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## Weighing and Interpreting Economic Trends

By LEWIS W. DOUGLAS\*

President, Mutual Life Insurance Co. of N. Y.

Insurance executive, noting in times like present, we must believe tedious and faithful pursuit of truth will overcome ignorance, prejudice and deceit, calls attention to two opposing codes of human behavior, one upholding individualism and the other statism. Calls for critical review of facts, experiences and consequences, and points to rise in permanent unemployment and the breakdown of free trade policy as illustrations of fundamental characteristic of society to change or invalidate policies that have produced calm and plenty.

When, in times like the present, the intellectual and emotional atmosphere becomes charged with prejudice and bitterness there sometimes seems to be little hope of successfully recapturing that respect for reason and that capacity for individual self-restraint that are the foundations of our social order. But we must believe that tedious and faithful pursuit of the truth will ultimately at long last take their toll of ignorance and prejudice



Lewis W. Douglas

and deceit. The only alternative to this belief is unconditional surrender to outward discipline and organized violence as the arbiters of human affairs. This is an alternative to which we will not knowingly or willingly submit, for it is repugnant to our conception of the dignity and moral responsibility of the individual.

I confess to an occasional spell of despair when I observe the direction in which we persistently move without knowing what the facts are or, what is worse, when I see us charting our course in open and stubborn defiance of what appears to be convincing evidence.

Let me make myself more explicit.

Throughout Europe there is a vast body of clinic economic and political material accumulated (Continued on page 3270)

\*An address by Mr. Douglas at the National Bureau of Economic Research Dinner, New York City, June 6, 1946.

## We Must Make Democracy Work—Truman

President in letter to Chairman of Second Annual Dinner of Liberal Party in New York, asserts there is now greatest need for democracy in our own country and for all mankind.

In a letter addressed to Samuel Shore, Chairman of the Second Annual Dinner of the Liberal Party in New York City on May 15, President Harry S. Truman stated that democracy still must face the next great test if it is to survive, and that "never before did our country and all mankind have such great need for democracy." The text of the letter follows:



President Truman

THE WHITE HOUSE  
WASHINGTON

May 15, 1946

Dear Mr. Shore:  
My heartiest greetings to the Second Annual Dinner of the Liberal Party.

You are gathered at a most crucial moment in the life of nations and peoples. The forces of freedom have shown that they can out-produce and out-fight the regimented hordes of despotism. Without this victory democracy could never survive. But even this brilliant and vital victory is not enough.

Now that we are assured of the ability of democracy to survive, we must face the next great test. We must make democracy thrive. Only then can the triumph of the democratic way of life be real and complete. Only then can the people of every country—vanquished and victor alike—fully enjoy freedom from the fear of tyrannical dictatorship imposed by political monopolists; freedom from want imposed by economic royalists; freedom from the threat to peace and the menace of aggression and war; freedom of worship unhindered by State or military control and freedom of press and association. Only then can the labor and truly liberal forces be free to organize themselves into bona fide unions and into differing political parties.

Never before did our country, and all mankind, have such great need for democracy. Never before was there such an urgent need for the open-mindedness and the constructively critical spirit and vigilance of true liberalism as there is today. There are still many vestiges and expressions of totalitarianism to be overcome. Here is the first test and the greatest task of all genuine liberals.

Very sincerely yours,  
HARRY S. TRUMAN

## The Financial Situation

"No man is stronger than 140 million people." The one thing that neither unions nor union leaders can successfully ignore or defy is 'public sentiment.' "The labor movement can never for any reason or excuse afford to alienate the sympathies of the rank and file of the people." "The unions themselves exist and their tactics are possible in the first place only upon the sufferance of the great body public." How often have all of us heard or seen in print these and other statements of the same purport during the past half year! Yet, Mr. Lewis and his coal miners, Mr. Reuther and his automobile workers, Mr. Petrillo and his musicians, and other labor leaders and labor unions continue to strike or threaten to strike and to profit thereby, notwithstanding that by all indications available to us they have gone far in alienating public sympathy and are definitely defying popular sentiment.

### The Facts

It would probably be well for us all to turn away from popular slogans and home-made proverbs, and to see if we can not discover the true inwardness of what has taken place, and what is today taking place, in these phases of our economic and social systems. Let no one say that, not all, or nearly all, of the recent strikes have ended in "victory" for the strikers. It has often been said, and it may be true, that Mr. Reuther and his men could have obtained what they finally got from General Motors without a prolonged and costly strike. A number of observers have held that Mr. Lewis could have obtained the terms on which his men went back to work in the soft coal mines without work interruption—or at least that he could have had the basic essentials (Continued on page 3264)

## From Washington Ahead of the News

By CARLISLE BARGERON

It is a commentary on the political terminology of these days, days, the use of the terms "Liberals" and "Reactionaries," that the latter have known for a long time of the situation on the Supreme Court. But they are not people who believe in wreckage.

All people must have something to look up to. They need some symbol of authority. The dictators enforce by an iron rule, but

nevertheless they are built up through propaganda as being invincible. All people are taught to be respectful of some form of authority. In Britain the symbol is the King.

Our so-called Democracy has been sustained over these long years because we had a continuing symbol of Government. It was the Supreme Court of the United States. Supposedly the members of that court were removed from the rest of us. Over the long years of our existence they were men who had attained ages, when they had no more interest in the conflict of life. Political parties could come and they could go, but (Continued on page 3269)



Carlisle Bargeron

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## Twenty-five Years of Monetary Controls

By ROBERT B. WARREN\*

Professor of Economics, Institute for Advanced Study, Princeton

Dr. Warren maintains whereas 19th Century was an age of faith and achievement, 20th Century represents a period of destruction. Asserts our money economy, which is something different from capitalism, has been (1) very effective in providing economic satisfactions, but (2) highly unstable, and economically costly. Cites long list of legislative measures embracing every aspect of money economy, ensuing from our 1907 panic experience. Avers state control to make necessary equilibrating adjustments has proved efficacious in war finance, but is now to be crucially tested in peace.

In its own way the nineteenth century was an age of faith. It believed in its ideas, it believed in its institutions, it believed in itself.

Because it was an age of faith, it was an age of miracles. Because it was an age of miracles, it was an age of pride—pride in its actual achievements and in its ultimate powers. Only here and there, toward the end, were there faint overtones of doubt, as in Kipling's *Recessional* and in Henry Adams' *Virgin and the Dynamo*.



Dr. Robt. B. Warren

\*An address by Dr. Warren before National Bureau of Economic Research, New York City, June 6, 1946.

It was a century of creation—the empty spaces of the earth were filled; when a great empire decayed and fell asunder, it was replaced by new and more vigorous states, and in society generally new institutions were created which served, or seemed to serve, human needs. Equally remarkable, perhaps, were the constructive achievements of science and technology, giving man the conviction that he was at last master of nature and of his own destiny. In retrospect, at least, the literature of the early years of the current century give an impression not so much of complacency as of fulfillment of ultimate or penultimate realization of arrival at or just outside of a desired haven. There was something of a feeling that the giants had all (Continued on page 3263)

# The State of Trade

Slight gains occurred in total industrial production last week as a result of the ending of some of the major labor disputes which have harassed business and industry in recent months. Notwithstanding their settlement, however, many minor strikes continue to stall essential materials and components so necessary to increased output.

The threatened maritime strike poses an additional stumbling block in an early return to a more normal economy, and the distant rumblings of possible new eruptions in the rubber and automotive industries make the prospect of peace and quiet on the labor front less promising.

Total unemployment compensation claims in the week ending May 25 were lifted by about 10% above that of the previous week as a result of a rise in only 18 states, which was sufficient to alter the total for the country as a whole. Production in some lines was affected by the shorter working week. The automotive industry is a case in point. The combination of material shortages and a four-day work week saw automobile production for the week ending June 1, drop by 19.4%, being less than one-third of the output in the same week of 1941.

Steel workers laid off during the coal strike started to return to work last week and steel ingot production was raised 26.6% above that of the preceding week. Total steel tonnage output was 41.7% under that of a year ago. The production of sheets, strip, and tin plate was higher than that of most other steel items. The shortage of copper caused a further curtailment in the production of home-wiring, electric motors, and many electrical appliances.

Lumber production and shipments in the week ending May 25 were virtually unchanged from the previous week; order volume dropped about 16 per cent. Total output of hardwood flooring continued slowly upward; millwork output remained negligible, while production of plywood was unchanged.

The milling of flour was at 50% of capacity in the week ending May 25, while production was 27.8% below that of the preceding week and 46.9% under that of the corresponding 1945 week. An estimated 112,000 head of cattle were slaughtered at 12 centers under Federal inspection, 26% less than in the previous week and 46% less than in the same week a year ago. Production of canned food continued to be impeded by the tin can shortage.

An interesting observation has come to light from the report of the Department of Labor of the United States for March, which disclosed that the weekly average earnings for all manufacturing were 11% below March, 1945, at which time war production was in high gear. In non-durable lines, earnings were 2.3% higher, while in the durable-goods division the weekly average was down 16%.

Factory wages have risen less than through World War I and the reconversion of that period, the report adds. On the average, weekly earnings jumped 100.5% from 1914 to 1919, and since 1939 the corresponding increase to March of this year was 77%. The hourly rate in manufacturing jumped 114% from 1914 to 1919, as against 63% since 1939.

Retail volume for this holiday threatened week dipped slightly below that of the previous week, but remained well above that of the corresponding 1945 week. Household furnishings, apparel, and food lines had the largest gains in volume over a year ago. Deliveries of many items increased as uncertainties were removed with the settlement of the railroad strike. Total food volume last week was estimated to be slightly below that of the preceding week, but it was moderately

above the same 1945 week a year ago.

Wholesale business was also reduced by the Memorial Day holiday with dollar volume of wholesale trade off from that of the previous week, although it exceeded volume in the corresponding week a year ago. New order volume increased as bookings were accepted for Fall attire and demand for Summer clothes and equipment grew.

**Steel Industry** — Free from strike threats for the first time since last fall, the steel industry last week was attempting to regain lost ground and contrary to general expectations the rebound will come quicker than even industry officials had believed. While some sources feel that the pre-strike level of steel activity 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, according to "The Iron Age," national metalworking paper.

Raw steel production the past week jumped 12 points to 56% of capacity. Many mills which had cut operations because of the coal outlook two weeks ago were using their total supplies in the hope that fresh coal would be moving to the mills by the end of last week in ever increasing volume.

Order volume showed only a slight change during the previous week, but after steel firms 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, says the magazine.

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, states this trade authority, 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 pre-strike levels it will run smack into one of the worst scrap shortages experienced since peak wartime periods. 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. The outlook for sufficient scrap to enable mills to reach a level of activity in excess of 85% of capacity is so serious, "The Iron Age" reports, 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 possible. Blast furnace activity has been interfered with by strikes and coal shortages to

(Continued on page 3270)

## Col. Pope Again Heads Commerce & Ind. Assn.

Colonel Allan M. Pope, President of the First Boston Corporation, was re-elected President of the Commerce and Industry Association of New York and Harold F. Sheets, Chairman of the Board of Socony-Vacuum Oil Company, was elected Vice-President at a Board meeting held on June 4. Other officers were re-elected as follows:



Allan M. Pope

Vice-President, John K. Whitaker, President, Neuss-Hesslein & Co., Inc.; Vice-President, Francis L. Whitmarsh, President, Francis H. Leggett & Co.; Treasurer, Samuel D. Leidesdorf, S. D. Leidesdorf & Co. Thomas Jefferson Miley was re-elected Secretary. All elections were for one year terms.

## Hamel Heads New Excess Profits Tax Council

Joseph D. Nunan, Jr., Commissioner of Internal Revenue announced on May 25 the creation of an Excess Profits Tax Council, headed by Charles D. Hamel as Chairman, to administer claims for relief from the excess profits tax under Section 722 of the Internal Revenue Code.

The Treasury announcement further said:

The Council will be composed of 15 members selected for outstanding experience in law, accounting and economics. It will operate directly under the Commissioner of Internal Revenue, and will be primarily responsible for matters of interpretation, policy and procedure.

While the initial examination of claims will continue to be made by the internal revenue agents in field offices throughout the country, taxpayers desiring to appeal will have an opportunity to be heard by the Council under rules it will establish.

Commissioner Nunan also announced that Judge Charles P. Smith of the Tax Court of the United States had consented to serve as a member of the Council. The names of many other outstanding individuals have been suggested for membership and are being considered by Commissioner Nunan, who will announce the selections at an early date. It is contemplated that the selections will be made largely from persons not now employed by the Bureau.

## Goodale Heads AIB Hartford Chapter

Marcus D. Goodale of Hartford-Connecticut Trust Company of Hartford, Conn. was elected President of Hartford Chapter, American Institute of Banking, for the year 1946-1947 at the annual meeting on May 24. He has been Chairman of the educational committee for the past year it was stated in the Hartford "Courant" which also said:

The slate of officers to assist Mr. Goodale are Carl W. Trehella of the East Hartford Trust Company, First Vice-President; David C. Hewitt, Hartford National Bank and Trust Company, Second Vice-President; Kathryn C. O'Connor, Putnam and Company, Secretary; Edward E. Furey, First National Bank of Hartford, Treasurer; Harland F. Torrey, Hartford-Connecticut Trust Company, Assistant Treasurer and Kerwin A. Spencer, Society for Savings, auditor.

## April Class I RR. Gross Earnings \$211,870,790 Lower—Net Income Off About \$76,858,000

The Class I railroads of the United States in April, 1946, had an estimated deficit, after interest and rentals, of \$21,300,000 compared with a net income of \$55,557,900 in April, 1945, according to reports filed by the carriers with the Bureau of Railway Economics of the Association of American Railroads and made public on June 4. Operating results in April were affected by the coal strike and the rail-

Period End. Apr. 30—	CLASS I RAILROADS—UNITED STATES			
	1946—Month	1945—Month	1946—4 Months	1945—4 Months
Total operating revenues	\$566,701,500	\$770,572,290	\$2,432,814,881	\$3,054,808,819
Total operating expenses	508,097,450	551,487,425	2,076,267,783	2,105,579,731
Operating ratio—%	89.66	71.57	85.34	68.93
Taxes	36,010,093	135,209,861	190,762,670	548,810,822
Net railway operating (before charges)	10,127,739	95,065,326	118,834,374	344,945,307
Net income, after charges (est.)	*21,300,000	55,557,900	*6,000,000	196,860,976

road wage increases. Net railway operating income, before interest and rentals, of \$10,127,739 compares with a net railway operating income of \$95,065,326 in April, 1945. The Association further reported as follows:

In the first four months of 1946, these roads, which represent a total of 227,799 miles, had an estimated deficit, after interest and rentals, of \$6,000,000 compared with a net income of \$196,860,976 in the corresponding period of 1945. Net railway operating income, before interest and rentals totaled \$118,834,374 compared with \$344,945,307 in the same period of 1945.

In the 12 months ended April 30, 1946, the rate of return on property investment averaged 2.26% compared with a rate of return of 3.93% for the twelve months ended April 30, 1945.

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

Total operating revenues in the first four months of 1946 totaled \$2,432,814,881 compared with \$3,054,808,819 in the same period of 1945, or a decrease of 20.4%. Operating expenses in the first four months of 1946, amounted to \$2,076,267,783 compared with \$2,105,579,731 in the corresponding period of 1945, or a decrease of 1.4%.

Sixty-four Class I railroads failed to earn interest and rentals in the first four months of 1946, of which 28 were in the Eastern District, nine in the Southern Region, and 27 in the Western District.

### Eastern District

Class I railroads in the Eastern District in the first four months of 1946 had an estimated deficit, after interest and rentals, of \$33,000,000 compared with a net income of \$80,295,454 in the same period of 1945. For the month of April alone, their estimated deficit, after interest and rentals, was \$22,000,000, compared with a net income of \$26,905,905 in April, 1945.

The same roads in the first four months of 1946 had a net railway operating income, before interest and rentals, of \$20,717,993 compared with \$146,027,725 in the same period of 1945. Their net railway operating deficit before interest and rentals, in April amounted to \$8,400,168 compared with a net railway operating income of \$45,488,730 in April, 1945.

Operating revenues of the Class I railroads in the Eastern District in the first four months of 1946 totaled \$1,064,077,500, a decrease of 19.1% compared with the same period of 1945, while operating expenses totaled \$948,708,868 or a decrease of 2.5% below 1945.

### Southern Region

Class I railroads in the Southern Region in the first four months of 1946, had an estimated net income, after interest and rentals, of \$7,000,000 compared with a net income of \$33,575,066 in the same period of 1945. For the

month of April alone, they had an estimated net income, after interest and rentals, of \$500,000 compared with a net income of \$7,027,235 in April, 1945.

Those same roads in the first four months of 1946 had a net railway operating income, before interest and rentals, of \$27,717,438 compared with \$55,278,931 in the same period of 1945. Their net railway operating income before interest and rentals, in April amounted to \$4,987,571 compared with a net railway operating income of \$12,730,456 in April, 1945.

Operating revenues of the Class I railroads in the Southern Region in the first four months of 1946, totaled \$361,118,401, a decrease of 19.8% compared with the same period of 1945, while operating expenses totaled \$294,990,828 or an increase of 3.2% above 1945.

### Western District

Class I railroads in the Western District in the first four months of 1946 had an estimated net income, after interest and rentals, of \$20,000,000 compared with \$82,990,456 in the same period of 1945. For the month of April alone they had an estimated net income, after interest and rentals, of \$200,000 compared with a net income of \$21,624,760 in April, 1945.

Those same roads in the first four months of 1946 had a net railway operating income, before interest and rentals, of \$70,398,943 compared with \$143,638,651 in the same period of 1945. Their net railway operating income, before interest and rentals, in April amounted to \$13,540,336 compared with a net railway operating income of \$36,846,140 in April, 1945.

Operating revenues of the Class I railroads in the Western District in the first four months of 1946 totaled \$1,007,618,980, a decrease of 21.8% compared with the same period of 1945, while operating expenses totaled \$832,568,087 a decrease of 1.7% below 1945.

## Rubin To Represent U. S. at Conference

The appointment of Seymour J. Rubin as the United States Representative for the forthcoming Allied-neutral negotiations on the subject of German external assets and related problems was announced on May 24, by the State Department, which said:

Mr. Rubin will take the place of Randolph Paul in negotiations with neutral countries other than Switzerland. Substantial agreement on the Swiss negotiations has already been announced, and other commitments make it impossible for Mr. Paul to conduct further negotiations.

Mr. Rubin is Deputy Director of the Office of Economic Security Policy in the Department of State. He has been closely associated with Mr. Paul in the conduct of the negotiations with a delegation of the Swiss Government. Mr. Rubin's duties in the Department of State have concerned questions of German holdings in other countries, and he participated in the Potsdam Conference as a member of the staff of Ambassador Edwin W. Pauley.

## Senate Committee Approves OPA Extension Bill

The Senate Banking and Currency Committee on June 5 completed action on legislation to extend price control for a year beyond its expiration date of June 30 but with amendments so drastic as to bring forth the protestations of Administration leaders who have been bending efforts toward achieving a strong measure. Although differing from the House-passed version, the Senate group's bill falls far short of continuing in force the existing law, and it is anticipated that even more seriously curtailing amendments will be introduced on the Senate floor.

Although the Senate committee's members, when they started drafting the legislation, had voiced an opinion that many of the limitations in the measure passed by the House would be eliminated from the Senate bill, it became evident in the first week of deliberation that many controversial ideas existed to be ironed out. The administration's lack of optimism that price control in its present form would be continued was indicated on May 23 when President Truman appealed to the Senate, in a letter addressed to Senator Wagner (D.-N.Y.), Banking committee chairman, for prompt renewal of the legislation without amendments "that would jeopardize economic stability," as reported to the New York "Times" from Washington.

The President's letter, read to the Senate, stressed the importance of protecting the country from danger of inflation, and declared that all the gains made so far in production and trade "could be swept away by inflation in a few short months." Mr. Truman asserted that he would have to veto any price control legislation which reached him with the provisions passed by the House. The letter continued:

"I earnestly repeat my earlier request that the Congress quickly re-enact the stabilization laws without amendments that would jeopardize economic stability. I ask, too, that as President I do not be handicapped by amendments destroying my authority to vast responsibility for effective co-ordinated administration of the laws in those departments and agencies of the Government which I believe can best carry out the stabilization policies."

Economic Stabilization Director Chester Bowles also wrote to Senator Wagner, the "Times" reported, asking that the committee add an amendment to the pending bill permitting the Office of Price Administration to control commercial rents in particularly serious areas, on the ground that such controls would offer business men the protection of stable costs and aid the whole stabilization program.

The following are the amendments written into the Senate committee's bill on the day it finally reported the measure out, according to advices from Washington bureau of "The Wall Street Journal."

1. The House's Crawford amendment forbids cost absorption by dealers in such consumer durable goods as automobiles, refrigerators and washing machines.

2. An amendment by Sen. Fulbright (D., Ark.) banning cost absorption by farm machinery wholesalers and retailers.

3. By Sen. Bankhead (D., Ala.) requiring the O.P.A. to allow the cotton and woolen industries profits equal to the 1936-41 average.

4. By Sen. Bankhead providing 5% incentive price increases for cotton manufacturers after their production exceeds the peak year between 1936-45. An O.P.A. spokesman said 1942 was the peak period.

5. By Senator Capehart (R., Ind.) which in effect would require a one-half cent per pound price increase for shortening.

6. By Sen. Hickenlooper (R., Iowa) which will require the dismissal of treble damage suits against several work glove manufacturers. These include Indianapolis, Good Luck and Wells Lamont Glove companies.

7. By Sen. Taft (R., Ohio) forbidding the O.P.A. to institute any new subsidies or subsidizing any product not subject to price control.

Prior to that, "The Wall Street Journal" advices continued, the committee had approved amendments which would:

1. Extend O.P.A. for one year beyond June 30, 1946, its expiration date under present law.

2. Decontrol. This amendment forbids the O.P.A. to control the prices of any farm commodities not certified by the Secretary of Agriculture as being in short supply and authorizes the Secretary to order price increases for any farm commodity remaining under control. By April 1, 1947, the President would report to Congress what controls he thinks should be extended beyond June 30 and specify what agencies, other than the O.P.A., should administer them.

3. Decontrol all meat and livestock dairy and poultry products at the end of this month.

4. Abolish O.P.A.'s maximum average price plan and repeal an O.P.A. order regulating margin requirements on cotton exchanges. This amendment would also forbid the O.P.A. to place cotton under price control.

5. Reduce appropriations for the Government's entire subsidy program, except housing, to \$1.1 billion and end the subsidy program by May 1, 1947, except for non-ferrous metals and rubber.

6. Extend subsidies for non-ferrous metals—copper, lead and zinc—and rubber to June 30, 1947. The amendment earmarks \$100 million of the \$1.1 billion for payments for these metals.

7. Forbid the O.P.A. to maintain quantity or percentage quotas on sales. This would apply particularly to nylon hosiery.

8. Place various classes of hotels in separate, independent categories for purposes of considering rental price adjustments.

9. Allow the courts wider discretion in administering fines for price control violations.

It was stated that the committee had agreed to let the full Senate bring its subsidy appropriations and meat-dairy decontrol amendments into conformity. The \$1.1 billion for subsidies was voted prior to approval of the meat-dairy decontrol provisions, which will allow still further reduction in subsidy money if the decontrol amendments survive.

Sen. Taft indicated that he will press for Senate approval of his cost plus amendment, despite its defeat in the committee by a tie vote. This amendment would require the O.P.A. to allow manufacturers and processors profit margins equal to those experienced during a base period, October 1 to 15, 1941.

