costs. Food prices on the average were 0.6% higher than a month ago and 3.4% above late May, 1945.

"Other Commodities—Prices of all commodities other than farm products and foods increased 0.1% during the week. Sharp price rises for blasting powder and dynamite raised the index for chemicals and allied products 0.3%. Gasoline continued to advance toward ceiling because of increased seasonal demand. Agricultural implements rose fractionally following ceiling adjustments. Higher OPA ceilings were reflected in price increases for cottonseed meal and copper wire and in advances ranging from 3 to 5% for prepared roofing. Ethyl acetate prices rose substantially. The group index for all commodities other than farm products and foods was 1.0% higher than late April and 4.4% above a year ago."

The following notation is included in the Bureau's 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 27, 1946 and May 26, 1945 and (2) percentage changes in subgroup indexes from May 18, 1946 to May 25, 1946.

CHANGES IN WHOLESALE PRICES BY COMMODITY GROUPS FOR WEEK ENDED MAY 25, 1946

(1926=100)

Commodity group—	5-27 1946	5-18 1946	5-11 1946	4-27 1946	5-26 1945	Percentage changes to May 25, 1946, from— 5-18 1946	4-27 1946	5-26 1945
All commodities	110.7	110.9	110.1	109.6	105.9	—0 2	+1.0	+4.5
Farm products	137.2	137.9	135.8	135.5	130.5	—0.5	+1.3	+5.1
Foods	111.0	111.5	110.9	110.3	107.4	—0.4	+0.6	+3.4
Hides and leather products	120.9	120.9	120.3	120.3	118.3	0	+0.5	+2.2
Textile products	108.2	108.2	106.7	105.5	99.1	0	+2.6	+9.2
Fuel and lighting materials	87.1	87.0	87.0	86 6	84.6	+0.1	+0.6	+3.0
Metal and metal products	109.4	109.3	109.3	109.0	104.4	+0.1	+0.4	+4.8
Building materials	127.2	126.9	126.8	126.0	117.2	+0.2	+1.0	+8.5
Chemicals and allied products	96.6	96.3	96.2	96.1	94.9	+0.3	+0.5	+1.8
Housefurnishings goods	109.4	109.4	108.9	108.7	106.2	0	+0.6	+3.0
Miscellaneous commodities	96,6	96,3	96,2	95,5	94,6	+0.3	+1.2	+2.1
Raw materials	124.2	124.6	123.2	123.0	118.5	—0.3	+1.0	+4.8
Semi-manufactured articles	101.7	101.7	101.6	101.2	94.8	0	+0.5	+7.3
Manufactured products	106.2	106.1	105.6	105.1	102.1	+0.1	+1.0	+4.0
All commodities other than farm products	104.9	104.8	104.4	103.9	100.5	+0.1	+1.0	+4.4
All commodities other than farm products and foods	104.1	104.0	103.7	103.1	99.7	+0.1	+1.0	+4.4

PERCENTAGE CHANGES IN SUBGROUP INDEXES FROM MAY 18, 1946 TO MAY 25, 1946

Increases

Cattle feed	3.9	Dairy products	0.3
Non-ferrous metals	0.7	Petroleum products	0.3
Other building materials	0.7	Livestock and poultry	0.2
Chemicals	0.5	Paint and paint materials	0.2
Agricultural implements	0.1		

Decreases

Fruits and vegetables	1.8	Other foods	0.7
Other farm products	1.0	Anthracite	0.3
Grains	0.1		

Consumers' Retail Price Index Up in April

For the second consecutive month, retail prices of goods and services for moderate-income city families rose 0.5% as higher prices in all important groups of items except electricity were reported in mid-April. The consumers' price index, prepared by the Bureau of Labor Statistics, U. S. Department of Labor, is 130.9% of the 1935-39 average and 3.0% above the level of a year ago. Food, clothing, and housefurnishings costs, which represent 57% of the budget for wage-earners and moderate-income workers in large cities, are now a little over 50% higher than in August 1939, the month before war in Europe. We quote from the Labor Bureau's report issued May 24, which added:

"Food prices increased 1.1% between mid-March and mid-April. Higher prices in all major groups, except eggs and beverages, contributed to this rise. The cost of cereal and bakery products advanced 2.7% as the 10% reduction in the weight of loaves requested on March 15 by the President's Famine Emergency Committee resulted in a 4.8% increase in the average price per pound for breads. Fresh fruit and vegetable prices rose 1.8%, with prices of onions, potatoes, cabbage, and sweet potatoes increasing seasonally more than 4%; lettuce and spinach declined 5 and 6%, respectively.

"The average price of meats increased 1.1% during the month as OPA allowed higher ceiling prices to compensate for wage adjustments. This represents the largest monthly increase in this group since early in 1943. Chicken prices rose sharply (6%) between mid-March and mid-April. Sugar increased 2.5%.

