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A Path to Peace in Industrial Disputes

By HON. ALFRED SCHINDLER*
Under Secretary of Commerce

Commerce Department official, after asserting both business and labor must revise their thinking before achieving industrial unity and national prosperity, and after maintaining solution of peaceful industrial relations cannot come from legislation or from "bureaucratic interferences," proposes creation by each industry of a stabilization board, composed of labor and management members and headed by an impartial chairman. Grievances of both sides would be submitted to these boards and decisions of impartial chairmen would be binding. Wants each party to post bond, to be forfeited if decision is not accepted. Says plan will not interfere with union organizations or collective bargaining.

Never can it be said of American business that it has sat back and rubbed palms together in pleasurable anticipation of better things to come.



Alfred Schindler

It has gone out and worked for its achievements every foot of the way. That is why American industry has been a unique and tremendous social force—a social force possessed of the unswerving purpose of bringing more goods and more satisfactions to more people than any other system is capable

of doing. This is what we mean when we talk of the "American way!"

The British people may glory in the "British way," the Russians in the "Socialist way," but the "American way" has been a social force that has made our country a democratic giant among the great nations of the world—great in the strength of our heritage, our culture and our industry.

Democracy lives on a mutuality of interest. It thrives on tasks to

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*Portion of an address by Under Secretary Schindler before the National Confectioners' Association, Chicago, Ill., June 25, 1946.

A Management Program Of Industrial Relations

By CARROLL E. FRENCH*
Director, Industrial Relations Department
National Association of Manufacturers

Asserting industrial relations are essentially personal relations, NAM official pleads for closest cooperation of labor and management from lowest to highest levels of contact. Holds though a corrective law is needed to eliminate inequalities between management and labor, permanent solution does not lie in legislation and problem is to create a two-way street for dealing with people as individuals and not in mass. Says fair play and good faith should dominate in collective bargaining and labor relations should be chief concern of top management in business. Calls for a renewal of faith in democratic process as a solution of the problem.

Current appraisal of the industrial relations scene across the nation would, on the surface, afford little basis for optimism. Almost



Carroll E. French

down that the Chief Executive of the nation asks for emergency legislation, including the right to draft strikers of Government-seized plants into the Armed Services, and impose terms of settlement upon both labor and industry.

The Nation has finally been brought face to face with the inevitable consequences of the absence of a sound, balanced, and workable national labor policy. Anne O'Hare McCormick, well-known newspaperwoman, speaking before a recent convention of the New York State Business and

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*An address by Mr. French before the Tamiment Industrial Relations Institute, Bushkill, Pa., June 20, 1946.

Congressman Wolcott Favors U. K. Loan

Representative Jesse P. Wolcott, Republican of Michigan, a member of the House Banking and Currency Committee, on June 13 issued the following statement:



Jesse P. Wolcott

I voted in Committee to report out the British Loan Agreement Bill and expect to support it when it is considered in the House.

I have carefully weighed the advantages against alleged disadvantages. I

have come to the conclusion that Great Britain can be expected to live up to her intentions and agreements contained in the loan agreement to the effect that the dollar pool will be discontinued, her blocked sterling balances will be materially reduced, she will remove discriminatory empire trade preferences and restrictions and will effectuate plans which will make it possible to convert pounds sterling into dollars. Although the short-term benefits to us in foreign trade are not too material because of the immediate demand for all consumer goods, the ultimate results should be an expanded foreign market for all of our agricultural and industrial commodities. I believe these potential benefits in addition to certain foreign political advantages transcend, important as it is, the dollars-and-cents investment. The foreign political advantages which I mention include among other things the very important question of communist expansion in Europe and Asia to the prejudice of the world's economic and political peace. If one concludes, as I have, that the loan agreement will prevent Great Britain from having to affiliate herself with the Russian sphere of economic and political influence, then the loan will perhaps result in preventing a future war. If by the investment of three and three-fourths billion dollars America can even delay another world holocaust, it is a good investment.

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The Financial Situation

It would perhaps be going too far to say that nowhere in the world today is there full realization of the fundamental fact that work—hard, patient, untiring, productive work by everyone everywhere in the world—is the one indispensable ingredient in any effective prescription for the economic ills of this postwar era. If so, however, only limited reservations or limitations need be placed upon this sweeping generalization. Most business men, at least in this country, without doubt understand well enough that the world has always prospered, and always will prosper only as it toils and spins. Most of them are quite aware, we have no doubt, that this is particularly true today when so much of the world's accumulated wealth, productive and otherwise, has been destroyed. Thoughtful and realistic students of the situation have, of course, never been in doubt of it.

Voices in the Wilderness

But it often appears—we had almost said, regularly appears—that the protests of these relatively few are as voices crying in the wilderness. Politicians throughout the world, international schemers from one end of this planet to the other, and perhaps most of all those who "lead" the vast armies of "production workers" as they are now termed in Washington, seem for the most part to be quite oblivious to the fact that without full production—indeed, in the existing circumstances, extraordinarily abundant production—there can be no prompt escape from the war-born want. Where, perhaps, such understanding may in fair degree exist, there appears to be almost incredible ignorance or

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From Washington Ahead of the News

By CARLISLE BARGERON

A little publicized provision of the State Department appropriation bill just passed by the Senate brings to light a serious situation in the Washington Bureaucracy, one which would not be tolerated in any other country in the world. A rider to the appropriation bill provides that the State Department may at any time, for a period of a year, discharge employees without regard to their Civil Service status. The



Carlisle Bargeron

purpose of it is to get rid of the Commies and fellow travelers of the Department. It is a fine commentary on something that should be necessary, and furthermore, that the rider provides that this action does not prejudice these people from getting jobs in other departments of the Government. The Senate in its full wisdom has decided that Democracy or no Democracy, we shouldn't be having people of this ilk dealing with our foreign affairs. Being a great tolerant country, we shall continue to permit them to do their dirty work throughout the rest of the Government.

The story behind this appropriation bill rider is that the FBI

estimates there are now about 2,000 Commies and fellow travelers in the State Department. Before the war this usually dignified setup had only around 900 officers. Now it has some 20,000. The Department, in absorbing the Foreign Economic Administration, the Office of War Information and the rather gallant Office of Strategic Services, picked up thousands of daring young and youngish men of varying shades of ideology. Like many other departments in Washington, this one has gotten so big that the head can't tell what is happening beneath. He may lay down policies until he is blue in the face, but he will subsequently find that they are either being circumvented or at least only carried out in letter and not in full spirit. The Department has a "pro" school and a "con" school on Russia, on Argentina, and Franco Spain.

We have the amazing situation of an Assistant Secretary of State, Spruille Braden, still agitating against Argentina, with the connivance of Under-Secretary of

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Obstacles to Estate Creation

By JULIAN S. MYRICK*

Second Vice-President, Mutual Life Insurance Co. of N. Y. Chairman of Board, American College of Life Underwriters

Mr. Myrick attacks Harvard University President's statement that "unlimited privilege" should be eradicated by confiscatory inheritance and gift taxes, and points out "American radicals" are already here, because under present taxes it is almost impossible to build an estate. Holds life insurance is best defense, and urges laws exempting life insurance premiums from taxable income. Says life insurance is self-administered social security.

Three years ago President James B. Conant of Harvard University wrote an article for the "Atlantic Monthly" magazine, entitled "Wanted: American Radicals," in which he called for an end to "inherited privilege" by legal confiscation of all property once a generation through "really effective inheritance and gift taxes and the breaking up of trust funds and estates."



Julian S. Myrick

Shortly after publication of the article, I gave a talk before the Boston Chapter of Chartered Life Underwriters, pointing out that the hot breath of Dr. Conant's "radical" already was upon us; that under then current Federal income and estate tax rates there no longer was an opportunity, starting from scratch, to create a competence for one's family by the standards of yesterday.

As evidence, I quoted Dr. Joseph Klein, one of this country's leading tax authorities, who maintained that to leave a net estate of \$100,000 for the protection and security of your wife and children 10 years hence, one would have to earn no less than \$85,000 a year, allowing for modest living expenses—a total of \$850,000! As further evidence that the "American Radical" was closing in upon us, I presented the latest available figures showing the amount required to create a net estate of \$50,000. These figures took into

consideration the number of years it would take to build the \$50,000 estate after allowing for taxes, living expenses and annual savings.

There was a War yet to be won when these tax rates were in effect, and there was every reason why taxes and MORE taxes should be levied in order that we might pay at least a part of the bill as we went along—just so long as those taxes weren't imposed for the purpose of social reform and didn't interfere with a man's obligation to leave a fair, living competence to his widow and children.

Chance for Estate Creating

But today—a year after final Victory—the personal tax picture is substantially unchanged. The Federal Income Tax rate has been lowered somewhat, to be sure—and for good reason—but the rates are still so high that it is practically impossible for anyone to build even a modest estate for the support of himself and family in old age or sickness out of earned income. The Income Tax hits us every year, and is therefore uppermost in our minds—even in an election year. But the Federal Estate Tax rate remains as high as ever, for, of course, Estate Taxes are payable after we're gone and cannot vote. And there has been no change whatever in the Gift Tax rate. Even Dr. Conant does not believe in such penalties on the highest type of our citizens.

Here's how the picture looks today:

CREATION OF A \$50,000 ESTATE

No. of Years to Build Estate	Net Estate Desired	Value of Estate Before Payment of Estate Taxes	Annual Earnings Before Payment of Income Taxes	Amount of Income Taxes	Amount Required to Create Estate	Amount Available For Living Expenses
10 Years	\$50,000	\$50,300	\$7,500	\$1,217	\$5,030	\$1,253
20 Years	50,000	50,300	7,500	1,217	2,515	3,768
10 Years	50,000	50,300	10,000	1,349	3,000	3,651
20 Years	50,000	50,300	10,000	1,949	2,515	5,536
10 Years	50,000	50,300	15,000	3,806	5,030	6,164
20 Years	50,000	50,300	15,000	3,806	2,515	8,679

Assumption that taxpayer is married with two dependents. Income Taxes include Federal Income, and N. Y. State Income.

CREATION OF A \$100,000 (OR LARGER) ESTATE

10 Years	\$100,000	\$107,000	\$85,000	\$51,500	\$10,700	\$22,800
20 Years	100,000	107,000	32,000	13,500	5,350	13,150
10 Years	250,000	320,000	600,000	497,000	32,000	71,000
20 Years	250,000	320,000	190,000	141,000	16,000	33,000
10 Years	500,000	700,000	1,270,000	1,079,000	70,000	121,000
20 Years	500,000	700,000	550,000	453,000	35,000	62,000
10 Years	1,000,000	1,530,000	2,130,000	1,827,000	153,000	150,000
20 Years	1,000,000	1,530,000	1,075,000	809,500	76,500	89,000

Assumption that taxpayer is married with no dependents. Income Taxes include Federal Income, and N. Y. State Income.

Now, what conclusions are we to draw from all this? I think they are obvious:

1. The "American Radical" is still beating his chest down in Washington with good effect.
2. At the present tax rate—and optimistically conceding no increase in the years to come—he'll probably attain his "legal confiscation" goal in two or three generations from now.
3. At the present income tax rates the young generation has no chance of accumulating any reasonable capital on which any estate tax can operate.
4. It therefore becomes the duty of all of us (a) to combat his (the radical's) influence through the democratic proc-

*An address by Mr. Myrick before the New York Chapter of Chartered Life Underwriters, June 11, 1946.

esses still available to us, and (b) while hopefully awaiting results, to set up the most effective defense possible for the protection of our families.

Life Insurance Best Defense

The best defense I know of at present is adequate Life Insurance. Until recently, it earned certain nominal tax advantages, such as \$40,000 exemption — by reason of the fact that it constitutes indemnity against loss of income due to death. Yet if Life Insurance is to do its full job of preserving our estates as well—if, in other words, it is to be properly used not only to provide necessary income for our wives and children, but also to provide ready cash with which they may pay those Estate Taxes — then here, too, it's time for a change. The social and economic advantages of Life Insurance in protecting the home, the aged and the

business through its indemnifying feature is of great importance, not only to the individual but to the State and Federal Governments as well. The Income, Gift, Estate and Inheritance Taxes, in both Federal and State Governments, should not only give Life Insurance an even break in comparison with a man's other possessions, but should be so fixed and so administered as to encourage the widest possible ownership of Life Insurance. The States have been more liberal in their approach in this connection than has the Federal Government, which, through its taxing policy, seems to discourage Life Insurance rather than to encourage it. The more State and National Governments do to encourage men to provide for themselves and their families through the ownership of Life Insurance, the less such Governments will have to pay from their Treasuries in relief expenditures in the future.

Specifically, there appears to be a sound basis for the suggestion made by Senator Bridges of New Hampshire, that a deduction for Life Insurance premiums should be allowed in calculating Income Taxes. For instance, New York State makes an allowance of \$150 for Life Insurance premiums. Mississippi also allows a deduction for Life Insurance premiums. There is great hope among our Policyholders and life insurance people that other States in the 1947 sessions of their Legislatures will be wise enough to adopt similar laws. This would give the taxpayer an incentive to build up and maintain a fair Life Insurance estate for the protection of his family or for his own protection at retirement—his own, self-administered "social security."

In 1943 in a speech before the American Institute of Accountants, Roswell Magill, formerly Assistant Secretary of the Treasury and prominent tax attorney, declared that "the building of substantial estates will be a rarity so long as present Income and Estate Tax rates are maintained." There are many others who believe that the recent exclusion of \$40,000 of Life Insurance from Estate Tax should be restored immediately, if not increased to \$100,000 due to the decrease in interest earnings. Otherwise, the Government would be in a position of giving with one hand while taking with the other.

In addition—and this is perhaps the most important of all, in view of the current Estate Tax situation — the so-called Lonergan Amendment, twice passed by the U. S. Senate, would have provided that Life Insurance specifically earmarked to pay Estate Taxes, should not be included in the taxable Estate. There remains much strong feeling that this measure should be re-introduced and passed by both houses. Recent encouragement and possible impetus to public interest will be found in the adoption by the United States Chamber of Commerce of a resolution approving this proposal as a part of its legislative program. This would not only help to save our Estates from "legal confiscation," and thus effectively thwart the "American Radical," but it would benefit the United States Treasury as well. For it would assure the Treasury of its tax revenue no matter what might be the structure of the Estate.

I closed my talk in Boston three years ago with a thought that may bear repeating. It was this:

"The progress of this great and enduring Country of ours has been based upon one thing and one alone: The will to work and to save and to provide security and freedom for the family. And freedom is not only a right but a hard-won heritage which constantly must be fought for to be preserved. If we, our-

selves, are to be denied by law the privilege of providing security for the family, then others must provide it. And every time people accept a guarantee of security from others, they surrender an equal amount of freedom."