Evidencing a desire to compromise in the matter of subsidies, Paul Porter, OPA chief, told the committee on the last day of the hearings that a 25% cut would be acceptable. On May 22, the Associated Press reported, a motion offered by Senator Capehart to end all consumer price subsidies of food next July 1 was defeated, 11 to 7, by the committee. Mr. Porter also testified on May 10 regarding delay in the OPA program for decontrolling price ceilings, which he blamed on the soft coal strike. As an instance, he cited the need to hold petroleum prices under control for a further period beyond June, when it had been planned to release them, because demand for fuel oil as a substitute for coal would have caused a 100% price rise.

Referring particularly to the provision to abolish price controls

on meat, poultry and dairy products effective June 30, Chester Bowles, Director of Economic Stabilization, accused the Senate committee on May 27 of "quietly and effectively cutting the heart out of price control with a dull knife."

"The committee has already approved amendments which would destroy the price controls on the things our people eat and wear and inevitably threaten the rent controls on the homes in which they live," he stated.

"The Senate's recommendations are even worse than the bill passed by the House and there is a promise of still more inflationary amendments to come.

"Here are the makings of an economic tragedy for every American family. The situation can still be saved, but only if the millions who go to make up our great country are awakened to their danger before it is too late."

At the same time Price Administrator Porter, in a statement commenting on a Gallup poll of price control, made the admission, according to Washington advices to the "Wall Street Journal," that OPA has made it impossible for some manufacturers to make a profit. Speaking of public sentiment recorded during the poll on this point, showing that a majority of those queried were of the opinion that many manufacturers could not operate profitably, Mr. Porter continued: "There is of course no question but that these people are right. Prices cannot be set high enough to permit every manufacturer, no matter how inefficient, to make profits without an unconscionable increase in the cost of living and setting in motion of runaway inflation. Furthermore, under normal competition, business hardships always existed."

## Freezing Controls Removed Over Licensed Trade Area

Secretary of the Treasury Vinson on May 30 issued General License No. 54A removing the remaining freezing control restrictions over practically all persons in the generally licensed trade area. This area includes the other American Republics, the British Commonwealth of Nations, the U.S.S.R., and certain of the overseas possessions of France, Belgium and the Netherlands. The Department advices May 30 further said:

"Treasury officials pointed out that one of the effects of today's action is to unblock property belonging to most residents of Hong Kong, British Malaya, the Belgian Congo, the Netherlands West Indies, French Equatorial Africa and certain other formerly blocked areas. The action thus supplements that taken last December 7 through the issuance of General License No. 94 which licensed current transactions with these areas not involving property blocked as of that date.

"The special restrictions on Hong Kong and British Malaya imposed at the time of the Japanese occupation (by Public Circulars Nos. 10 and 16) were also removed thus, restoring these areas to their pre-occupation status.

"The principal persons in the generally licensed trade area not benefited by today's action are (a) Proclaimed List Nationals, (b) citizens or subjects of Germany and Japan who since December 7, 1941, have been in enemy or enemy-occupied territory, (c) persons who, on October 5, 1945, were in countries then blocked other than members of the generally licensed trade area, and (d) legal entities owned or controlled by persons specified in (a), (b), or (c). In this connection, Treasury officials called attention to the fact that the new license does not waive the provisions of General Ruling No. 11A."

## U. S. Furnished Foreign Countries With Over Billion Dollars in Civilian Supplies

During the period July 1, 1943-Dec. 31, 1945 the United States Government furnished foreign countries with \$1,729,000,000 in civilian supplies for relief and rehabilitation, or nearly two-fifths of the Government's contemplated \$4,600,000,000 relief program scheduled to end in 1947, the Clearing Office for Foreign Transactions, Department of Commerce, said on May 29.

The Department's advices also had the following to say:

"Almost all of the relief supplies so far provided went to Europe. The Clearing Office estimated that roughly \$400,000,000 in relief supplies went to Italy; \$325,000,000 to the Balkans, chiefly Greece and Yugoslavia; \$265,000,000 to France; \$85,000,000 to Poland; \$80,000,000 each to the Netherlands and Belgium; and \$65,000,000 to Czechoslovakia.

"Broken down by commodities the Clearing Office said that of the \$1,729,000,000 total so far expended, \$1,031,000,000 went for foods, including fats and oils; \$273,000,000 for clothing, textiles and footwear; \$105,000,000 for fuel, petroleum and allied products; \$61,000,000 for medical supplies; \$42,000,000 for communication and transportation equipment; \$33,000,000 for agricultural supplies and equipment; and \$184,000,000 for other goods, cash and services including \$92,000,000 in cash contributions to UNRRA.

"Although relief supplies furnished by the Army amounted to \$1,100,000,000 and accounted for more than 60% of the total furnished, the Clearing Office said that Army shipments are now ended except to occupied areas. For the quarter ended Dec. 31, 1945, UNRRA shipments predominated. The \$2,700,000,000 total authorized for UNRRA will account for the bulk of the overall U. S. foreign relief program.

"Under present plans UNRRA is scheduled to terminate its activities in Europe at the end of calendar year 1946 and in other areas shortly thereafter.

"Of an estimated \$700,000,000 in UNRRA supplies shipped by all nations through Dec. 31, 1945, the United States provided \$467,000,000 in addition to \$92,000,000 in cash and \$3,000,000 in services. Eighty percent of the \$467,000,000 total was shipped to Greece, Yugoslavia, Poland, and Czechoslovakia and large shipments were also made to the U.S.S.R. and to Italy, the Clearing Office said. In the future, large UNRRA shipments are scheduled to go to China and Italy.

"Cotton is now being shipped to Japan under Government arrangements whereby about two-thirds of the resulting textiles are exported to other distressed areas of the Far East and one-third retained for domestic use in Japan. Proceeds from the sale of the textiles will be used to pay for the raw cotton advanced from Commercial Credit Corporation stockpiles. Thus the transaction will be carried out at no net cost to the United States Government."

## Czechs Get Credit To Buy U. S. Surplus

A dollar credit arrangement for a maximum of \$50,000,000 has been signed with the Government of Czechoslovakia for the purchase of U. S. Surplus War property in Europe, Foreign Liquidation Commissioner Thomas B. McCabe announced on June 5.

Mr. McCabe said this is another in a series of credit arrangements to foreign nations with a limited supply of dollars in order to permit them to buy overseas surplus for relief and reconstruction purposes.

The Czech government recently received a \$20,000,000 loan from the Export-Import Bank to purchase raw cotton in the U. S. Reference was made to this action in the "Chronicle" of June 6, page 3060.

## Burch Named to Succeed Senator Glass

On May 31 Thomas Granville Burch, Democratic member of the House of Representatives from the Fifth Virginia Congressional district since 1931, was named on May 30 by Gov. Tuck of Virginia to succeed United States Senator Carter Glass (Democrat, Va.), whose death on May 28 was noted in our issue of May 30, page 2922. In Associated Press advices from Richmond May 30, it was stated:

The appointment is until the next general election in November. Governor Tuck said it was unconditional, but it is expected that the new Senator will not seek re-election. He will be 77 years old on July 3 and had already announced his retirement from the House.

This would leave an open field among a half dozen or more prospective candidates.

Senator Glass's term extends through 1948.

Final tributes to the late Senator Glass were paid at Lynchburg on May 30, when Secretary of State James F. Byrnes, member of the Senate and House, Gov. Tuck, leading Virginia officials and others crowded the hilltop at Montview, Senator Glass' farm estate near Lynchburg, for the funeral service.

A tribute to the late Senator was contained in a message by President Truman to Mrs. Carter Glass in which the President said that the death of her husband "brings to me the sorrow that comes with the loss of a beloved personal friend." Associated Press advices from Washington further quoted the President as follows:

"A link with the Old South is broken in the passing of your distinguished husband." Senator Glass was not only the oldest member of the Senate, but he was the last surviving member in either branch of the Congress who was born in the ante-bellum days. To the end he glorified in the title of 'Unreconstructed Rebel' conferred upon him by my predecessor.

"Senator Glass' public service was as notable as it was long. In the field of banking and finance no member of either house had studied more deeply than he, or brought a more superior equipment to the work of molding our fiscal policy.

"His death brings to me the sorrow that comes with the loss of a beloved personal friend. Mrs. Truman joins me in this assurance of heartfelt sympathy."

## Becomes Manager of Calif. Bankers Ass'n

Oscar R. Mennenga who was Assistant Manager of the California Bankers Association, has recently been appointed Executive Manager, succeeding Laudet W. Hodges, who resigned this post on June 1.

"Mr. Mennenga," said the San Francisco "Chronicle" of June 7 from which this information is taken, "was associated with the Federal Reserve Bank of San Francisco for a number of years, before taking a position with the Association, and also did special work with the office of production management."

## The Financial Situation

(Continued from first page)

of what he actually got, and that the difference was not worth a tithe of the cost to his union members. The same or similar assertions have been frequently made concerning many of the other thousand and one strikes from which the American public has been suffering during the past six months or more.

Much of this may be true, indeed all of it may well be true of any individual strike considered without reference to any and all other conflicts of a similar sort and their results. He would be a bold man, however, who would assert that the concessions obtained by the men in any, or almost any, of these instances could have been had in the absence of the display of monopolistic power that the unions had staged and were staging from one end of the land to the other. These prolonged work stoppages are, of course, costly to business as they are costly to unions and to individual workmen. Who can doubt that executive after executive during the past half year has concluded that in light of what was going on around him, discretion was the better part of valor? Let us be candid with ourselves about all this. In the parlance of the street, labor has been "throwing its weight around" for many months past and has gained large concessions as a result. What is more, it is still doing so and is still obtaining concessions to which it is not really entitled—at least if competitive production performance is the measure of just compensation.

### "Lost Its Public"

As to labor having "lost its public" or a large part of it, we can only judge by what evidence there is and by what appears to be the best judgment of seasoned observers in these matters. Certainly, the unions, or rather their recent policies and practices, have few friends left in the press, and not very many among what are now regarded as dispassionate commentators. Apparently, friend and foe of labor alike are agreed that recent political elections in several parts of the country have quite clearly indicated that voters have about enough of, at least, large sections of organized labor and its doings.

Why, then, if current notions about the dependence of labor upon public sentiment are true, do not these changes reflect themselves more promptly and more measurably in the results obdurate and arrogant labor unions are able to obtain by tactics which are now supposed to be

definitely beyond the pale so far as public sentiment is concerned? The answer is probably to be found in part at least in the chains the public has fastened upon its own wrists as regards labor, and a lack of understanding that these shackles must be stricken off and the resulting freedom definitely put to work before the mad march of labor leaders can be checked. Indirectly, if not quite directly, certain fetishes fixed in the public mind by the propaganda of the New Deal constitute very real obstacles. Some of these foolish notions are fundamental to all our troubles, and are in large degree responsible for our failures in more obvious directions.

### What Is a Strike?

Take the matter of strikes themselves. What critic of labor today does not take great pains to accompany his strictures with a vehement assertion of his belief in some sort of "sacred right" to strike? Who despite all the ill-will labor unions have earned in recent months, does not appear at least to consider (quite probably without having given the matter very much careful thought) the "right to strike" as something inherent in the cosmos, as it were? Yet, what is a strike? If the same or similar acts were performed by business men large or small (other than farmers, at all events), they are labeled "restraints of trade," "conspiracies in restraint of trade," or other expressions of similar import, and as such have been unlawful both at common and statute law for a great many years.

Can there really be something in the basic nature of social and economic relationships which bestows certain rights on some elements in the population and denies them to others? To ask such a question is about the equivalent of answering it. It would clearly be quite nonsensical to affirm any such thing. It may or may not be wise as a matter of social or economic policy to endow some elements in the population, such for example as the wage earner or the farmer, with special rights denied others, but certainly nature has done nothing of the sort, and the wisdom of any such endowment must rest in the last analysis upon the practical result of it.

### Time for Reconciliation

If such is the case, then the question of the degree of the endowment and the terms and conditions under which it is made are certainly quite legitimate questions of study, discussion and re-appraisal

whenever the circumstances seem to suggest it. In general, the unions enjoy these special privileges by virtue of anti-trust laws, anti-injunction laws, and such sweeping special-favor acts as the Wagner labor law. It would appear therefore that if public thinking had basically changed as regards the position of labor unions, the logical line of action would be, not some hastily devised patch added to the fabric of labor law, but a very careful reconsideration of statutes already upon the books—repeal of the Wagner Act, fundamental amendment of the anti-trust laws, restudy of the anti-injunction laws, and the like. We evidently have granted too many and far too sweeping rights to labor unions, and we should better understand the fact if slogans about the "divine rights" of wage earners did not get in the way.

But the most flagrant abuses of the unions have grown not out of special legislation, but out of failure of local authorities to make any effort to enforce what every one admits is the law of the land. When public opinion changes sufficiently and intelligently enough to leave the authorities no alternative but to require law observance of the union, as it does of all others, then we shall begin to see results—and that day would arrive all the quicker if foolish slogans were discarded.

## Relief Supplies to Soviet 50,000 Tons

Shipments of Russian Relief supplies to the Soviet Union have passed the 50,000 ton mark, it was announced on June 5 by Edward C. Carter, President of the American Society for Russian Relief, Inc., in issuing a report on the shipping activities of the relief agency. The report, which covers the period from October, 1941, when the first shipment of 22 cases of medical supplies left, to April 30, 1946, lists 1,354 individual shipments totalling 51,594 tons of cargo. Each ton shipped is a "long ton," weighing 2,240 pounds.

This huge total, equivalent to 115,570,560 pounds, nearly equals a contribution of one pound of relief supplies from every man, woman and child in the United States," Mr. Carter said. "This is a realistic and undeniable demonstration of American friendship for the heroic people of the Soviet Union. We are confident that the American people will continue in their recognition of Soviet wartime sacrifices by subscribing to this year's \$25,000,000 campaign goal of Russian Relief." The initial shipment was on the high seas only a month after Russian Relief was founded in September, 1941, by a group of American citizens, the President of the relief agency reported.

All shipments of Russian Relief supplies it is stated have been made either in Soviet bottoms or in ships chartered by the Soviet government, at no cost to the relief agency. Tonnage lost at sea during the war was less than 1/2 of 1% of all cargo.

## Supreme Court Reverses Press Contempt Case

The conviction for contempt of court of the Miami "Herald" and its associate editor, John D. Pennekamp, was overturned by the United States Supreme Court on June 3, the Associated Press reported from Washington on the same day. The conviction was obtained more than a year ago because of the publication of two editorials and a cartoon criticizing Florida judicial procedures which the Dade County (Fla.) Circuit Court charged interfered with the administration of justice and ordered the paper fined \$1,000 and Mr. Pennekamp \$250. The convictions were upheld by the Florida Supreme Court.

The Supreme Court's 7 to 0 decision, written by Justice Reed (Justice Jackson not participating) declared that "free discussion of the problems of society is a cardinal principle of Americanism," and that the press comment in question "could not directly affect" the judges' actions. Vigorously concurring opinions were written by Justices Murphy, Rutledge and Frankfurter. "The Herald" and Mr. Pennekamp had contended, through counsel, that the paper merely had criticized legal procedures in trying to eliminate gambling and other objectionable conditions in the county.

Justice Reed said, according to the Associated Press, that courts must have power to protect the interests of persons and litigants from "unseemly efforts to pervert judicial action," adding: "In the border-line instances where it is difficult to say on which side the alleged offense falls, we think the specific freedom of public comment should weigh heavily against a possible tendency to influence pending cases. Freedom of discussion should be given the widest range compatible with the essential requirement of the fair and orderly administration of justice."

Concluding his opinion, which was that of the unanimous court, Justice Reed asserted:

"As we have pointed out, we must weigh the impact of the words against the protection given by the principles of the First Amendment, as adopted by the Fourteenth, to public comment on pending court cases. We conclude that the danger under this record to fair judicial administration has not the clearness and immediacy necessary to close the door of permissible public comment. When that door is closed, it closes all doors behind it.

"Reversed."

In his separate opinion Justice Murphy, according to the Associated Press, declared that if the court were to sanction the judgment of the Florida Supreme Court "we would be approving in effect an unwarranted restriction upon the freedom of the press."

Justice Frankfurter said, the same advice added: "Weak characters ought not to be judges, and the scope allowed to the press for society's sake may 'assume that they are not'."

Justice Rutledge's opinion stated that "if every newspaper which prints critical comment about courts without justifiable basis in fact, or withholds the full truth in reporting their proceedings or decisions, or even goes farther and misstates what they have done, were subject on these accounts to punishment for contempt, there would be few not frequently involved in such proceedings."

He added that part of such situations are "due to carelessness, often induced by the haste with which news is gathered and published."

"But a great deal of it must be attributed, in candor, to ignorance which frequently is not at all blameworthy," he went on. "For newspapers are conducted by men who are laymen to the law. . . . The law, as lawyers know, is full of perplexities."

In Miami, Mr. Pennekamp's reaction to the Supreme Court's far-reaching decision was one of deep satisfaction that the fight conducted by himself and "The Miami

Herald" for nineteen months against what they considered "an attempt to use the contempt power to stifle criticism of the courts," had finally been successful. He declared, the Associated Press reported on June 3, from Miami, Fla.:

"If judges had the power they claimed in this case to fine or imprison anyone whose comment displeased them, few would dare to criticize the courts and judges, however much they might deserve it. As a result the people would be deprived of that full information which is the foundation of democracy.

"The United States Supreme Court's unanimous decision which upheld the right of newspapers to comment on the conduct of a judge should forever end the harassments to which newspapers and their editors have been subjected by autocratic judges.

"Under the contempt of court power which they assumed, self-seeking judges long have attempted to silence the press whenever they were annoyed by what was said of them regardless of the truth or falsity of the statement.

"By so doing they assumed unto themselves a right in excess of that enjoyed by either the legislative or executive branches of our Government, each of which has equal rights and dignity with the judiciary.

"In this case The Herald charged that law enforcement in Miami and Dade County was so shot full of technicalities that law breakers and accused persons benefited at the expense of law enforcement. We called upon the judges to remedy this situation. They took umbrage at our position, called us into court, and penalized us for having the temerity to speak."

## Goods Shipped by Mfrs. Up in April

During April United States manufacturers shipped goods valued at \$9,700,000,000, 3% more than during March, the Office of Business Economics, Department of Commerce, said on June 7.

The automobile industry, the report continued, made the most striking gain, boosting April dollar value of shipments 40% over those for March and increasing passenger car production two-thirds.

All major industries contributed to the increase except iron and steel, food and apparel groups whose April shipments were below those for March.

April shipments of the nondurable goods industries were slightly lower than those for March, but in the durable goods field shipments were up about 10%. Machinery industries increased shipments about 20% for April as compared with March, while other durable goods industries registered gains ranging from 5 to 10%.

Manufacturers' inventories fell to \$16,500,000,000 at the end of April, \$200,000,000 below the end-of-March level. Most of the decline occurred in the nondurable goods industries. Only the textile industry increased its inventory holdings during April. Food processors reported the sharpest inventory decline.

In the durable goods field all industries except iron and steel, nonferrous metals, and stone, clay and glass products reported increased inventory holdings for April as compared with March.

## Vinson Named Chief Justice; Snyder to Head Treasury; Sullivan in Navy Post

President Truman's nominee for the post of Chief Justice of the United States, to succeed the late Harlan Fiske Stone, is Fred M. Vinson, of Kentucky, at present Secretary of the Treasury. Named to succeed Mr. Vinson as Treasury head is John W. Snyder, now Director of War Mobilization and Reconversion. In reporting the nominations from Washington on June 6, the Associated Press added that the President had said that

the OWMR would be discontinued, which would obviate the appointment of a successor to Mr. Snyder.

Also nominated the same day by Mr. Truman was John L. Sullivan, now Assistant Secretary of the Navy, to be Undersecretary of the department.

It is generally conceded, the same Washington advices stated, that Mr. Vinson's appointment will be confirmed by the Senate without delay. Most Senators expressed surprise at President Truman's choice, some even intimating disappointment over his removal from the important Treasury post.

Although Mr. Snyder's appointment did not receive the same enthusiastic response, the Associated Press reported, there was no indication that it would run into serious confirmation difficulties. The former St. Louis banker has been one of the President's closest advisers on economic, labor and other matters, and his new appointment will now give him a seat in the Cabinet.

Mr. Vinson, 56 years old, has long served in public office. For fourteen years a member of Congress, he left the House in 1938 when President Roosevelt appointed him to the United States Circuit Court of Appeals for the District of Columbia. Subsequently he was Reconversion Director. Last July President Truman named him to succeed Henry Morgenthau, Jr., as Secretary of the Treasury.

The post of Undersecretary of the Navy, to which Mr. Sullivan has been named, is the one to which the President originally appointed Edwin W. Pauley, whose nomination, as stated by the Associated Press, was withdrawn when it led to governmental controversy.

President Truman, when making known his recent appointments, told his press conference that he had succeeded in persuading James Forrestal, who had intended an early resignation, to remain on indefinitely as Secretary of the Navy.

## Truman Welcomes New British Ambassador

The new British Ambassador to the United States, Lord Inverchapel of Loch Eck arrived in New York on May 29 aboard the Queen Mary and left for Washington the same evening. On May 31 he made a courtesy call on Secretary of State Byrnes, in advance of the presentation of his credentials to President Truman on June 5. The new Envoy succeeds the wartime Ambassador, Lord Halifax, who recently left for London. Pledges of cooperation were exchanged between the President and Lord Inverchapel, the latter, according to the United Press, in addressing the President saying in part:

"My distinguished predecessor, Lord Halifax, has won the praise of His Majesty's Government for the devotion with which he labored to draw still closer the ties that have long united our two nations. The success of his efforts, aided and fostered as they were by the warm response which they evoked in the hearts of the American people during both your own administration and that of your illustrious predecessor, made a not-

able contribution to the achievement of our common victory.

"Inspired by his example, and in accordance with the instructions which I have received from my Government, I shall make it my constant endeavor to maintain and to fortify these good relations, in the firm belief that by so doing I shall be fulfilling my high duty. I feel sure, Mr. President, that for this purpose I may count upon full encouragement and help from yourself and the members of your administration.

"I come here at a time when famine and the tribulations which inevitably follow a great war embitter and enflame the arduous task of recasting a broken world. But it is my belief and my faith that the spirit which inspired our struggles on the battlefield will crown our common efforts to bring about a solid and lasting peace, upon which, as never before, the future happiness of our two countries depends.

"May I conclude by saying that the honor of representing His Majesty in Washington means much to me? Since my early manhood, when I served in Washington under James Bryce, I have been a frequent visitor to this country. I look forward to the renewal of many old and cherished associations and I welcome the present opportunity to broaden my knowledge of your great country and to draw upon the wealth of experience that it has to offer."

President Truman in reply had the following to say in part:

"I am sure you will be a worthy successor to your distinguished colleague, Lord Halifax, who did so much during his sojourn in Washington to strengthen the bonds of friendship between our two nations and to promote our joint efforts in the face of a common enemy.

"While our tasks are now different, they continue to be of the first magnitude and to require the best efforts of all to bring peace to the world and happiness to mankind. I am confident that our traditional friendship will do much to assist in achieving these high objectives. I am sure that I speak for the American people when I tell you how much we value our close association.

"You are no stranger to this country, and you are good enough to refer to previous associations here in the most pleasant terms. I am very glad that you come to us now in the highest capacity which your sovereign can bestow. Let me assure you that you may always count on my full co-operation and that of the agencies of this Government in fulfilling your high duty."