"Clothing costs advanced 0.8% between March and April, reflecting both the government's policy of granting price increases to manufacturers to encourage production and, to a lesser extent, the return of some items of prewar quality at prices higher than when they were last available. Higher prices were reported for men's topcoats, wool suits, business shirts, work clothing, and socks, and for women's cotton house and street dresses, hose and gloves. Retailers' inventories of men's apparel continued low, but some improvement over previous months was reported by individual merchants. The cost of rayon dresses declined over the month as substantial shipments of garments manufactured under the government's program to increase stocks of lower-priced apparel reached retail stores. Increased costs of materials continued to force prices upward for cotton products. Cotton clothing is now 84% higher than in August 1939, wool clothing costs have risen 48% and silk, rayon and nylon apparel 45%. Men's shoe prices advanced as shoes of prewar quality became available at higher prices.

"Housefurnishings costs rose 0.7% over the month. Prices for sheets advanced more than 6% due to an increase in ceiling prices and the further disappearance of lower-priced sheets. Prices for stoves and bedroom furniture also increased.

"The average cost of miscellaneous goods and services edged upward 0.1% on scattered increases for beauty shop services, tobacco, household supplies, newspapers, and motion picture admissions. Since August 1939 the cost of services has increased about 20%.

"The cost of electricity to consumers in Minneapolis, Norfolk, Richmond, San Francisco, and Savannah was lowered from 4 to 10% by rate reductions between March 15 and April 15.

"Rents were not surveyed in April."

7/8% Treasury Certificates

The Secretary of the Treasury anounced on May 31 the final subscription and allotment figures with respect to the current offering of 7/8% Treasury Certificates of Indebtedness of Series E-1947. Subscriptions for amounts up to and including $25,000 were allotted in full and amounted to $63,198,000.

Subscriptions and allotments were divided among the several Federal Reserve Districts and the Treasury as follows:

Federal Reserve District	Total Subscriptions Received	Total Subscriptions Allotted
Boston	$136,245,000	$90,921,000
New York	2,498,758,000	1,652,774,000
Philadelphia	107,942,000	71,974,000
Cleveland	166,003,000	111,007,000
Richmond	52,163,000	35,417,000
Atlanta	54,479,000	37,134,000
Chicago	476,545,000	318,978,000
St. Louis	83,380,000	57,321,000
Minneapolis	63,121,000	44,238,000
Kansas City	114,788,000	78,765,000
Dallas	73,103,000	49,244,000
San Francisco	326,800,000	217,164,000
Treasury	12,763,000	8,449,000
Total	$4,166,090,000	$2,773,386,000

Reference to the offering of the above certificates appeared in our issue of May 30, page 2979, in the item headed "Treasury Certificates to be redeemed in cash."

Revenue Freight Car Loadings During Week Ended May 25, 1946, Decreased 116,666 Cars

Loading of revenue freight for the week ended May 25, 1946 totaled 571,574 cars, the Association of American Railroads announced on May 31. This was a decrease below the corresponding week of 1945 of 311,179 cars, or 35.3%; and a decrease below the same week in 1944 of 297,247 cars or 34.2%.

Loading of revenue freight for the week of May 25, decreased 116,666 cars or 17.0% below the preceding week, due to railroad strike.

Miscellaneous freight loading totaled 249,578 cars, a decrease of 57,669 cars below the preceding week, and a decrease of 155,199 cars below the corresponding week in 1945.

Loading of merchandise less than carload lot freight totaled 91,951 cars, a decrease of 27,409 cars below the preceding week, and a decrease of 16,350 cars below the corresponding week in 1945.

Coal loading amounted to 120,366 cars, a decrease of 19,131 cars below the preceding week and a decrease of 47,958 cars below the corresponding week in 1945, due to coal strike.

Grain and grain products loading totaled 34,905 cars, a decrease of 7,233 cars below the preceding week and a decrease of 18,657 cars below the corresponding week in 1945. In the Western Districts alone, grain and grain products loading for the week of May 25 totaled 24,127 cars, a decrease of 4,559 cars below the preceding week and a decrease of 13,142 cars below the corresponding week in 1945.

Livestock loading amounted to 10,120 cars, a decrease of 4,515 cars below the preceding week and a decrease of 3,624 below the corresponding week in 1945. In the Western Districts alone loading of livestock for the week of May 25 totaled 7,443 cars, a decrease of 3,394 cars below the preceding week, and a decrease of 3,103 cars below the corresponding week in 1945.

Forest products loading totaled 32,394 cars a decrease of 2,426 cars below the preceding week and a decrease of 12,143 cars below the corresponding week in 1945.