In the light of today's socioeconomic trend and in view of the radical philosophies that are attempting even further to influence our way of life, I believe that thought is perhaps more significant now than ever before.

Opposes Continuing NHA, Farmers' Loans

An announcement made on June 17 by the Mortgage Bankers' Association of America stated that its Vice-President, Guy T. O. Hollyday, of Baltimore, had voiced the organization's opposition to President Truman's Reorganization Plan No. 1 when he told members of the House Expenditures Committee, which is holding hearings on the proposed plan, that with the war over wartime Federal agencies should be discontinued. Mr. Truman's plan provides for making the National Housing Agency a permanent bureau, and Mr. Hollyday, taking particular exception to this provision which was not contemplated when the NHA was established during the war, asserted that the reorganization proposal will not abolish unnecessary functions and personnel, as far as the NHA is concerned, and will not make for more economical and practical methods of handling Government problems connected with real estate financing.

"The proposed plan does not reorganize at all," Mr. Hollyday declared. "It adds, combines, increases—but it does not reorganize. What it does is impose on FHA and the Federal Home Loan Bank Administration the unwieldy and unsympathetic weight of another holding company."

"We believe that Government agencies created in wartime should be liquidated as soon as the emergency has passed. We see nothing sacred in the birth of an agency which compels its perpetuation after it has served its purpose."

The MBA, in a Washington announcement on June 18, also went on record as opposing the proposed two-year extension of Federal authority to make Land Bank Commissioner loans to farmers, its farm loan committee, of which J. S. Corley, Treasurer of Bankers Life Company of Des Moines is Chairman, declaring that "existing conditions do not justify unnecessary emergency aid and high percentage loans encourage over-extension and consequent stimulus to a boom in sales prices."

Federal Land Banks make loans to farmers up to 65% of value while the Land Bank Commissioner loans are made from 65% to 75% of value. The loans originated during the depression years at a time when many farmers had to have easier farm mortgage credit than the Land Banks could supply.

Senate Approves Aid To Filipinos

A bill to permit Filipinos resident in the United States and its possessions to become United States citizens, with an immigration quota of 100 persons a year after July 4, was passed by the Senate and sent to the White House on June 14, the Associated Press reported from Washington, adding that two additional bills were sent by the Senate to the House, one of which would provide relief for Philippine veterans of World War II, and the other would return to the Commonwealth securities pledged to obtain a military equipment loan in 1935.

President Reports On Lend-Lease

In the 22d report to Congress on lend-lease operations, made June 14, President Truman disclosed that total lend-lease aid to all countries from March 11, 1941 through Dec. 31, 1945, had amounted to \$49,096,000,000, according to an Associated Press Washington dispatch. Of the total sum, more than 60%, or \$30,753,304,000, of all wartime lend-lease went to the British Empire. Russia was next with \$11,141,470,000, and France and her possessions third, with \$2,377,072,000.

Next was China, with \$1,335,632,000, followed by Brazil, with \$319,494,000. Other American republics received a total of \$114,646,000; the Netherlands \$178,064,000; Belgium, \$82,884,000; Greece, \$76,838,000; Norway, \$37,708,000; other countries, \$100,186,000.

The President's report stated that American military aid to China is "continuing beyond the period covered by this report," but recalled his statement of Dec. 15, 1945, when he promised that "United States support will not extend to United States military intervention to influence the course of any Chinese internal strife." He told Congress that it cost the United States \$300,000,000 to transport four Chinese armies by air to place them in position to disarm the defeated Japanese after V-J Day. In explaining why it was deemed necessary to continue such aid to the Nationalist forces after lend-lease had been terminated for all other nations, the President revealed that in addition to the "gigantic lend-lease operation" of ferrying Chinese troops by air, \$68,000,000 in vehicles and \$50,000,000 in ammunition were lend-leased to China from American Army supplies in the Far East. From the Associated Press we quote:

"Two armies were transported by air from West and South China to the area of Shanghai," the President said, "and one of these was transferred further by air to Tientsin. Another army was picked up at Hankow and transported by air to Peiping."

"The President's report disclosed that this and other post V-J Day aid more than doubled the total lend-lease assistance furnished China before that date. The total through Dec. 31, 1945, now stands at \$1,335,632,050."

The President's report also indicated that a total of \$1,242,594,000 in American lend-lease was furnished American allies after V-J Day. Reverse lend-lease from other countries to the United States amounted to \$7,345,747,000, most of this from the British Empire, which supplied \$6,306,149,000.

New NLRB Member Named

James J. Reynolds, Jr., of New Jersey was named by President Truman on June 14 to be a member of the National Labor Relations Board, for a term of five years from Aug. 27. The nomination was confirmed by the U. S. Senate on June 21. Mr. Reynolds has been chosen to succeed Gerard D. Reilly, who according to advices to the New York "Times" from Washington June 14, is resigning to practice law in Boston and Washington. The advices also reported that Mr. Reynolds, 39 years old, a former member of the New York Stock Exchange who later went to work as a laborer in a steel mill, subsequently becoming director of industrial relations for the company, served in the Navy during the war. In 1945 he was appointed special assistant to the Under-Secretary of the Navy in charge of labor matters, and last May 22 went on inactive duty.

The State of Trade

Overall industrial production last week showed some slight improvement from the previous week with scattered reports indicating that more raw materials were being received by the factories. For many sections of the country reports told of gains in employment and payrolls with the settlement of many minor labor disputes.

In the steel mills output continued its upward trend with operations estimated at 84.2% of capacity for the week beginning June 17. For the past week production of steel was only 5% below that of the week beginning May 18, the highest point for the year, and 9% below that of the corresponding week a year ago.

At long last, more tranquil labor conditions were restored to automobile suppliers' industries and more automobile manufacturers reopened their plants during the week. For the week ending June 15, car and truck output was estimated at 46,792 units, or 34% more than in the previous week.

On Tuesday of last week, J. A. Krug, Secretary of the Interior, announced the establishment of an 85-member National Petroleum Council for the purpose of continuing the Government-industry teamwork that proved so important a factor in the success of the war program.

In connection with production of Pennsylvania anthracite, it is interesting to note that for the week ending June 15, total estimated output, according to the Solid Fuel Administration, amounted to 1,120,000 tons compared with 46,000 tons in the preceding week when most of the hard coal mines were out on strike. In the week ending June 16, 1945, anthracite production totaled 1,282,000 tons.

Lumber shipments for the week ending June 8 were 7.6% below production, while new orders in the same week were 17.4% below production. Output of flour for the same period rose 33.4% above that of the previous week, the first increase in three weeks. However, production was 43.2% under that of the corresponding week a year ago.

Meat production under Federal inspection for the week ending June 15 amounted to 180,000,000 pounds, which was 14% below that of the previous week and 38% under that of the corresponding week a year ago. In the case of creamery butter, output for the week ending June 13 was estimated at 27,200,000 pounds, or 1% above that of the previous week, but 33% below that of the like period a year ago.

With the expiration date of price control near at hand conferences were being conducted last week between the House and Senate in an effort to determine the future of OPA. It is the belief of many observers that the final version of price control extension would lean more toward the Senate's views than the House draft of the legislation, according to Business Action, weekly report from the Chamber of Commerce of the United States.

The publication expressed the opinion that OPA's authority would be curtailed sharply, contrary to Administration efforts to get a continuation of OPA control with little change.

Some of the features of the Senate plan are (1) Secretary of Agriculture to specify what farm commodities are in short supply and subject to price control; (2) control over non-farm products to be eliminated as soon as supply and demand balance; (3) removal by the end of 1946 of control over all items not important to living or business costs, and (4) establishment of a decontrol board with veto power over Secretary of Agriculture and authority to order elimination of controls over non-farm products.

Shoppers were more numerous last week, encouraged by

warmer weather which resulted in total retail volume soaring above that of the like week a year ago. Indications in the week pointed to the fact that consumers were generally responsive to high-priced goods where quality was not lacking. It was noted that large increases occurred in dollar volume in food, apparel and hardware items over that of a year ago. Meat, bread and other food shortages remained acute, though the dollar volume of food was well above that of the corresponding week of last year.

The flow of more goods into wholesale markets, stemming from a gradual rise in industrial output in the past three weeks, brought about a moderate increase in wholesale trade volume the past week to levels considerably exceeding those of the comparable week a year ago.

Steel Industry—The steel industry last week pushed its operating rate within three points of the pre-coal strike level, when ingot production hit 86% of rated capacity, up 8.5 points from last week's figure.

Coal output gained rapidly the past week and may soon reach record levels, but the four-day shutdown in July may cause a temporary stringency in supplies for steel company use. Notwithstanding some opinion held to the contrary, the steel industry may get by the coal miners' vacation period without seriously interrupting output, states "The Iron Age," national metalworking paper.

The strong upward trend in the steel operating rate is not a criterion for the supply of steel in consumers' hands. For the first time since the steel strike, sheet and strip customers of some firms are in a position to expect shipments to the full extent of their quotas, although these may fall far short of what they would like to receive, according to the magazine.

The full effects of the complete shutdown in the steel industry earlier this year are now being felt, and forcing the past week some midwestern plants to restrict manufacturing operations by as much as 50% until fresh steel shipments of a balanced nature are received.

During the second half of this year the steel industry is expected to get into full stride of uninterrupted output with the result that customers will receive a steadier flow of material. It may be September before the unbalance in steel products is eliminated, the magazine states, thus allowing manufacturing concerns to reach the highest point of efficiency in their production cycles.

With the steel industry going into a period of sustained operations, some steel observers are fearful that the unusually large backlogs will be whittled down rapidly because of duplicate ordering. Steel companies have no way of knowing the magnitude of duplications in steel ordering because they have no access to competitors' books, but the total of such duplication, "The Iron Age" points out, is probably heavy.

In today's sellers' market customers who would be fortunate enough to obtain delivery on orders duplicated with other firms, would be hardly likely to cancel such orders. As production continues, backlogs in the steel industry are bound to be cut down

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Reports on Foreign Bond Situation

Dean John T. Madden, Director of Institute of International Finance of N. Y. University, estimates more than half of outstanding publicly offered foreign bonds are meeting debt requirements. Sees continuation of redemptions and repatriation of principal, and explains working of adjustment plan relating to Brazil Dollar Bonds.

In 1945 debt service has been paid in full on \$2,468,976,271, or on 50.77% of the total of \$4,863,081,625 of publicly offered foreign dollar bonds

outstanding on Dec. 31, 1945, according to a bulletin entitled "Statistical Analysis of Publicly Offered Foreign Dollar Bonds" issued on June 17 by Dean T. Madden, Director of the Institute of International Finance of New York University.



Dean J. T. Madden

The slight increase in propor-

	Dec. 31, 1944		Dec. 31, 1945	
	(000,000)	%	(000,000)	%
Debt Service paid in full...	\$2,568.4	50.17	\$2,469.0	50.77
In default as to interest...	2,433.7	47.54	2,277.8	46.84
In default as to sinking fund or principal.....	117.2	2.29	116.3	2.39
Total	\$5,119.3	100.00	\$4,863.1	100.00

On Dec. 31, 1945 European and Latin American debtors accounted for 83.8% of defaulted bonds. Of the total Latin American bonds in default, Mexico and Chile account for 32.2 and 20.3%, respectively, while German issues represent 57% of total European defaulted bonds. At the end of 1945 Latin America accounted for 32.6% of total defaulted bonds against

	Amount Outstanding (000,000)	Amount in Default (000,000)	% of Total Defaulted Bonds
Latin America....	\$1,339.5	\$741.9	32.6
Europe	1,417.0	1,166.8	51.2
Far East.....	517.3	288.6	12.7
North America....	1,539.3	80.2	3.5
Total	\$4,863.1	\$2,277.7	100.0

At the end of 1945, 82.3% of the European, 55.4% of the Latin American, 55.8% of the Far Eastern and 5.0% of the North American bonds outstanding were in default as to interest. An analysis of interest defaults by types of obligors shows that bonds of national governments account for 41.7%, corporate bonds for 39.6%, states, provinces and departments for 9.4%, and municipalities for 9.3%.

The Actual Interest Rate

The actual rate of interest return in 1945, based upon the amount of cash interest received for 1945 coupons on the nominal amount of publicly offered foreign dollar bonds outstanding at the end of the year, was 2.32% as compared with the average contractual rate of 5.14%. In 1944, the amount of cash interest received constituted 2.31% as

	Nom. Amt. Outst'd (000)	Cont. Amt. Int. Due (000)	% of Aver. Contractual Rate of Int. Due	Act. Amt. Rec. in Cash (000)	% of Aver. Rate Ret.
Latin America...	\$1,339,441	\$66,356	4.95	\$22,711	1.70
Europe	1,417,036	86,473	6.10	12,728	0.90
Far East.....	517,260	28,698	5.55	11,347	2.19
North America....	1,589,344	68,664	4.32	65,946	4.15
Total	\$4,863,081	\$250,191	5.14	\$112,732	2.32

In discussing repatriation of bonds the bulletin states: The Institute has obtained information on foreign dollar bonds repatriated or purchased by foreigners of issues of twenty-one countries out of a total of thirty-eight countries still having dollar bonds outstanding in the United States. At the end of 1945 these twenty-one countries had outstanding \$2,412,769,525 principal amount of dollar bonds, of which bonds with a face value of \$779,008,135 or 32.29% of the outstanding amount were held abroad. Only \$37,558,500 or 4.8% of the total repatriated amount represent bonds of countries that

are paying interest on all issues in accordance with the loan contract. Germany and Japan, which are in complete default of debt service, account for 56.56% of the total principal amount of bonds repatriated. These two countries have repurchased 36.64% and 69.51%, respectively, of their dollar issues publicly offered in the United States. In contrast, however, to the German repatriation, which was carried out mainly during the period the country was in partial or total default on interest and sinking-fund payments, the repatriation by Japan took

Status of Foreign Bonds

Data on the status of all publicly offered foreign dollar bonds as of Dec. 31, 1944 and 1945 are summarized in the following table:

36.5% on Dec. 31, 1944. Europe's percentage increased 47.9% at the end of 1944 to 51.2% on Dec. 31, 1945. The Far East accounted at the end of 1945 for 12.7% of total defaulted bonds.

The geographical distribution of foreign dollar bonds in default as to interest on Dec. 31, 1945, is shown in the following table:

	Amount Outstanding (000,000)	Amount in Default (000,000)	% of Total Defaulted Bonds
Latin America....	\$1,339.5	\$741.9	32.6
Europe	1,417.0	1,166.8	51.2
Far East.....	517.3	288.6	12.7
North America....	1,539.3	80.2	3.5
Total	\$4,863.1	\$2,277.7	100.0

against the contractual rate of 5.16%.