With his arrival in New York May 29 Lord Inverchapel was greeted at the pier by an official reception party headed by Sir Alexander Cadogan, English delegate to the United Nations Security Council, and granted an interview to members of the press which he conducted in a light vein. The Ambassador, a veteran of 40 years in the British Foreign Office, was raised to the peerage only last January, prior to which he was Sir Archibald Clark Kerr. Before his appointment to his present post Lord Inverchapel served as British Ambassador to Moscow since 1942. He was last stationed in Washington just prior to World War 1, when he served as Third Secretary of the Embassy he now heads.

## Profits of U. S. Corps. Reported by Com. Dept.

United States corporations during 1945 made profits before taxes estimated at \$20,900,000,000, a decline of 13% from 1944, the Department of Commerce said on April 25.

However, because of reduced excess profits tax payments, profits after taxes came to an estimated \$9,100,000,000, only 7% below the 1944 figure of \$9,800,000,000, according to an article by Gardner F. Derrickson which appeared in the April issue of Survey of Current Business, official publication of the Department of Commerce. Mr. Derrickson is a member of the National Income Division, Office of Business Economics. The advices from the Department said:

Corporate profits before taxes were estimated by the Department of Commerce at \$24,900,000,000 for 1943 and \$24,100,000,000 for 1944. It was noted that the 1943-1944 totals would have been about the same except for the recomputation of emergency amortization deductions occasioned by the end of the war.

The article explains that under the law the amortization period for any war-emergency facility may be shortened from the original five-year period to the period between the completion of the facility and the end of the emergency. For this purpose the emergency was declared ended Sept. 29, 1945. The Department of Commerce estimated that the amortization of 90% of the corporate war-emergency facilities would be recomputed with a consequent lowering of corporate profits and taxes.

Corporate profits after taxes reached record highs of \$9,900,000,000 in 1943 and \$9,800,000,000 in 1944, the Department of Commerce said. Corporate savings from 1941 through 1945 amounted to \$25,000,000,000 a sum that will permit substantial volume of capital expansion without resort to outside funds.

In 1943, the peak year of wartime corporate earnings, profits before taxes were found to be two-and-a-half times as high as they were in 1929, but profits after taxes were only one fifth higher.

During the period 1929 through 1943 Federal and State income and excess profits taxes increased 10-fold, and taxes as a percentage of profits advanced from 15% in 1929 to 24% in 1939 and to a wartime high of 60% in 1943.

Profits before taxes for all industries averaged \$22,700,000,000 during the war years 1942-45, or more than four times the \$5,300,000,000 average for the peacetime period 1936-1939, the Department of Commerce said. Despite the high level of taxes during the war, profits after taxes were also at record levels. The war-time average of profits after taxes for all industries was \$9,400,000,000 two-and-a-half times the average peacetime earnings of \$3,900,000,000.

Net dividend payments (total dividends paid by corporation less dividends received by corporations) declined from \$4,400,000,000 in 1941 to \$4,200,000,000 in 1942; they increased slowly thereafter until they reached \$4,500,000,000 in 1945.

During the war period 1941-1945, net dividend payments amounted to less than half of profits after taxes. The 1945 wartime peak in net dividend payments was \$1,200,000,000 lower than the \$5,800,000,000 paid in 1929.

The article concludes with a technical discussion of the revised method, employed by the Department of Commerce in working up its profits series.

## Items About Banks, Trust Companies

Bankers Trust Company of New York announced on June 4 that its Board of Directors has elected Charles F. Jennings, Frederic A. Ritchie and Harry F. J. Schroeder Assistant Comptrollers. Mr. Ritchie has been with the bank since 1926; Mr. Schroeder, who was released from the Army with the rank of Lieutenant in April, 1944, has been in the bank's employ since 1936, and Mr. Jennings, who now holds the rank of Captain in the Army, was employed in 1931. The bank also announced that Morris A. Engleman, who completed three years of service in the United States Navy in February, has been made an Assistant Auditor, David Summers, an employee since 1926, was elected Auditor, London office.

Henry W. Drath, Assistant Vice President in the Foreign Department at Sterling National Bank & Trust Company of New York, has recently returned from an extended business trip through South America, during which he visited the bank's correspondents in the principal cities for the purpose of expanding existing relationships and studying the possibilities of broadening the bank's facilities for customers engaged in foreign trade.

Manufacturers Trust Company, New York, announces the following promotions from Assistant Secretary to Assistant Vice-President: Mr. Edward C. Maher of the bank's Foreign Department and Messrs. George M. Bragalini, A. Herbert Sandler and George C. Wolf, all of whom are located at branch offices of the bank.

Approval was given on May 29 by the New York State Banking Department to plans of the Royal Industrial Bank, New York, N. Y. to increase the capital stock of the bank from \$275,000, consisting of 27,500 shares of the par value of \$10 each, to \$385,000, consisting of 38,500 shares at the same par value.

L. Emory Boyden has been appointed Assistant Vice President of The Manhattan Savings Bank, of New York City, Willard K. Denton, President of the bank announced recently. Mr. Boyden, who joined the bank in 1924, will continue as senior officer of the bank's Rockefeller Center Office.

Directors of the Lafayette National Bank of Brooklyn, New York have voted to increase the bank's capital from \$850,000 to \$1,000,000 through issuance of additional shares of stock at the par value of \$20 per share, it was announced on June 10 by Walter Jeffreys Carlin, Chairman of the Board.

Under the board's proposal the additional shares will be offered to present shareholders on the basis of three shares for each 17 shares held.

A special stockholders' meeting has been called for June 25 to vote on the board's recommendation.

E. Chester Gersten, President of The Public National Bank and Trust Company of New York, announced on June 6, the appointment of Major Herschel L. Horner as an Assistant Vice President. Mr. Horner was for several years on the staff of the New York Clearing House Association and prior to this was identified with the credit activities of the Guaranty Trust Company of New York. He also is a certified Public Accountant (N. Y.). Mr. Gersten also announced that William J. Shirley

of the Personnel Department at Main Office and Benjamin Gordon at the Broadway and 24th Street Office were appointed Assistant Cashiers.

At a special meeting of the stockholders of the Bronxville Trust Company, Bronxville, N. Y., held on May 31, approval was given to a proposal to increase the capital of the bank from \$200,000 to \$500,000. The shareholders, also voted on and approved the proposal made by the directors to reduce the par value of stock from \$100 to \$20 per share, therefore changing the present 2,000 outstanding shares at \$100 each to 10,000 shares at \$20 each.

Pertaining to the capital increase, the stockholders authorized the directors to distribute 5,000 of the new shares to the stockholders as a stock dividend, and to offer the remaining 10,000 new shares to stockholders for sale in proportion to the number of shares held at the new par value.

The proposals which were made by the directors on May 18, and which were accepted by the stockholders, also included the repayment of \$150,000 in capital notes now held by the Reconstruction Finance Corporation.

The Northern New York Trust Company of Watertown, N. Y., received authorization from the New York State Banking Dept. on May 29 to open a branch office at Evans Mills, Jeffersons County, N. Y.

This authorization according to the New York State Banking Department was issued in connection with the purchase of assets and assumption of liabilities of Peoples Bank of Evans Mills, by The Northern New York Trust Company.

The Lincoln-Rochester Trust Company of Rochester, N. Y. has called for redemption on Aug. 1 the last of its preferred stock, a part of the financing arranged by the United States Government in 1934, it was indicated in the Rochester Times Union on June 1, its advices also stating:

At that time the bank arranged with the Government for \$3,500,000 in capital notes which since have been converted into \$50 par preferred. Currently outstanding are 20,000 shares of preferred. The call means an outlay of \$1,000,000 by the bank's stockholders, any time after June 1, may turn in their shares, and receive the dividend normally due Aug. 1.

Upon completion of this financing sole capitalization will be 268,000 shares of common. The \$40,000 annual dividend payments on the current preferred stock will be available for common dividends.

At their meeting on June 12, the directors of the Cornhill Trust Co., White Plains, N. Y., elected William J. Butcher Executive Vice-President.

Mr. Butcher recently resigned as Vice-President of the Central Trust Co., Cincinnati, Ohio, to accept the position with County Trust Co. He is a graduate of Williams College and of the Graduate School of Banking at Rutgers University.

He joined the Central Trust Co. in 1935 and at the outset was engaged chiefly in administering its new business, advertising and public relations program. Seven years ago he became a senior Vice-President and has since then been actively engaged in (Continued on page 3276)

## Industrial Activity in April Reported By Federal Reserve Board

"Industrial output declined somewhat in April and the early part of May owing to the coal strike" it was noted in the summary of general business and financial conditions in the United States, based upon statistics for April and the first half of May, and issued on May 27 by the Board of Governors of the Federal Reserve System. The Board went on to say that "employment in the economy as a whole, however, continued to expand in April. The value of retail trade was maintained at record levels and commodity prices rose further." The Board likewise reported:

### Industrial Production

"The Board's seasonally adjusted index of industrial production declined 2% in April and was at 164% of the 1935-39 average. The drop in coal output after April 1 and the resultant curtailment in operations in some industries were offset in part by substantial increases in activity in the automobile and electrical machinery industries following settlement of wage disputes in the latter part of March.

"Production of durable manufactures as a group rose 3% in April. Iron and steel production declined about 6%; decreased output of pig iron and open hearth and bessemer steel was partly offset by a sharp rise in electric steel production. In May activity at steel mills continued to decline as a result of coal shortages and during the past two weeks has averaged only about 50% of capacity.

"The number of passenger cars and trucks assembled in April was 30% greater than in March, and there also were substantial increases in activity in the railroad equipment industry and in output of many types of electrical equipment. Production of lumber and stone, clay, and glass products was maintained at the March level, which was above the same period last year.

"Output of most nondurable goods was maintained in April at about the March level. Activity at cotton mills declined slightly, owing to reduced coal supplies, but output at other textile mills advanced further. The number of animals slaughtered under Federal inspection continued to decline sharply in April. Output of flour and bakery products decreased somewhat in April and is expected to decline substantially in May as a result of the stringent wheat supply situation.

"Minerals production declined by a fourth from March to April, reflecting primarily the drop in bituminous coal output. There was also a further reduction in output of metals, while crude petroleum production increased in April and early May. On May 13 bituminous coal production was resumed under a temporary work agreement, and during the week ending May 18 output was 70% of the pre-strike weekly rate.

"Value of construction contracts awarded rose sharply in April, according to reports of the F. W. Dodge Corporation. The increase reflected a very large expansion in awards for private residential construction to a record level; awards for most other types of private construction were maintained at recent high levels.

### Employment

"Nonagricultural employment continued to gain in April notwithstanding the bituminous coal strike, and unemployment decreased by about 350,000. Manufacturing employment rose by about 400,000 largely because of settlement of major labor disputes, and construction employment showed a further large gain.

### Commodity Prices

"Price ceilings on grains were increased substantially on May 13 and ceilings for a number of non-agricultural products have also been raised during the past month. Recent price increases for industrial products have usually been

between 10 and 20%. Recent advances announced for automobiles were smaller than these amounts but they were in addition to price increases made earlier this year.

"Retail prices of most groups of commodities continued to show small advances in April and the consumers' price index increased one-half per cent to a point 3% higher than in April 1945.

### Distribution

"Retail sales continued at a high rate in April and the first half of May. During the past four weeks department store sales have been one-third larger in value than in the corresponding period of 1945.

"Freight carloadings declined sharply in April, reflecting chiefly the drop in coal shipments. Shipments of most manufactured products continued to increase until the week ending May 18. In that week interruptions in freight service resulted in large decreases in loadings of manufactured products but bituminous coal shipments were resumed, and total loadings increased slightly.

### Bank Credit

"Treasury deposits declined, reflecting disbursements in excess of receipts, and deposits subject to reserve requirements increased during April and the first three weeks of May. Reserve balances increased less than required reserves, and excess reserves declined to about 700 million dollars on May 22. Federal Reserve holdings of Government securities, which declined substantially in the early months of the year, have increased somewhat since the middle of April.

"Member bank holdings of Treasury bills increased further. Loans at member banks in leading cities declined, reflecting largely reductions in loans for purchasing and carrying Government securities.

"In the latter part of April the Reserve Banks, with the approval of the Board of Governors, eliminated the wartime preferential discount rate of about one-half of one per cent on advances to member banks secured by Government obligations due or callable in not more than one year. The regular discount rate on advances secured by Government obligations or eligible paper remains at one per cent.

"Yields of Government securities, which declined in the early weeks of the year, rose sharply in the latter part of April and early in May."

## Up Pittsburgh Newspapers Price

Pittsburgh's three daily newspapers announced on June 1, according to the Associated Press that their price will be raised from four to five cents, effective Monday, owing to rising production costs. These advices from Pittsburgh added:

"The Pittsburgh Press," a Scripps Howard newspaper, and "The Pittsburgh Sun-Telegraph," a Hearst publication, also announced that the price of their Sunday editions would be raised three cents to 15 cents in the city and suburban areas, effective Sunday, June 9. Sunday editions had been 12 cents in the city and suburban areas and 15 cents elsewhere.

"The Pittsburgh Post-Gazette," the city's only morning newspaper which joined in the increase to five cents, does not publish Sundays.

## Retail Prices Showed April Advances, States Fairchild Index

For the first time in many months, retail prices showed two consecutive monthly advances according to the Fairchild Publications Retail Price Index. Prices on May 1 showed an advance of 0.1% as compared with April 1 and also an increase of 0.3% compared with a year ago. Said the Fairchild announcement of May 17 which continued:

"Prices have also advanced 0.2% compared with March 1. The advance in the Index was due to slightly higher prices for piece goods and men's apparel as well as home furnishings. Women's apparel remained unchanged and infants' and children's wear showed a fractional decline. As compared with a year ago, infants' and children's wear showed a fractional decline while the other major groups showed advances."

The announcement went on to say:

"For the first time in months most of the individual commodities included in the Retail Price Index showed increases during the month of April. Among the commodities showing gains were cotton wash goods, sheets, pillow cases and blankets, corsets and brassieres, men's underwear, shirts and neckwear, hats and caps, and men's clothing. Infants' underwear and floor coverings also tended higher. The only commodities showing fractional decreases were women's underwear, men's hosiery and infants' shoes. As compared with a year ago, good-sized increases were recorded for sheets and pillow cases, furs and men's underwear. Only fractional decreases were recorded for a few items.

"There had been some very marked increases recorded prior to the outbreak of the war. While the composite index showed a gain of 27.9%, the increase in piece goods was 33.6%, in home furnishings 28.5 and in women's apparel 28%. The greatest increases in any of the commodities was recorded by cotton wash goods, sheets, blankets, aprons, housedresses, furs, men's underwear, furniture and floor coverings.

Steadily rising retail prices are to be expected for the rest of the year according to A. W. Zelomek economist, under whose supervision the index is compiled. This will be the result of price relief granted to producers, which in turn will be reflected in quotations at retail. These higher prices are to be expected regardless of the character of the price control extension.

## Bay Ambassador to Norway

Charles Ulrick Bay of New York on June 5 was confirmed by the Senate as American Ambassador to Norway, succeeding Lithgow Osborne.

Mr. Bay, whose nomination by President Truman went to the Senate on May 16, is reported by the Associated Press to have a long business background including his appointment in 1932 as a director of the First National Bank, of Bridgeport, Conn. He also is a director of A. M. Kidder & Co., investment bankers and is a member of the New York Stock Exchange.

He organized the Bay Petroleum Corporation, of Denver, and was a member of a group which organized American Export Lines, later participating in forming American Export Airlines for trans-Atlantic service.

He built the Rocky Mountain pipeline with Continental Oil Company in 1938. He became President and Board Chairman of the Connecticut Railway and Lighting Company in 1943.

## Employees of First National Bank of St. Louis Reject Representation by CIO Union

In the St. Louis "Globe-Democrat" of June 1 it was stated that the CIO took one of the worst beatings in its history on May 28 when employees of the First National Bank of St. Louis voted 558 to 185 against being represented by the CIO union. The next day said the "Globe-Democrat" the union's international representative at St. Louis, Robert Conway, filed with the National Labor Relations Board charges that the bank had interfered with the right of its employees to join a union. A paragraph preceding the above, in the paper quoted reported:

Leaders of the First National Bank's Employees Guild, an adjunct of the CIO United Office and Professional Workers of America union, have decided to disband their local union and have asked that charges of unfair labor practices filed against the bank be withdrawn, the "Globe-Democrat" learned yesterday.

The further advices in the "Globe-Democrat" stated:

The Guild's officers, headed by its president, Edward F. Holstein, a teller, wrote the following letter to Conway and Joseph H. Levy of New York City, national vice president of the CIO union: "In view of the overwhelming vote against the union and in favor of the bank at the recent election, it is evident to us that the majority of the employees of the bank do not want to be represented by our organization \* \* \* and that no good would be accomplished by contesting the results of the election.

"Accordingly, we are this day writing to the NLRB, advising them that we do not expect to file objections to the election and that we wish to withdraw the charges that have been filed against the bank. We are also taking steps to disband our organization."

Baker McAlpin, senior field examiner for the NLRB, said he has received the Guild's letter, but has not acted on it as yet because the charges were filed by Conway.

But national officers of the CIO union were prepared to disregard the action of the Guild local. Conway said: "The union will prosecute the charges against the bank to the fullest tilt."

## Supreme Court Ruling Voids Jim Crow Law On Interstate Travel

The Supreme Court, on June 3, in a Negro's appeal from a Virginia Supreme Court ruling, decided that segregation of white and Negro passengers in buses crossing state lines is unconstitutional. In a 6 to 1 decision, Justice Burton dissenting, delivered by Justice Reed, the Court ruled that the Virginia statute which requires bus drivers to segregate the races imposes an undue burden on interstate commerce. "As there is no Federal act dealing with the separation of races in interstate transportation," the opinion read, according to Associated Press Washington advices on June 3, "we must decide the validity of this Virginia statute on the challenge that it interferes with commerce, as a matter of balance between exercise of the local police power and the need for national uniformity in the regulations for interstate travel.

"It seems clear to us that seating arrangements for the different races in interstate motor travel require a single, uniform rule to promote and protect national travel."

The case involved was that of Irene Morgan who had been fined \$10 because she refused to change seats on request of a Greyhound bus driver on a bus traveling from Norfolk to Baltimore. Miss Morgan, ejected and fined by the Circuit Court of Middlesex County, Virginia, appealed to the Supreme Court.

Also on June 3, the Associated Press reported, the Court:

1. Upheld the Office of Price Administration in a requirement that a landlord charging over ceiling levels make restitution to tenants.

2. Unanimously upheld a South Carolina tax on premium payments received by out-of-state insurance companies. The Prudential Insurance Company of America contended that his levy and similar taxes of fifteen other states were an unconstitutional burden on interstate commerce.

3. Held unconstitutional a 1943 act by which Congress withheld the salaries of three men criticized by the House Committee on Un-American Activities then headed by former Representative Martin Dies, Democrat of Texas.

The three were Robert Morss Lovett, executive assistant to the Governor of the Virgin Islands, and Goodwin B. Watson and William E. Dodd, Jr., of the Foreign broadcast intelligence service of the Federal Communications Commission.

As a result of Mr. Dies' activities a House appropriations subcommittee declared the three in question guilty of "subversive activity." Provision was made in an appropriation bill that none of its funds should be used to pay their salaries.

## School Lunch Bill Signed

A permanent school lunch program for children throughout the nation was established on June 4 with the signing by President Truman of legislation which authorizes Federal appropriations, in amounts to be determined each year, to finance the program in cooperation with State and local Governments. In signing the measure the President expressed his gratification with the Congressional act which will provide "the basis for strengthening the nation through better nutrition for our school children." Said Mr. Truman in part, according to advices on June 1 from the Associated Press in Washington:

"In the long view, no nation is any healthier than its children or more prosperous than its farmers; and in the national school lunch act, the Congress has contributed immeasurably both to the welfare of our farmers and the health of our children.

"Under previous school lunch programs made possible by year-to-year authorizations we have been able to provide as many as six million children with nutritious lunches at noon. This has laid a good foundation for the permanent program. In the future, increasing numbers will benefit—and on a permanent basis.

"I hope that all State and local authorities will co-operate fully with the United States Department of Agriculture in establishing the co-operative school lunch in every possible community."

Under the legislation, state-local contributions will have to match Federal funds dollar for dollar through 1950, with the Government contribution decreasing thereafter on the following basis: 1951 through 1955, \$1 of Federal funds for each \$1.50 of State-local funds; 1956 and thereafter, \$1 of Federal funds for each \$3 of State-local funds.

In addition to the funds for actual provisions of lunches for children, the legislation authorizes the Secretary of Agriculture to use up to \$10,000,000 annually to provide equipment for storing, repairing and serving food in schools.

## Stassen Views Truman's Labor Legislation as Totalitarian

Characterizing President Truman's proposed emergency labor legislation as "totalitarian" Harold E. Stassen, former Governor of Minnesota and mentioned as a possible candidate for the Republican Presidential nomination in 1948, declared that "it would permit government to break and destroy any management and any business" and "would permit government to break and destroy any union."

Mr. Stassen's assertions were contained in an address at the annual convention in Atlantic City, N. J., on June 4 of the Rotary International. He stated, according to special advices to the New York "Herald Tribune" from Atlantic City, that the proposed legislation would not correct any of the causes of labor-management conflicts, those causes being an accumulation of "abuses, bad policies, misconceptions and violations of human rights."

Reporting Mr. Stassen as stating that the President's labor legislation "involves very fundamentally the future liberties of men, of business, and of labor, and the future welfare of the people as a whole." Associated Press accounts from Atlantic City on June 4, in the New York "Sun," further said:

"He outlined seven points which he said would correct industrial discord and adjust the nation's economy:

"First—There must be an understanding by every working man and every businessman in America that it is production which will determine his future standard of living and his future freedom. The impossible economics advanced that it is possible to have large increases in wages out of profits has been one of the most harmful concepts of our post-war situation. . . .

"Second—A method must be established for the settlement of jurisdictional conflicts between unions. . . . We need a labor court of high standing and with power to make substitute decisions of the jurisdiction between unions in

this country, and the jurisdictional strike must be outlawed.

"Third—We must develop the 'right to work' to take its place alongside the 'right to strike' . . .

"Fourth—We must develop an increased measure of democracy within labor organizations with provision for secret ballot vote in the election of their own officers, and in their decisions on strikes or acceptances of contracts, and in other important affairs. . . .

"Fifth—There is need for strict accountability, to the membership, of the funds of the unions, with financial reporting and auditing, prohibitions against use of funds for political purposes unless they are voluntarily donated for that purpose, and with restriction on any compulsory assessments unless they are democratically voted by the membership.

"Sixth—There is need of definite, constructive, impartial and early intervention by Government in labor disputes for the purpose of mediation and conciliation with a required period of time in which this is to be carried on prior to stoppage.

"Seventh—Government itself must be alert and progressive, moving forward in safety requirements and in health and welfare provisions on a national basis and preventing abuses by management of its position in production."

Mr. Stassen said legislation presented as an emergency measure had a tendency to be renewed. He said the President's proposed legislation would give the Government more power than ever before in war or peace.

## Oregon Bankers Plan Conference

Financial topics of the day will be discussed by a group of outstanding speakers at the Oregon Bankers' association's first full-scale convention in several years at the Benson hotel in Portland June 16, 17 and 18, it was reported by Frank Barton, financial editor of the Portland "Oregonian," from whose advices we also quote:

Plans for the gathering announced on May 11 by the general convention committee listed the following among major speakers for the three-day session:

C. W. Bailey, President of the First National Bank of Clarksville, Tenn., and Vice-President of the American Bankers' Association; Dr. Wilson Compton, President of Washington State College, Pullman; Dr. Howard R. Bowen, economist of the Irving Trust Company, New York; Walter G. Garver, agricultural economist of the Federal Reserve Bank at Chicago; Robert H. (Bob) Warren, dirt farmer of Forest Grove, and Harvey E. Stowers, Assistant to the President of Aircraft Industries Association of America, Los Angeles.