Ore loading amounted to 28,641 cars, an increase of 3,060 cars above the preceding week, but a decrease of 45,022 cars below the corresponding week in 1945.

Coke loading amounted to 3,619 cars, a decrease of 1,343 cars below the preceding week, and a decrease of 11,726 cars below the corresponding week in 1945.

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

	1946	1945	1944
4 weeks of January	2,883,620	3,003,655	3,158,700
4 weeks of February	2,866,710	3,052,487	3,154,116
5 weeks of March	3,982,229	4,022,088	3,916,037
4 weeks of April	2,604,552	3,377,335	3,275,846
Week of May 4	671,311	866,034	835,538
Week of May 11	684,942	838,764	867,182
Week of May 18	688,240	868,914	870,075
Week of May 25	571,574	882,753	868,821
Total	14,953,178	16,912,030	16,946,315

The following table is a summary of the freight carloadings for the separate railroads and systems for the week ended May 25, 1946. During this period only 10 roads reported gains over the week ended May 26, 1945.

REVENUE FREIGHT LOADED AND RECEIVED FROM CONNECTIONS
(NUMBER OF CARS) WEEK ENDED MAY 25

Railroads	Total Revenue Freight Loaded 1946	1945	1944	Total Loads Received from Connections 1946	1945
Eastern District—					
Ann Arbor	214	286	249	907	1,533
Bangor & Aroostook	1,002	1,290	1,065	333	351
Boston & Maine	5,827	7,089	7,140	7,682	13,436
Chicago, Indianapolis & Louisville	1,155	1,089	1,331	1,391	2,168
Central Indiana	27	41	30	36	63
Central Vermont	839	1,149	1,049	1,334	2,253
Delaware & Hudson	3,611	5,318	5,028	6,964	11,747
Delaware, Lackawanna & Western	5,756	7,768	7,913	5,568	11,273
Detroit & Mackinac	278	225	276	188	132
Detroit, Toledo & Ironton	970	1,848	1,798	736	1,232
Detroit & Toledo Shore Line	237	433	338	2,000	3,341
Erie	9,304	12,756	14,006	9,714	16,998
Grand Trunk Western	3,601	4,141	4,166	5,371	8,552
Lehigh & Hudson River	165	161	187	1,633	2,421
Lehigh & New England	1,876	2,256	1,810	949	1,381
Lehigh Valley	6,821	8,050	9,127	5,035	12,434
Maine Central	1,974	2,491	2,225	1,824	2,784
Monongahela	3,968	3,731	6,676	161	218
Montour	1,148	2,776	2,763	7	28
New York Central Lines	32,599	52,285	49,434	28,957	52,329
N. Y., N. H. & Hartford	7,323	10,660	9,949	9,682	18,399
New York, Ontario & Western	823	1,207	1,529	2,225	3,671
New York, Chicago & St. Louis	4,072	6,829	6,592	8,469	16,401
N. Y., Susquehanna & Western	258	437	462	1,365	2,369
Pittsburgh & Lake Erie	3,091	8,222	7,558	4,961	9,669
Pere Marquette	4,081	5,511	4,895	4,127	8,744
Pittsburgh & Shawmut	831	943	881	33	25
Pittsburg, Shawmut & North	233	360	389	149	216
Pittsburgh & West Virginia	658	1,201	1,340	1,171	3,081
Rutland	347	390	406	834	1,209
Wabash	4,301	6,173	5,076	7,130	13,194
Wheeling & Lake Erie	3,555	6,488	5,370	3,016	4,620
Total	111,165	163,604	161,058	123,962	226,272
Allegheny District—					
Akron, Canton & Youngstown	368	769	718	706	1,264
Baltimore & Ohio	30,107	45,601	48,531	16,464	28,829
Bessemer & Lake Erie	3,284	5,538	6,589	1,003	2,072
Cambria & Indiana	3	1,620	1,664	11	15
Central R. R. of New Jersey	4,477	7,029	7,210	10,795	19,469
Cornwall	315	25	544	26	30
Cumberland & Pennsylvania	449	180	234	8	7
Ligonier Valley	63	113	170	6	38
Long Island	1,139	1,879	1,665	3,202	4,107
Penn-Reading Seashore Lines	1,278	1,785	1,706	1,360	2,198
Pennsylvania System	49,539	87,690	89,637	43,672	64,349
Reading Co.	10,552	15,292	15,916	17,493	27,661
Union (Pittsburgh)	3,350	19,353	20,680	2,890	7,320
Western Maryland	3,805	3,500	4,255	8,191	13,322
Total	108,749	190,374	199,519	105,827	170,681
Pocahontas District—					
Chesapeake & Ohio	25,253	29,560	29,860	9,485	16,520
Norfolk & Western	19,159	21,679	22,201	4,196	8,016
Virginian	4,232	4,804	4,857	971	2,821
Total	48,644	56,043	56,918	14,652	27,357