For 1945, an actual rate of return of 1.70% was received on Latin American bonds as compared to a contractual rate of 4.95%, while for 1944 the rates were 1.52 and 5.05%, respectively. In 1945, Europe paid at the rate of 0.90% instead of 6.10% contractual rate. In the preceding year Europe paid 0.94% instead of 6.10%. The North American group of issues in both years paid almost the full contractual rate of interest. There was practically no change in interest payments of the Far Eastern issues. The amount received in cash in respect to 1945 coupons was 45.06% of the contractual amount due, as against 44.78% in 1944.

The contractual amount of interest due and the amount received for 1945 coupons of bonds outstanding on Dec. 31, 1945 are shown in the following table:

	Nom. Amt. Outst'd (000)	Cont. Amt. Int. Due (000)	% of Aver. Contractual Rate of Int. Due	Act. Amt. Rec. in Cash (000)	% of Aver. Rate Ret.
Latin America...	\$1,339,441	\$66,356	4.95	\$22,711	1.70
Europe	1,417,036	86,473	6.10	12,728	0.90
Far East.....	517,260	28,698	5.55	11,347	2.19
North America....	1,589,344	68,664	4.32	65,946	4.15
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place while service of bonds was fully maintained.

Brazil Adjustment Plan

Under the heading "Recent Developments" the bulletin presents information of importance to holders of foreign dollar bonds, including an analysis of the results of the Brazilian Government debt adjustment offer up to Dec. 31, 1945, the Province of Alberta debt reorganization plan, the proposed adjustment of the dollar and sterling debt of the National Railways of Mexico, and the settlement of the defaulted bonds of the Abitibi Power and Paper Company, Limited.

As of Dec. 31, 1945, bonds representing 19.61% of principal amount of dollar bonds outstanding on the day the Brazilian plan became effective have accepted Plan A, 55.81% have been exchanged into Plan B bonds, while 24.58% of the bonds have not elected either plan. Those optional (original) bonds outstanding in the face amount of \$69,464,445, which are now considered by the Brazilian Government to be Plan A bonds, receive no interest unless they are presented for stamping to evidence their change into Plan A bonds. Owing to the reduction in principal in connection with the acceptance of Plan B and to the operation of the sinking fund the total Brazilian bonded dollar debt (exclusive of \$335,500 principal amount of the State of Ceara bonds) has been reduced from \$284,560,645 to \$217,036,385 at the end of 1945.

US Eases Restrictions on Blocked Funds

Citizens or subjects of Italy, Bulgaria, Hungary or Rumania residing in those countries may now receive limited support remittances from their blocked property in the United States under an amendment of General License No. 32A issued on June 20 by the Treasury Department. The Department's advice said:

"These remittances are permitted in order to alleviate the many cases of severe personal hardship which have been brought to the attention of the Treasury Department. The amount, however, will be limited to a maximum of \$200 per month for any one household, since no general determination has yet been made with respect to the disposition of the blocked property of these four countries.

"Individuals residing in these countries who are not citizens or subjects of enemy countries may receive up to \$1,000 per month under the new license from their blocked funds. Prior to this amendment, the license extended this privilege only to individuals in Italy.

"Treasury officials pointed out that all restrictions against remittances to these countries from free funds were removed last December through the issuance of General License No. 94.

"Attention was directed to the fact that General License No. 32A does not waive the provisions of General Ruling No. 11A."

Steelman to Head OWMR

Reversing his decision to discontinue the Office of War Mobilization and Reconversion, President Truman on June 14 named John R. Steelman to succeed John W. Snyder, recently appointed Secretary of the Treasury, as Director of OWMR; the nomination of Mr. Steelman for a 2-year term was confirmed by the Senate on June 21. The President's statement announced that Mr. Steelman would also continue in his present capacity as labor adviser to the President.

The Financial Situation

(Continued from first page)

misconception of what is required to encourage (or perhaps better expressed, avoid discouraging) such work and such production.

Evidence of this infirmity lies about us on all sides. Whether we turn to domestic policies and preachments here in the United States or to the international scene as viewed by our policy makers in this country this same basic shortcoming is distressingly apparent. It is difficult at so great a distance to be quite certain of the situation in this respect in foreign lands, but such indications as are available amply warrant at the very least suspicion that the counterpart of our weaknesses in this regard is to be found quite generally throughout the world, at least among the conquering countries, with the apparent exception of Russia where, of all the countries of the world, communism (if that is what it really is) and hard work do not appear to be hopelessly antagonistic!

Consider the Facts!

Let the reader of these words consider what he sees daily in his newspaper and what is daily going on around him. He is being carefully kept aware of the fact that large sections of the world's population are now being limited to 1,000 calories per day, and that in all probability large numbers of people elsewhere are subsisting as best they may on even less! He is being told again and again and again of the lack of clothing available to millions of human beings in other lands. His dissatisfaction with lack of adequate housing here in the United States is being treated with ointment compounded of accounts of much greater privation in other lands. All this and much more like it is designed to reduce his disposition to complain of his own lot and to persuade him to do with still less in order that he may assist the much more unfortunate in other lands.

But if he asks what these foreign peoples are doing to meet their own dire wants, what is he told? If he inquires as to the length of time he will be expected to continue to contribute to the support of these alien hordes in many parts of the world, what satisfaction does he get? Unless he is persistent to the point of going far beyond the dispensers of the usual propaganda he gets no information or satisfaction at all on these points. Ignorance, or evasions to cover lack of knowledge, and in general a disposition to be quite indifferent to this aspect of the matter is what he

almost invariably encounters. Even the most diligent and determined inquiry will almost certainly leave him much in the dark. The matter, apparently, just is not considered important enough to warrant study and disclosure—or else those in control are of the view that the least said about it the better.

Depressing Situation

If he happens to be one of the relatively few who have access to good sources of information, he soon finds the situation more than depressing. He soon finds that in occupied areas at least in Europe, popular slogans, queer political and economic notions, leftovers of war propaganda and war psychology, unending "red tape," and just plain incompetence and bungling, all stand directly athwart the path of economic self support among large industrial populations. He can scarcely avoid the impression that in at least some of the formerly "occupied" countries factional politics and bitter strife over "ideologies" is seriously deferring the day when Macedonian cries for help will no longer be needed. Rapid restoration of production—which of course in such regions in even larger degree than elsewhere in the world means harder and more diligent work—seems almost everywhere to occupy a secondary place in the public mind.

The same state of affairs in its essentials appears to exist right here within our own borders. No day ever passes without innumerable pleas to the rank and file to deny themselves in order that many millions elsewhere in the world may survive in health. How often do these same pleaders ever suggest to the "production worker" that he apply himself more diligently in order that more may be produced to satisfy both his own needs and those of the suffering millions abroad? Needless of course to ask how often it is suggested that these men and women work a few hours longer each week even with their usual straight time pay in order that more food, more essentials of all sorts be available to meet abnormal needs abroad without at the same time unreasonably reducing supplies available to our own citizens.

Meaningless Lip Service

It is true, of course, that vague oaths of allegiance to abundant production are taken from day to day by most of those who have special interest in keeping their names favorably before the rank and file. There is no deny-

ing that from time to time, of late at rather frequent intervals, these gentlemen come forward with plans as well as price or other adjustments designed (to let them tell it, at any rate) to increase production of this or that. The fact is though that these steps are so poorly conceived that it is quite evident that their authors do not understand "what makes the wheels go around" in business. They rarely do that for which they are designed, and when they do they simultaneously create other problems of magnitude corresponding to that which is thus solved.

That which is really essential—striking the shackles from business—they are not willing to do. And labor is quite as unwilling itself to do what is needful. Sooner or later, of course, experience will teach us the truth about these things, but that will be a needlessly expensive way to learn.

NYSE Short Interest To June 15 Reported

The New York Stock Exchange made public on June 19 the following announcement:

The short interest as of the close of business on the June 14, 1946 settlement date, as compiled from information obtained by the New York Stock Exchange from its members and member firms, was 867,891 shares, compared with 1,022,399 shares on May 15, last, both totals excluding short positions carried in the odd-lot accounts of all odd-lot dealers. As of June 14, 1946 the total short interest in all odd-lot dealers' accounts was 41,048 shares, compared with 50,228 shares on May 15, 1946.

The Exchanges report added:

Of the 1,295 individual stock issues listed on the Exchange on June 14, 1946, there were 59 issues in which a short interest of 5,000 or more shares existed, or in which a change in the short position of 2,000 or more shares occurred during the month.

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

1945—	
June 15.....	1,554,069
July 13.....	1,420,574
Aug. 14.....	1,305,780
Sept. 14.....	1,327,109
Oct. 15.....	1,404,483
Nov. 15.....	1,566,015
Dec. 15.....	1,465,798
1946—	
Jan. 15.....	1,270,098
Feb. 15.....	1,181,222
Mar. 15.....	1,015,772
Apr. 15.....	994,375
May 15.....	1,022,399
June 15.....	867,891

Efron Quits APC Post

Alien Property Custodian James E. Markham on June 24 announced the resignation of Samuel Efron, Assistant Chief of the APC's Division of Investigation. Mr. Efron is joining the New York law firm of Maass and Davidson. Before joining the APC in August 1942, Mr. Efron was an attorney for the Securities and Exchange Commission and the Department of Labor. He is a graduate of Lehigh University and Harvard Law School.

The Pot and the Kettle

"No amount of explaining can refute the fact that in a number of unions the individual has less freedom and fewer rights than he has as a citizen of the nation. To remedy this degeneration of union democracy we advocate the following measures:

"1. Regular and frequent conventions and membership meetings.

"2. Democratic election of all union officers, cutting appointive positions to a minimum, and through referendums among the membership rather than election by convention delegates.

"3. Participation by the membership on all negotiating committees, and discussions by the rank and file on all matters of union policy and strike settlements.

"4. End of all race discrimination by unions and the opening of the unions' rolls to all unorganized workers in the various trades.

"5. The elimination from positions of union leadership of all totalitarians—Communists, Fascists, Ku Klux Klansmen, as well as racketeers.

"6. The execution of effective trade union educational programs."—A Labor Committee of the Socialist Party.

Of course most union members are slaves to their unions!

But it hardly lies in the mouth of the Socialist party to criticize!

It is open to question whether a citizen of a Socialist state would have any freedom or rights at all.

That the typical Socialist is unable to see this simple truth is plainly suggested by the remedies for labor union slavery proposed by the committee quoted above.

Commerce Dept. Officials Leave for Moscow

Secretary of Commerce Henry A. Wallace on June 20 announced that two officials of the Department's Office of International Trade left that day on the Queen Mary for Moscow to discuss means of increasing trade between this country and the Soviet Union. It is stated that E. C. Ropes, USSR Policy Specialist in the Office of World Trade Policy, and Dr. Lewis L. Lorwin, Staff Economist in the Office of World Trade Policy, have developed an extensive agenda of matters to be taken up with Soviet officials. The reconstruction program of the USSR and the plans for full development of the Soviet Union offer tremendous possibilities for American goods and American technicians as well as for increased import from Russia, said the Commerce Department's announcement which in part also stated:

"Russia's Amtorg, or State-trading organization, has already had a great deal of experience in dealing with American firms. However, Mr. Ropes and Dr. Lorwin expect to discuss with Russian officials the new peacetime operations of Amtorg and methods of further facilitating trade. In line with one of the primary functions of the Office of International Trade, Mr. Ropes and Dr. Lorwin hope to develop a program with the Russians to increase and improve commercial information made available to the trade in both countries.

Mr. Ropes was educated in private schools in St. Petersburg, Russia, and Brooklyn, New York. He graduated from Columbia College, New York, in 1899. From 1919 to 1922 he was YMCA secretary in North Russia and Estonia. Mr. Ropes entered the Bureau of Foreign and Domestic Commerce of the Department of Commerce in 1923, became the Russian specialist in 1925 and has continued in that capacity to date, except for an absence of six months in 1928, devoted to a trip to the USSR for the Remington-Rand Company. He is the author of numerous articles and reviews on Russia, appearing in Government publications.

"Dr. Lorwin is well known in this country and abroad for his books dealing with economic and social problems and international relations. He taught economics and finance in several universities, was a member of the staff at Brookings Institution, and from 1935 to 1939 was Economic Adviser to the International Labor Office. During the war, he was Economic Adviser in the Foreign Economic Administration. With the transfer of part of FEA to the Department of Commerce, he became Staff Economist of the Office of World Trade Policy of the Office of International Trade. Dr. Lorwin has visited the Soviet Union several times. In 1929, he crossed Siberia on his way from Moscow to the conference of the Institute of Pacific Relations in Kyoto, Japan, to which he was a delegate. In 1935, he went to Moscow on a special mission from the International Labor Office to study the work of the Soviet economic and planning organizations. Dr. Lorwin was an adviser to the U. S. Delegation to the First General Assembly of the United Nations held in London in January-February, 1946. He is now an adviser from the Department of Commerce to John G. Winant, U. S. Representative on the Economic and Social Council of the United Nations.

U. S.-Venezuela Pact

An agreement for a United States military mission to serve two years in Venezuela was signed at Washington on June 3, said special advices on that date to the New York "Times" which further reported from Washington:

"Secretary of State James F. Byrnes signed the agreement with Alfredo Machado Hernandez, the Venezuelan Ambassador.

"The agreement follows the lines of similar arrangements with other American republics. Army and Navy officers are sent from the United States to advise the armed forces on modern tactics and equipment. The agreement was the result of a request from Venezuela. It provides for beyond the two years on request from Caracas."

Steel Operating Rate Again Up, Although Handicapped by Serious Shortages of Scrap

Steel producers this week were facing one of the most serious shortages of iron and steel scrap since wartime peak production in 1942-43 when national scrap drives and agitation for higher scrap prices were the general rule, according to "The Iron Age," national metalworking paper. "Until such time as manufacturing operations among steel consuming groups reach a much higher rate than at present, there is little chance of this situation being alleviated," adds the "Age" in its issue of today (June 27), which further goes on to say in part:

"While some dealers and scrap producers are reported to have been holding back supplies in the hope of higher prices, the fact that OPA will be extended has eliminated, for the time being at least, any chance for higher ceilings on iron and steel scrap. It is assumed that any product the supply of which is far below actual demand will continue to be controlled by OPA.

"The tonnage of scrap which is believed to have been held back recently during the national price controversy would represent only a small part of total scrap activity. When this tonnage starts to flow into consuming channels, it should have little or no effect upon the general supply picture. The present shortage of scrap has been aggravated by the increased use of scrap during the past two months when pig iron output was abnormally low.