## Dr. Wei Retires as China's Ambassador to U.S.

With the departure from Washington on June 5 of China's Ambassador Dr. Wei Tao-Ming, who planned to leave on June 7 for his native country and who, reportedly, will be replaced in Washington by Wellington Koo, President Truman, it was indicated by Dr. Wei, (it is learned from United Press accounts from Washington June 5), gave him a message of greeting to take back to Generalissimo Chiang Kai-shek.

## Emerg. Housing Bill Signed

President Truman on May 22, signed legislation putting into operation the emergency housing program intended to facilitate the private construction of 2,700,000 new homes for veterans within the next two years by providing \$400,000,000 for subsidies to stimulate production of scarce building materials. The law also increased by \$1,000,000,000 the Government's authority to insure home loans by private capital, protecting lenders against risks incurred by selling homes on small down payments. Veterans are to receive preference under the law in buying or renting houses. Press advices stated:

The law continues until the end of 1947 the war-time authority to exercise first claim on scarce building materials for construction of low and medium cost homes. It puts price ceilings on new homes, although Congress turned down proposals to hold down resale prices of existing houses.

## Senate Labor Group Approves Equal Pay Rise

In a report to the Senate Education and Labor Committee a subcommittee declared itself in favor of equal pay standards for men and women perform comparable work. The group stated a wage difference "based on sex is an inequity in compensation standards and constitutes an unfair wage practice." Under the legislation which the subcommittee approved, according to Associated Press advices of May 18, higher pay could be given either sex if based on seniority or a merit system and not on discrimination between the sexes.

## RFC Gets Small Business Division

Charles B. Henderson, Chairman of the Board of the Reconstruction Finance Corporation, announced on June 5 that there has been established in the Corporation a Small Business Division. This action has been taken by the Directors in further recognition of the importance of small business as related to our national economy and to the objectives of full employment and full production, said the RFC report, which added:

Mr. Henderson stated that notwithstanding the fact that the Corporation has continuously given special attention to the problems of small business, the Board feels that the creation of this Division as a separate unit will enable the Corporation to more constructively and expeditiously serve small businessmen, including veterans who are engaged in or contemplate entering business.

The Small Business Division will be responsible directly to the Board of Directors of Reconstruction Finance Corporation for its operations and activities. Among other functions, it will be the duty of the Small Business Division to investigate and analyze special and current problems of small business and to assist in the solution of those problems; to develop and coordinate the technical advisory service which RFC is prepared to render to small business loan applicants and borrowers; to cooperate in all practical respects with the Veterans Administration and the Department of Commerce in matters relating to small business.

The Small Business Division will also carry out the functions enumerated in Section 18 (e) of the Surplus Property Act of 1944 relating to the purchase of surplus property by RFC for resale to small business. As to plants and real property, such purchases by RFC have a priority second only to purchases by Federal agencies for their own use. As to personal property, such purchases come after the special veterans' set-aside, Federal agencies and the general veterans' preference but ahead of purchases by State and Municipal Governments.

Mr. C. Y. Dodds, who has had a major role in the business loan activities of RFC for a number of years, will head the new Division.

## Salgado Visits U. S.

Francis Salgado, lawyer and political economist and Chairman of the Inter-American Commercial Arbitration Commission in Haiti, is visiting the United States at the invitation of the Department of State. He purposes to confer with colleagues in the field of economics and to study the past economic relations between Haiti and the United States and the possible development and improvement of future relations.

The State Department's announcement of June 4 continued: A member of the bar in Port-au-Prince since 1908, Mr. Salgado has served as Judge in the Court of Appeals and Judge in the Supreme Court. In 1929 he was Minister of Finance of Haiti. In 1933 he represented Haiti at the 7th Inter-American Conference of Montevideo.

As a specialist in Political Economy and Finance he is prepared to lecture in American Universities on either Political Economy, Finance, or Sociology, and thus promote a better understanding between Haiti and the United States.

Mr. Salgado will remain approximately six weeks in Washington, D. C. and then will visit universities in the northeast section of the United States.

## Soft Coal and Anthracite Miners Return to Work as New Contracts Are Agreed Upon

The strike of the soft coal miners, which began April 1 and continued for 59 days, except for a two-week truce, was ended at 5:07 p.m. (E.D.T.) on May 29, following the signing of a contract by John L. Lewis, President of the United Mine Workers of America and J. A. Krug, Secretary of the Interior, who is also Coal Mines Administrator. Restrictions were immediately lifted by the Office of Defense Transportation on railroad passenger and all non-essential freight traffic, which had been imposed to save coal. [The complete text of the soft coal agreement was published in our issue of June 6, 1946, page 3111.]

As the 400,000 soft coal workers returned to work, the nation's second major coal strike of the year, that of 75,000 anthracite miners in Pennsylvania, went into effect on May 30 following the termination of the old contract which expired at midnight on May 29.

This strike was terminated late on June 7 and instructions were telegraphed authorizing the hard coal miners to return to work on Monday, June 10. The concessions gained by the anthracite miners in their new contract closely parallel those which the United Mine Workers of America gained for the soft coal miners in their contract with the Government, and included an increase of 18½ cents an hour and a health and welfare fund into which shall be paid 5 cents per ton on each ton of anthracite coal produced for use or for sale.

Based on a seven-hour day, all categories of workers in the anthracite fields will receive a basic increase of \$1.29½ per day under the new contract. The present five-day week was continued, and a sixth working day of seven hours at time and a half pay was made optional to both miners and operators. Travel time for inside miners, or portal-to-portal pay, was increased from \$1.132 to \$1.339 per shift. The hard coal contract also provides for vacation pay of \$100, instead of the present \$75 for ten days off. Although the men will be paid their vacation pay this summer, the vacation period will be limited for the year 1946 to four days, from July 4 to July 7, inclusive.

All provisions of the hard coal contract were made retroactive to May 31, 1946.

## Stalin Won't Visit Truman

President Truman revealed to his news conference on May 31 that despite two invitations issued by him to Prime Minister Stalin to visit Washington, the Russian leader had declined on the plea of delicate health. The President gave Mr. Stalin the first invitation during Potsdam conference last summer, and repeated it about a month ago, suggesting a social visit in the United States while the conference of foreign ministers was in progress in Paris. Upon being asked further whether plans for a meeting in the near future were under way, Mr. Truman, according to Washington advices May 31, from the Associated Press, said that he had no immediate plans.

Speculation has been, the Associated Press continued, that the deadlock between the foreign ministers is so tight that, as Senator Pepper (D-Fla.) has been insisting in the Senate, only a meeting of the chiefs of state could make progress. However, Mr. Truman declined to comment on the peace conference situation or the relations between Russian Foreign Commissar Molotov and United States Secretary of State Byrnes.

## Truman Names Gregg To Tariff Post

John Price Gregg of Oregon, was named by President Truman on May 13 to be a member of the United States Tariff Commission.

## G. E. to Do Gov't Atomic Research

Plans have been announced by the War Department for "an extensive research program" in atomic energy, the Associated Press reported from Washington on June 4, adding that a contract has been made by the Government with the General Electric Company under which the latter will take over from E. I. duPont de Nemours & Co., Inc., operation of the Government's \$347,000,000 plant at Hanford, Wash., about Sept. 1. The announcement stated that the construction and operation of the Hanford works had been undertaken by the duPont company during the national emergency, with the understanding that they would retire "from the program as soon after the hostilities as was consistent with the Government's plans."

It is stated that the Government contract with G. E. is similar to that with duPont in that the fee for all work to be performed is \$1; the Government to retain control of the plant.

G. E. President, Charles E. Wilson, issued a statement saying, according to the Associated Press, that the company accepts the responsibility because "it is of tremendous importance to our national interest that we maintain and develop still further our country's pre-eminence" in the field of atomic energy, having in mind both its military applications and its tremendous peace-time potentialities as a power source and in other beneficial applications.

"The General Electric Company was engaged in atomic research for peacetime application before the war," Mr. Wilson added. "With this background, we are convinced that the greatest possible development of non-military application not only is the most constructive solution to the problem which atomic energy presents to the world but our greatest opportunity for more jobs and more goods for more people in the future."

The Hanford works will be operated by a manager with an advisory committee consisting of H. R. Winnie, Vice-President in charge of engineering policy; Dr. C. G. Suits, Vice-President and director of the General Electric Research Laboratory, and Dr. Zay Jeffries, Vice-President and General Manager of the G. E. chemical department.

Colonel Frederick J. Clarke, area Engineer, Hanford Engineer Works, in a statement said that G. E. hopes to retain the present working force, under substantially the same conditions of employment.

## Surety Man Gets Honorary Degree

Guy LeRoy Stevick, San Francisco, Vice-President in charge of the Pacific executive office of the Fidelity and Deposit Company of Maryland and dean of West Coast surety men, on June 8 was awarded the honorary degree of Doctor of Laws by the board of trustees of Dickinson College, Carlisle, Pa. Mr. Stevick was a graduate from Dickinson College in 1885.

## Twenty-five Years of Monetary Controls

(Continued from first page)

been beheaded, and that the dragons had all been slain. Not since the 13th century had there been such ecumenical unanimity as to the ends of society or as to the means of realizing those ends. There was all but unanimous, and all but universal agreement, that democracy of the American or British type was the ultimate in government; that corporate capitalism was the ultimate in industrial organization; that the money economy under the form of the gold standard was the ultimate nexus of what Herbert Spencer had called the contractual society, as distinct from the society of caste or status. It was not quite the feeling that the Promised Land had been entered, as that the crossing of the Jordan presented no more than technical difficulties.

### Twentieth Century Destruction

The 20th century to date has not been an age of faith. Because it had lost one faith without gaining another, it has been a period of destruction, a time of troubles, in which old orders were swept away without clearly giving place to new. It has been a period of lavish promise and niggardly fulfillment; of questions rather than answers; and at the present time our personal moods alternate between extravagant hope and equally extravagant despair. The trumpet calls, but it gives forth an uncertain sound. Yet we suppose that new orders are forming, and are forming out of the old. There is very little actual discontinuity in history, though it is often difficult to see the threads by which the continuity is maintained.

### Adam Smith and the Division of Labor

When Adam Smith wrote his "Wealth of Nations," he selected as the theme of his first chapter the Division of Labor. It is commonplace reading today, but it was novelty itself in 1776. He was prophetic in recognizing its economic significance, but even his insight did not anticipate its social consequence. He saw that this division of labor increased the economic potential; he did not foresee that it would create a new type of society. With the division of labor would come the money economy, and an enormous increase in the actual and relative number of wage earners. Rich and poor, bond and free, there had always been, but never before had there been an economy which expected the majority of its people to be totally dependent upon the continuity of a stream of money income.

Up to the time of Adam Smith, the vicissitudes of society had been attributable to acts of God and the King's enemies. There had been devastating wars, and there had been cycles of death and plenty. But with the money economy would come cycles of another sort, equally painful but more insidious, and unmitigated by our submissions to the inscrutable.

### The Money Economy versus Capitalism

The money economy is something quite distinct from capitalism. America has always been capitalistic in the sense that the means of production have been private property. But almost to the end of the 19th century our economy was still characteristically agrarian; its gravest economic problems had arisen at the frontier which separated the money economy from the non-money economy of farm and village. By the end of the century Veblen could be using the word *pecuniary* to describe our society. In 1913, Dr. Wesley Mitchell pub-

lished his "Business Cycles and Their Causes," describing the cycle as a function of the money economy.

It is the concluding paragraphs of that work that provide the theme of this paper: "A double personality is acquired by citizens of the money economy. Money making for the individual, business prosperity for the nation, are artificial ends of endeavor imposed by pecuniary institutions. Beneath one lie the individual's impulse or activities—his maze of instinctive reactions partly synchronized into conscious wants, definite knowledge, and purposeful efforts. Beneath the other lie the vague and conflicting ideals of social welfare that members of each generation refashion after their own images. In this dim inner world lie the ultimate motives and meanings of action, and from it emerge the wavering standards by which men judge what is for them worth while. The money economy has not supplanted, but it has harnessed these forces. Upon human activity and human ideals it has stamped its own pattern. (How) it has facilitated the division of labor, (how) it has given a pecuniary twist to the desire for destruction, (how) it has shifted the basis of political power and given rise to new social classes. (How) it has taught men to think in terms of its own formal logic, efficient within certain limits but arid when pushed to extremes. Economic theory will not prove of much use . . . unless it grasps the relations among the pecuniary institutions civilized man is perfecting, the human nature he inherits from savage ancestors, and the new forces science lends to him."

This summary, in general terms, forecasts the course which American economic concern has taken over the intervening years. This concern may be summarized as follows: the money economy at its best has proved highly effective in providing economic satisfaction for its participants. For reasons inherent not in itself, but in its institutions, it has proved highly unstable. This instability has been economically costly, and at times socially intolerable. The concrete objective was to reduce the instability. Academically speaking, this suggested an increased emphasis on monetary economics. It will be noted parenthetically that no question was raised as to the general economic structure; and this premise has been retained down to the present.

### Legislative Actions Controlling the Money Economy

It is now the intent of this paper to trace, in parallel, the sequence of legislative and administrative actions taken with reference to the control of the money economy, with some reference to the interaction of academic thought and political action. The catalogue is by no means complete, but it may be illustrative.

The most recent American experience had been the Panic of 1907. The Panic of 1907 was not an act of God or the King's enemies, as the old phrase had run. It was not part of the cycle of dearth and plenty, described by Sir William Petty a century and a half earlier. It was of human causation, the consequence of a failure of human institutions, or of human error in operation of human institutions; and these institutions were financial.

The first effort to control the business cycle took the form of a specific attack upon its most conspicuous and violent phase, namely, the financial crisis or panic. The remedy suggested, approved, and legislated was the creation of a centralized reserve banking system. In this measure, it is true,

we were but adopting an established European mechanism; and since its establishment, there has been no recurrence of the type of monetary crisis which had been previously a regular element of the American cycle.

### The 1919-1921 Experience

The experience of 1919-21 illustrated the fact that the prevention of the financial crisis or panic phase did not eliminate the cycle; and three lessons were drawn from it by American economists: first, that monetary action by the Reserve Banks might, could, or should be taken with reference to domestic considerations, without regard to what had been in European experience, the principal guide to such action—namely, the state of the foreign exchanges; second, the apparent economic response in 1922 to the appearance of low money rates encouraged a belief in the causative power of cheap money as a force in itself; and, third, the disastrous commodity price movements which characterized that particular cycle turned attention to the control of the price level as the strategic point of the general campaign of cyclical control.

In short, this experience was construed as throwing on the formal monetary machinery—the Reserve System—the responsibility not merely for preventing financial panics, but of managing the domestic money economy with reference to the moderation if not the elimination of the cycle. The experience of the United States as well as the concurrent experiences of Europe, both set forth with an amplitude of statistical detail formerly unavailable to economists, reinforced belief of the quantity theory of money and the efficacy of the discount rate as a mechanism for the control of the quantity of money, by influencing its price. The novelty of this monetary doctrine lay in its shift of emphasis to the relation of the monetary control to the domestic economy, rather than to the position of the currency on the foreign exchanges. The experience of the years from 1921 to 1929 confirmed these views. In that time the price level was noticeably stable, and the fluctuations in the volume of production small. It is true that the Reserve System resisted perennial attempts to legislate a directive requiring it to control the level; but the belief that the cycle had been mastered by monetary technique was widely accepted both in America and abroad. The best evidence of belief is the capitalization of common stocks in that period—a capitalization valid only on the assumption that the cycle had been either eliminated or brought under practical control. This belief was perhaps even more strongly held in Europe, which, somewhat enviously, could not fail to remark that this type of monetary control could be exercised only by a country which was not constrained by the position of its currency on the foreign exchanges. Although we were on the gold standard, our monetary policy was administered independently of gold inflow and outflow; and, somewhat paradoxically, our experience impressed many foreign economists with the advantages of a currency which could be administered outside the restraints of that standard. It is in this period that the term "managed currency" or the "managed gold standard" came into use, with only a partial realization of the fact that the gold standard could be managed only by a country which was secure on the exchanges.

It must not be supposed that this policy was as clear at the time as it is in retrospect. Indeed, there was a substantial deviation from it in 1927; but the criticism

at the time—and still stronger subsequently—indicated the strength of the feeling that the primary loyalty and responsibility of the central bank lay toward the domestic economy.

Following the crash of 1929, the techniques that had seemingly been effective in 1922 were rapidly, vigorously and confidently applied. It was asserted and believed that business was fundamentally sound, and the price level impregnable. The area of excess had been the stock market, and this had been liquidated. For the economy in general, the worst that could be expected was a brief, mild recession, due to psychological shock. Open-market operations quickly retired the burdensome discounts, the rates were rapidly reduced, and the public, the academic community, and the Government alike expected the sequence of recovery and stability. The sequence was quite different.

It illustrated a defect in the dogma—in this instance, the doctrine of the marginal borrower. All credit theories at the time postulated the perpetual existence of the marginal borrower—the borrower who was excluded from the market as rates rose and admitted as rates fell. As there had been no expansion in bank loans or deposits for months preceding the crash, when rates had been high, few doubted the appearance of the marginal borrower as the stabilizing force when rates fell. The marginal borrower failed to appear and the depression ran its course, with commodity prices falling from their brief plateau nearly as far as 10 years before they had dropped from their post-war peak. As in the earlier period, the price level became the focal point of thought on the cycle and its control; and the idea of restoring the price level became the objective of monetary action.

Both England and the United States adopted similar measures, although they were represented under different terms. England depreciated the pound in terms of gold and of a number of currencies which retained a fixed gold nexus. As a sequel, the fall in sterling prices was arrested while the fall in so-called gold prices continued. Whereupon the United States, and eventually France, depreciated their currencies by revaluing gold, and thus returned sterling to something like its original exchange relation. The two sections of the Western World were so evenly balanced that each could use the other as a fulcrum. The part played by this maneuver in arresting the downward phase of prices is differently evaluated in England and in America. In England, it is regarded as a major contribution to the technique of cyclical control; in America it is usually considered as a form of economic warfare, of doubtful efficacy in domestic affairs and at best merely capable of shifting economic impacts from the domestic to some foreign quarter. It is conceivable that both appraisals are correct for their respective countries.

### Dollar Devaluation

The devaluation of the dollar did not achieve its objective of raising commodity prices, although there was wide expectation of the prospective price rise both by those who hoped for it and those who feared it. The expectation of neither was fulfilled. The objective of higher commodity prices officially remained, and the next method, while stated in somewhat novel phraseology, was more conventional. The quantity of money was to be reflatated to the pre-depression level, and under the canons of the quantity theory this would restore the *status quo ante*, both for prices and production. In this reflation process, the State was to perform the function of the marginal borrower.

The sequel gave a limited confirmation to this thesis. The quan-

tity of money was readily raised to or above the level of the '20s; there was a considerable recovery of production and some advance in prices. By early 1937, the American economy had attained what in comparison with 1932 was a considerable measure of recovery, or even prosperity, except that at its best unemployment continued at a level previously associated with the depths of cyclical depression. It appeared that while the quantity of money had been increased, its statistical average turnover remained low; or, put another way, a part of the money was alleged to have a normal velocity and a part no velocity at all. This phenomenon was described as "oversaving"—that is, money saving which was abstracted from consumption and not returned to the income stream of investment. Two explanations were forthcoming—the doctrine of the mature economy in this country, and in England the theory that economic equilibrium might be attained without the full use of resources. Oddly enough, the mature economy thesis never won much following in England, which was obviously the more mature; while the submerged equilibrium doctrine won little support here since the sequence quickly demonstrated that our economy was not in equilibrium. The general effect was to shift the emphasis of economic thought to the national income, rather than to the price level or the quantity of money.

### The 1937-1938 Collapse

The abrupt collapse in 1937-38 was met with what had now become the standard cyclical control—lower money rates and more Government borrowing, with Government no longer as the marginal borrower, but as virtually the sole borrower, either of bank credit or of savings. The recovery had been partial and hesitant when our economy was launched into an armament program which presently merged with the war boom.

The changes introduced during the war seem novel, and at the time they were introduced were considered temporary, especially in this country. A surprising proportion of them have roots running well back into the prewar period. Many of the direct controls over the economy have been removed, others will be removed; but it is a fair guess that many will be long retained and some even reinstated. Generally speaking, those that were removed pertained to physical production and distribution; those that have been retained related to the money economy. For example, WPB was disbanded, OPA was retained; rationing was abandoned, but the pattern of interest rates was retained. Federal wage fixing was introduced in the war, and has been so extended since that the term collective bargaining no longer refers to negotiations between employer and employee, but between leaders of organized labor and the White House. In short, virtually every element of the money economy is now directly allocated to the control of some agency in Washington. The interest rate, wholesale prices, retail prices, farm prices, wages in important industries, and minimum wages in general, are all areas assigned to control, although the control is of uneven effectiveness. It is now almost rare for two persons to engage in any sort of money transaction but some agency of government is an interested party.

Meanwhile, events had occurred which necessitated the abandonment of some of the earlier principles. The Federal Reserve System had been the agency of cyclical control, and its most trusted mechanism had been the discount rate. The essence of management had been the ability of the central bank to dominate the market rate of interest by its control of the

quantity of money, whether its action was dictated by the exigencies of the foreign exchange, or by the indicated requirements of the domestic economy. Under the new circumstances, resulting from war finance, the magnitude of the public debt, in the aggregate, the amount held in the banks, and the rate pattern on which its value rests, now largely determines the limits of Federal Reserve action. It can no longer use its control over rates and over the quantity of money with reference to the business cycle. Both are considered primarily (one might say, solely) with reference to the public debt. Concurrently, there has been a marked change in the supposed relation of the quantity of money to the level of prices and the volume of production. The dogma of the quantity of money as the great determinant of both has given way, in some quarters, to an almost equally emphatic denial that it is related to either. The overriding fact of the public debt has thus *de facto* altered the status of the Reserve System. It has become merely one of the many agencies in Washington charged with a fragmentary responsibility for administering a sector of the money economy. It is remarkable that the sole agency in Washington with any extended experience or tradition in the problems of the money economy has been relegated to what is hardly more than an advisory capacity. Or one could put this idea another way—that the public debt has come to dominate the old problem of the control of the money economy.

**The 40 Years Since the 1907 Panic**

Thus a train of events, set in motion by the legislation following the Panic of 1907, comes to its logical conclusion—or rather it comes to one of several conclusions which might have been logical—almost 40 years later. The Panic of 1907 made America acutely aware of the social catastrophe inherent in the fluctuations of the money economy, or rather in the money economy by reason of its instability. To protect themselves from these catastrophes they have created a succession of institutions charged with prescribed responsibilities toward the money economy. From the initial responsibility of no more than averting the panic or crisis phase of the cycle, these responsibilities have been enlarged until they embrace every aspect of the money economy, and find their most recent expression in legislation which proposes not only to eliminate the cycle and to stabilize the economy at a level market by full employment of human and material resources. Specific Government agencies armed with seemingly adequate powers are provided to stabilize the price level, the interest rate, the level of employment and the national income—which last is the ultimate statistical expression of the money economy. The control of the money economy at once centralized and fragmentary, is complete. After 40 years of marching—much of the time in a wilderness—we stand again on the banks of the Jordan.

For the economist it might seem as if he had rather reached the Pillars of Hercules. All the giants are dead, all the dragons are slain, all the problems solved and all the questions answered. But part of the quotation given earlier is relevant: "money-making for the individual, business prosperity for the nation, are artificial ends of endeavor imposed by pecuniary institutions. Beneath one lie the individual's impulsive activities—his maze of instinctive reactions. . . . Beneath the other lie the vague and conflicting ideals of social welfare that members of each generation refashion in their own images. In this dim inner world lie the ultimate motives and

meanings of action, and from it emerge the wavering standards by which men judge what is for them worthwhile."