Railroads	Total Revenue Freight Loaded 1946	1945	1944	Total Loads Received from Connections 1946	1945
Southern District—					
Alabama, Tennessee & Northern	281	490	269	96	354
Atl. & W. P.—W. R. R. of Ala.	571	887	790	1,262	2,671
Atlanta, Birmingham & Coast	†	†	711	†	†
Atlantic Coast Line	10,870	13,379	11,773	5,609	11,718
Central of Georgia	2,601	3,707	3,922	2,877	5,055
Charleston & Western Carolina	415	522	432	984	1,364
Clinchfield	1,230	1,686	1,693	1,996	2,987
Columbus & Greenville	272	221	228	198	349
Durham & Southern	75	123	137	642	957
Florida East Coast	995	1,232	1,515	868	1,221
Gainesville Midland	51	54	53	71	107
Georgia	745	1,229	1,265	1,040	2,695
Georgia & Florida	235	420	395	427	687
Gulf, Mobile & Ohio	3,938	5,750	4,252	2,736	4,929
Illinois Central System	20,050	29,441	28,824	9,502	18,378
Louisville & Nashville	16,884	27,450	26,305	6,002	12,456
Macon, Dublin & Savannah	180	220	184	685	960
Mississippi Central	302	459	265	211	538
Nashville, Chattanooga & St. L.	2,425	3,545	3,408	2,597	4,741
Norfolk Southern	811	1,107	1,005	960	1,709
Piedmont Northern	337	418	390	880	1,280
Richmond, Fred. & Potomac	310	513	430	6,931	11,514
Seaboard Air Line	8,980	10,993	10,406	5,065	8,485
Southern System	18,250	25,608	23,855	16,775	26,573
Tennessee Central	544	598	764	565	694
Winston-Salem Southbound	120	140	154	836	1,103
Total	91,472	130,192	123,425	69,815	123,525
Northwestern District—					
Chicago & North Western	12,153	19,233	20,844	8,351	14,451
Chicago Great Western	1,439	2,432	2,713	1,748	3,548
Chicago, Milw., St. P. & Pac.	14,305	21,866	20,689	6,680	10,903
Chicago, St. Paul, Minn. & Omaha	2,378	3,517	3,494	2,444	3,917
Duluth, Missabe & Iron Range	13,473	25,386	26,499	172	290
Duluth, South Shore & Atlantic	720	871	767	391	685
Elgin, Joliet & Eastern	4,231	9,102	9,193	5,465	10,695
Ft. Dodge, Des Moines & South	368	412	377	82	104
Great Northern	11,703	23,216	23,437	4,167	8,182
Green Bay & Western	295	427	495	450	994
Lake Superior & Ishpeming	173	2,333	2,707	54	54
Minneapolis & St. Louis	1,220	2,194	2,101	1,421	2,606
Minn., St. Paul & S. S. M.	4,929	7,154	6,836	2,641	3,368
Northern Pacific	7,259	11,616	10,599	3,868	6,391
Spokane International	105	281	178	299	622
Spokane, Portland & Seattle	1,919	2,566	2,366	1,846	3,816
Total	75,670	132,658	133,295	40,079	70,626
Central Western District—					
Atch., Top. & Santa Fe System	18,838	27,570	24,024	7,263	17,357
Alton	1,983	3,581	3,130	1,787	4,477
Bingham & Garfield	3	364	434	4	62
Chicago, Burlington & Quincy	14,078	19,023	18,416	6,992	12,623
Chicago & Illinois Midland	1,394	3,279	3,372	799	961
Chicago, Rock Island & Pacific	9,167	13,315	10,934	8,482	13,520
Chicago & Eastern Illinois	1,488	2,740	2,707	1,997	5,593
Colorado & Southern	441	615	574	1,119	2,461
Denver & Rio Grande Western	1,866	3,210	3,553	2,571	6,890
Denver & Salt Lake	328	531	622	28	36
Fort Worth & Denver City	1,046	1,127	765	1,047	2,165
Illinois Terminal	1,434	2,166	2,098	914	2,117
Missouri-Illinois	833	1,073	971	426	773
Nevada Northern	1,520	1,462	1,667	143	97
North Western Pacific	499	814	915	392	696
Peoria & Pekin Union	3	8	1	0	0
Southern Pacific (Pacific)	21,267	33,077	30,600	6,369	15,055
Toledo, Peoria & Western	0	342	287	0	2,340
Union Pacific System	9,408	15,174	14,172	8,827	19,694
Utah	557	466	505	9	2
Western Pacific	1,412	2,335	2,276	1,863	5,609
Total	87,565	132,272	122,023	51,032	112,528
Southwestern District—					
Burlington-Rock Island	317	340	267	415	908
Gulf Coast Lines	4,347	6,746	6,613	2,383	2,765
International-Great Northern	1,543	2,991	2,279	3,754	4,474
‡K. O. & G., M. V. & O. C.-A.-A.	1,039	1,389	940	1,277	2,162
Kansas City Southern	2,375	5,372	6,609	1,879	3,197
Louisiana & Arkansas	1,621	3,715	3,458	1,581	3,325
Litchfield & Madison	260	302	411	794	1,438
Missouri & Arkansas	159	187	153	294	398
Missouri-Kansas-Texas Lines	4,308	7,219	6,284	2,948	5,304
Missouri Pacific	11,824	17,549	16,003	11,092	20,530
Quanah Acme & Pacific	119	129	81	173	411
St. Louis-San Francisco	6,589	10,138	8,745	4,547	9,281
St. Louis-Southwestern	1,864	3,678	3,056	3,099	7,681
Texas & New Orleans	6,610	11,707	12,836	3,357	5,771
Texas & Pacific	4,216	5,992	4,710	4,811	8,235
Wichita Falls & Southern	83	118	112	52	51
Weatherford M. W. & N. W.	35	38	21	13	31
Total	47,309	77,610	72,583	42,469	75,962