"Some steel makers are pinning their hopes on a greater supply of pig iron over the next few months as renovated blast furnaces are brought back into production. The contemplated action of the Government to bring in some Government-owned and some high cost blast furnaces may help the situation when and if this action is taken. It is possible, however, that the present delicate balance between coal supplies and coal demand may result in the temporary shortage of coke for blast furnace fuel. Over the long run, however, the outlook for increased pig iron production is promising.

"In the face of scrap shortages, hot weather and other production difficulties, the steel industry this week was able to advance its operating rate to a figure which represents a weekly production of steel comparable with peak periods which followed the temporary setback after V-J Day. While some steel officials believe that the current scrap shortage will not only prevent the rate from going any higher, but will likely cause it to decline, this opinion is not uniform throughout the industry. Many times since the first of the year industry predictions on the speed of recovery from setbacks in output have been too conservative.

"In the nonferrous field consumers of nonferrous metals are gradually recognizing the fact that shortages of lead, tin, copper, zinc and silver are world-wide in scope and likely to continue indefinitely or at least until exploration reveals significant new deposits. Government subsidized purchases abroad starting with the war have served to obscure the significant rise in world prices of these metals which is due only in part to the runaway inflation present in most foreign mining areas.

"With chances certain that OPA's life will be extended, controls over prices of iron and steel products should continue as long as the supply falls far short of demand. However, it is expected that from time to time individual steel products will be decontrolled when supply and demand are in balance or when there is no question of a shortage. OPA has already taken such action on a few steel items, and has insisted that controls will be dropped on other products as conditions warrant. On the other hand if a special decontrol board is set up under the auspices of Congress, controls may be removed more

rapidly than if the sole power to make decisions rested with OPA."

The American Iron and Steel Institute on June 24 announced that telegraphic reports which it had received indicated that the operating rate of steel companies having 94% of the steel capacity of the industry will be 87.2% of capacity for the week beginning June 24, compared with 84.2% one week ago, 43.6% one month ago and 91.5% one year ago. This represents an increase of 3.0 points or 3.6% from the preceding week. The operating rate for the week beginning June 24 is equivalent to 1,536,800 tons of steel ingots and castings, compared to 1,483,900 tons one week ago, 768,400 tons one month ago, and 1,675,900 tons one year ago.

"Steel" of Cleveland, in its summary of latest news developments in the metalworking industry, on June 24 stated in part as follows: "Steel plant operations of 85% of capacity are now resulting in greater tonnage for civilian goods than during any previous period in history.

"Despite this tremendous output, mills are not able to keep up with the unending flow of demand from manufacturers of the everyday items needed in all our households, by business and industry, and for new construction.

"Nearly 20,000,000 tons have been lost as the result of strikes since V-J Day. If this steel had been produced, supplies of household goods, construction steel, automobiles and other items now short would be more nearly approaching normal.

"While steel production is being increased rapidly, an early leveling off is in prospect as a result of shortages of pig iron and scrap.

"Coincidentally the feeling is growing in the trade that higher steel product prices as a result of increased costs, due to impending coal price advances, as well as higher freight rates, are likely to be effected in the near future. Currently, government agencies are working on a program which would permit pig iron producers to advance prices. Also an increase of as much as 50 cents per ton is reported pending on iron ore. Prices on other products entering into steelmaking also are expected to rise, influencing the higher trend in steel quotation.

"Meanwhile, with producers far behind on current commitments, scarcity of important rolled products, sheets, pipe shapes, small carbon bars and plates in particular, show few signs of easing. Impact of recent regulations designed to relieve the housing shortage and facilitate urgent requirements in other directions has placed pressure on sheets seldom before encountered.

"These regulations embodied in Director 12 to Order M-21, applying to third quarter, have placed special pressure on galvanized sheets because of their importance to home building and in somewhat less degree on enameling sheets for stoves, bathtubs and other household appliances. It is estimated that 20% of the total order book in sheet products in third quarter will go to meet needs of the housing program and agricultural equipment manufacturers, as outlined in Direction 12.

"Next in importance, but well behind sheets is pipe, with carbon bars third and light shapes probably next. Plates are well down on the list. In fact plate-makers expect few certified orders under this regulation as household boilers and water heaters are not included in end-use products.

"Except for the increase in average composite price of finished steel, caused by a rise of \$10 per ton in nails, steel composite prices are the same as have prevailed for several weeks. The new finished steel composite is \$64.45, up 91 cents. Semifinished steel composite is \$40.60, steelmaking pig iron \$25.50, steelmaking scrap \$19.17."

WAA to Aid Small Business

Under a recently issued order of the War Assets Administration small manufacturers can procure a fair share of scarce plant equipment and production materials, according to Washington advices on June 18 to the "Journal of Commerce," which state that the new order allows contractors in possession who waive their option rights to purchase directly from the owning agencies not more than 25% of the short supply of Government-owned equipment in their plants. It is added that "Where the contractor in possession is a small operator, this provision is liberalized to allow purchase by the contractor up to 100% of the short supply items.

"The order will provide also that, after priority claimants are taken care of, the needs of small companies are to be filled before those of larger companies."

Revised Special Order 24, the "Journal of Commerce" continues, states:

"Precedence shall be given to orders received from small retailers and from wholesalers who serve small independent retailers. The new order, General Texton said, will extend this operating principle to capital and producers' goods.

"The House Small Business Committee said the order will eliminate the special advantage which big contractors in possession of surplus equipment had in being able to pick and choose the best tools and equipment in short supply before those items were declared surplus. . . . This adversely affected smaller manufacturers because the bulk of this equipment was stored in the plants of the largest firms."

At the same time, Brig.-Gen. G. E. Texton, WAA Deputy Administrator for Plans and Policies, according to the same sources, disclosed that a new certifying procedure for veterans is being developed. The "Journal of Commerce" advices further said:

"The new procedure will provide flexibility for the veteran by substituting a blanket certification good for an assortment of items, in place of the present certificate which is valid only for industrial items.

"Under the plan a veteran would be given a certificate to buy a specific amount of goods—no limit has been set—and he would be permitted to carry the certificate with him from site sale to site sale until the over-all amount of his certification is attained.

"General Texton added, however, that the most difficult problem in the field of sales to veterans is the question of veteran brokerage. The Administration has been continuously studying this problem and at the moment has no effective solution to it. . . . the best approach appears to be an appeal to the honesty and integrity of the veteran."

"In another step to aid veterans and small business purchasers, the WAA has arranged with the Reconstruction Finance Corp. for the latter agency to assign a bonded representative at each site sale. According to General Texton, the RFC representative will have authority to accept payment for surplus property and to include the necessary transaction with the War Assets Administration at the site."

Holds Silver Shortage Impedes Auto Output

Manufacturer of electric contact points, user of the metal, says producers have been forced to re-process scrap. Blames silver Senators, who are crusading for \$1.29 an ounce silver.

"Because silver is off the market, new cars may be off the high-ways," John Tebben, of the H. A. Wilson Co., Newark, N. J., manufacturer of electrical contact points, declared in a statement, issued June 21.

"That may sound like a headline for a tabloid," he added, "but I've been trying to think of some way to ram home a hard truth—and, that's the best I can do. Silver is the critical material in the product we make. It is now unobtainable. This is what that may mean:

"If the automotive industry—which has had so many, various difficulties during reconversion—now were able to operate at full capacity, deliveries of the cars everybody wants and needs probably would be halted in about three weeks by the exhaustion of the supply of what might be described as 'little gadgets nobody knows'—electric contact points. They make and break electric currents. The points are of silver. There are a dozen or more in every car.

"A survey of the companies manufacturing contact points indicates that in May we were delivering less than 10% of the industrial demand—automotive, and many other industries. By mid-May we were scratching bottom on silver supply. We were re-processing scrap. We stopped making deliveries.

"Our little industry is hit by a silver famine, whose effects shortly will be felt by many big industries, because Senators from Western, silver-producing States again are crusading on a '\$1.29 or bust' basis. They are taking advantage of the wartime sharp drop in the mining of silver throughout the world, and the consequent shortage of supply, to 'decree'—that's what it really amounts to—that nobody shall have any silver for industrial use, now, unless it is agreed and enacted that silver mining interests get \$1.29 an ounce from 1948 on. Or, until they decide to ask for more. That figure is three and one-half times the prewar price of the metal.

"These so-called Silver Bloc Senators actually have succeeded for seven months in obstructing efforts—for which the House voted favorably twice—to solve the supply crisis by selling the silver-using industries some of the Treasury's idle and unneeded silver.

"Some of them now have indicated that they will continue to prevent such purchases until Congress adjourns with no action taken, unless they get what the silver-producing interests of the West want, legalized \$1.29 silver. That's brazen enough; but, they make no secret of it.

"This will cost many industries much and it may cost a great many employees much more. And, I would say that it is a matter of concern for all of us, since everybody wants a new car and the lack of tiny bits of silver shortly may become the reason why cars cannot be delivered."

Walker to Remain on FCC

The nomination of Paul A. Walker of Oklahoma City, Okla., for another seven-year term from July 1 on the Federal Communications Commission, of which he was an original member, was approved on June 14 by the Senate Interstate Commerce Committee, while the Senate confirmed the nomination June 15. Mr. Walker's name was sent to the Senate by the President on May 13.

Retail Prices Show Sharp Advance in May According To Fairchild Index

Fairchild Publications' Retail Price Index showed a sharper advance between May 1 and June 1 than it has recorded for many months, said the report of the index issued by Fairchild Publications on June 18. The Price Index at the beginning of June stood at 114.5 (Jan. 3, 1931=100). This compares with an Index of 113.7 as of May 1 and 113.4 in June last year, the announcement pointed out.

Infants' and children's wear was the only main category of the Index which remained stable. Piece goods, men's apparel, women's apparel and home furnishings all showed increases, said the announcement, which continued:

"Gains in piece goods departments were recorded principally for woollens and for cotton washgoods. The latter, in particular, is in conformity with the rising trend of basic cotton fabric prices. Sheets also continued the advance recorded in May, although blankets and comforters remained stable at the May level.

"Among the women's apparel items the sharpest increase was reported for corsets and brassieres. There was also a further rise in retail prices for furs and shoes. There was no change in hosiery and very little change in underwear.

"The advance in men's apparel was moderate. The Index rose from 105.7 to 106.2. Chief advances were reported for men's underwear, shirts, neckwear and clothing.

"In the home furnishings department furniture and floor coverings showed the principal increases. Radio and luggage showed only a slight gain above the May level.

"Infants' underwear was among the few items showing a minor decline during the month. This was offset by small increases for infants' and children's socks and shoes.

"The action of the Retail Price Index is not surprising according to A. W. Zelomek, economist, under whose supervision the Index is prepared. Modifications of price control, in response to the steady upward pressure on prices, is beginning to show up at the retail level. Further gains can be expected in the next few months regardless of the outcome of price control legislation."

Dinner for Graduate School Of Banking at ABA Chicago Convention

The Chicago alumni of The Graduate School of Banking have issued an invitation to a reunion dinner to GSB students and alumni who attend the American Bankers Association's convention at Chicago in September. Kenneth R. Wells of the American National Bank & Trust Company of Chicago has been named Chairman of the affair by Franklin L. Purrington, of the Federal Reserve Bank of Chicago, who is Acting President of the Chicago alumni group. Plans call for a cocktail party and dinner on Tuesday evening, Sept. 24, a time which does not conflict with any other scheduled convention activity. Students and alumni of The Graduate School of Banking who plan to attend the convention may make advance reservations through Mr. Wells, who estimates that from 200 to 300 GSB men will attend the dinner.

April Factory Employment in New York State Highest Since V-J Day

Employment dislocations in New York State resulting from the recent wave of industrial disputes were largely dissipated by mid-April when industry continued its reconversion to peacetime production at an accelerated pace, according to an announcement issued on June 21 by the Division of Placement and Unemployment Insurance of the State Department of Labor, which continued:

"A total of 1,778,700 workers were employed in April in factories subject to the New York State Unemployment Insurance Law. This total, representing 99% of all manufacturing employment in the State, is the highest employment figure for any month since V-J Day.

Although declines from wartime peaks for factory employment in New York State have been severe, dips in nationwide figures have been much more pronounced. Consequently, the relative position of New York State manufacturing employment has improved. While New York State industries employed about 13% of all manufacturing workers in the nation during 1943 and 1944, the post-V-J Day ratio rose to 14%. During the first four months of 1946 it was almost 15%.

"The end of the war had less effect upon New York's diversified industrial structure than upon the war-stimulated industry of other States. The report went on, reconversion to peacetime production has been a minor problem to the important consumer goods industries in the State. Most producer goods plants easily switched to turning out their former products. In proportion to its peacetime capacity, the State does not have as many new plants designed primarily for the manufacture of war goods as do many other States.

"Factory employment in the State is, of course, well below the wartime level when more than 2,000,000 workers were employed. From the wartime peak of 2,141,200 workers in September, 1943,

employment declined slowly until V-E Day when it totaled 1,978,600, a drop of 7.6%. From V-E Day to V-J Day it declined by about 126,900, and by October, 1945, had dropped to 1,697,100—a decline of 20.8% from the 1943 peak. From October, 1945, to January, 1946, the trend was reversed, with 31,300 workers reemployed. A drop of 51,200 workers in February was due largely to the nationwide automobile, steel, and electrical equipment strikes. When some of these strikes were settled, March employment rose to the mid-January level. In April, the settlement of all major strikes in the State, coupled with further reemployment for peacetime production, raised employment 50,000 above the January level and about 82,000 above that of October, 1945.

"The figures for total manufacturing employment subject to the Unemployment Insurance Law shown for January, 1943, through April, 1946, are based on recently compiled data. Total manufacturing employment in April, 1946, is estimated at 1,797,700 workers, of which 99% are covered by the Unemployment Insurance Law. The remaining 1%, or about 19,000 employees, work in firms employing fewer than four employees. Of the 1,778,700 insured workers, 1,425,600, or 80%, are production wage-earners. The remaining 353,100 are engaged in supervisory, office, maintenance and similar occupations in the manufacturing firms of the State."

Merrill, Lynch Graduate Four From Training

Victor Cook, partner in charge of the New York branch of Merrill Lynch, Pierce, Fenner & Beane, announced that four graduates of the firm's Investment Training School have been assigned as account executives at 70 Pine Street office. The new men are William L. Fieldman, of Elizabeth, N. J.; Joseph L. Hoguet, of New York City; John J. Humm, of Baldwin, L. I., and Elijah N. Jones, of Durham, N. C.