The validity of any theory depends upon its major premise. To Adam Smith, the major premise was the capacity of the free market to perform the equilibrating adjustments required to make economic existence viable. This premise was from the first disputed by the vagaries of the money economy, as they affected the relationships of an intricately contractual society; and, in the end, the market was repudiated—or seems to be in process of rejection—by reason of the empirical fact that after 1914 it was increasingly unable to perform this function.

**The Functioning of State Control**

The major premise of contemporary monetary economics is the capacity of state control of the money system to make the equilibrating adjustments required for economic existence. It was accepted as an alternative to the incapacities of the market; it proved extremely efficacious in war finance, but its application or applicability to peace over time is untested. We know now that Adam Smith ignored or underestimated the money economy as an intruder capable of disturbing and eventually destroying the equilibrating function of the market. Control of the money economy occupies in contemporary economics the same monolithic place that the free market did to Adam Smith. Is it conceivable that somewhere in the dim inner world of ultimate motives and meanings of action there lurks the introducer that will prevent state control of the money system from performing the equilibrating function? In short, the market system of Adam Smith failed because apparently it could not bear the social responsibility that was heaped on it. The weight of social responsibility now laid on the state control of the money economy is infinitely heavier.

The past has a curious way of intruding into the present. The last economist to use Sir William Petty's phraseology of "cycles of dearth and plenty" was Malthus; and in the interval we were repeatedly told that the technology of man had proved superior to what earlier writers had devoutly if somewhat irreverently called acts of God. Our only problem was for the mind of man to overcome human shortcomings. Monetary economics promised one answer to this final problem. It is a bit mocking that its first test comes during a cycle of dearth, in which the money economy finds itself literally impotent. But it serves to remind us that there are still factors in heaven and earth which are not dreamed of in the philosophy of the money economy, and which still lie in the "maze of instinctive reactions of the individual," and "the dim inner world of social standards and motivations."

To us, as individuals and as students of economics, there are no pillars of Hercules. No American college has yet carved over its door the motto: "ne plus ultra." We are still permitted to be students seeking wisdom and pursuing it, and finding it whether in the pages of Adam Smith's "Wealth of Nations," or of Karl Marx's "Capital," or of Lord Keynes' "Treatise on Money." As prospectors say, gold is where you find it. We, as students, may adopt for our own resolution the concluding passage of the year's annual report prepared by the new Director of Research of the National Bureau—to "continue to focus attention on the large issues concerning the production, exchange, and distribution of wealth, substitute as far as possible facts for speculation, remain critical of our work, strive steadily to improve it, and cooperate with

others. If our zeal and industry remain strong, we shall not fail to render a definite service to our own generation and to the generations that come after us."

**U. S. Employees May Not Strike Under Farm Bill Rider**

A rider prohibiting the employment of members of labor unions which claim the right to strike against the Government was attached to the Agriculture Department appropriations bill before its passage by the Senate on June 1. The \$598,737,735 measure was passed by voice vote, according to special advices from Washington to the New York "Times." The rider is aimed specifically at the United Public Workers of America, a Congress of Industrial Organizations affiliate, it was stated by the provision's sponsors, Senators Russell (D-Ga.) and Ball (R-Minn.), and similar restrictions are to be attached to appropriations bills for all departments and agencies.

Although the policy of the union, formed last April and claiming a membership of 73,140, is not to engage in strikes, according to its constitution, the same instrument sets forth methods under which strikes may be conducted.

The bill will have to go to conference to adjust the difference between the House-passed appropriation and the additional \$25,000,000 voted by the Senate. According to the New York "Times" of June 2, the bill also contains authority for loans of \$383,500,000 the principal item of which is a \$250,000,000 authorization for the Rural Electrification Administration for its largest program to date.

The Senate increased from \$67,500,000 to \$82,500,000 a loan fund for rural rehabilitation, with stress on war veterans. It left unchanged a \$50,000,000 fund to aid both tenants and veterans in becoming farm owners.

The bill further authorizes the use of \$75,000,000 of customs funds for the Federal Government's share of the school lunch program, an increase of \$25,000,000 over the amount approved by the House.

The largest direct appropriation increase over the House bill was \$10,500,000 for the development of highways, roads and trails in national forests, raising the total to \$36,714,222.

An increase of \$3,000,000 over the House-approved \$779,000 was voted to the Forest Service for restoration of recreational facilities.

**Parcel Post to U. S. Zone in Reich**

Effective June 1, a limited one way parcel post service was established from the United States to the United States Zone of Occupation, Germany, except the American sector of Berlin. In announcing this on May 28 the State Department said in part:

This service is limited to ordinary (unregistered and uninsured) gift parcels not exceeding eleven pounds in weight. Only one parcel per week may be sent by or on behalf of the same sender to or for the same addressee. The contents of the parcels will be limited to such essential relief items as non-perishable foods, clothing, soap, mailable medicines and other similar items for the relief of human suffering. The inclusion of writing or printed matter is prohibited.

Each parcel must be conspicuously marked "Gift Parcel", and the sender must attach a customs declaration in which the contents and value of the parcels are properly itemized. The postage rate will be 14 cents per pound or fraction thereof.

**Moody's Common Stock Yields**

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

MOODY'S WEIGHTED AVERAGE YIELD OF 200 COMMON STOCKS

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

**From Washington Ahead of the News**

(Continued from first page)

The Nine Old Men were, as we were taught to believe, men above approach. They were men out of the tempest, men who could not have any more ambitions, men who could sit up and look at the passing parade and act judiciously, with no axe to grind.

Lawyers who make up a very important segment of our way of living, could advise other men who were trying to pursue their way of life on the question of whether they were pursuing it in the legal way or not.

The Republicans and the Democrats fought vigorously to kick each other out of office. But we never looked upon the victory over one of these bands of politicians as constituting a revolution. Our high tribunal was there to see that justice was done to all men. It was a guarantee against the excesses of the particular ruling power. There was considerable indignation in this country when Charles Evans Hughes quit as an associate justice to run for the Presidency of the United States. He subsequently came back to serve as Chief Justice and acquitted himself well, indeed, but there were more than 20 votes cast against his confirmation in the Senate, because the Senators did not like the idea of a man who had been a member of the court resigning to enter politics. The Supreme Court was very sacrosanct in those days, not that we didn't realize they were human beings but by common consent we realized that the mob which we, as a people, of course, are, had to have some final authority to which we could appeal and which we all respected.

The Great Roosevelt, among the other legacies which he left us, bequeathed a debunked and deflated Supreme Court. That may be an accomplishment of which his followers are proud. Unless they believe in mob violence, it is difficult to see just why.

The situation among the men now composing the court has been apparent to Washington observers for a long time. They are no longer men to whom anyone should have a feeling of awe, or of respect. It has long been an open secret that they were fighting among themselves, not just men disagreeing, but men who had no respect for each other. It has been a long time, too, since lawyers have been able to advise their clients as to what the highest judicial branch in the land might rule. For a long time, the observation of the more competent Washington newspapermen has been that they could not understand why a really able citizen should want to be on the Supreme Court, aside from the fact that it paid \$20,000 a year and carried retirement privileges. The Court has long since lost its dignity. A few years ago the famous Gridiron Club caricatured Justice Murphy as a man in a bathing suit, in a skit entitled "Moon Over Miami." Sometime later another justice was rebuked by a man's organization in Washington for

telling a dirty joke at its gathering.

Notwithstanding, however, how serious the situation is, it is somewhat amusing to see Justice Robert H. Jackson now blowing off the lid. This "youngish," dynamic figure has about as much to do with the present situation on the Court which proved to be his undoing as anybody we can imagine. It was a tremendous blow to him, apparently, that he was not selected as Chief Justice. We have never known why Bob Jackson—we refer to them all by their first names which is a commentary on the low repute they have attained—should have considered himself for that post. He is not an able lawyer; there is nothing judicial about his Nuremberg prosecutions, although it is quite political. But the newspapers said he was being considered, and this turned out to be the way he wrecked himself and the Court.

We shall never forget the time Roosevelt was setting about to wreck the Court. The accepted story was that Bob Jackson made the greatest presentation in favor of the wrecking plan of anybody. What Bob said was: "The court needs men of MY generation on it."

Well, the Court got men of Bob's generation on it. Look now where it is.

**Booklet on U. S. Postage Stamps 1846—1946**

Postmaster Albert Goldman announced on June 3 the issuance of a revised edition of the official booklet containing descriptions and illustrations of all United States postage stamps from the date of their introduction in 1847 to March 31, 1946, including plate numbers and quantities issued of commemorative and air mail stamps. The advices add:

The new stamp booklet is being issued to the public through the office of the Superintendent of Documents at 30 cents per copy, with paper binding, which includes the cost of delivery. All mail orders for this booklet should be addressed as follows: Superintendent of Documents, Government Printing Office, Washington 25, D. C.

**Chamber of Commerce Approves British Loan**

At its business session, held on June 6, the Chamber of Commerce of the State of New York unanimously approved the proposed loan to Great Britain by adopting a joint report from the Committees on Foreign Trade and Finance and Currency. H. Harvey Pike and John M. Schiff, Chairmen of the respective committees, said that the loan would aid American business through increased exports resulting from the easing of international trade restrictions now maintained by Britain.

Other information concerning action by the state chamber on the British Loan appeared in "Chronicle" of June 6, page 3113.

## Weighing and Interpreting Economic Trends

(Continued from first page)

over more than the span of a quarter of a century—a long enough period of time—a sufficiently protracted experience to provide the basis for valid conclusion. It embraces monetary and fiscal policy. It includes the phenomena characteristic of that order of affairs in which the dicta of the State become the substitute for the market place as the adjudicator and governor of economic affairs. It comprehends what we call social security—in all of its forms. It deals with socialized medicine. It covers the trade union movement as it developed in certain countries. There is in this body of clinic material a store of facts concerning the effects of each one of these individually and all of them collectively on costs, prices, exports, imports, foreign exchange, distribution of income, productivity and unemployment.

Here at home there is a wealth of material collected from a shorter experience, but withal long enough to be significant, covering much the same related subjects. Yet we are not disposed to examine this material—to review critically all the facts which this stretch of experience can disclose—the consequences, the compensation and the exactions which these policies have produced, before plunging headlong into them ourselves.

### Unemployment Fluctuations

Let me put the case in somewhat different terms: the unemployment series in the United States is one of the most interesting set of facts that has come to my attention. It shows a progressive tendency toward a reduction of the unemployed and a progressive tendency toward full employment throughout the entire first 30 years of this Century—excepting for short periods of cyclical distress very quickly abated and relieved. Prior to the 30's the worst period was in 1921 when unemployment rose to 11.2% of the employables. But within a span of 18 to 24 months it had completely disappeared. Thereafter with few minor deviations unemployment simply did not exist until 1930. It rose in 1931, again in '32, again in '33, to 23.4% and never thereafter did it fall not even in the boom year of '36 and early '37 to the level of 1921—until the war came with its high level of industrial activity and 10 to 14 million young men were lifted out of civilian life into the armed forces. Stated differently, suddenly without any warning whatsoever, without the slightest evidence of an impending change—contradicting with startling sharpness our entire experience and the tread of a third of a Century as though our future had been by some great cleaver dissected from our past—unemployment on a scale never before known in accurately recorded American history appeared not as a passing cyclical characteristic but as a permanent secular phenomenon in American life. Much the same experience was had in Britain except that 1922 was the year. This is a statement of fact which is, I believe, uncontestable. Why this sudden amazing break with past experience? What occurred to produce it? What happened within the orbit of monetary and fiscal policy, of labor and wage policy, of taxation, of a variety of other matters? What are the facts? What are all the facts?

### The Free Trade Policy

Let me put another question. More than a Century ago Richard Cobden, John Bright, and their apostles, under the influence of Adam Smith, became the leaders in a crusade for the reform, indeed the elimination, of the various re-

strictions on and interferences with the flow of international commerce that had so characterized that period on which Hecher has written so authoritatively. They argued persuasively and successfully that, at least, the civilized world should be organized around the free market place—and that among other consequences if it were so organized the significance of nationalism and national frontiers would be reduced and one of the principal causes of wars would be eradicated. The 19th Century, disturbed though it occasionally was by local and minor wars, was in retrospect what Justice Holmes called "A brief period of calm snatched from the tempestuous untamed streaming of the world."

That the argument of Cobden and Bright was confirmed by the high court of subsequent history Lord Keynes attests to in his "Economic Consequences of the Peace." His description of the world that was is so accurate and so elegant that I beg leave to remind you of his language:

"What an extraordinary episode in the economic progress of man that age was which came to an end in August, 1914! The greater part of the population, it is true, worked hard and lived at a low standard of comfort, yet were, to all appearances, reasonably contented with their lot. But escape was possible, for any man of capacity or character at all exceeding the average, into the middle and upper classes, for whom life offered, at a low cost, and with the least trouble, conveniences, comforts, and amenities beyond the compass of the richest and most powerful monarchs of other ages. The inhabitant of London could order by telephone, sipping his morning tea in bed, the various products of the whole earth, in such quantity as he might see fit, and reasonably expect their early delivery upon his doorstep; he could at the same moment and by the same means adventure his wealth in the natural resources and new enterprise of any quarter of the world, and share, without exertion or even trouble, in their prospective fruits and advantages; or he could decide to couple the security of his fortunes with the good faith of the townspeople of any substantial municipality in any continent that fancy or information might recommend. He could secure, forthwith, if he wished it, cheap and comfortable means of transit to any country or climate without passport or other formality, could dispatch his servant to the neighboring office of a bank for such supply of the precious metals as might seem convenient, and could then proceed abroad to foreign quarters, without knowledge of their religion, language, or customs, bearing coined wealth upon his person, and would consider himself greatly aggrieved and much surprised at the least interference. But, most important of all, he regarded this state of affairs as normal, certain, and permanent, except in the direction of further improvement, and any deviation from it as aberrant, scandalous, and avoidable. The projects and politics of militarism and imperialism, of racial and cultural rivalries, of monopolies, restrictions, and exclusion, which were to play the serpent to this paradise, were little more than the amusements of his daily newspaper, and appeared to exercise almost no influence at all on the ordinary course of social and economic life, the internationalization of which was nearly complete in practice."

"The delicate organization by which these peoples lived depended partly on factors internal to the system.

"The interference of frontiers and of tariffs was reduced to a minimum, and not far short of

three hundred millions of people lived within the three Empires of Russia, Germany, and Austria-Hungary. The various currencies, which were all maintained on a stable basis in relation to gold and to one another, facilitated the easy flow of capital and of trade to an extent the full value of which we only realize now, when we are deprived of its advantages. Over this great area there was an almost absolute security of property and of person."

Have the fundamental characteristics of society unavoidably changed so violently as to invalidate precisely the policies which, among other things, produced one of the rare periods of calm and plenty in the history of mankind? What are the facts in the case?

If I overburden the need for facts, it is not because I am indifferent to the need for interpreting them. For while it is essential to know the evidence it is equally essential to know what it means. If I press the case for facts, it is not because I am unmindful of the importance of improved technical procedures. But these are, I submit, mere instruments—the machinery of research.

If I urge the need for facts—not derived from indiscriminate inquiry and casual investigation—not disorderly and scattered observation of economic phenomena—it is because I believe with Bacon that, "Knowledge is power," with Plato that, "The true and the good are the same."

It is because from this passage from "The Testament of Beauty" I must dissent: Time eateth away at many an old delusion, yet with civilization delusions make head; the thicket of the people will take furtive fire from irresponsible catchwords of live ideas, sudden as a gorse-bush from the smoldering and of any loiterer's match-splint, which unless trodden out afore it spread, or quelled with wield threshing-rods will burn ten years of planting with all last year's ricks and blacken a countryside. 'Tis like enough that man ignorant of fire and poison should be precondemned to sudden deaths and burnings, but 'tis mightyly to the reproach of Reason that she cannot save nor guide the herd; that minds who else were fit to rule must win to power by flattery and pretence, and so by spiritual dishonesty in their flurried reign confirm the disrepute of all authority—but only in sackcloth can the Muse speak of such things.

### Two Opposing Codes of Human Behavior

Only the most obtuse person, or one absorbed in the contemplation of ephemeral abstractions in an atmosphere of a monastic seclusion can fail to observe that there are abroad in the world two wholly incompatible codes of human behavior—the one holding that the individual is and must be the fountainhead of progress—the central point in the social order—the other that the State is the master of man's destiny. The first representing the views of free men in a free society—the second symbolizes the views of those who believe that men are not capable of enjoying freedom.

The struggle between the two becomes increasingly bitter and the issue will be won or lost in time not alone because of a particular foreign policy to which we may become committed, but rather because we prove to the world that the system in which we believe, however impaired we may have made it, will produce a fuller life—morally, politically, materially than the one against which ours is now thrown in sharp conflict.

This we may the better do. In this we may the more certainly

succeed if we but have the knowledge on which to mold our behavior.

At times disappointments will dampen our enthusiasm, produce discouragements. The road is long, the load is heavy, the way is strewn with impediments. But

over long periods of time the sheer power of fact, and the weight of wise interpretation must push us on to our destination, and the light that is shed by knowledge accumulated tediously and accurately must ultimately guide us to our goal.

## The State of Trade

(Continued from page 3262)

such an extent that normal output has not been possible since early last fall.

While it is too early to judge the possible effects of a nationwide maritime strike on the steel industry, there are at the present time, substantial stocks of iron ore in the hands of steelmakers and loaded at the docks. However, if a strike of seamen were effective on the Great Lakes, shipments of coal and ore would be stifled, but a short tieup, according to this trade authority, would have little or no effect upon the supply of the industry's raw material.

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 76.1% of capacity for the week beginning June 10, compared with 55.2% one week ago, 48.9% one month ago and 90.0% one year ago. This represents an increase of 20.9 points or 37.9% from the previous week.

This week's operating rate is equivalent to 1,341,200 tons of steel ingots and castings and compares with 972,800 tons one week ago, 861,800 tons one month ago and 1,648,500 tons one year ago.

**Electrical Production**—The Edison Electric Institute reports that the output of electricity increased to 3,741,256,000 kwh. in the week ended June 1, 1946, from 3,941,865,000 kwh. in the preceding week. Output for the week ending June 1, 1946, was 11.0% below that for the corresponding weekly period one year ago.

Consolidated Edison Co. of New York reports system output of 168,100,000 kwh. in the week ended June 2, 1946, compared with 153,600,000 kwh. for the corresponding week of 1945, or an increase of 9.5%. Local distribution of electricity amounted to 162,400,000 kwh. compared with 153,000,000 kwh. for the corresponding week of last year, an increase of 6.2%.

**Railroad Freight Loading**—Car loadings of revenue freight for the week ended June 1, 1946, totaled 626,885 cars, the Association of American Railroads announced. This was an increase of 55,311 cars (or 9.7%) above the preceding week and 211,001 cars, or 25.2% below the corresponding week for 1945. Compared with the similar period of 1944, a decrease of 183,813 cars, or 22.7%, is shown.

**Railroad Earnings in April**—Class I railroads of the United States in April, 1946, had an estimated deficit, after interest and rentals, of \$21,300,000 compared with a net income of \$55,557,900 in April, 1945, according to the Association of American Railroads. Operating results in April were affected by the coal strike and the railroad wage increases.

In the first four months of 1946, estimated deficit, after interest and rentals of \$6,000,000 compared with a net income of \$196,860,976 in the corresponding period of 1945.

Class I railroads in April, 1946, had a net railway operating income before interest and rentals of \$10,127,739, compared with a net railway operating income of \$95,065,326 in April of last year. For the first 4 months of this year net railway operating income, before interest and rentals, amounted to \$118,834,374 and compared with \$344,945,307 in the same period of 1945.

In the 12 months ended April 30, 1946, the rate of return on property investment averaged 2.26% compared with a rate of return of 3.93% for the 12 months ended April 30, 1945.

Total operating revenues in the first four months of 1946 totaled \$2,432,814,881 compared with \$3,054,808,819 in the same period of 1945, or a decrease of 20.4%. Operating expenses in the first four months of 1946, amounted to \$2,076,267,783 compared with \$2,105,579,731 in the corresponding period of 1945, or a decrease of 1.4%.

Sixty-four class I railroads failed to earn interest and rentals in the first four months of 1946, of which 28 were in the Eastern District, nine in the Southern Region, and 27 in the Western District.

**Paper and Paperboard Production**—Paper production in the United States for the week ending June 1, was 96.3% of mill capacity, against 99.2% in the preceding week and 87.9% in the like 1945 week, according to the American Paper & Pulp Association. Paperboard output for the current week was 85% against 93% in the preceding week, and the corresponding week a year ago.

**Business Failures Continue Low**—Although declining slightly from the previous week, commercial and industrial failures in the week ending June 6 continued to exceed the 1945 level. Dun & Bradstreet reports that 13 concerns failed as compared with 18 last week and 12 in the corresponding week a year ago. This represents the 15th week this year that failures have been more numerous than in the comparable week of 1945.

Large failures involving liabilities of \$5,000 or more occurred three times as frequently as small failures. Numbering 10 in the week just ended, these large failures were only 1 below the 11 reported both last week and a year ago. Small failures with losses under \$5,000 fell off from 7 in the previous week to 3 this week, but, even at this low level, were higher than in the same week last year.

All except one of this week's failures were concentrated in manufacturing and retail trade. Six concerns failed in each of these lines. Compared with last week, manufacturing failures were down a little and retail failures were up slightly; compared with 1945's corresponding week, concerns failing in both these lines were more numerous.

There were no Canadian failures, as compared with 3 in the previous week and 4 in the corresponding week of 1945.

**Wholesale Food Price Index at Peak Level**—After holding steady for two weeks, the Dun & Bradstreet wholesale food price index advanced 1 cent to stand at \$4.21, equalling the 25½-year high point touched on May 14. The current figure compares with last year's \$4.08, a rise of 3.2%. Moving higher during the week were beans, peas, cheese, potatoes and lambs, while declines appeared in rye and steers. The index represents the sum total of the price per pound of 31 foods in general use.

**Wholesale Commodity Price Index**—The daily wholesale commodity price index, compiled by Dun & Bradstreet, Inc., continued its uptrend to a new peak level in the past week. The index

closed at 195.19 on June 4, which compared with 194.58 a week earlier, and with 177.30 at this time a year ago.

Sales of flour during the week were very slow and mills found it increasingly difficult to obtain wheat despite the further advance of 7 1/2 cents per bushel in subsidies paid on wheat ground into flour. Production showed a steady decline but mills received some encouragement by a late Department of Agriculture announcement that it will lend wheat for furnishing domestic flour needs, to be replaced from this year's crop in time to meet future export requirements. Grain markets on the Chicago Board of Trade were very quiet, with trading in futures confined largely to oats. The movement of new wheat continued to grow and visible supplies increased almost 6,000,000 bushels in the past week. Corn planting was reported about finished in most sections with germination said to be good. Government buying continued to hinder any accumulation of lard and pork fat. Market receipts of hogs remained comparatively light with average weights running considerably less than a year ago.

Cotton markets maintained a firm undertone and values again rose despite uncertainties as to the final outcome of pending price control legislation in Washington. Trading volume was moderate with a tendency to broaden toward the close of the week. Underlying factors in the continued uptrend were the settlement of the railroad and bituminous coal strikes, the unexpected sharp advance in the mid-May parity price, and an improvement in the outlook for export trade. Crop progress was still unfavorable as frequent rains and cool nights hindered growth and caused fields to become grassy. Announcement of a 38-point rise brought the May 15 parity price to 22.82c. This was sharply up over the 21.45 recorded a year ago and represented the highest level since the 25.42 average for the calendar year 1920. Demand for carded gray cotton goods was noted but little selling activity occurred during the holiday week except for some spot releases of staple print cloths.