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

NOTE—Previous year's figures revised.

Weekly Statistics of Paperboard Industry

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

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

STATISTICAL REPORTS—ORDERS, PRODUCTION, MILL ACTIVITY

Period 1946—Week Ended	Orders Received Tons	Production Tons	Unfilled Orders Remaining Tons	Percent of Activity Current	Cumulative
Mar. 2	198,985	161,122	533,794	98	93
Mar. 9	178,443	158,229	551,081	99	94
Mar. 16	157,227	167,243	538,572	100	94
Mar. 23	169,355	164,267	539,100	99	95
Mar. 30	133,509	167,541	549,928	100	95
April 6	225,192	164,562	607,799	99	95
April 13	154,235	169,627	591,661	101	96
April 20	143,946	167,627	566.152	101	96
Apr. 27	148,161	156,291	553,274	95	96
May 4	229,120	174,501	605,288	101	96
May 11	155,747	165.911	591,206	97	96
May 18	159,370	162,563	595.427	92	96
May 25	131,133	152,203	565,225	93	96

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

Dussinger President of NYC Controllers Inst.

Nicholas P. Dussinger, Assistant Vice-President of the General Baking Company, has been elected President of the New York City Control of the Controllers Institute of America. This action was taken at the annual meeting of the Control, held on May 28 in the Hotel New Yorker. The new President, who is Chairman of the New York group's Admissions Committee, has been active in the Institute since 1941. Two Vice-Presidents were chosen at the meeting, viz.: Arthur L. Boschen, Controller of the Vick Chemical Co., and John D. Grayson, Treasurer of the Hazeltine Electronics Corp. Nelson T. Hampson, Controller of the Lowe Paper Co., Ridgefield, N. J., was elected Treasurer, and Theodore F. Gloisten, Controller of the American Home Magazine Corp., was renamed Secretary. In addition to these officers, six new directors were elected: Herbert P. Brown, Controller of the National Dairy Products Corp.; Robert L. MacKenzie, Controller of E. R. Squibb & Sons, Brooklyn; Robert A. Seidel, Vice-President of the W. T. Grant Company; Charles W. Tucker, Controller of the Childs Company; William J. Wardell, Vice-President and Controller of the American Can Company, and Norman L. Witt, Treasurer of the Angostura-Wupperman Corp.

Result of Treasury Bill Offering

The Secretary of the Treasury announced on June 3 that the tenders for $1,300,000,000 or thereabout of 91-day Treasury bills to be dated June 6 and to mature Sept. 5, which were offered on May 31, were opened at the Federal Reserve Banks on June 3.

Total applied for $1,922,386,000.

Total accepted, $1,312,537,000 (includes $35,317,000 entered on a fixed price basis of 99.905 and accepted in full).

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

Range of accepted competitive bids:

High, 99.908; equivalent rate of discount approximately 0.364% per annum.

Low, 99,905; equivalent rate of discount approximately 0.376% per annum.

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

There was a maturity of a similar issue of bills on June 6 in the amount of $1,309,017,000.

Lumber Movement—Week Ended May 25, 1946

Acording to the National Lumber Manufacturers Association, lumber shipments of 421 mills reporting to the National Lumber Trade Barometer were 4.1% below production for the week ending May 25, 1946. In the same week new orders of these mills were 10.9% below production. Unfilled order files of the reporting mills amounted to 89% of stocks. For reporting softwood mills, unfilled orders are equivalent to 30 days' production at the current rate, and gross stocks are equivalent to 33 days' production.