Mr. Fieldman, who is a graduate of the University of Pennsylvania, served as an officer with the Air Forces in Europe before entering the school. Prior to joining the Army he was employed by Feltman Bros., Juvenile Import Co., Manila, P. I.

Mr. Hoguet, who is a graduate of Harvard, entered the Merrill Lynch School directly from the Navy, where he took part in the invasion of Iwo Jima and the early occupation of Japan. Prior to joining the Navy he was employed by International Mercantile Marine Co.

Mr. Humm, who is a graduate of the University of Dayton, served for five years as an Army officer in the Asiatic-Pacific Theatre before enrolling in the school.

Mr. Jones, a graduate of Elon College, also holds a Masters Degree from Duke University. He was a naval intelligence officer for five years before entering the Merrill Lynch School. He was Business Manager of the Durham, N. C., city schools system when he entered the service.

Mr. Cook said that he felt particularly fortunate in being able to get four of the graduates of the first veterans' class trained by Merrill Lynch for the New York office.

"The demand of our branches in other cities for trained account executives has been so intense that it was a real job to decide

who should get first choice. We finally solved the problem by letting the men pick their own spots. Most of them, naturally, wanted to return to their own communities, but New York was the second choice of most and the first choice of four.

"Our school is running full blast with two classes now in training. We are going to keep it going until we have filled the personnel gap caused by the depression and the war. I hope that we can get men from every class for the New York office. It is the best guarantee of improved customer service that I can think of."

McNutt Envoy to Manila

President Truman announced on June 14 that Paul V. McNutt, now High Commissioner to the Philippines, would be the first American Ambassador there after the Islands become a Republic July 4. The nomination was sent to the Senate by the President on June 18 and confirmed by that body on June 20. Mr. Truman has also assigned Mr. McNutt to represent him at the independence ceremonies, releasing Secretary of the Interior J. A. Krug who had been previously named for the position and will now be able to remain in the United States where the President's press secretary, Charles G. Ross, said "he has a mountain of work before him."

Mr. McNutt is now in the Islands, an Associated Press Washington dispatch June 14 stated, where he is helping with preparations for the inauguration of independence.

The announcement further stated that Rear Admiral Gilchrist Stockton already has been appointed United States Embassy Attache at Manila.

Condition Of National Banks

The statement of condition of the National banks under the Comptroller's call of Dec. 31, 1945 has just been issued and is summarized below. For purposes of comparison, like details for previous calls back to and including March 20, 1945, are included.

CONDITION OF NATIONAL BANKS IN THE UNITED STATES ON MARCH 20, JUNE 30 AND DEC. 31, 1945
(In thousands of dollars)

	Mar. 20, 1945 (5,025 banks)	June 30, 1945 (5,021 banks)	Dec. 31, 1945 (5,023 banks)
ASSETS			
Loans and discounts, including overdrafts.....	10,544,996	12,389,133	13,948,042
U. S. Government securities, direct obligations.....	43,993,856	47,230,307	51,459,960
Obligations guaranteed by U. S. Government.....		25,156	7,746
Obligations of States and political subdivisions.....	2,129,036	2,200,505	2,341,725
Other bonds, notes and debentures.....	1,372,440	1,422,677	1,656,865
Corporate stock, including stock of Federal Reserve banks.....	144,958	141,256	145,313
Total loans and securities.....	58,185,286	63,409,034	69,559,651
Cash, balances with other banks, including reserve balances, and cash items in process of collection.....	17,213,087	17,612,951	20,178,789
Bank premises owned, furniture and fixtures.....	511,702	503,793	495,105
Real estate owned other than bank premises.....	16,784	12,960	10,068
Investments and other assets indirectly representing bank premises or other real estate.....	47,643	45,937	46,384
Customers' liability on acceptances outstanding.....	30,144	27,191	41,943
Interest, commissions, rent and other income earned or accrued but not collected.....	103,925	135,460	147,946
Other assets.....	51,967	47,507	55,870
Total assets.....	76,160,538	81,794,833	90,535,756
LIABILITIES			
Demand deposits of individuals, partnerships and corporations.....	38,385,841	37,126,500	40,970,935
Time deposits of individuals, partnerships and corporations.....	13,444,701	14,315,450	15,960,051
Deposits of U. S. Government and postal savings.....	7,614,668	13,210,056	14,163,153
Deposits of States and political subdivisions.....	3,266,274	3,153,723	3,487,711
Deposits of banks.....	7,650,166	8,251,954	9,230,786
Other deposits (certified and cashiers' checks, etc.).....	821,563	767,854	1,430,311
Total deposits.....	71,183,213	76,825,537	85,242,947
Demand deposits.....	57,336,380	62,093,681	68,858,312
Time deposits.....	13,846,833	14,731,856	16,384,635
Bills payable, rediscounts and other liabilities for borrowed money.....	130,389	5,209	77,969
Mortgages or other liens on bank premises and other real estate.....	64	59	89
Acceptances executed by or for account of reporting banks and outstanding interest, discount, rent and other income collected but not earned.....	36,454	31,776	47,943
Interest, taxes and other expenses accrued and unpaid.....	26,333	26,482	31,484
Other liabilities.....	179,442	194,885	209,956
Total liabilities.....	71,773,963	77,322,280	85,880,019
CAPITAL ACCOUNTS			
Capital stock (see memoranda below).....	1,576,209	1,624,184	1,658,839
Surplus.....	1,833,980	1,875,277	2,011,403
Undivided profits.....	704,066	682,146	688,986
Reserves and retirement account for preferred stock.....	272,320	280,946	296,509
Total capital accounts.....	4,386,575	4,472,553	4,655,737
Total liabilities and capital accounts.....	76,160,538	81,794,833	90,535,756
MEMORANDA			
Par value of capital stock:			
Class A preferred stock.....	79,492	75,296	66,646
Class B preferred stock.....	4,875	4,360	3,748
Common stock.....	1,492,077	1,544,755	1,588,656
Total.....	1,576,444	1,624,411	1,659,050
Retirable value of preferred capital stock:			
Class A preferred stock.....	117,600	113,019	103,614
Class B preferred stock.....	6,138	5,608	4,939
Total.....	123,738	118,627	108,553
Pledged assets and securities loaned:			
U. S. Government obligations, direct and guaranteed, pledged to secure deposits and other liabilities.....	13,649,531	17,765,985	19,229,157
Other assets pledged to secure deposits and other liabilities, includ. notes and bills rediscounted and securities sold under repurchase agreement	365,052	351,843	353,866
Assets pledged to qualify for exercise of fiduciary or corporate powers and for purposes other than to secure liabilities.....	105,598	101,277	109,439
Securities loaned.....	14,948	6,931	4,384
Total.....	14,135,129	18,226,036	19,696,846
Secured liabilities:			
Deposits secured by pledged assets pursuant to requirements of law.....	10,500,141	15,923,659	17,269,578
Borrowings secured by pledged assets, including rediscounts and repurchase agreements.....	123,091	5,209	77,969
Other liabilities secured by pledged assets.....	10	7	10
Total.....	10,623,242	15,928,875	17,347,557
Demand deposits:			
Deposits of individuals, partnerships and corporations.....	38,385,841	37,126,500	40,970,935
Deposit of U. S. Government:			
War loan and Series E bond accounts.....	7,243,787	12,868,475	13,841,894
Other accounts.....	287,973	258,145	243,036
Deposits of States and political subdivisions.....	2,987,237	2,858,679	3,182,679
Deposits of banks in the United States (including private banks and American branches of foreign banks).....	7,115,525	7,669,129	8,586,132
Deposits of banks in foreign countries (including balances of foreign branches of other American banks, but excluding amounts due to own foreign branches).....	494,454	544,899	603,325
Certified and cashiers' checks (including dividend checks), letters of credit and travelers' checks sold for cash and amounts due to Federal Reserve banks (transit account).....	821,563	767,854	1,430,311
Total demand deposits.....	57,336,380	62,093,681	68,858,312
Time deposits:			
Deposits of individuals, partnerships and corporations.....			
Savings deposits.....		13,731,807	
Certificates of deposit.....		367,025	
Deposits accumulated for payment of personal loans.....	13,444,701	27,047	15,960,051
Christmas savings and similar accounts.....		100,174	
Open accounts.....		89,397	
Total.....	13,444,701	14,315,450	15,960,051
Deposits of U. S. Government.....	77,756	78,379	75,244
Postal savings deposits.....	5,152	5,057	2,979
Deposits of States and political subdivisions.....	279,037	295,044	305,032
Deposits of banks in the United States (including private banks and American branches of foreign banks).....	36,635	33,874	35,527
Deposits of banks in foreign countries (including balances of foreign branches of other American banks, but excluding amounts due to own foreign branches).....	3,552	4,052	5,802
Total time deposits.....	13,846,833	14,731,856	16,384,635
Ratio of required reserves to net demand plus time deposits:			
Total, Central Reserve city banks.....	18.95%	18.87%	18.82%
Total, Reserve city banks.....	16.77%	16.54%	16.47%
Total, Country banks.....	11.18%	10.99%	11.08%
Total, all member National banks.....	15.24%	15.04%	14.94%

From Washington Ahead of the News

(Continued from first page)

State Dean Acheson, when this does not seem to be either the disposition of Mr. Truman or of Secretary Byrnes. Braden's State Department adviser is a man who served in the Spanish Loyalist forces.

Several months ago, Byrnes brought up his South Carolina law partner to be Chief of Personnel in the Department. Jimmy thought and hoped this close friend could loyally straighten things out. Manifestly, he is over his depth.

Members of Congress, of his own party, have been impatiently pressing Jimmy to clean the Department out. Up to his neck in European affairs on the one hand, and being reluctant to start any public commotion just now as the elections approach, he has pleaded that he was handicapped because of the Civil Service status of the suspects. It was one thing, he has complained, to suspect a man of being a Commy or a fellow traveler, and another to be able to make a case sufficient to the Civil Service Commission. This is the relief the Senate has sought to give him, and it is assumed that the House will follow suite.

Even then it remains to be seen what Jimmy can, or is disposed to do.

There is no suggestion intended that Jimmy has any sympathy for these people. He hates to have a sensation in his Department.

You get the very definite impression, in fact, that Truman and practically all of his top-flight advisers would like nothing better than to kick all of the fellow travelers, not to mention the Communists, out of the Washington Government. With the exception of Wallace, Truman has replaced the Roosevelt fellow travelers in the Cabinet with his own selections. On the top level

in the Executive Branch and in Congress, the middle-of-the-road Democrats are now unquestionably in the saddle.

But throughout the Government in the lower levels, in subordinate key positions, the bright young men of the Roosevelt school are still running rampant. Some of them are leaving, figuring that their careers have reached a peak. But most are still hanging on and fighting a vigorous rear-guard action, scuttling, circumventing and defying their chiefs.

Truman and advisers like Byrnes are loathe to take any drastic action because this crowd is part and parcel of the CIO. They work closely with this organization, which maintains a staff of smart intriguers and propagandists here. Bob Hannegan is vehemently opposed to any action against them because it will antagonize the CIO and Bob believes, undoubtedly rightly, that the alliance between the CIO and the Democrats is essential to success this November, and in '48.

But there is the pressure from Congress that something be done, countered by Byrnes and even Tom Clark that nothing can be done "at this time." The move by the Senate is to force something being done "at this time."

It is no secret around here that the pro-Russia school was seeking to impose the Soviet-inspired advisory commission over MacArthur in the administration of Japan and that Truman's military advisers had to move in forcibly. Just now the pro-Russia school in the State Department is under the heat of public opinion insofar as Russia is concerned, but in collateral matters such as being hard-boiled towards Franco and Peron, the school is still quite active.

May Construction Contrs. Attain New Peacetime High

F. W. Dodge Corporation reported on June 21 that construction contracts awarded in the 37 States east of the Rocky Mountains attained an all-time peacetime high in May. The total of all contracts was \$952,418,000, which was exceeded only once before during the wartime peak of June 1942, when contracts totaled \$1,190,264,000. The previous highest peacetime volume was \$667,097,000, reported in May 1928.

Total volume of floor area involved in last month's contracts was 121,224,000 square feet, compared with 95,156,000 during May 1928, thus reflecting not only the dollar volume gain but also the physical volume gain over the last peacetime peak month.

Sharp gains over the previous month, and substantial gains over the volume of the corresponding month of last year were reported in non-residential, residential and heavy engineering construction.

Residential construction contracts totaled \$463,600,000 during the month, compared with \$370,590,000 in April and \$47,206,000 in May of last year. The total number of residential units to be provided in last month's contracts was 66,489, exclusive of dwelling accommodations in hotels and dormitories. This volume is more than double the number of units called for in contracts let during the first five months of last year.

Publicly-owned residential construction accounted for 3% of the dollar volume of May contracts, the remainder being classified as privately-owned construction.

The total volume of all contracts during the first five months of 1946 was \$3,129,822,000 com-

pared with \$2,533,461,000 during the corresponding period of 1942, and \$2,794,401,000 during the first five months of 1928.

Thomas S. Holden, President of F. W. Dodge Corporation, in releasing the May statistics, expressed the opinion that last month's contract record "presumably reflects greater optimism with respect to improvement in materials supply than conditions actually warrant."

In view of recent directives of the Civilian Production Administration regarding non-residential construction, Mr. Holden said that "it would not be surprising to see a reduction in contract letting during the next several months. A reduction, if it does take place," he declared, "should be viewed as a wholesome market corrective rather than as an occasion for alarm."

Sweden Said to Give Russia \$250 Million Credit

A report issuing from Stockholm states that Sweden has agreed to extend to the Soviet Union a credit of \$250,000,000 over a period of five years, according to an Associated Press dispatch. The same source, which is not named, reports that trade discussions recently took place at Moscow resulting in a pact for the exchange of \$25,000,000 worth of goods a year in both directions in addition to the credit. The agreement is one of the most comprehensive ever entered into by Sweden. It is added that:

"The negotiations in Moscow covered possible compensation for the estimated \$25,000,000 frozen Swedish assets in Estonia, Latvia and Lithuania—all absorbed by Russia."

Ins. Head Endorses Nat'l Health Plan

Although declaring that such a project would put his company out of business, Alfred B. Lewis, President of the Union Casualty Company of New York told the Senate Labor Committee on June 18 that he was in favor of national health insurance. Associated Press Washington advices stated, "I am in favor of it," he said, "because I am impressed by the great need for this form of social security and by the prospects of continued and embittered industrial strife if this bill is not passed."