Trading in the Boston wool market continued slow in the past holiday week, although there was a better tone in evidence as a result of the settlement of the rail and coal strikes. Scarcity of wanted types of foreign wools created a demand for fine half-blood territories and bright fleeces wools. Mills were in the market for small lots of foreign and domestic wools to cover their immediate needs. Arrivals of foreign apparel wools at the three leading Eastern seaports fell to 5,695,100 pounds during the week ending May 24, as against 8,636,400 in the preceding week. Commercial stocks of apparel wools as of March 30 were estimated to total 422,000,000 pounds, the largest amount ever reported on that date. Manufacturing of worsted fabrics appeared to be steadily increasing and some women's wear fabrics were said to be backing up at the mills.

**Wholesale and Retail Trade**—Despite the closing of many stores over the holiday and inclement weather in many sections of the country, retail volume last week exceeded levels of the same week a year ago, according to Dun & Bradstreet, Inc., in its weekly review of trade. Early buying for Father's Day and heavy purchasing of wedding and graduation gifts were insufficient to raise volume the past week above that of the previous week. Demand for staple items increased, though the supply of some items had not eased enough to affect sales volume during the week.

Although dollar volume of retail food sales fell slightly below

that of the preceding week, it was about 15% above that of the same period a year ago. Reduced milling operations and increased buying pressure resulted in widespread bread shortages, but overall bakery volume was not appreciably changed. The supply of meat, butter, and other dairy products continued extremely limited. Stocks and sales volume of fresh fruits and vegetables generally were high.

Men's suits and haberdashery were bought in large volume last week with demand for summer suits already present. Straw hats and sporting clothes for men were in heavy demand and many small items sold as Father's Day gifts. Promotions of all types of men's and women's summer attire were well under way. Camping and beach equipment, evening gowns, and cotton dresses sold well. Shoe stocks were low in many sections of the country, but volume remained above a year ago.

A slight easing in the quantity of radios, washers, refrigerators, and automobile supplies in the retail stores did not raise sales volume appreciably. Furniture, especially the garden and porch variety, continued in brisk demand and stocks improved somewhat. Camping equipment and home outdoor cooking items sold in increasingly large volume. Demand was high for housewares and home appliances, with improved quality in many housewares noted.

Retail volume for the country was estimated to be from 20 to 24% above that of the corresponding week a year ago. Regional percentage increases were: New England 13 to 17, East 26 to 30, Middle West and Pacific Coast 17 to 21, Northwest 23 to 28, South 18 to 22, and Southwest 14 to 18.

As Memorial Day celebrations shortened the business week, total wholesale volume this week dropped slightly below that of last week but was moderately above the post-holiday period of a year ago. A large number of buyers attended the Fall apparel line openings, reporting allotments in many cases below those of last year. There were acute shortages in the supply of some food items.

Department store sales on a country wide basis, as taken from the Federal Reserve Board's index for the week ended June 1, 1946, increased by 31% above the same period of last year. This compared with an increase of 34% in the preceding week. For the four weeks ended June 1, 1946, sales increased by 36% and for the year to date by 26%.

Retail trade in New York last week increased perceptibly over that of a year ago. The particularly heavy rise in retail advertising to more than 1,500,000 lines, or a gain of 41%, served as a worthy barometer of retail trade at this time. A record number of out-of-town buyers arrived here the past week reflecting confidence in the prospects of good fall trade by taking all allotments given by manufacturers in the face of continued tight textile conditions. Emphasis on quality standards, with pronounced interest in better grade merchandise was noted in the week.

According to the Federal Reserve Bank's index, department store sales in New York City for the weekly period to June 1, 1946, increased 33% above the same period last year. This compared with an increase of 38% (revised figure) in the preceding week. For the four weeks ended June 1, 1946, sales rose by 43% and for the year to date by 32%.

## Moody's Bond Prices and Bond Yield Averages

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

1946— Daily Averages	U. S. Govt. Bonds	Avg. Corpo- rate*	Corporate by Ratings*				Corporate by Groups*		
			Aaa	Aa	A	Baa	R. R.	P. U.	Indus
June 11	124.02	118.80	123.13	121.46	118.40	112.56	116.02	119.20	121.25
10	124.02	118.80	123.13	121.46	118.40	112.56	116.02	119.00	121.25
8	Stock Exchange Closed								
7	124.02	118.80	123.13	121.25	118.40	112.56	116.02	119.00	121.25
6	124.02	118.80	123.13	121.25	118.40	112.56	116.02	119.00	121.04
5	124.02	118.80	123.13	121.25	118.20	112.56	116.02	119.00	121.04
4	124.02	118.80	123.13	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
24	123.99	118.80	123.13	121.46	118.40	112.56	116.22	119.00	121.04
17	124.14	118.60	122.71	121.46	118.20	112.56	116.20	119.00	121.04
10	123.83	118.80	122.92	121.46	118.60	112.75	116.41	119.20	121.04
3	124.49	119.00	122.92	121.67	118.60	113.12	116.61	119.41	121.04
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
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 11, 1945	122.93	115.63	120.84	119.00	115.63	107.62	112.56	115.24	119.41
2 Years Ago									
June 10, 1944	119.88	112.19	118.60	116.61	111.81	102.46	105.69	113.70	117.20

1946— Daily Averages	U. S. Govt. Bonds	Avg. Corpo- rate*	Corporate by Ratings*				Corporate by Groups*		
			Aaa	Aa	A	Baa	R. R.	P. U.	Indus
June 11	1.47	2.71	2.50	2.58	2.73	3.03	2.85	2.69	2.59
10	1.47	2.71	2.50	2.58	2.73	3.03	2.85	2.70	2.59
8	Stock Exchange Closed								
7	1.47	2.71	2.50	2.59	2.73	3.03	2.85	2.70	2.59
6	1.47	2.71	2.50	2.59	2.73	3.03	2.85	2.70	2.60
5	1.47	2.72	2.50	2.59	2.74	3.03	2.85	2.70	2.60
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
24	1.48	2.71	2.50	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	2.85	2.70	2.60
10	1.49	2.71	2.51	2.58	2.72	3.02	2.85	2.69	2.60
3	1.44	2.70	2.51	2.57	2.72	3.00	2.82	2.68	2.60
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	2.45	2.56	2.69	2.96	2.79	2.64	2.57
12	1.35	2.65	2.48	2.54	2.67	2.94	2.77	2.64	2.56
5	1.34	2.65	2.48	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
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 11, 1945	1.60	2.87	2.61	2.70	2.87	3.30	3.03	2.89	2.68
2 Years Ago									
June 10, 1944	1.82	3.05	2.72	2.82	3.07	3.60	3.41	2.97	2.79

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

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

## Electric Output for Week Ended June 8, 1946

### 9.4% 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 8, 1946, was 3,920,444,000 kwh., which compares with 4,327,028,000 kwh. in the corresponding week a year ago, and 3,741,256,000 kwh. in the week ended June 1, 1946. The output for the week ended June 8, 1946, was 9.4% below that of the same week in 1945.

Major Geographical Divisions—	Week Ended—			
	June 8	June 1	May 25	May 18
New England	0.3	3.3	1.5	1.6
Middle Atlantic	4.4	5.0	5.2	3.7
Central Industrial	12.5	15.1	12.0	14.4
West Central	4.0	9.4	2.0	3.6
Southern States	14.1	15.1	12.1	13.4
Rocky Mountain	0.5	12.9	8.3	2.5
Pacific Coast	7.5	10.4	9.7	8.7
Total United States	9.4	11.0	9.0	10.0
% Increase				

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	3,992,283	4,329,478	-7.8	4,408,703	1,465,076	1,633,291
April 6	3,987,673	4,321,794	-7.7	4,361,094	1,480,738	1,696,543
April 13	4,014,652	4,332,400	-7.3	4,307,498	1,469,810	1,709,331
April 20	3,987,145	4,411,325	-9.6	4,344,188	1,454,505	1,699,822
April 27	3,976,750	4,415,889	-9.9	4,336,247	1,429,032	1,688,434
May 4	4,011,670	4,397,330	-8.8	4,233,756	1,436,928	1,698,942
May 11	3,910,760	4,302,381	-9.1	4,238,375	1,435,731	1,704,426
May 18	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	4,144,400	1,435,471	1,689,925
June 8	3,920,444	4,327,028	-9.4	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

## Civil Engineering Construction Totals, \$182,168,000 for Week, Highest Since Nov., '42

Civil engineering construction volume in continental United States totals \$182,168,000 for the week ending June 6, 1946 as reported to "Engineering News-Record." This is the highest since the Nov. 12, 1942 weekly volume which reached \$304,000,000. This volume is 154% above the previous week, 324% above the corresponding week of last year and 61% above the previous four-week moving average. The report issued on June 6 continued as follows:

Private construction this week, \$119,838,000, highest since March 30, 1930, is 307% above last week and 796% above the week last year. Public construction, \$62,330,000, is 47% above last week and 111% greater than the week last year. State and municipal construction, \$53,590,000, 45% above last week, is 489% above the 1945 week. Federal construction, \$8,740,000, is 61% above last week and 57% below the week last year.

Total engineering construction for the 23-week period of 1946 records a cumulative total of \$2,258,885,000, which is 210% above the total for a like period of 1945. On a cumulative basis, private construction in 1946 totals \$1,449,388,000, which is 609% above that for 1945. Public construction, \$809,497,000, is 54% greater than the cumulative total for the corresponding period of 1945, whereas state and municipal construction, \$551,987,000, to date, is 428% above 1945. Federal construction, \$257,510,000 dropped 39% below the 23-week total of 1945.

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

	6-6-1946 (five days)	5-30-1946 (four days)	6-7-1945 (five days)
Total U. S. Construction	\$182,168,000	\$71,855,000	\$42,985,000
Private Construction	119,838,000	29,412,000	13,379,000
Public Construction	62,330,000	42,443,000	29,606,000
State and Municipal	53,590,000	37,028,000	9,095,000
Federal	8,740,000	5,415,000	20,511,000

In the classified construction groups, waterworks, sewerage, highways, earthwork and drainage, public buildings, commercial buildings and industrial buildings and unclassified construction 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 \$18,580,000, and is made up of state and municipal bond sales. New capital for the 23-week period of 1946 totals \$613,059,000, 19% greater than the \$514,836,000, reported for the corresponding period of 1945.

## National Fertilizer Association Further Rise in Commodity Price Index

The wholesale commodity price index compiled by The National Fertilizer Association and made public on June 10 advanced to a new high level in the week ended June 8, 1946, when it reached 148.5 from 148.0 in the preceding week. Since March 2 when the upward trend began, this index has advanced in the 12 of the 14 weeks and it has risen 4.7% during this period. A month ago the index stood at 145.3 and a year ago at 141.6, all based on the 1935-1939 average as 100. The Association's report continued as follows:

The sharp advance in the metals index was primarily responsible for the rise in the general index during the latest week. This rise, which took the metals index to a new high peak, was due to higher quotations for finished steel, copper and lead. The foods index also advanced to a new high peak with higher prices for cheese and potatoes. The textiles index showed a further rise reaching a new high level. The farm products group declined fractionally. The cotton subgroup advanced sharply to a new peak but this rise was more than offset by the decline in the grains subgroup due to the sharp break in rye prices, and the decline in the livestock subgroup because of lower quotations for live poultry. Rye prices declined because of the OPA ceiling which became effective June 1. The remaining groups of the index were unchanged.

During the week eight price series in the index advanced and three declined; in the preceding week 10 advanced and two declined; in the second preceding week 11 advanced and two declined.

### WEEKLY WHOLESALE COMMODITY PRICE INDEX

Compiled by The National Fertilizer Association  
1935-1939=100\*

Each Group Bears to the Total Index	Group	Latest Preceding		Month Ago	Year Ago
		Week	Week		
		Jun. 8, 1946	Jun. 1, 1946	May 11, 1946	Jun. 9, 1945
25.3	Foods	147.4	146.8	144.5	143.9
	Fats and Oils	147.4	147.4	147.4	145.2
	Cottonseed Oil	163.1	163.1	163.1	163.1
23.0	Farm Products	179.3	179.4	175.7	167.2
	Cotton	267.8	264.7	261.7	216.2
	Grains	190.3	192.1	174.1	164.7
	Livestock	162.4	162.9	162.9	160.2
17.3	Fuels	131.4	131.4	130.8	132.0
10.2	Miscellaneous commodities	138.6	138.6	134.5	133.7
8.8	Textiles	168.4	167.1	166.7	157.3
7.1	Metals	122.2	117.9	117.9	108.9
6.1	Building materials	167.8	167.8	167.8	155.4
1.3	Chemicals and drugs	127.5	127.5	127.5	125.9
3.0	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	148.5	148.0	145.8	141.6

\*Indexes on 1926-1928 base were: June 8, 1946, 115.7; June 1, 1946, 115.3; and June 9, 1945, 110.3.

## Weekly Coal and Coke Production Statistics

Production of both bituminous and anthracite coal was below normal during the week ending June 1, owing to strikes and the observance of the Memorial Day holiday, Oscar L. Chapman, Acting Solid Fuels Administrator, announced on June 9.

During the week ended June 1, the first full week of Government possession of bituminous coal mines, the output was estimated at 3,700,000 tons, compared with 7,950,000 tons in the preceding week which ended the truce in the soft coal strike. By June 4, however, production had reached about 98% normal. In the comparable week

of 1945, ended June 2, the soft coal output was 11,132,000 tons. During the calendar year through June 1, approximately 185,490,000 tons of soft coal were mined, a decrease of 25.9% below the 250,330,000 tons mined in the comparable portion of 1945.

The output of Pennsylvania anthracite during the week ended June 1 was estimated at 749,000 tons, compared with 1,014,000 tons in the preceding week, and with an output of 1,105,000 tons produced in the comparable week of 1945, ended June 2. The hard coal miners did not return to work after Memorial Day, causing two days' lost production before the anthracite strike began. In the current calendar year through June 1, cumulative output of anthracite was estimated at \$25,827,000 tons, an increase of 20.4% above the 21,451,000 tons mined in the comparable portion of 1945. In 1945 the hard coal miners were out on strike from May 1 to May 20.

The estimated production of beehive coke in the United States for the week ended June 1, 1946, showed a decrease of 1,600 tons when compared with the output for the week ended May 25; and was 117,400 tons less than for the corresponding week of 1945.

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

	Week Ended			Jan. 1 to Date	
	June 1, 1946	May 25, 1946	June 2, 1945	June 1, 1946	June 2, 1945
Bituminous coal & lignite	3,700,000	7,950,000	11,132,000	185,490,000	250,330,000
Total, including mine fuel	7,740,000	1,325,000	2,024,000	1,448,000	1,921,000

\*Subject to current adjustment. †Average based on five working days.

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

	Week Ended			Calendar Year to Date		
	June 1, 1946	May 25, 1946	June 2, 1945	June 1, 1946	June 2, 1945	June 5, 1937
Penn. Anthracite	749,000	1,014,000	1,105,000	25,827,000	21,451,000	24,810,000
Total incl. coll. fuel	719,000	973,000	1,061,000	24,793,000	20,593,000	23,570,000
Beehive coke	9,000	10,600	126,400	1,258,100	2,503,600	1,606,400

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

## Steel Operations Recover More Lost Ground—Scrap Shortage Critical—Mills Sold for 1946

Surpassing even the most optimistic predictions made for steel recovery, the industry this week has raised its ingot rate 20.5 points to 77.5% of rated capacity. Thus from a low of 44.5% during the last week of the coal strike, the raw steel rate has climbed 33 points in two weeks. Indications are that unless scrap shortages interfere, the rate next week may bound beyond 85% of capacity, according to "The Iron Age," national metal-

working paper, which further states in its issue of today (June 13), in part as follows:

"The one factor which could seriously retard the unprecedented recovery in steelmaking is the critical scrap shortage at the larger midwestern and eastern steel producing centers which has already held the brakes on higher production during the recovery period.

"Had ample scrap supplies been available, steel producers would not have been forced to place such complete dependency on the resumption of blast furnace operation and could have raised their ingot output to a point this week which might have seen the industry back to pre-coal-strike activity.

"The question of increasing scrap price ceilings is coming to a head, but the scrap trade and industry consumers are divided as to whether an increased price would bring in more material. Some steel producers are not opposing the plea for a moderate scrap price rise and others would be willing to pay more for scrap without recourse to an increase in steel prices, provided additional scrap supplies could be obtained.

More serious, and reflecting a condition which occurred frequently during the war, is the result of intensive scouting efforts which thus far have revealed little scrap to be purchased at any price. While entreaties have been made for more and more scrap collections, the memory of past scrap drives leaves doubt in some minds as to the ultimate gain in the total supply of material to be obtained.

"The OPA this week has taken the long-delayed price action on alloy steels, nails and bale ties. Alloy steels were advanced 4% on Mar. 1, but the latest order wipes out this increase and replaces it with 8.2% advance. Customers who have received shipments of alloy steels at the old prices will be billed for the difference retroactive to Feb. 15.

"The increase in nails, the government hopes, will spur production of houses. Although it amounted to \$10 a ton it was at least \$5 less than the industry had insisted would be required to bring enough nail capacity back

promises right now, and there remains a tremendous backlog of tonnage which has been accepted but on which no delivery promises have yet been made. Most of the third quarter—which is still about two weeks away—will be devoted to catching up on current arrears. It is probable that no new steel orders can be accepted until sometime in 1947, with part of the present accepted order backlog being pushed off into the opening months of next year.

"With third quarter only about a fortnight away producers generally have not opened books for next year and one mill which had booked stainless steel orders for shipment through most of first half next year has canceled all these commitments, in view of the confused outlook. Heavy carry-overs into next year are inevitable and this causes sellers generally to hold back opening of books for next year. Significant development is subsidizing by the government of a substantial sheet bar tonnage purchase for the five non-integrated sheetmakers. This is the first time in history the government has subsidized a steel purchase.

"A further complication is threatened in the maritime strike June 15, as stoppage of export movement and possible rail embargoes against shipments to tide-water would have an adverse effect on schedules. By-product coke manufacturers along the Atlantic coast depend largely on coal shipments by coastal vessels and should this traffic be stopped coke production would be disrupted in that area. Fuel oil supply also might be affected by interference with coastal shipping.

"Pressure for tonnage is not quite as strong as earlier in the year, though far in excess of supply, and this is expected to continue for weeks.

"April pig iron production, beset by strikes in the industry, totaled 3,613,560 net tons, compared with 4,423,916 tons in March. Sufficient proof of the great shortage of iron for steelmaking and for foundry use is found in the fact that in four months this year pig iron output totaled only 11,829,592 tons, compared with 19,521,211 tons in the corresponding period in 1945.

"Movement of Lake Superior iron ore is far below that of recent years, total shipments to June 1 being only 4,346,017 gross tons, compared with 18,403,277 tons to the same date last year. This is a loss of 14,057,260 tons, or 76.38%. May shipments were 3,616,115 tons, compared with 11,121,203 tons in May, 1945. With the coal strike settled and fuel available for Great Lakes ships the ore movement is expected to increase rapidly during the remainder of the season."

## Approval for Wool Price Support Measure

A special wool committee of the Senate has approved a measure introduced by Senator O'Mahoney (D.-Wyom.) which would provide a plan to support the price of wool under which, beginning with the 1947 crop, would hold it until two years after the end of the war at 90% of the average price during the period from August 1934 to July 1939. The proposed act, Associated Press advices from Washington on May 30 state, would also guarantee that until the end of 1950 the price would be held up to between 50 and 75% of the 1934-39 average and would not be reduced below the 1946 price. Loans, support payments or other means, said the Associated Press, could be used to achieve the aims of the bill and to establish comparable prices for lambs. The Agricultural Department also would be authorized to expand wool research and demonstration programs.

## Daily Average Crude Oil Production for Week Ended June 1, 1946, Decreased 3,200 Bbls.

The American Petroleum Institute estimates that the daily average gross crude oil production for the week ended June 1, 1946, was 4,755,900 barrels, or 3,200 barrels per day less than the output for the preceding week and 102,815 barrels per day below that for the corresponding week of 1945. The current figure, however, was 129,900 barrels in excess of 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. Daily production for the four weeks ended June 1, 1946, averaged 4,750,200 barrels. The Institute further reports as follows:

Reports received from refining companies indicate that the industry as a whole ran to stills on a Bureau of Mines basis approximately 4,843,000 barrels of crude oil daily and produced 14,293,000 barrels of gasoline; 2,111,000 barrels of kerosine, 5,070,000 barrels of distillate fuel, and 8,881,000 barrels of residual fuel oil during the week ended June 1, 1946; and had in storage at the end of that week 95,247,000 barrels of finished and unfinished gasoline; 12,509,000 barrels of kerosine; 33,040,000 barrels of distillate fuel, and 44,408,000 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 June 1, 1946	Change from Previous Week	4 Weeks Ended June 1, 1946	Week Ended June 2, 1945
**New York-Penna.	47,200		51,650	+ 2,450	50,400	46,900
Florida			250		250	15
**West Virginia	8,400		7,850	+ 50	7,800	7,250
**Ohio-Southeast	7,300		5,950	+ 400	5,550	5,450
Ohio-Other			2,750	+ 200	2,700	2,650
Indiana	16,400		19,800	+ 800	19,450	11,350
Illinois	204,000		211,000	+ 1,950	209,700	201,900
Kentucky	30,000		30,500	— 200	30,700	28,300
Michigan	46,000		45,550	— 2,500	46,800	46,850
Nebraska	800		1,750		750	900
Kansas	252,000	250,000	1254,500	— 15,650	257,350	258,800
Oklahoma	370,000	370,000	1378,750	+ 6,100	374,500	385,900

	6-1 1946	5-25 1946	5-18 1946	5-4 1946	6-2 1945	5-25 1945	5-4 1945	6-2 1945
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		
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North Louisiana			80,100	+ 250	79,300	70,250		
Coastal Louisiana			291,450		291,450	299,800		

Total Louisiana	380,000	372,000	371,550	+ 250	370,750	370,050		
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Arkansas	79,000	77,387	73,400	+ 500	72,800	79,900		
Mississippi	53,000	64,750	64,750	+ 1,650	62,550	51,850		
Alabama	900	1,200	1,200	+ 50	1,100	500		
New Mexico—So. East	99,000	106,000	95,300		95,300	103,500		
New Mexico—Other			400	— 100	450	400		
Wyoming	97,000	114,400	114,400	— 1,300	114,000	107,000		
Montana	22,000	19,350	19,350		19,350	20,300		
Colorado	23,000	30,750	30,750	+ 1,650	29,600	11,000		
California	840,000	835,000	860,700	+ 500	863,050	939,800		

Total United States	4,626,000	4,755,900	4,755,900	— 3,200	4,750,200	4,858,715		
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\*\*Pennsylvania Grade included above..... 65,450 + 2,900 63,750 61,600

\*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 29, 1946.