For the year-to-date, shipments of reporting identical mills exceeded production by 6.6%; orders by 6.2%.

Compared to the average corresponding week of 1935-1939, production of reporting mills was 16.3% above; shipments were 13.6% above; orders were 9.8% above.

Items About Banks, Trust Companies

John E. Bierwirth, President of the New York Trust Company, announced on June 4 the appointment of Edmund A. Mays, Jr., as an Assistant Treasurer in the banking division. Mr. Mays, a graduate of Harvard University and the Harvard Graduate School of Business Administration, joined the New York Trust Company in September, 1934, where he served in various departments. He returns to the trust company after serving with the United States Air Force as a major.

The New York agency at 67 Wall Street of the Standard Bank of South Africa, Ltd., announced on June 3 the receipt of a cablegram from its head office in London, which has the following to say regarding the operations of the bank for the year ended March 31, 1946:

"The Board of Directors have resolved to recommend to the shareholders at the General Meeting to be held on the 24th July, next, payment of a final dividend of Nine Shillings per share together with a bonus of Three Shillings per share, both payable in British currency and subject to income tax at Nine Shillings in the £. making a total distribution of 17% for the year ended 31st March, 1946; to appropriate £50,000 to writing down of bank premises and £200,000 to Officers Pension Fund, carrying forward a balance of £185,292. The directors draw attention to the fact that after applying the provisions of Section 52 Finance No. 2 Act 1945, which require that United Kingdom income tax shall be deducted at the full standard rate, the distribution now announced ensures that after taking into consideration the reduction in the United Kingdom standard rate to Nine Shillings in the £., a shareholder will receive a dividend and bonus at approximately the same rate as last year when relief in respect of Dominion income tax was allowed as a deduction from the standard rate of United Kingdom tax. The bank's investments stand in the books at less than the market value as at 31st March last and all other usual and necessary provisions have been made. The directors have decided to transfer £500,000 from contingencies account to the reserve fund, thereby increasing the amount of the Reserve Fund to £4,000,000.

'Transfer Books will be closed from 3rd to 16th July, both days inclusive."

At a special meeting of the stockholders of the Public National Bank of New York, on May 29, E. Chester Gersten, President, advised the stockholders that earnings during the second quarter of this year have been greater than for the similar period last year. He noted that business loans have been rising and predicted a substantial increase in such loans when strikes finally are settled and industry gets back into full production.

Other action taken at this special meeting was noted in our May 30 issue, page 2988.

Washington Irving High School is holding an Exhibition of the work of its art students at the Bank for Savings, Fourth Avenue at 22nd Street, New York, from May 27 to June 10, under the direction of Miss Olive Riley, Chairman of the Art Department of Washington Irving. The school is a neighbor of the bank which sponsored a similar exhibit last year. Sixteen awards of War Savings Stamps will be made by the bank for the best work in various classifications, which include design, neighborhood and country scenes, poster, portraits, textiles and costume design.

The New York State Banking Department has announced that on May 21 approval was given the Glen Cove Trust Company of Glen Cove, N. Y., to the proposal to increase the capital stock from $100,000, consisting of 2,000 shares of the par value of $50 each, to $200,000, consisting of 4,000 shares at the same par value.

Robert B. Rugg, President of the National Rockland Bank of Boston, Mass., died on May 29 at the age of 59. In the Boston "Herald" of May 30 it was stated:

"Mr. Rugg, born in Roxbury, was graduated from Roxbury Latin School in 1904 and attended Dartmouth College in the class of 1908. In 1925 he became Vice-President of the National Rockland Bank, becoming President in 1930. He was a director in the Massachusetts Bonding & Insurance Co., trustee of the Eliot Savings Bank of Roxbury, director of the Joseph Warren Co-Operative Bank, director of Suffolk Trust Federal Savings & Loan Association and trustee of Boston University.

"He was trustee of Forest Hills Cemetery Corporation, a member of the Banker's Executive Council, executive committee of the National Bank Division and a trustee of Northeastern University."

The liquidation of the Meriden National Bank of Meriden, Conn., effective May 13, was recently announced by the office of the Comptroller of the Currency. The institution, which had a capital of $150,000 is being absorbed by the Hartford-Connecticut Trust Company, Hartford.

The directors of the First National Bank of Paterson and the Paterson National Bank of Paterson, N. J., announce the consolidation of the two banks under the title of First Paterson National Bank and Trust Company, effective as of the close of business May 31. F. Raymond Peterson is Chairman of the board and Benjamin P. Rial, President.