His reference was to a bill the committee is considering which is sponsored by Senators Wagner (D-N. Y.) and Murray (D-Mont.) under which would be established a system of Government-paid medical and hospital services for the majority of the American people. The plan would be to finance it through a payroll tax similar to the present social security levies. Mr. Lewis, stating that his company's business is devoted exclusively to writing group health and accident insurance for unions, recalled the demand of John L. Lewis for a health and welfare fund for the United Mine Workers.

"If this bill had been on the statute books," Mr. Lewis told the committee, according to the Associated Press, "that particular bone of contention would not have existed. No doubt there would have been a strike nonetheless. But the negotiations on the matter of pay and other working conditions would not have been stalled as they were, and the strike certainly would have lasted only a short time."

Lumber Movement—Week Ended June 15, 1946

According to the National Lumber Manufacturers Association, lumber shipments of 411 mills reporting to the National Lumber Trade Barometer were 10.0% below production for the week ending June 15, 1946. In the same week new orders of these mills were 16.8% below production. Unfilled order files of the reporting mills amounted to 83% of stocks. For reporting softwood mills, unfilled orders are equivalent to 29 days' production at the current rate, and gross stocks are equivalent to 33 days' production.

For the year-to-date, shipments of reporting identical mills exceeded production by 5.3%; orders by 3.9%.

Compared to the average corresponding week of 1935-1939, production of reporting mills was 16.4% above; shipments were 12.5% above; orders were 4.9% above.

Wallace to Go to Mexico

Secretary of Commerce, Henry Wallace, said on June 21, that he had accepted the invitation of General Manuel Avila Camacho, President of Mexico, to visit Mexico and attend the reading of the Presidential Annual Report on the State of the Mexican Union on Sept. 1, next. This is President Avila Camacho's last report to Congress. Secretary Wallace recalling that he was designated by the late President Roosevelt as a special ambassador to attend President Avila Camacho's inauguration in December, 1940, said:

"At that time I came to have a warm personal affection and a great admiration for President Avila Camacho's sterling qualities. For a long time I have wanted to revisit Mexico and see President Avila Camacho again. I am very glad to be able to accept his invitation to the September function."

Mr. Wallace expects to spend about a week in Mexico.

Peace Rests on Liberties, Truman Declares

The safety of individual liberties everywhere in the world is a prerequisite of genuine peace, President Truman declared June 14 in an address on the White House lawn after pinning the Congressional Medal of Honor on five war heroes. Recipients of the decoration were Marine Lieutenant John H. Leims of Chicago; Technical Sergeant Beauford T. Anderson of Soldiers Grove, Wisconsin; Technical Sergeant John Meagher of Jersey City; Sergeant Alejandro R. Ruiz of Barstow, Texas, and Private First Class Dirk J. Vluc of Grand Rapids, Michigan. The text of the President's remarks was reported in Associated Press Washington advices of June 14 as follows:

"It is always a pleasure to me on an occasion of this kind to be the President of the United States. It is one of the things that is really a pleasure to him. He doesn't have very many others.

"The greatest thing that can come to a man is to get the Congressional Medal of Honor. I think General Eisenhower and Admiral Nimitz, and everybody here, will agree with me in that statement.

"These young men have made a contribution to this great nation that is unequalled by any contribution any other man can make. They have shown that a peace-loving nation, when it is pushed to the point of resistance, can fight and defeat any dictator that ever walked.

"We are now fighting for peace. I want these young men to go back to their communities and do for peace just what they were willing and able to do to win a war for peace and prosperity.

"All these young men who have returned from the fighting are the welfare and interest of the country. They now must display the same ideals, the same bravery, the same sacrifice which they have made to win the greatest war in the history of the world.

"The war is only half won. We haven't won it until we have won a peace which makes the individual safe in his liberties the world over. We are going to win that peace, and the reason we are going to win that peace is because the vast majority of our young men and young women are made up of the same material as these young men on whom I have pinned these medals.

"Thank you very much."

Return Azores Airport

The return to Portugal by the United States of the former's strategic wartime airport in the Azores was made known in Associated Press advices from Washington on June 4, which noted, however, that the United States is retaining transit use of the airport for 18 months. Indicating that this was announced by Secretary of State Byrnes the Associated Press June 4 added:

His statement said the 18 months' use provision was made because of the maintenance of lines of communication with American occupation forces in Germany and Japan.

The British Government announced last night that it was returning its Azores base to Portugal with an 18 months' transit right.

Reports have long been current that the United States and Britain have been seeking peacetime air bases in the Azores. Mr. Byrnes denied these reports today, in a news conference.

Mr. Byrnes' announcement said: "Under a wartime agreement made with the Portuguese Government on Nov. 20, 1944, the United States and Portugal constructed at Santa Maria Island in the Azores a modern and complete airport which played an important role during World War II. "With the expiration of this wartime agreement the airport has been returned to the Portuguese Government for conversion to peacetime uses.

"Meanwhile, however, the United States will be permitted

the continued transit use of airports in the Azores for 18 months to maintain lines of communication with its occupation forces in Germany and Japan."

Mr. Byrnes told reporters he believes the American investment in the Azores base was about \$10,000,000.

Secretary Byrnes covered these other points at his news conference:

1. He still hopes that the four occupying Powers in Germany will make an investigation of German demobilization as was proposed at the Foreign Ministers Conference in Paris.

2. The United States is making available 60,000 tons of coal to France for June from American military reserves in Germany. This is to help make up a deficit in French coal supplies. (This had previously been announced by the British as part of a general scheme to bolster French coal supplies.)

3. The United States has submitted proposals to Britain, France and Russia for a peace treaty for Austria in the form of a draft treaty. Mr. Byrnes would not disclose details.

4. Mr. Byrnes has no information to show that Britain intends to drop its requirements for disarming of belligerent factions in Palestine prior to admittance of 100,000 Jews proposed by an Anglo-American Palestine Commission.

May Freight Traffic Off

The volume of freight traffic, handled by Class I railroads in May, 1946, measured in ton-miles of revenue freight, amounted to 38 billion ton-miles, according to a preliminary estimate based on reports received from the railroads by the Association of American Railroads. The decrease under May, 1945, was about 40.8%.

Revenue ton-miles of service performed by Class I railroads in the first five months of 1946 was approximately 27% under 1945, and 28% less than the corresponding period two years ago.

The following table summarizes revenue ton-miles for the first five months of 1946 and 1945 (000 omitted):

	1946	1945	% Chge.
1st 3 mos...	145,696,827	177,101,002	-17.5
Mo. of Apr.	37,000,000	61,698,000	-39.3
Mo. of May	38,000,000	63,700,000	-40.8
Tot. 5 mos.	220,700,000	302,499,000	-27.0

*Revised estimate. †Preliminary estimate.

Taylor Remains at Vatican Until Mission Ended

Denying that he had ever consented to the "recall" of Myron C. Taylor, his personal representative at the Vatican, President Truman on June 14 told his news conference, according to special advices from Washington to the New York "Times," that it was his intention to have Mr. Taylor continue in the special post assigned to him until his mission had been completed. This mission the President defined as aiding in re-establishing world peace, stating that he had sent Mr. Taylor to Rome to help in making the peace, just as President Roosevelt had sent him to aid in keeping peace. The subject came up for discussion at the news conference after a group of Protestant churchmen, calling at the White House, had protested the present arrangement, a reference to which appeared in our issue of June 20, page 3394.

A Management Program

(Continued from first page)
Professional Women's Clubs, warned that labor strife and its attendant problems will be this country's chief concern for the next twenty-five years.

American management, united as never before on a program for industrial peace, is asking for a program of much needed legislation to correct the balance and establish conditions necessary to make collective bargaining work. But we can ill afford to wait 25 years for the achievement of a sound national labor policy and much needed improvement in the relationship between labor and management in this country.

While management as well as many impartial observers are firmly convinced that the inequalities between labor and management under the law are largely responsible for the situation in which the nation now finds itself, and while corrective legislation is badly needed, the great majority of employers do not believe that legislation of itself is an all-inclusive and permanent solution of the problem of industrial relations.

We are apt to be misled by the headlines and by the more dramatic character of news regarding strikes, plant seizures, and heated debates in Congress. These do not constitute the fabric of industrial relations. The truth of the matter is that these events are only the surface manifestations, and that real labor-management relations consist of the day-to-day contact between employees and members of the management who carry on the processes of production in the shops and factories of the nation.

Industrial relations are, in the last analysis, personal relations. They consist of, and are influenced by, the relationship between the worker and his immediate superior, by the character of dealings between the foreman and the shop steward, by the day-to-day relations between a superintendent and his employees, and by the thoughts, attitudes, and extent of cooperation existing between the workers of a company and the heads of the business. It is such contacts as these that make up the grass roots of industrial relations, and the factor influencing these human relationships of individuals jointly engaged in the production processes at the plant level largely determine the state of relationships between management and labor throughout the nation.

Importance of Good Employee Relations

It is the importance of improving those relationships that I wish to discuss tonight, and to talk for a little while about some of the things employers are doing to improve industrial relations at the very foundation.

For the employer cannot wait until badly needed legislation is forthcoming, nor until the evolution of a national labor policy which in his opinion is essential to effective collective bargaining. These things take time, and in the meantime he and his workers must get on with the job of production. It is because of the widespread recognition among employers of the paramount importance of human relations within the plant and the day-to-day contacts on the job that managements have, in large measure, accepted the problems of relations with their employees as a major executive responsibility, have turned their attention to (1) the formulation of sound policies, and (2) the establishment of proper organization and adequate means for their effective administration.

This concentration upon the importance of sound personnel administration has been speeded by

the knowledge that a worker's attitude toward his company and his business is more effectively determined and influenced by what the management does and the character of the treatment accorded him, than by public pronouncements of the chief executive.

I believe it must be recognized in all fairness that the great majority of employers are sincere in their intentions to deal fairly with their employees, and to establish such policies as will earn the employees' respect and will call forth maximum, voluntary cooperation of the workers. All too often, however, these good intentions at the top are not translated into action in the shop. This is the inevitable result of failure to provide clearly defined policies and an effective personnel administration to assure that they are carried out.

Labor-Management Relations

Where employees have clearly indicated their desire to bargain collectively and have exercised their right to select a bargaining agent, I believe that the vast majority of employers are making honest and sincere efforts to make the union-management relationship successful and to make collective bargaining work. It is simply good business, once the bargaining relationship has been entered into, for the management to put forth every possible effort to make it successful and to develop a relationship conducive to good will and friendly cooperation.

After all, an employer is in business to produce and sell goods at a profit—not to engage in a long and running fight against the union. While some members of the management group may have been prejudiced against organized labor (and the organizing tactics of some unions encourage such prejudices), it is to the employer's advantage to make sure that, as a matter of good business, all members of management accept sound collective bargaining as a company policy and learn to utilize it as an aid in improving employee relations and increasing production.

Negotiating Collective Bargaining Agreements

The negotiation and administration of a collective bargaining agreement is but a part, even though a very important part, of the larger field of employee relations.

The negotiation of a collective bargaining agreement requires on the part of both parties a sense of responsibility, good will, and a determination to make it work. Collective bargaining should be undertaken promptly and in good faith, and should follow orderly and peaceful procedures. Neither side should delay the commencement of contract negotiations looking toward a signed agreement for a defined period of time.

To begin with, each party should present to the other a general statement of its position, and the parties should then explore them jointly. Collective bargaining is a two-way street, and both parties bear a great deal of responsibility for negotiating actively and in good faith. Areas of agreement should be carefully sought. When agreement is reached, the parties should carefully define the scope and terms of the agreement, in order to avoid possibilities of subsequent misunderstanding.

It is the essence of good negotiations that both parties should avoid threats or actions which interfere with normal operations while negotiations are proceeding in good faith.

If the parties find themselves unable to reach agreement, they should seek the services of State

or Federal mediators or conciliators, but only after they have made a conscientious effort to reach agreement by direct negotiation.

If both direct negotiation and conciliation have been conscientiously followed without reaching agreement, both parties should give careful consideration to the possibility of settling their dispute by submitting unresolved issues for final decision by voluntary arbitration. If arbitration is voluntarily undertaken, it is likely to be more successful if the parties first agree on the precise issues to be submitted to arbitration, and the factors or principles which are to govern the arbitrator in considering these issues.

It is an element of good faith negotiations that after all other efforts to arrive at agreement have failed, the party which finds it necessary to resort to strike or lockout should give the other party adequate notice of its intentions.

Even strike or lockout need not terminate a sound relationship between management and employees. It is quite probable that the same management and the same employees will continue in a cooperative relationship after the strike or lockout has been settled. In the heat of a work stoppage, the parties should bear in mind that they should do nothing which would injure their subsequent relationship or the success of the business. The issuance of heated, unrestrained public statements by either side is likely to be an obstacle both in the settlement of the work stoppage and in the subsequent relationship between the parties.

In negotiating their agreement, it is to the interest of both parties to provide an effective grievance procedure for the settlement of complaints that are bound to arise wherever men work together. Disputes concerning the interpretation or application of the terms of an agreement should be settled by voluntary arbitration, where necessary, rather than resort to strike or lockout. The grievance procedure should be designed to settle complaints promptly and satisfactorily, and the various steps of the grievance procedure should be set forth clearly, appeal procedures provided, and time limits set.

Every contract should provide for adequate negotiation period for renewal.

Management should give all possible aid and support to responsible union officials, and by careful training and assistance, insure that all levels of the shop management in their daily contacts with employees and union representatives promote good will and friendly relationships. In a small company such a policy is relatively easy to carry out, because of the ease of personal contact and communication between the management and employees. In a larger company, however, the successful administration of such a program calls for the same level of sound organization and administration as is required in other phases of the business.

Recognition of the importance of labor relations was well stated by Mr. Herman W. Steinkraus, President of the Bridgeport Brass Company, in a recent speech when he said:

"First and foremost, it is important that management, the top management, make its labor relations the first item on its program. Some of the difficulties we have today is because for too many years this has been delegated to someone down the line as a more or less unpleasant task, instead of the most important single task before management. Human relations are the most important problem in a company. You can have all the bricks and mortar and machinery you

want, but if your human relations are wrong, you haven't got much of a business. And management has too long delegated this job to someone else, and simply has got to put much more time and much more heart into that part of the job. I believe it is true that management will get the kind of leadership in its union that is required to handle the management. If the management is tough, it is apt to have a pretty tough union. If the management is fair, it will gradually win for itself a fair and square union leadership to work with."

Organizing for Good Employee Relations

I think it is a fair statement to make that today, as never before, American companies, large and small, are better equipped for sound personnel administration than they have ever been before. Regardless of whether there is collective bargaining or not, sound personnel administration is the key to satisfactory employee relations. Where a management has entered into collective bargaining relations, I believe that sound personnel administration is even more important, because without it no collective bargaining agreement can be effectively administered.