‡This is the net basis 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 STILL: PRODUCTION OF GASOLINE; STOCKS OF FINISHED AND UNFINISHED GASOLINE, KEROSENE, GAS OIL AND DISTILLATE FUEL AND RESIDUAL OIL, WEEK ENDED JUNE 1, 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 Crude Runs			Production of Gasoline			Stocks of Gasoline			Stocks of Kerosine			Stocks of Gas Oil & Dist. Fuel			Stocks of Residual Oil		
	Capac.	Daily % Op.	Reported Av. erated	Prod'n at Ref.	Unfin. Gasoline	Inc. Nat. Blended	Stks. Gasoline	Stks. Kerosine	Stks. Gas Oil & Dist. Fuel	Stks. Residual Oil	Stks. Gasoline	Stks. Kerosine	Stks. Gas Oil & Dist. Fuel	Stks. Residual Oil	Stks. Gasoline	Stks. Kerosine	Stks. Gas Oil & Dist. Fuel	Stks. Residual Oil
East Coast	99.5	771	91.9	1,948	22,922	5,178	9,920	8,052										
Appalachian																		
District No. 1	76.3	99	65.2	260	2,552	235	445	204										
District No. 2	84.7	60	96.8	176	1,067	65	124	176										
Ind., Ill., Ky.	87.4	786	90.3	2,741	19,838	1,715	4,508	3,467										
Okla., Kan., Mo.	78.3	379	80.8	1,269	8,353	693	1,869	1,248										
Inland Texas	59.8	234	70.9	888	3,023	346	319	705										
Texas Gulf Coast	89.2	1,165	95.0	3,183	14,249	2,118	5,205	5,135										
Louisiana Gulf Coast	97.4	350	109.0	1,020	3,870	1,107	1,676	1,332										
No. La. & Arkansas	55.9	58	46.0	147	1,698	249	490	225										
Rocky Mountain																		
District No. 3	19.0	10	76.9	36	90	10	38	35										
District No. 4	70.9	125	75.8	405	2,217	122	404	802										
California	85.5	806	81.1	2,220	15,363	671	8,042	23,027										

Total U. S. B. of M. basis June 1, 1946	85.8	4,843	87.1	14,293	95,247	12,509	33,040	44,408
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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
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U. S. B. of M. basis June 2, 1945	4,862			15,291	188,275	8,574	29,608	39,456
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\*Includes unfinished gasoline stocks of 8,145,000 barrels. †Includes unfinished gasoline stocks of 11,109,000 barrels. ‡Stocks at refineries, at bulk terminals, in transit and in pipe lines. §Not including 2,111,000 barrels of kerosine, 5,070,000 barrels of gas oil and distillate fuel oil and 8,881,000 barrels of residual fuel oil produced during the week ended June 1, 1946, which compares with 2,041,000 barrels, 5,463,000 barrels and 8,908,000 barrels, respectively, in the preceding week and 1,411,000 barrels, 5,007,000 barrels and 9,421,000 barrels, respectively, in the week ended June 2, 1945.

## Labor Dep't Reports Wholesale Prices Up For Week Ended June 1

"Reversing the decline of the previous week, primary market prices advanced 0.4% during the week ended June 1, 1946," it was announced by the Bureau of Labor Statistics, U. S. Department of Labor, which further said: "Price increases for agricultural commodities, reflecting the railroad strike of the previous weekend, were chiefly responsible for the increase. The wholesale commodity price index prepared by the Bureau rose to 111.1% of the 1926 average, 1.1% above a month earlier and 5.3% above the end of the war," according to the Bureau's report, which continued:

"Farm Products and Foods—Short supplies of many commodities in terminal markets, caused by the railroad strike of the previous weekend, were primarily responsible for an advance of 1.2% in market prices of farm products during the week ended June 1. Higher prices were reported for white potatoes, sweet potatoes, and onions. Quotations for oranges advanced following the second recent adjustment in ceilings. Prices for live poultry and sheep also were higher. Cotton quotations rose substantially in a strong market. Continued heavy stocks were responsible for further declines in egg prices. Prices of farm products, as a group, were 2.4% above early May 1946 and 6.1% above the corresponding week of last year.

"The advance of 0.7% in the group index for foods was caused primarily by higher prices for fresh fruits and vegetables. In addition, quotations for corn meal were sharply higher following ceiling revisions. The food price index was 1.0% above a month earlier and 4.0% above early June 1945.

"Other Commodities—Average prices for all commodities other than farm products and foods moved up 0.2% during the week to a level 4.5% above a year ago. Building materials as a group rose 0.5% following ceiling adjustments for concrete blocks, mill work and cast iron soil pipe. Quotations for window shades advanced following earlier ceiling adjustments, and prices for office furniture rose fractionally with ceiling adjustments allowed individual manufacturers. Cattle feed quotations continued to advance as additional producers sold feed at higher ceiling levels recently allowed.

The following tables show (1) indexes for the past three weeks, for May 4, 1946, and June 2, 1945, and (2) percentage changes in subgroup indexes from May 25, 1946, to June 1, 1946.

CHANGES IN WHOLESALE PRICES BY COMMODITY GROUPS FOR WEEK ENDED JUNE 1, 1946 (1926=100)

Commodity group—	Percentage changes to May 25, 1946, from—			
	6-1 1946	5-25 1946	5-18 1946	5-4 1946
All commodities	111.1	110.7	110.9	109.9
Farm products	138.8	137.2	137.9	135.6
Food and leather products	111.8	111.0	111.5	110.7
Textile products	120.9	120.9	120.9	120.3
Fuel and lighting materials	108.2	108.2	108.2	106.7
Metal and metal products	86.7	87.1	87.0	87.0
Building materials	109.5	109.4	109.3	109.1
Chemicals and allied products	127.8	127.2	126.9	126.6
Household furnishings goods	95.6	96.4	96.3	96.1
Miscellaneous commodities	110.0	109.9	109.4	108.7
Semi-manufactured articles	97.8	96.6	96.3	96.2
Finished products	125.1	124.2	124.6	123.1
All commodities other than farm products	101.7	101.7	101.5	95.3
All commodities other than farm products and foods	106.5	106.2	106.1	105.5
All commodities other than farm products and foods	105.1	104.9	104.8	104.3
All commodities other than farm products and foods	104.3	104.1	104.0	103.6

PERCENTAGE CHANGES IN SUBGROUP INDEXES FROM MAY 25, 1946 TO JUNE 1, 1946

Commodity group—	Increases		Decreases	
	6-1 1946	5-25 1946	5-18 1946	5-4 1946
Cattle feed	16.7			
Fruits and vegetables	4.3			
Other farm products	2.1			
Other building materials	1.7			
Livestock and poultry		0.1		
Other foods		0.1		

The Labor Department included the following notation in its report: NOTE—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.

## May Civil Engineering Construction Totals \$560,244,000

Civil engineering construction volume in continental United States totals \$560,244,000 for May, an average of \$112,049,000 for each of the five weeks of the month. This average is 16% below the average for the four weeks of April, and is 240% above the average of the five weeks of May, 1945 according to "Engineering News-Record." The report issued on June 6 added in part:

Private construction for May on a weekly average basis is 25% below last month, but 878% greater than May, 1945. Public construction is 1% below last month and 78% above last May. State and municipal construction, while 1% above last month, is 357% above the average for May, 1945. Federal construction, down 5% from last month, is down 22% below May, 1945.

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

	May, 1946 (five weeks)	April, 1946 (four weeks)	May, 1945 (five weeks)
Total U. S. Construction	\$560,244,000	\$536,190,000	\$164,955,000
Private Construction	327,600,000	348,560,000	33,498,000
Public Construction	232,644,000	187,630,000	131,457,000
State & Municipal	157,154,000	124,275,000	34,399,000
Federal	75,490,000	63,355,000	97,058,000

### New Capital

New capital for construction purposes for the five weeks of May, 1946 totals \$154,520,000, or a weekly average of \$30,904,000, 49% above the April average and 161% above the average for May, 1945.

## FHA Acquired Little Mtge. Properties in 12 Years

In nearly 12 years of Title II operations, during which 1,444,440 home and housing project mortgages have been insured by the Federal Housing Administration only 4,083 mortgaged properties and one mortgage note have been acquired by the FHA from lending institutions in exchange for Government-guaranteed debentures, Commissioner Raymond M. Foley has announced. On March 31, 1946, Mr. Foley said, the FHA did not have a single property acquired under Title II in its possession. All of the 4,066 individual houses and 17 large-scale projects had been sold and the acquired mortgage note had been disposed of, with a net charge against the protecting insurance funds of \$2,473,545.

The majority of the properties according to the FHA were sold at a slight loss either to the FHA or to the lending institution, but in some instances the sale price was sufficient to cover all costs and to make possible a refund to the original owner-mortgagor who had lost his property. "This is the only system I have heard of where it is possible for the mortgagor to get anything back after foreclosure," Mr. Foley said. "It is added that only 22 small home mortgages insured under Title II were so seriously in default on March 31, 1946, as to threaten foreclosure."

Under the war housing insurance program of Title VI, Mr. Foley said, the picture as of March 31, 1946, was a little different. Of the 341,564 one-to-four-family properties built and financed under Title IV (before its restoration), 5,413 had been acquired by the FHA from the lending institutions, of which 1,944 had been sold with an estimated charge against the War Housing Insurance Fund of \$537,595. The balance of 3,472 remained in the hands of the FHA.

## War & Navy Heads Present Merger Conference Report

The Secretaries of War and the Navy presented to President Truman on May 31 their report on the result of conferences between their Departments directed by the President to straighten out differences existing which had created a deadlock in efforts to pass legislation for a merger of the armed services. It is anticipated that the report will enable Mr. Truman to submit new proposals on a plan of coordination to Congress in the near future. According to advices from Washington to the United Press, most of the basic elements of dispute had been ironed out by the two Department heads, but the following widely divergent views on the following major points made agreement impossible, said the United Press:

1. Creation of a single Cabinet post of Secretary of Common Defense.
2. A single Chief of Staff over all the armed forces.
3. The future of land-based naval aviation.
4. Status of the Marine Corps.

Mr. Truman, in an attempt to solve the long controversy over unification, had told Secretaries Patterson and Forrestal to try and work out their differences and report back to him by today.

Members of Congress who have been following the controversy expect Mr. Truman to transmit to Congress within a few days a new merger plan incorporating the Army-Navy agreements and his own proposals on deadlocked issues.

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### Trading on New York Exchanges

The Securities and Exchange Commission made public on June 5, 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 18, 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 18 (in round-lot transactions) totaled 2,092,340 shares, which amount was 15.36% of the total transactions on the Exchange of 6,811,400 shares. This compares with member trading during the week ended May 11 of 2,770,669 shares or 17.43% of the total trading of 7,946,630 shares.

On the New York Curb Exchange, member trading during the week ended May 18 amounted to 715,340 shares, or 15.28% of the total volume on that exchange of 2,341,035 shares. During the week ended May 11, trading for the account of Curb members of 711,325 shares was 14.09% of the total trading of 2,524,205 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 18, 1946		Total for Week	%
<b>A. Total Round-Lot Sales:</b>			
Short sales		207,390	
Other sales		6,604,010	
<b>Total sales</b>		<b>6,811,400</b>	
<b>B. Round-Lot Transactions for Account of Members, Except for the Odd-Lot Accounts of Odd-Lot Dealers and Specialists:</b>			
<b>1. Transactions of specialists in stocks in which they are registered—</b>			
Total purchases		654,520	
Short sales		132,740	
Other sales		487,040	
<b>Total sales</b>		<b>619,780</b>	<b>9.35</b>
<b>2. Other transactions initiated on the floor—</b>			
Total purchases		140,400	
Short sales		7,720	
Other sales		111,600	
<b>Total sales</b>		<b>119,320</b>	<b>1.91</b>
<b>3. Other transactions initiated off the floor—</b>			
Total purchases		271,585	
Short sales		25,700	
Other sales		261,035	
<b>Total sales</b>		<b>286,735</b>	<b>4.10</b>
<b>4. Total—</b>			
Total purchases		1,066,505	
Short sales		106,160	
Other sales		859,675	
<b>Total sales</b>		<b>1,025,835</b>	<b>15.36</b>

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

WEEK ENDED MAY 18, 1946		Total for Week	%
<b>A. Total Round-Lot Sales:</b>			
Short sales		55,190	
Other sales		2,285,845	
<b>Total sales</b>		<b>2,341,035</b>	
<b>B. Round-Lot Transactions for Account of Members:</b>			
<b>1. Transactions of specialists in stocks in which they are registered—</b>			
Total purchases		235,795	
Short sales		38,620	
Other sales		215,815	
<b>Total sales</b>		<b>254,435</b>	<b>10.47</b>
<b>2. Other transactions initiated on the floor—</b>			
Total purchases		20,650	
Short sales		800	
Other sales		25,020	
<b>Total sales</b>		<b>25,820</b>	<b>0.99</b>
<b>3. Other transactions initiated off the floor—</b>			
Total purchases		60,275	
Short sales		5,300	
Other sales		113,065	
<b>Total sales</b>		<b>118,365</b>	<b>3.82</b>
<b>4. Total—</b>			
Total purchases		316,720	
Short sales		44,720	
Other sales		353,900	
<b>Total sales</b>		<b>398,620</b>	<b>15.28</b>
<b>C. Odd-Lot Transactions for Account of Specialists—</b>			
Customers' short sales		0	
Customers' other sales		122,616	
<b>Total purchases</b>		<b>122,616</b>	
<b>Total sales</b>		<b>122,616</b>	

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

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

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

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

### Non-Ferrous Metals—Prices for Copper and Lead Increased on June 3—Lead Sales Light

"E. & M. J. Metal and Mineral Markets," in its issue of June 6, stated: "Following announcement by OPA of higher ceiling prices for copper and lead at the close of business on May 29, copper was raised to 14.375¢, Valley, as expected, and lead moved up to 8.25¢, New York, a price somewhat below the level deemed necessary by trade authorities to ease the supply situation quickly. The higher ceiling prices became effective June 3.

Kennecott, Phelps Dodge, and A.S.&R. Co. entered into negotiations to settle the strikes, but progress so far in reaching an agreement has been slow. Until the strikes are settled the acuted shortages in supplies will continue. The Government is moving slowly in the matter of renewing its contracts for foreign copper and lead,

which may complicate matters in the third quarter of the year." The publication further went on to say in part as follows:

#### Copper

Selling of copper at the new ceiling level was limited to those few companies which have granted approved wage contracts and the Metals Reserve. Others in the industry were in no position to offer copper. Metals Reserve will be the largest seller during June. Demand for copper remains heavy, with the shortage in wire-bars and cakes hampering business in all directions.

The United Kingdom and several European countries have been buying copper for third-quarter delivery. During the last week business was placed abroad at higher prices than those obtaining here.

The strike at Chile Copper property continues.

Production at Rhokana and Roan Antelope, operating in Northern Rhodesia, which halted May 28 because of a coal shortage, was resumed June 1.

#### Lead

Until negotiations by A.S.&R. Co. and those representing labor bring about a settlement of the strike, the supply situation in lead will remain acute. During the last week lead oxide was placed under allocation by CPA, and consumers of ethyl fluid reduced the octane rating of gasoline to conserve on lead. Producers who have concluded wage agreements were sellers of lead on the 8.25¢, New York, basis, beginning June 3.

The new ceiling price was viewed as "a step in the right direction," but unlikely to cause a rush to produce lead in quantity to meet the present situation. The fact that the foreign market has advanced to 8½¢, and higher indicates that the price situation in lead is stronger than officials in Washington realize, members of the industry believe.

Sales of lead for the week were light, totaling 560 tons.

#### Zinc

Exploratory talks between OPA officials and members of the zinc industry took place in Washington during the last week to consider pending price developments. There was no indication that the conflicting views of ore producers in the Tri-State area, the custom smelters, and makers of Special High Grade could be reconciled quickly, and few in the trade look for an early decision on the new price. The feeling exists that it will be nearer 9¢ than 10¢.

Metals Reserve has agreed to release some of its Prime Western zinc to relieve the tight supply situation. Small stocks of Special

High Grade in the hands of the Government permit of little or no relief from that source in the top grade.

#### Platinum

Except on speculative transactions, the market for refined platinum has been maintained at \$56 an ounce troy on sales to consumers, with wholesale transactions at \$53. Effective June 1, our quotations for refined platinum will reflect both wholesale and the small-lot or retail prices prevailing in the New York market.

#### Tin

The combined Tin Committee has announced additional allocations of tin amounting to about 9,000 long tons. Of the total quantity allocated Canada is to receive 1,070 tons; France 2,840 tons; Finland 150 tons; India 640 tons; Italy 533 tons; Middle East 39 tons; Netherlands 240 tons; Norway 52 tons; Shanghai 20 tons; Latin America 400 tons; Turkey 100 tons; UNRRA 202 tons; and the United States 1,350 tons.

A shipment of 100 tons of tin has left Chile, the first to be produced in the Netherlands East Indies under Dutch supervision since the Japanese capitulation.

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

	June	July	August
May 30.....	Holiday	Holiday	Holiday
May 31.....	52.000	52.000	52.000
June 1.....	52.000	52.000	52.000
June 3.....	52.000	52.000	52.000
June 4.....	52.000	52.000	52.000
June 5.....	52.000	52.000	52.000

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

#### Quicksilver

Uncertainty over Spanish developments in the political field resulted in a slightly firmer market in so far as Mexican metal was concerned. Business here continued on the quiet side, but quotations covering spot and nearby metal remained unchanged at \$100 to \$103 per flask. On forward metal \$100 could have been shaded in some directions.

#### Silver

Pending enactment of new legislation, the supply situation in silver is not expected to improve. Labor legislation and other pressing matters have put off action on the silver bill introduced recently by Senator Murdock. The Western Senators remain confident over their ability to pass the compromise measure that would fix the price at 90.5¢, an ounce troy for two years and at \$1.29 thereafter.

The New York Official price of foreign silver continued throughout the week at 70¼¢, an ounce troy; London 44d.

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

Date	Electrolytic Copper—		Straits Tin, —Lead—		Zinc	
	Dom. Refy.	Exp. Refy.	New York	New York	St. Louis	St. Louis
May 30.....	Holiday	14.200	Holiday	Holiday	Holiday	Holiday
May 31.....	11.775	14.200	52.000	6.59	6.35	8.25
June 1.....	11.775	14.200	52.000	6.59	6.35	8.25
June 3.....	14.150	14.250	52.000	8.25	8.10	8.25
June 4.....	14.150	14.250	52.000	8.25	8.10	8.25
June 5.....	14.150	14.250	52.000	8.25	8.10	8.25
Average.....	13.200	14.254	52.000	7.55	7.40	8.25

Average prices for calendar week ended June 1 are: Domestic copper f.o.b. refinery, 11.775¢; export copper f.o.b. refinery 14.204¢; Straits tin, 52.000¢; New York lead, 6.500¢; St. Louis lead, 6.350¢; St. Louis zinc, 8.250¢; and silver, 70.750¢.

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

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

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

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

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

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

Quotations for lead reflect prices obtained for common lead only.

### ABA Bank Organization To Promote Bond Sales

Completion of a nationwide organization of banks to promote the sale of Treasury Savings Bonds to individuals was announced on June 9 by J. Frederick Hagemann, Jr., Chairman of the Committee on Treasury Savings Bonds of the American Bankers Association, who is also Vice-President of the Boatmen's National Bank, St. Louis, Mo.

The ABA organization, which will assist the U. S. Treasury in distributing the public debt as widely as possible, is made up of a national committee of representative bankers from each of the broad geographical regions of the United States, and State Chairmen who will coordinate activities between the banks and the Treasury State Director of Savings Bonds sales. In six of the States there are also six State Chairmen representing the six mutual savings banks associations.

This national organization of the banks will have an important part in the special sales promotion program for Treasury Savings Bonds during the period until July 4. Chairman Hagemann has urged all banks to intensify the sales effort through lobby posters, newspaper advertising, and general publicity.

### Simmons Elected to Bankers Ass'n Post

William V. Simmons of Liberty National Bank, Washington, D. C., was elected Chairman of the fiduciaries section of the District of Columbia Bankers Association at the annual meeting held on May 27, said S. Oliver Goodman, writing for the Washington "Post."

Mr. Simmons started his career in 1924 with the American Security & Trust Co., and joined Liberty National Bank in 1932 as an Assistant Trust Officer. He is now a Trust Officer.

Other section officers elected included: Vice-Chairman, Willard G. McGraw of Union Trust Co., and Secretary, B. Bruce Frantz of American Security & Trust.

### NYSE Odd-Lot Trading

The Securities and Exchange Commission made public on June 5, a summary for the week ended May 25, 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 25, 1946		Total
<b>Odd-Lot Sales by Dealers—</b>		
(Customers' purchases)		31,971
Number of orders		952,672
Number of shares		\$44,320,313
Dollar value		
<b>Odd-Lot Purchases by Dealers—</b>		
(Customers' sales)		69
Number of Orders:		28,592
Customers' short sales		28,560
Customers' total sales		2,548
Customers' other sales		822,305
Customers' total sales		824,853
Dollar value		\$37,206,534
<b>Round-Lot Sales by Dealers—</b>		
Number of Shares:		110
Short sales		176,100
Other sales		176,210
<b>Total sales</b>		<b>337,160</b>
<b>Round-Lot Purchases by Dealers—</b>		
Number of shares		
*Sales marked "short exempt" are reported with "other sales."		
†Sales to offset customers' odd-lot orders and sales to liquidate a long position which is less than a round lot are reported with "other sales."		

## Revenue Freight Car Loadings During Week Ended June 1, 1946, Increased 55,311 Cars

Loading of revenue freight for the week ended June 1, 1946, totaled 626,885 cars, the Association of American Railroads announced on June 6. This was a decrease below the corresponding week of 1945 of 211,001 cars, or 25.2%, and a decrease below the same week in 1944 of 183,813 cars, or 22.7%.

Loading of revenue freight for the week of June 1 increased 55,311 cars, or 9.7% above the preceding week.

Miscellaneous freight loading totaled 320,651 cars, an increase of 71,073 cars above the preceding week, but a decrease of 63,405 cars below the corresponding week in 1945.

Loading of merchandise less than carload lot freight totaled 107,750 cars, an increase of 15,799 cars above the preceding week, and an increase of 6,894 cars above the corresponding week in 1945.

Coal loading amounted to 61,791 cars, a decrease of 58,575 cars below the preceding week and a decrease of 99,132 cars below the corresponding week in 1945, due to coal strike.

Grain and grain products loading totaled 39,803 cars, an increase of 4,398 cars above the preceding week but a decrease of 9,210 cars below the corresponding week in 1945. In the Western Districts alone, grain and grain products loading for the week of June 1 totaled 26,573 cars, an increase of 2,446 cars above the preceding week but a decrease of 7,507 cars below the corresponding week in 1945.

Livestock loading amounted to 13,432 cars, an increase of 3,312 cars above the preceding week and an increase of 582 above the corresponding week in 1945. In the Western Districts alone loading of livestock for the week of June 1 totaled 10,112 cars, an increase of 2,669 cars above the preceding week, and an increase of 386 cars above the corresponding week in 1945.

Forest products loading totaled 41,810 cars, an increase of 9,416 cars above the preceding week but a decrease of 1,807 cars below the corresponding week in 1945.

Ore loading amounted to 37,400 cars, an increase of 8,759 cars above the preceding week but a decrease of 34,909 cars below the corresponding week in 1945.

Coke loading amounted to 4,748 cars, an increase of 1,129 cars above the preceding week but a decrease of 34,909 cars below the corresponding week in 1945.

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

	1946	1945	1944
4 weeks of January	2,883,620	3,003,655	3,158,700
4 weeks of February	2,866,710	3,052,487	3,154,116
4 weeks of March	3,982,229	4,022,088	3,916,037
4 weeks of April	2,604,552	3,377,335	3,275,846
4 weeks of May	2,616,067	3,456,465	3,441,616
Week of June	626,885	837,886	810,698
<b>Total</b>	<b>15,880,063</b>	<b>17,749,916</b>	<b>17,757,013</b>

The following table is a summary of the freight carloadings for the separate railroads and systems for the week ended June 1, 1946. During this period only 29 roads reported gains over the week ended June 2, 1945.