John H. B. Coriell, retired Morristown, N. J., banker, died on May 28, it was stated in the Newark "News" which said:

"Mr. Coriell joined Morristown Trust Co. in 1893. He became Assistant Secretary and Treasurer the next year and in 1895 he was made Secretary and Treasurer. He became a director in 1916. In 1917 he became Vice-President and in 1919 was made Trust Officer. He retired in March, 1943.

For the first time in the 134 years of its history, the Pennsylvania Company for Insurances on Lives and Granting Annuities of Philadelphia will have women serving as officers of the bank, it was announced on June 2. Promoted by the board of directors to executive positions were three women employees. They are Miss May A. Naylor, who was named Assistant Trust Investment Officer, Miss Esther L. Jackson, Assistant Secretary, and Miss Ruth S. Fairbanks, Assistant Treasurer. "The practice of naming women as bank officers is much more prevalent in the West than it is in this section of the country," said William Fulton Kurtz, President of the Pennsylvania Company. "However, there is no reason why women should not be elevated to whatever positions of trust and responsibility in a bank that their experience and ability qualify them to fill. Our board felt that these three employees were entitled to be advanced because of the record they have made in service with our organization. Women are ever becoming a more important factor in the world of general business and hold many executive positions, particularly in the merchandising and advertising fields. The banking business should offer equal opportunities as a career."

Joseph S. Myers, David C. Birdsell and Dr. John F. McClosky have been elected directors of the Broad Street Trust Company of Philadelphia it was announced on June 3.

Eugene W. Lewis, President of the Industrial National Bank of Detroit, Mich., has announced the following promotions according to the Detroit "Free Press" of May 28:

Vice-Presidents: K. G. Cone, H. T. Denyes, H. B. Dunbar, H. E. Klockow, H. A. Poole, E. M. Sattelmeier and A. O. Werner; Assistant Vice-Presidents: W. B. Burgess, T. A. Burnie, C. L. Cooke, N. E. Dingerson, W. K. Mackay, W. H. Melcher, R. G. Mullican, B. R. Shurly, Jr., W. L. Simpson, S. B. Clawson and L. J. Whaley. It is added that A. R. Barbeau, Lawrence Malcho, C. B. Prahl and M. W. Wilson were appointed Assistant Cashiers. Mr. Lewis said that the bank's resources had increased fivefold to a total of $84,000,000 since it took a National charter on Jan. 1, 1941.

The Mutual Bank and Trust Company, St. Louis, Mo., became a member of the Federal Reserve System May 31. Advices from the Federal Reserve Bank of St. Louis state:

The new member opened for business on April 23, 1934. It has a capital of $1,000,000, surplus of $400,000 and total resources of $29,224,869. Its officers are E. A. Schmid, President; Ed. T. Murray, Secretary of the Board, Vice-President and Trust Officer; V. Jacquemin, Jr., Vice-President; Leonard G. Miller, Cashier; Theodore R. Barker, J. L. Hauk, Richard L. Rawlings, and Perry Topping, Jr., Assistant Cashiers; Albert L. Sautter, Secretary, and George R. Bradbury, Assistant Trust Officer.

The addition of the Mutual Bank and Trust Company brings the total membership of the Federal Reserve Bank of St. Louis to 494 as compared with 466 a year ago. These member banks hold over 70% of the net deposits of all banking institutions in the Eighth District.

The Oak Lawn National Bank of Dallas, Tex., on May 13 received a national bank charter from the office of the Comptroller of the Currency. Will C. Jones, Jr., is President and E. L. Hensley cashier of the primary organization. The bank has been formed with a capital of $200,000 all common stock.

C. T. Wienke, Vice-President and a member of the managing committee of the Security-First National Bank of Los Angeles, Calif., on May 22 was elected a director of the institution, it was stated in the Los Angeles "Times" which continued: Dr. William B. Munro, Treasurer, California Institute of Technology, and a director of the bank, was elected a member of the executive committee.

Promotion of two Assistant Cashiers, A. W. Lynn and Dio DiGregorio, to be Assistant Vice-Presidents of the First National Bank of Portland, Ore., was announced on May 25 by E. B. MacNaughton, President.

Action elevating the two bank officers was taken by the bank's board of directors it was stated by Frank Barton, Financial Editor of the Portland "Oregonian," who also said:

"The two men entered the employ of the bank more than 20 years ago, Mr. Lynn starting as a bookkeeper in 1923 and Mr. DiGregorio as a messenger and junior clerk in 1920.

Orville R. Miller, prominent lumberman and a former President of the West Coast Lumbermen's Association, was elected a member of the board of directors of the First National Bank of Portland, Ore., at a meeting of the bank's directorate on May 15 it was announced by Frank Barton, Financial editor of the Portland "Oregonian."