The National Association of Manufacturers is committed to the principle that efficient production is directly related to employee satisfaction on the job, and has been so impressed with the importance of improving the administration of personnel matters at the plant level that it has recently prepared what might be called a score card to assist management in appraising its policies and in adopting techniques which have proved effective on the basis of wide experience. This document, known as "Human Relations and Efficient Production," presents a complete picture of the policies and techniques which will be found in the better organized departments of personnel throughout American industry, and indicates the importance which management today is attaching to this phase of their executive responsibilities.

I should like to dwell for a few minutes on the functions and character of the modern personnel department. This department in most companies is referred to either as the Industrial Relations Department or the Personnel Department, and is headed by a Director or Personnel Manager who reports directly to the chief executive of the company. It is the department that is charged with the responsibility of assisting the management to carry out all of the management's policies and obligations with respect to their employees, including employment, induction, training, promotion, transfer, safety, wage and salary administration, all the various phases of relations with the union and the obligations of the collective bargaining agreement, various benefits and services, and other matters having to do directly with the relationship between the management and its employees.

The Personnel Director usually acts in a staff and advisory capacity, the responsibility for getting things done remaining with the various levels of line management. In a sense, the Personnel Director and his staff are there to assist all members of management, from the President of the company down to shop supervisor, to discharge their responsibilities in accordance with the policies of the company and in accordance with the spirit of the provisions of the collective bargaining agreement wherever there is one.

During the early years of the establishment of the Personnel Departments in industry, there was considerable suspicion and conflict between this department and the management. As its func-

tions and responsibilities have been clarified, and as personnel men have gained more experience operating as directors and assistants rather than bosses, coordination between the line and staff departments, particularly in matters of labor relations, has shown a steady improvement. Recognizing the paramount importance of this phase of the business, there is a growing tendency among companies to select their industrial relations and personnel men from among the most successful and best qualified of their manufacturing and sales executives. This has made for greater understanding on the part of the staff departments and a greater understanding and confidence between shop supervision and the personnel staff.

The growth in number and effectiveness of modern personnel organizations throughout industry is one of the most hopeful promises for a better era of industrial relations; and regardless of future developments in the field of national legislation or of industry-wide bargaining, the Personnel Manager and his staff will play a larger and larger role in the steady improvement of the employee-management relations throughout industry in this country.

The obstacles and handicaps which admittedly exist are enough to discourage the most optimistic employer and drive him to despair. In spite of these obstacles, American management is actively engaged in a long-range, constructive program looking toward continual improvement in employee-management relationships. This is a two-fold program, directed toward (1) improvement in the process of making and administering collective bargaining agreements to which I have previously referred, and (2) the organization and improvement of methods of personnel administration as a function of management in order to improve employee relations by act and deed.

In both aspects of this program, management can rely upon the alert and effective assistance of many national, state, and local associations. I represent one such association. Affiliated with the National Association of Manufacturers are hundreds of industry associations, state manufacturers associations, and local industrial relations groups, many of which are able to assist industry in its relations with employees and with organized labor.

General Considerations for Employers, Workers, and the Public

Looking ahead at the task of improving industrial relations in this country, I think we all need to do some honest soul searching and admit that all too often employers, labor leaders, and representatives of the public have personalized our views and opinions and have let prejudice and ill temper enter into a discussion of these problems. There has been too much name calling, and attempts have been made to fasten class labels on our opponents. Employers have been guilty of taking the organization of their employees as a personal affront or a rebuke; and, by the same token, criticism the conduct or actions of unions has been branded as anti-labor.

Progress in labor relations in the days that lie ahead will take all the patience, statesmanship, tolerance, and skill which those of us in labor, management, or government can muster. In this respect, we all have a stake and a contribution to make to this important field. And in this connection, I should like to suggest three principles to which we might all give earnest and serious consideration:

1. *Think of and deal with people as individuals, not in the mass*—Any philosophy of labor relations worthy of the name must be

based on the principle of the worth of the individual, whether as a worker or as a member of the union. The individual has certain rights, and the company's labor policy, as well as the union's constitution, must be judged in the light of the extent to which it safeguards the rights of the individual and promotes the individual's welfare and long-range economic interests. We must have in mind constantly that the boss is a human being, the shop steward is a human being, and the union president is a human being. In particular, employers should bear in mind that their systems of personnel administration should be set up to deal with employees in all the various transactions as individuals, and that the way the individual is treated determines, in large measure, his opinions of the company and his will to cooperate. This is true both with respect to the company as well as the union.

During the war an officer of an international union visited the plant where I was working, and addressing a meeting of the local lodge, stressed the fact that the local union was not giving sufficient attention to selling itself to the individual workers, and that as a result of some of its practices it was making enemies for organized labor rather than friends. It took long years and bitter experience for the employer to learn that he, too, must give a lot of attention to selling himself to his employees.

2. *Do not impugn or question the sincerity of the other fellow's motives*—After all, there is no basic disagreement between us as to what we should like out of life. All of us want increased production, a better standard of living, and higher levels of security. We may honestly differ how we can best achieve these goals. An employer may be mistaken in some of his policies and the union may be tempted to feel he is anti-labor, but confidence and goodwill are not advanced by questioning the employer's sincerity. The same thing is true with employees and their leaders. Regardless of the questions which may arise in our hearts, we must force ourselves to deal with one another on the assumption that we are all honest and that our motives are sincere.

An insight into the value of such an assumption may be gathered from Walter Lippmann's tribute to Dwight W. Morrow when Mr. Morrow died.

"He knew quite as well as the most sophisticated among us how often men, when left to their own devices will deceive themselves and others. Nevertheless, he proceeded on the assumption that they intended to be honest, and by the very force of the assumption made them justify him. That was, I believe, the inner secret of his marvelous successes as a negotiator. By divesting himself of all weapons but those which could promote understanding, his adversary had either to disarm too or feel wretchedly uncomfortable at having to be a deliberate villain. . . ."

In this respect I was very much impressed by the following statement made by Thomas L. Stokes in his column in the New York "World-Telegram" for Saturday, June 1:

"The American labor movement is filled with so many earnest, sincere people doing their difficult job day after day against the handicaps of selfishness and ignorance, that it is a pity they must share the odium that comes when a few too powerful go too far."

I believe sincerely that this same statement could be made, inserting instead of the words, "American labor movement," the phrase, "American management," so that it would read:

"American management is filled with so many earnest, sincere

people doing their difficult job day after day against the handicaps of selfishness and ignorance, that it is a pity they must share the odium that comes when a few too powerful go too far."

3. *Let us renew our faith in the democratic process as a solution to our problems*—It is extremely regrettable that so much of our industrial scene is marked by force, intimidation, and coercion and a violation of the basic rights of the individual. Regardless of blame for this situation, its very existence is a denial of the democratic process, and is one which, unless checked, is fraught with grave consequence to the American way of life. The will of the American people can prevail only if the processes of democracy are permitted to work. We must have confidence in the good judgment and common sense of the people to arrive in the long run at a fair and just solution of our problems.

Our greatest leaders in both industry and labor have been firm believers in voluntarism, the rights of the individual, and the

basic, long-range justice of the mass of the people.

I can do no better than to quote from the wisdom of Samuel Gompers, the words inscribed on his statue in Washington:

"So long as we have held fast to voluntary principles and have been actuated and inspired by the spirit of service, we have sustained our forward progress and we have made our labor movement something to be respected and accorded a place in the councils of our republic. Where we have blundered into trying to force a policy or a decision, even though wise and right, we have impeded, if not interrupted, the realization of our own aims."

The way must be clear for the process of democracy to work in the labor-management relationships. Once this is done, I am confident that there is enough state-manship, common sense, and understanding in both industry and labor to work out practical solutions to minimize industrial strife and bring about a steady improvement in production and in the standards of living of the American people.

A Path to Peace in Industrial Disputes

(Continued from first page) be performed for the benefit of the majority. It does not live on fears for tomorrow. It is only when some Americans lose sight of their mutual interest in the "American way" that fear for tomorrow permeates the very soul of our country.

Our mutuality of interest lies in the basic principle that the real foundation of prosperity is the prosperity of the mass of everyday Americans—the farming and working people of our country.

We can devise all kinds of efficient distribution methods, develop highly trained sales forces, make plans in every direction, but if we do not find amicable means of distributing more real income among all the people, then all our plans will plague us by their very futility. A good market consists of well-paid workers continuously employed.

I have heard businessmen express the fear that labor is "ganging-up" on business, and I have heard labor leaders express the fear that business is "ganging-up" on the unions. I say this: that if this be so, they are in fact not "ganging-up" on each other, but they are "ganging-up" on America, on the "American Way," on the American people, and on America's road to a fuller and more abundant life.

In labor contract negotiations, angry and uncompromising attitudes are dangerous and unwise. Resulting stoppage of work is detrimental to the general welfare. So long as the dead hand of yesterday's thinking rests upon the shoulders of both labor and management the forward progress of our country can only be halting.

Need Better Human Relations

What our country painfully needs today is the development of better human relations among its citizens. Business must revise its thinking with regard to labor—adopt a more modern attitude toward its workers. Likewise, labor must revise its thinking with regard to business and accept its obligations—yes, and its opportunities—for achieving industrial unity and national prosperity.

Labor has come a long way in its up-hill struggle for improvements of the labor contract. Gains have been made; advances which to our forefathers may have appeared beyond reasonable expectations are now generally accepted. Today labor's problem is not only that of retaining these gains, but that of integrating its common goal which all good

Americans seek: a better America for all.

Labor must not over-simplify its thinking with regard to management and the complex nature of management's problems. It must make every effort to understand the complicated nature of the American economy. In other words, it must understand how the various parts of American life are related to one another—how they depend upon one another.

Neither labor nor management should wittingly or unwittingly drive the American people into distrusting classes. Nor must they foment the kinds of suspicions which have led in so many other countries to revolutions of the right or of the left.

Objectives of Both Business and Labor

The time has come when both business and labor must realize that the best protection for both of them is—maximum production, maximum distribution and maximum consumption. Neither business nor labor can practice scarcity policies without ultimately bringing down on them the wrath of the public.

It must be understood that lasting benefits—benefits to both management and labor, and to the nation—lie in efficient mass production at low unit cost. Full national production means full employment for all and more goods for more people at constantly reduced prices.

Labor and management must realize that their most effective weapons—the "strike" and the "lock-out"—can be abused. While both weapons are legally recognized, their use imposes obligations. Both sides should constantly bear in mind that freedom and license must not be confused. These weapons should not be so used as to jeopardize the general welfare of our nation.

Management must free itself of the thought that labor is a commodity to be exploited. Conditions of employment must be such that the worker will willingly give forth his best efforts. It is management's responsibility to develop the incentives which will accomplish this end. Let it not be forgotten that the laborer does not work for cash alone—that the laborer's pay goes beyond the actual money enclosed in his envelope, and that it includes all the conditions under which he earns his livelihood.

The tools and machinery in shops and factories are inanimate things and of themselves create

nothing; it is man working with these tools and machinery who brings forth from them the fullness of their creative powers.

That is the challenge: Business must come to the full realization that yesterday's methods of dealing with labor problems are not sufficient to the needs of the new pattern of our economy. Good business practice does not mean a blind worship of past methods.

The solution to the challenge facing labor and industry and the American public is not in passing another law or a dozen laws. America's progress along the road to a greater future will be slow indeed if it must hobble along solely on Government crutches. It has been a regrettable American practice recently to cry out for a new law when difficulty besets us.

There is still virtue in the old maxim that family fights should be kept within the family household. When husband and wife rush to the neighbors to settle their differences they have placed their hands on the knob of the door leading to the divorce court. When industry and labor find it seemingly impossible to resolve their differences, and catch the next plane to Washington, they have, by that very act of removing the seat of the difficulty miles away from where the action took place, increased the difficulties of an amicable solution.

Great and costly problems can often be solved if "reasonableness" and "tolerance" were but given an opportunity to use their good offices. No one, to my knowledge, has as yet found a satisfactory, workable, democratic solution to the labor-management problem. I do not profess to have found the answer; however, as Under Secretary of Commerce, what I am about to propose, although not a plan, in the sense of having been worked out to the most minute detail, is, nevertheless, the germ of an idea which I humbly submit to both management and labor for their serious consideration. Many of its features have already been tried—tried with success. If labor and management would call upon their best minds and after studying this proposal find that it contains merit, then they, working jointly, can develop the necessary operating detail.

An Industry-wide Stabilization Board

I propose that every industry create an industry-wide stabilization board. These boards should consist of an equal number of representatives from labor and management, with a paid impartial chairman selected by the two groups. These stabilization boards should be continuing bodies, and access to them should be had at any time by either labor or management.

Adequate funds for the support of each board should be furnished through equal contributions from labor and management, and should be sufficient to permit the impartial chairman an adequate staff which can keep him supplied with current data covering the industry and all its component parts. With such data at his finger tips at all times, the impartial chairman would be able to examine the facts of any dispute and justly determine their worth.

Moreover, the staff of the impartial chairman should be used in making a continuous study of the industry as a whole and its many complex problems. Such a continuing study is necessary if statistical data and hard facts are not to be perverted in their use. In addition, the impartial chairman would be in a position to evaluate each company case or issue not only on the basis of the immediate contentions, but its effect on the industry as a whole and the position of the industry as a part of the total economy.

Stabilization boards should not be hampered by delaying legal

procedures. Each party must be free from those technicalities which so frequently impede the submission of evidence in ordinary courts of law.

The representatives of each side should be free to submit their contention in the most simple, direct language possible. This should be a necessary rule of industry stabilization boards. In many courts, matters at issue are often lost sight of through involvements in legal technicalities and wranglings over proper nomenclature or methods of procedure.

To make the decision of the chairman binding upon both parties, each party should post a bond that would be forfeited if it refused to accept his decision.

It should be pointed out that this in no way denies the union involved the legal redress which it now possesses, though I firmly believe that such recourse to courts of law and to bureaucratic interferences is largely eliminated when mature people recognize the effectiveness of reasonable methods.

This program, which I have outlined to you and which I strongly advocate, recognizes the fundamental right of workers to organize into unions of their own choosing, and to bargain collectively. This is in harmony with the basic law of the land and in harmony with the "American way." Recourse to the Board would be had only when grievances and contract negotiations on a union-company-management basis cannot be amicably concluded.