Railroads	REVENUE FREIGHT LOADED AND RECEIVED FROM CONNECTIONS (NUMBER OF CARS) WEEK ENDED JUNE 1			Total Loads Received from Connections		
	1946	1945	1944	1946	1945	1944
<b>Eastern District—</b>						
Ann Arbor	329	266	219	1,339	1,450	
Bangor & Aroostook	1,228	1,292	1,002	424	246	
Boston & Maine	6,594	6,187	6,511	11,168	13,320	
Chicago, Indianapolis & Louisville	964	1,060	1,140	1,466	2,039	
Central Indiana	24	35	33	27	57	
Central Vermont	1,024	940	902	1,994	2,010	
Delaware & Hudson	3,814	4,845	4,301	8,833	11,386	
Delaware, Lackawanna & Western	5,882	6,861	7,300	7,848	10,946	
Detroit & Mackinac	277	243	278	183	103	
Detroit, Toledo & Ironton	1,391	1,696	1,643	1,052	1,087	
Detroit & Toledo Shore Line	288	393	264	2,770	2,629	
Erie	9,113	11,924	12,822	9,913	17,107	
Grand Trunk Western	3,679	3,631	3,307	6,299	8,120	
Lehigh & Hudson River	190	173	166	2,130	2,619	
Lehigh & New England	2,116	1,851	1,555	1,602	1,463	
Lehigh Valley	5,667	7,807	8,381	7,141	12,126	
Maine Central	2,438	2,303	1,982	2,618	2,573	
Monongahela	2,229	6,198	6,274	241	270	
Montour	635	2,458	2,451	9	36	
New York Central Lines	39,892	48,491	45,356	39,717	52,043	
N. Y., N. H. & Hartford	9,459	9,226	8,530	13,523	17,572	
New York, Ontario & Western	685	968	1,257	1,569	3,785	
New York, Chicago & St. Louis	6,082	6,276	6,055	11,722	16,089	
N. Y., Susquehanna & Western	2,621	371	399	1,493	2,494	
Pittsburgh & Lake Erie	3,800	7,416	7,555	5,895	9,531	
Pere Marquette	5,546	4,695	4,168	6,114	8,374	
Pittsburgh & Shawmut	338	839	905	51	18	
Pittsburgh, Shawmut & North	203	277	279	57	256	
Pittsburgh & West Virginia	496	1,037	1,265	2,009	3,198	
Rutland	374	338	335	1,169	1,391	
Wabash	5,285	5,690	4,568	9,713	12,100	
Washington & Lake Erie	3,298	5,912	5,231	3,318	4,194	
<b>Total</b>	<b>133,601</b>	<b>151,699</b>	<b>146,434</b>	<b>164,407</b>	<b>220,632</b>	
<b>Allegheny District—</b>						
Akron, Canton & Youngstown	463	672	707	1,029	1,347	
Baltimore & Ohio	28,709	44,027	44,669	20,018	28,585	
Bessemer & Lake Erie	1,243	5,504	6,765	554	2,269	
Cambria & Indiana	0	1,432	1,491	2	11	
Central R. R. of New Jersey	5,050	6,441	6,643	14,704	19,599	
Cornwall	248	145	142	36	50	
Cumberland & Pennsylvania	113	145	167	17	10	
Ligonier Valley	49	94	87	8	41	
Long Island	1,241	1,621	1,374	4,553	4,549	
Penn.-Reading Seashore Lines	1,391	1,625	1,505	1,797	2,274	
Pennsylvania System	54,871	84,999	83,805	48,585	63,209	
Reading Co.	10,699	13,770	15,063	21,983	25,948	
Union (Pittsburgh)	3,607	19,266	19,660	2,444	7,177	
Western Maryland	1,907	3,599	4,121	10,350	12,286	
<b>Total</b>	<b>109,681</b>	<b>183,623</b>	<b>186,674</b>	<b>126,090</b>	<b>167,355</b>	
<b>Peachontas District—</b>						
Chesapeake & Ohio	12,663	28,128	28,154	13,345	14,722	
Norfolk & Western	9,590	21,066	22,279	5,996	7,604	
Virginian	1,854	4,483	4,513	1,396	2,294	
<b>Total</b>	<b>24,107</b>	<b>53,677</b>	<b>54,951</b>	<b>20,737</b>	<b>24,620</b>	

Railroads	Total Revenue Freight Loaded			Total Loads Received from Connections	
	1946	1945	1944	1946	1945
<b>Southern District—</b>					
Alabama, Tennessee & Northern	396	465	332	133	306
Atl. & W. P.—W. R. R. of Ala.	879	753	732	1,365	2,639
Atlanta, Birmingham & Coast	↑	↑	718	↑	↑
Atlantic Coast Line	16,338	13,291	12,019	8,358	11,197
Central of Georgia	4,227	3,712	3,734	4,436	4,703
Charleston & Western Carolina	466	411	387	1,582	1,547
Cinchfield	619	1,747	1,661	2,389	3,064
Columbus & Greenville	379	252	199	223	365
Durham & Southern	106	109	123	712	428
Florida East Coast	1,592	1,132	1,169	1,564	1,141
Gainesville Midland	89	42	59	86	120
Georgia	1,142	1,183	1,234	2,189	2,599
Georgia & Florida	493	393	433	769	691
Gulf, Mobile & Ohio	3,622	5,495	4,088	3,162	4,331
Illinois Central System	21,298	27,935	27,146	13,678	16,947
Louisville & Nashville	17,118	26,419	25,305	9,820	13,075
Macon, Dublin & Savannah	213	232	192	1,241	1,091
Mississippi Central	363	410	281	375	557
Nashville, Chattanooga & St. L.	3,237	3,675	2,963	4,419	4,862
Norfolk Southern	1,463	1,649	940	1,469	1,570
Piedmont Northern	407	440	422	1,184	1,335
Richmond, Fred. & Potomac	405	528	403	11,899	10,291
Seaboard Air Line	11,426	10,539	10,739	6,299	8,016
Southern System	23,006	24,671	23,227	19,902	25,335
Tennessee Central	746	566	680	737	694
Winston-Salem Southbound	140	166	150	901	1,238
<b>Total</b>	<b>110,370</b>	<b>126,265</b>	<b>119,336</b>	<b>98,892</b>	<b>118,442</b>
<b>Northwestern District—</b>					
Chicago & North Western	17,840	16,943	16,937	10,894	14,499
Chicago Great Western	1,935	2,074	2,276	3,046	3,569
Chicago, Milw., St. P. & Pac.	16,332	20,363	18,090	9,599	10,021
Chicago, St. Paul, Minn. & Omaha	2,971	2,987	2,966	3,701	3,826
Duluth, Missabe & Iron Range	14,485	24,688	29,309	266	304
Duluth, South Shore & Atlantic	730	847	754	425	723
Edin, Joliet & Eastern	6,102	8,961	8,977	6,710	10,653
Et. Dodge, Des Moines & South	416	319	369	105	108
Great Northern	13,213	21,064	21,212	5,350	9,273
Green Bay & Western	398	390	436	679	1,020
Lake Superior & Ishpeming	1,779	1,758	2,025	44	69
Minneapolis & St. Louis	1,453	1,911	1,936	1,897	2,621
Minn., St. Paul & S. S. M.	6,253	6,392	6,112	3,040	3,121
Northern Pacific	8,778	11,051	8,801	4,039	6,481
Spokane International	126	226	149	421	591
Spokane, Portland & Seattle	1,811	2,545	1,235	2,179	3,979
<b>Total</b>	<b>95,222</b>	<b>122,519</b>	<b>121,284</b>	<b>52,395</b>	<b>70,858</b>
<b>Central Western District—</b>					
Atch., Top. & Santa Fe System	23,854	26,986	23,110	8,827	16,744
Alton	2,321	3,634	3,031	2,915	4,688
Bingham & Garfield	7	446	504	13	85
Chicago, Burlington & Quincy	14,451	17,664	16,439	8,720	12,783
Chicago & Illinois Midland	1,203	2,820	3,413	795	876
Chicago, Rock Island & Pacific	9,892	12,003	10,451	10,464	13,103
Chicago & Eastern Illinois	1,961	2,696	2,097	3,077	5,059
Colorado & Southern	427	548	512	1,512	2,557
Denver & Rio Grande Western	1,802	2,892	3,488	3,718	7,006
Denver & Salt Lake	250	472	706	82	44
Fort Worth & Denver City	1,044	1,404	677	1,260	2,245
Illinois Terminal	1,698	1,911	1,593	1,304	2,230
Missouri-Illinois	977	1,178	1,073	378	582
Nevada Northern	1,460	1,404	1,660	142	105
North Western Pacific	516	700	761	450	609
Florida & Peckin Union	5	12	7	0	0
Southern Pacific (Pacific)	31,785	31,253	27,512	9,224	14,762
Toledo, Peoria & Western	0	294	266	0	0,063
Union Pacific System	11,974	14,377	12,754	12,823	19,507
Utah	213	434	461	4	3
Western Pacific	1,648	2,231	2,061	3,089	5,413
<b>Total</b>	<b>107,488</b>	<b>125,359</b>	<b>112,576</b>	<b>68,797</b>	<b>110,463</b>
<b>Southwestern District—</b>					
Burlington-Rock Island	300	373	510	316	1,050
Gulf Coast Lines	4,698	7,214	5,700	2,444	2,439
International-Great Northern	1,783	2,918	2,532	4,149	4,040
K. O. & G., M. V. & O. C. A.-A.	922	1,540	786	1,556	1,513
Kansas City Southern	3,285	4,749	6,404	2,815	3,334
Louisiana & Arkansas	2,570	3,826	3,736	2,106	3,512
Litchfield & Madison	298	298	330	1,166	1,439
Missouri & Arkansas	208	179	179	278	398
Missouri-Kansas-Texas Lines	4,617	7,024	6,106	3,830	5,309
Missouri Pacific	12,469	16,979	15,031	13,405	19,552
Quahog & Pacific	156	136	71	140	359
St. Louis-San Francisco	7,596	9,660	8,075	6,537	8,663
St. Louis-Southwestern	2,803	3,619	3,151	4,880	7,429
Texas & New Orleans	9,225	11,228	12,356	5,098	5,631
Texas & Pacific					

## Items About Banks and Trust Companies

(Continued from page 3265)

cerned with the servicing of commercial business, lending and general administrative work.

The stockholders of the State Bank of Albany, N. Y., and the Peoples Bank of Johnstown, N. Y., on June 28 will meet and vote on the proposed merger of the organizations. The Associated Press reported the following on June 7.

A favorable two-thirds vote by stockholders and approval by the New York State Banking Department are necessary. Under the merger, which will be effected on July 1, the Johnstown bank would become the Peoples Branch of the Albany bank.

The United States Trust Company, of Boston, Mass., recently called for redemption, its 45,000 shares of convertible preferred stock. The stock will be redeemed on July 1 at the rate of \$22 per share plus 40 cents dividend, it was stated in the Boston "Herald" on June 3, which likewise said:

The stock is convertible into common, share for share, at the option of the holder, prior to 3 p.m. June 27.

An issue of additional common stock to take the place of preferred stock unconverted and redeemed has been underwritten by Hornblower & Weeks.

The Industrial Trust Co., of Providence, R. I., on June 1 took over The Phenix Trust Company, of West Warwick, R. I. The weekly Bulletin of the Board of Governors of the Federal Reserve System states that in connection with the absorption branches were established at Phenix, in the town of West Warwick, and the village of Apponaug in the city of Warwick.

From the Providence "Journal" of June 1 the following was taken: Stockholders of the Phenix Trust Co., several months ago decided to liquidate that bank. The change was approved by State banking authorities.

Joseph H. Rawson will continue as manager of the Apponaug branch, but Earl R. Handy, Treasurer and Secretary of the Phenix Trust Co., who started at the main bank at Phenix as Assistant Treasurer in December, 1927, has resigned and will be succeeded at Phenix by Irving W. Carpenter who has been named acting manager. The resignation of Mr. Handy becomes effective June 8. He is leaving the bank to devote his entire time to his real estate agency.

A gift of \$2,000 to the United Campaign for Health and Youth as a memorial to Frank L. Baxter of West Orange, winner of a Presidential citation who was killed in action near Kuyshu, March 29, 1945, has been made by the Second National Bank of Orange, N. J., where he was employed before entering the service, it was announced by Albert W. Olsen, Campaign Chairman.

Andrew J. Huglin, Vice-President of the Farmers Deposit National Bank, Pittsburgh, Pa., on June 4 was elected to the board of directors of that organization, it was announced by the Pittsburgh "Post Gazette."

Mr. Huglin was formerly President of the Pitt National Bank, Pittsburgh, the business of which was recently taken over by the Farmers Deposit National Bank, as reported in the "Chronicle" of May 9, page 2572.

William H. Tomlinson and A. Dean Swift, Jr., were appointed Assistant Cashiers of the Central-Penn National Bank, Philadelphia, Pa., it was reported by Philadelphia "Inquirer" on June 7, which also said:

"Harry W. Schaubel was at the

same time made Assistant Cashier and Assistant Trust Officer."

The Safe Deposit and Title Guaranty Co. of Kittanning, Pa., has become a member of the Federal Reserve System, it was announced by President Ray M. Gidney of the Federal Reserve Bank of Cleveland. Member banks in the Fourth Federal Reserve District now total 723.

Founded 56 years ago with a paid-in capital of \$135,000, the Safe Deposit and Title Guaranty Co. now is capitalized with \$115,000 of preferred stock, \$135,000 of common stock, \$225,000 surplus and \$191,941 in other capital accounts. Deposits aggregate \$6,600,000.

At a special meeting of the stockholders of the Bank of Commerce & Savings, Washington, D. C., held on May 31, a plan to triple the capital of the bank was approved, it was announced by the Washington "Post," which also said:

"President Thomas J. Groom reported that 93% of the outstanding stock was represented at the session and approval was unanimous.

"The proposal, which increases capital from \$100,000 to \$300,000, now goes to the Virginia State Corporation Commission for authorization. Under the plan, 2,000 shares of new stock will be issued and present shareholders will be given rights to purchase two shares of new stock for each share of stock now held."

Harry G. Meem, President of the Washington Loan & Trust Co., Washington, D. C., announced on June 6 the election of J. Edward Burroughs as a director and the elevation of Leonard Marbury from Assistant Trust Officer to Trust Officer, reported S. Oliver Goodman writing for the Washington, D. C., "Post."

A quarterly dividend of 40 cents per share was declared on May 21 by the directors of the Ohio Citizens Trust Co., Toledo, Ohio, according to the Toledo "Blade." The dividend, the first since the December, 1945, payment of \$1 per share, was paid on June 1 to shareholders on record May 25.

The Comptroller of the Currency has announced the consolidation, effective May 18, of the First National Bank of Upper Sandusky, Ohio, and the Citizens Savings Bank Co., of the same city. These institutions have a capital of \$78,750 and \$37,500, respectively. They are consolidated under the charter of the First National Bank of Upper Sandusky and under the title of "The First Citizens National Bank of Upper Sandusky," with common capital stock of \$175,000, divided into 7,000 shares of the par value of \$25 each, and a surplus of \$175,000.

The Citizens National Bank of Marietta, Ohio, on June 4 increased its capital from \$200,000 to \$225,000 by declaring a stock dividend of \$25,000, the Comptroller of the Currency announced on June 10.

The Comptroller of the Currency announced on June 10 that the First National Bank at Carrollton, Ohio, has received permission to increase its capital stock from \$100,000 to \$150,000 by sale of new stock.

The Comptroller of the Currency announced the issuance of a bank charter on May 17 to the "Citizens National Bank of Chicago," Chicago, Ill. The new bank will have capital stock consisting of \$200,000 all common stock. T. H. Golightly will be President and

Frank G. Rogalski, Cashier, of the primary organization.

The consolidation of the First National Bank in Howell, Howell, Mich., and The First State and Savings Bank of Howell was recently announced by the Comptroller of the Currency.

The institutions have consolidated under the charter and title of "First National Bank in Howell," with common capital stock of \$112,250 (par value \$100 a share), and a surplus of \$38,000. The consolidation was effective at the close of business May 15.

It was learned from the St. Louis "Globe Democrat" of June 7 that Robert N. Arthur has recently been advanced from Assistant Trust Officer to Secretary of the Mercantile-Commerce Bank & Trust Co., St. Louis. He succeeds J. J. Farrell.

Following a meeting of the board of directors on June 5 of the Federal Land Bank of Louisville, Ky., it was announced that a dividend of \$500,000, or 10% of the outstanding capital of the bank, was declared. The Louisville "Courier Journal" of June 6, from which the above was taken, went on to say:

"The stock is owned by national farm loan associations in Kentucky, Indiana, Tennessee and Ohio. In turn, farmer members own a like amount of stock in their farm loan associations.

"About 35,000 such farmer-members will share in the dividend if recommendations of the land bank's directors are followed. The board suggested the associations pass half the dividend on to their stockholders, retaining half to augment their reserves and surpluses.

"The dividend was the first declared by the bank since 1931. It was held up two years by a suit recently decided in the bank's favor. More prosperous associations sued to prevent the bank from distributing part of its funds to less prosperous associations. The case was taken to the U. S. Supreme Court.

The directors of the First National Bank of Memphis, Tenn., recently voted unanimously to recommend to the stockholders an increase in the capital stock of the bank from \$1,800,000 to \$2,400,000, it was reported by the Memphis "Appeal" on June 2, from which we also take the following:

"The increase would be made through the issuance and sale of 30,000 shares of \$20 par value stock at a price of \$60 per share, as against current market quotations of around \$85. It is understood that the additional stock will be offered first to present stockholders at the rate of one new share for each three shares held. The stockholders' meeting at which the recommendation will be considered is to be held soon."

The Comptroller of the Currency announced on June 3 that the Broward Bank and Trust Co., Fort Lauderdale, Fla., a State bank, has been granted a national bank charter. The organization will be known as the Broward National Bank of Fort Lauderdale, Fla.

Sale of the First Trust & Savings Bank, Moscow, Idaho, to C. I. Canfield of Ogden, Utah, and Walter E. Cosgriff, Salt Lake City, was announced on June 6 by President Hawkins Melgard.

The transfer of stock valued at \$500,000 is effective as of June 2, United Press advices reported.

At a special meeting of the stockholders of the Union Bank & Trust Co., Los Angeles, Cal., on June 6 approval was granted to increase the capital structure of the bank by 10,000 shares of stock.

The Los Angeles "Times" on June 7 reported:

"The new stock will be sold to stockholders of record June 6 in the ratio of one new share for each six held, at \$100 a share, for a value of \$1,000,000.

"Funds derived from the sale will be added equally to capital and surplus, increasing the capital account to \$7,000,000."

Earle R. Hilbert, Vice-President, Banks and Bankers Department, Citizens National Trust & Savings Bank of Los Angeles, Calif., died on June 6 in Reno, Nev. Mr. Hilbert died enroute to the Idaho and Utah State Bankers conventions.

Mr. Hilbert entered the service of the Citizens National Bank in 1923. After serving as manager of several branch offices, he was elected a Junior Vice-President in 1937 and transferred to the Banks and Bankers Department in June of 1945. In January, 1946, he was elected a Vice-President of the bank.

The American Trust Co., San Francisco, Calif., has, on May 20, established a branch office, designated as South San Mateo office, in San Mateo, Calif., it was made known by the Board of Governors of the Federal Reserve System.

A. O. Johnson, Executive Vice-President of the Forest Grove National Bank, Forest Grove, Ore., and active in affairs with the Oregon Bankers Association, has taken over the management of the Federal Savings & Loan Association at Hillsboro, Ore., announced the Portland "Oregonian" of June 7, which went on to say:

"He succeeds to the position held by J. M. Person for the past 20 years. Mr. Person, who organized the savings and loan institution in 1925 and built it up to its present asset total of \$3,000,000, is retiring.

"Mr. Johnson's position at the Forest Grove bank has not yet been filled, it was said. He has been executive officer in charge of the operation of the bank for the past four years since the death of J. A. Thornburgh, President."

The Standard Bank of South Africa, Limited, announced on June 7 the election of John Nicholson Hogg to the board of directors.

### Belgian Group Welcomed By Wallace

A Belgian technical mission, which has come to this country to exchange technical knowledge for the first time since 1940, was welcomed into the United States on May 27 by Secretary of Commerce Henry A. Wallace. The Washington Bureau of the N. Y. "Journal of Commerce" in reporting this said:

Export possibilities to supply their critical needs will also be explored and the possibilities through private trade channels for exportation of Belgian goods to this country.

The mission will be in this country from five to ten weeks and may be reached in care of the economic council of the Belgian Embassy, Washington, D. C.

Secretary Wallace has pledged the co-operation of this country in the restoration of trade between Belgium and the United States.

### Maryland Bankers Elect

The annual meeting of the Maryland Bankers Association elected Frank W. Wrightson of Baltimore as President and T. Howard Duckett as Vice-President.

"Mr. Duckett," said the Washington, D. C. "Post" of May 30 in reporting this is President of the Prince George's Bank and Trust Company, Hyattsville Md.

## Country Banks Extend Large Farm Credits

The nation's 13,000 country banks are extending more than \$1,000,000,000 in credit to their farm customers to support agriculture production, according to a report made on May 28 by the Agricultural Commission of the American Bankers Association. The report shows that non-real estate agricultural loans held by all insured banks in continental United States aggregated \$1,009,600,000 on January 1, 1946, an increase of almost \$100,000,000 from the January 1, 1945, total of \$917,400,000. The current outstanding loan volume is nearly double the amount of farm production loans held by the banks in 1937, the report continued.

These figures arranged by the American Bankers Association from data of the Federal Deposit Insurance Corporation do not include loans from banks not insured by that agency. From these non-real estate loans held by the banks are excluded bank loans guaranteed by the Commodity Credit Corporation and all bank loans secured by real estate. Non-real estate agricultural loans are generally regarded as farm production loans as the banks provide credit for their farm customers to purchase seed, farm equipment and machinery, breeder and feeder livestock, and for other agricultural purposes which contribute directly to the production of crops.

The largest increase in use of non-real estate bank credit occurred in California, where loans outstanding on January 1 of this year aggregated \$91,800,000, compared with \$65,000,000 the year previous. The use of bank credit by farmers increased in all states with the exception of South Dakota, Nebraska, Kansas, Minnesota, and Missouri.

## Sterling Nat'l Displays Jap Surrender Pact

Sterling National Bank & Trust Company, New York is displaying at its main office at Broadway and 39th Street, a copy of the original instrument of surrender signed by the Japanese Government at Tokyo Bay on September 2, 1945, and accepted by General Douglas MacArthur as Supreme Commander for the Allied Powers. The document also bears the signatures of the representatives of the United States, Republic of China, United Kingdom, Union of Soviet Socialist Republics, Commonwealth of Australia, Dominion of Canada, Provisional Government of the French Republic, Kingdom of the Netherlands and Dominion of New Zealand.

### Balt. Papers Raise Price

The Baltimore "Sun" papers announced on May 29 that the street sale price of the "Sun" and "Evening Sun" would be increased from three cents to five cents on June 2. We quote from Baltimore Associated Press advices, which also said:

Home delivery rates and subscription rates outside the Baltimore suburban delivery zone also will be increased, an announcement appearing on the front page of the Thursday edition of the "Sun" disclosed.

The announcement said that "large and continuing increases in costs of operation make it necessary to establish new prices."

The price of the "Sunday Sun" will remain unchanged at 10 cents in the city and 15 cents outside Baltimore.

The afternoon "Baltimore News-Post" and the "Baltimore Sunday-American" have not yet announced increases.