Mr. Miller fills the vacancy on the bank's board caused by the death April 20 of Myron C. Woodard.

The issuance of a charter on May 13 for the West Seattle National Bank of Seattle, of Seattle, Wash., was made known May 20 by the office of the Comptroller of the Currency. The capital stock consists of $100,000 all common stock. Primary organization has been effected with R. D. Shelton, President and John B. Gordon, Cashier.

The death of Morris A. Arnold, Seattle banker on May 22, was announced by the Seattle "Times," in which it was stated:

"A leader in Seattle banking circles since he came to the city 39 years ago, Mr. Arnold was a former Chairman of the board of directors of the Seattle-First National Bank. He retired six years ago as chairman, but continued as a member of the board and the executive committee of the bank until his death.

"Mr. Arnold's first association with Seattle banking was as president of the old First National Bank. He was instrumental in arranging the merger of that institution in 1929 with the Seattle National and the Dexter Horton, and Mr. Arnold was chosen President of the new bank, the First National, which later was renamed the Seattle-First National.

"Mr. Arnold was elected chairman of the board and senior executive officer of the Seattle-First National in 1937."

He was 80 years old at the time of his death.

The London head office of the Chartered Bank of India, Australia & China has received a telegram from their Batavia manager advising that their branch in Batavia (Java) was re-opened for local business on 13th May.

Pay on Antwerp 5% Bds.

The National City Bank of New York announced on May 31, that funds have been deposited with it as Fiscal Agent for the City of Antwerp External Loan Sinking Fund 5% Bonds due December 1, 1958, for the payment of the coupons due June 1, 1940 to and including June 1, 1946 on such bonds. The last interest coupons paid on the bonds of this issue were those of December 1, 1939 and the funds which have been received will be used to pay all coupons due since that date and up to and including June 1, 1946. The funds will be available after May 31, 1946 at The National City Bank of New York for payment of all such coupons. A reference to the bonds and their payments appeared in our issue of May 30, page 2962.

NYSE Short Interest To May 15 Reported

The New York Stock Exchange made public on May 18 the following announcement:

The short interest as of the close of business on the May 15, 1946 settlement date, as compiled from information obtained by the New York Stock Exchange from its members and member firms, was 1,022,399 shares, compared with 994,375 shares on April 15, 1946, both totals excluding short positions carried in the odd-lot accounts of all odd-lot dealers. As of the May 15, 1946 settlement date, the total short interest in all odd-lot dealers' accounts was 50,228 shares, compared with 50,812 shares on April 15, 1946.

The Exchange's report added:

Of the 1,290 individual stock issues listed on the Exchange on May 15, 1946, there were 65 issues in which a short interest of 5,000 or more shares existed, or in which a change in the short position of 2,000 or more shares occurred during the month.

Th following table compiled by us shows the amount of short interest during the past year:

1945—	
Apr. 13	1,361,495
May 15	1,486,504
June 15	1,554,069
July 13	1,420,574
Aug. 14	1,305,780
Sept. 14	1,327,109
Oct. 15	1,404,483
Nov. 15	1,566,015
Dec. 15	1,465,798
1946—	
Jan. 15	1,270,098
Feb. 15	1,181,222
Mar. 15	1,015,772
Apr. 15	994,375
May 15	1,022,399

Labor Dept. Reports Hours And Earnings in March

Widespread wage rate increases raised gross average hourly earnings for all manufacturing industries to $1.03 in March, the highest level since V-J Day, the Bureau of Labor Statistics of the U. S. Department of Labor reported on May 23. Preliminary estimates indicate that hourly earnings rose to $1.05 in April, exceeding the wartime peak.

The Labor Bureau's announcement continued:

"Weekly earnings in manufacturing rose $1.59 as a result of higher wage rates and a slight rise in the work week to 40.8 hours in March, but averaged 11% below a year ago because of the 10.2% reduction in the work week and substantial elimination of overtime premium pay.

"Increases in average hourly earnings were evident in March in both the durable and nondurable goods groups. Earnings in the former average $1.10 in March, while in the latter, the average was 97½ cents. The difference in earnings between these two major divisions is considerably less than the 20½ cents which existed when the war ended.

"The nondurable goods industries are paying workers the highest average hourly earnings ever reported. The 97½ cents figure for March represents an increase of almost 8 cents since a year ago and is 6½ cents higher than in August 1945. Each of the major nondurable goods groups contributed to this increase.

"While workers in the durable goods group are averaging $44.72 a week, 16% below last year, those in the nondurable group are earning $39.87, on an average, a gain of 3%.

"When war ended, three of the major nondurable goods groups reported average weekly earnings of less than $30. Each of these—textiles, apparel, and tobacco—now averages $33 or better."