The institution of such stabilization boards will, I believe, offer the best possible means of amicably resolving differences of opinions before they become antagonisms. Often a serious strike results from a minor difference of opinion which has been permitted to magnify itself because there has not been an effective method which could resolve the matter immediately and amicably. In the absence of some such stabilization boards, the only recourse open either to management or to labor is embroilment in bureaucratic red tape and legislative reaction which, in a high majority of cases, ends in everybody losing and no one gaining.

As I envision it, the function of the stabilization board in each industry will not be remedial. It is preventive! It should not seek to cure yellow fever by subjecting the patient to prolonged medication. Rather, it should work to prevent an epidemic by eliminating the mosquitoes.

There is nothing radical and little that is novel in these proposals. They are merely the application of the "American Way," of the American system of democratic evolution to the problems of management and labor.

When the point is reached where differences between management and labor, in any industry, are resolved within the industry itself, then we have modern, advanced, management-labor relations.

It is a sign of maturity when men are capable of settling their differences in honest discussion of the facts. It is the immature—those trouble-makers in our society—that necessitate the establishment of protective laws and who today threaten the attainment of our great destiny.

In the face of a world torn by internal disputes, the "American way" of democratic processes should stand forth like a beacon. In every land people look to us for guidance. We can best help them by example, by showing them how we go about securing our own future—by ending our own internal strife. That future which all of us desire, that tomorrow which all of us seek to bequeath to our children, is ours to be had if we but will it so.

The State of Trade

(Continued from page 3535)

to conform more realistically with current conditions, and with the possibility that steel price control will be out in 1947, the old-time steel consumer, fearful of rising prices, would keep all orders on steel mill books as a hedge, this trade authority adds.

With respect to the scrap situation last week, it remained tighter than ever and was rapidly reaching the point where some extra effort would have to be made to increase the supply. While some scrap sources may have held back supplies hoping for an increase in ceiling prices, such tonnage was a small percent of the total. The shortage of scrap is due more to demand and lack of scrap reserves than to the price angle.

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 87.2% of capacity for the week beginning June 24, compared with 84.2% one week ago, 43.6% one month ago and 91.5% one year ago. This represents an increase of 3.0 points or 3.6% from the previous week.

This week's operating rate is equivalent to 1,536,800 tons of steel ingots and castings and compares with 1,483,900 tons one week ago, 768,400 tons one month ago and 1,675,900 tons one year ago.

Electrical Production—The Edison Electric Institute reports that the output of electricity increased to 4,030,058,000 kwh. in the week ended June 15, 1946, from 3,920,444,000 kwh. in the preceding week. Output for the week ending June 15, 1946, was 7.3% below that for the corresponding weekly period one year ago.

Consolidated Edison Co. of New York reports its system output of 174,500,000 kwh. in the week ended June 16, 1946, compared with 170,500,000 kwh. for the corresponding week of 1945, or an increase of 2.3%. Local distribution of electricity amounted to 170,900,000 kwh. compared with 168,400,000 kwh. for the corresponding week of last year, an increase of 1.5%.

Railroad Freight Loading—Car loadings of revenue freight for the week ended June 15, 1946, totaled 867,918 cars, the Association of American Railroads announced. This was an increase of 37,792 cars (or 4.6%) above the preceding week and 5,404 cars, or 0.6% below the corresponding week for 1945. Compared with the similar period of 1944, a decrease of 9,575 cars, or 1.1%, is shown.

Paper and Paperboard Production—Paper production in the United States for the week ending June 15 was 104% of mill capacity, unchanged from the preceding week, as against 91.5% in the like 1945 week, according to the American Paper & Pulp Association. Paperboard output for the current week as 98% against 96% in the preceding week and corresponding week a year ago.

Rise in Business Failures—Increasing in the week ending June 20, commercial and industrial failures numbered 25, reports Dun & Bradstreet, Inc. Two times as numerous as in the previous week when 12 were reported, concerns failing were also up sharply from the 17 occurring in the corresponding week of 1945.

Both large and small failures showed an upward trend; in fact, there were two times as many failures as a week ago in both size groups. Sixteen large concerns failed involving liabilities of \$5,000 or more, as compared with 8 last week and a year ago. Small failures with losses under \$5,000, at 9, were only half as numerous as the big failures, but showed a comparable upswing from the previous week's level.

Retailing accounted for 9 of the week's 16 failures. In this line and in wholesaling and construction, concerns failing about doubled the number last week. Among manufacturers and commercial service establishments, on the other hand, failures did not vary by more than one from either the previous week or from the same week last year. Compared with the 1945 record, failures in only two groups, wholesale trade and construction, trended up sharply.

Two Canadian failures were reported as compared with one both in the previous week and in the corresponding week of 1945.

Food Index at Highest Point Since Outbreak of War—In the sharpest advance recorded since the end of August, 1939, the wholesale food price index, compiled by Dun & Bradstreet, Inc., rose 14 cents, or 3.3%, over the previous figure to stand at \$4.35 on June 18. Largely reflecting increased ceilings on butter and cheese, the current level of the index is higher than at any time since Sept. 25, 1920, when it stood at \$4.45. Compared with last year's \$4.11, the gain amounts to 5.8%. Seers as well as butter and cheese advanced during the week, while potatoes and lamb declined. The index represents the sum total of the price per pound of 31 foods in general use.

Wholesale Commodity Price Index—Reflecting higher ceilings on butter and the combined uptrend in cotton values, the daily wholesale commodity price index, compiled by Dun & Bradstreet, Inc., rose to new postwar heights in the past week. The index finished at 198.33 on June 18. This represented a gain of 1.3% over the 195.79 of a week previous, and of 11.8% over the comparative 1945 figure of 177.45.

Restrictions placed on trading in numerous grain futures by the Chicago Board of Trade reduced the volume of sales in the past week to extremely low levels. There was some activity in oats, on which trading in all deliveries was permitted, with prices at most times holding at permissible ceilings. All cash grain markets continued very tight despite the increased movement of new wheat in the Southwest and the fact that harvesting of other grains will begin within a few weeks. Aided by good rains, the condition of the new corn crop was said to be ideal with acreage believed to be larger than expected. The early wheat harvest in the Southwest has relieved the flour milling situation somewhat but flour stocks in the East continued to drop. Some improvement in butter and cheese supplies was expected, due to the long awaited OPA order, effective as of June 17, which increased wholesale prices 10 cents and 5 cents per pound, respectively. Although average hog weights are running higher than a year ago, market receipts of hogs have been considerably below last year's totals.

Despite somewhat irregular movements, domestic cotton prices surged upward to new high levels for the past 22 years. Due to limited offerings, volume of trading was only moderate but demand was strong under the impetus of price-control developments in Washington and expectations of further improvement in export trade. Also tending to lift values were the unlooked for heavy gain in the use of the staple last month and the belief that this year's crop, owing to early cool and wet weather, got off to a poor start. Average daily consumption of cotton during May rose to 38,500 bales, the highest since March, 1945, according to the New York Cotton Exchange Service Bureau. The May average compared with

37,400 in April, and 36,500 in May, 1945.

New clip Texas 12 and 8-month wools sold in large volume during the week, mostly for scouring and used by woolen mills. Fine delaine wools were also in demand and fair activity was noted in quarter-blood fleece wools. Desirable types of foreign wools continued scarce; practically all of the offerings made by importers were of types which topmakers and manufacturers did not customarily purchase. It was reported that an increasing volume of such wools was being reexported to Mexico, Holland, Belgium, and Switzerland. Appraisals of domestic wools for purchase by the CCC totaled 11,044,029 pounds in the week of June 7, bringing the aggregate appraisals for the season to date to 67,161,426 pounds, as against 78,839,416 to the same date last year.

Wholesale and Retail Trade—Gradual gains in the availability of many items coupled with strong consumer demand held total retail volume last week at the previous week's high level and well above that of the corresponding week a year ago. Dun & Bradstreet, Inc., reports in its survey of trade. With warmer weather in many sections of the country, buying of summer clothes and equipment increased considerably.

The dollar volume of food sales the past week was maintained at about 18% above that of the corresponding week a year ago. No easing was reported in the supply of meat, bread, flour, and butter. Sugar and canned fruits were also difficult to obtain. Bakery volume was maintained as pastries sold in large quantity. Fresh fruits and vegetables were plentiful and sales volume remained high.

Brisk buying of apparel goods sustained volume at a high level. Small quantities of men's suits appeared in the stores and sold quickly. Gains continued to be reported in the stocks of men's slacks, jackets, and sport suits. Demand was strong for men's neckwear, leather wallets, and hose for Father's Day gifts. All types of women's apparel sold well, with demand especially large for sun fashions, bathing suits and sportswear. Children's clothing was bought in large quantities.

More stores reported slightly larger stocks of home furnishings and household appliances. Furniture demand remained strong, especially for bedroom, dining-room and garden sets. Rugs and other floor coverings were eagerly sought. The supply of auto accessories were up slightly and volume gains over a year ago were large. Camping and outdoor equipment moved well. Considerable purchasing of toiletries and stationery was noted.

Retail volume for the country was estimated to be from 22 to 26% above that of the corresponding week a year ago. Regional percentage increases were: New England 18 to 22, East 22 to 26, Middle West and Northwest 24 to 28, South 21 to 25, Southwest 16 to 20 and Pacific Coast 24 to 29.

Total volume of wholesale trade rose again last week and was estimated to be appreciably above the levels in the corresponding week a year ago. Receipts of goods were increasingly steadily in most lines and orders were filled as soon as possible.

Department store sales on a country-wide basis, as taken from the Federal Reserve Board's index for the week ended June 15, 1946, increased by 37% above the same period of last year. This compared with an increase of 39% in the preceding week. For the four weeks ended June 15, 1946, sales increased by 36% and for the year to date by 27%.

Retail trade in New York last week was brisk with department store volume running about 33% ahead of last year. Merchants reported a greater selectivity on the

part of customers in the week and reports of a real buyers' strike were received by storekeepers with some skepticism. A heavy increase in retail advertising was noted over that of a year ago. Some slight decline was reflected in food sales resulting from the continuing shortages of meat, butter and bread.

Buying in the wholesale market continued active last week with the garment industry a feature. Notwithstanding the fact that purchases in this field did not come

up to that of the preceding two weeks, sales reached a new high for this time of the year.

According to the Federal Reserve Bank's index, department store sales in New York City for the weekly period to June 15, 1946, increased 42% above the same period last year. This compared with an increase of 47% in the preceding week. For the four weeks ended June 15, 1946, sales rose by 40% and for the year to date 33%.

Commerce Dep't Reports Income Payments To Individuals in April, 1946

Income payments to individuals during April totaled \$12,784,000, only 3% below the total for April a year ago, the Department of Commerce announced on June 14.

The Department's index of total income payments, the announcement continued, declined slightly during April to 233.5, as compared to the March index of 234.7. The index is adjusted for seasonal influences and uses as a base income payments 1935-39=100.

Since last October, the Department of Commerce said, income payments, which include wages and salaries, net incomes from unincorporated businesses, dividends and interest, net rents received by landlords and other types of individual income, have remained generally stable, the monthly indices varying within a range of 2%.

The high level of income payments is shown when April payments are converted to an annual basis. After seasonal adjustment, April income payments were equivalent to the annual rate of \$156,900,000,000 which was only slightly below the record annual total of \$160,800,000,000 for 1945.

In the period from July 1945, the last full month of war, through April 1946, the annual rate of pay of the armed forces declined from \$17,200,000,000 to \$6,600,000,000 and of factory payrolls from \$37,700,000,000 to \$32,100,000,000 said the Department of Commerce.

Yet despite these declines, the April 1946 annual rate of income payments was only 4% below the annual rate for July 1945.

During April 1946 as compared with March there were sharp curtailments in military payments—pay of the armed forces, mustered-out pay and family allowances—and also in payrolls of the bituminous coal industry, factors influencing the decline in the index.

However, these curtailments were largely offset by a rise in factory payrolls and larger disbursements to railroad employees, reflecting higher wage rates and partial payments of wage increases made retroactive to Jan. 1. Of secondary importance were increases in payrolls of the contract construction industry and in veterans' benefits and unemployment allowances, the Department of Commerce said.

Details of the April income payments are shown in the following table:

	MONTHLY INCOME PAYMENTS TO INDIVIDUALS IN THE UNITED STATES			—1st 4 Months—		
	April, 1946	March, 1946	April, 1945	1946	1945	1946
	Indexes (1935-39=100)					
Total income payments seasonally adjusted.....	233.5	234.7	242.3	233.4	243.4	110.5
Salaries and wages, seasonally adjusted.....	235.6	235.1	267.5	232.4	268.9	112.2
(Millions of Dollars)						
Total income payments....	12,784	13,199	13,194	51,098	52,980	24,204
Salaries and wages.....	8,425	8,360	9,560	33,005	38,187	15,781
Dividends and interest.....	880	1,386	808	3,913	3,578	2,856
Entrepreneurial income and net rents and royalties.....	2,488	2,402	2,276	9,914	9,047	4,551
Public assistance and other relief.....	93	94	80	369	320	378
Other income payments....	898	957	470	3,897	1,848	638

Mortgage Financing at Peak in April

The rising volume of residential construction, increased traffic in building lots and continued sharp competition among buyers for existing homes combined to boost the volume of mortgage financing to still another record level in April, said the Federal Home Loan Bank Administration in their monthly mortgage recording letter which continued: That the number of veterans has increased close to 4 million since the first of this year is only one of many factors which are accentuating the boom characteristics of the present market for rental properties as well as those for owner occupancy, the announcement of June 4 went on to say.

Nonfarm recordings of \$20,000 or less aggregated more than \$887,000,000 in April, a rise of 95% over the same month of last year and was considerably more than double the April volume of recordings in the best post-depression building year—1941.

With few exceptions, all types of lenders in all parts of the country are sharing in the increased volume of financing activity. Nationally, recordings by savings and loan associations, commercial banks and mutual savings banks have more than doubled since April of last year. The smallest gain, 52%, was reported for individual lenders.

Type of Mortgage	Amounts in Millions		—1st 4 Months—		—Percent of Total—	
	April, 1946	% Chg. from Apr., '45	1946	% Chg. from '45	1946	1945
Sav. & Loan Assns.....	\$315	+ 101	\$1,031	+ 94	35.6	35.5
Insurance companies.....	34	+ 72	118	+ 59	3.8	4.0
Banks & trust cos.....	214	+ 141	675	+ 127	24.1	23.2
Mutual savings banks.....	45	+ 186	128	+ 146	5.1	4.4
Individuals.....	180	+ 52	635	+ 49	20.3	21.9
Others.....	99	+ 77	319	+ 59	11.1	11.0
Total.....	\$887	+ 95	\$2,906	+ 84	100.0	100.0

Of the \$2.9 billion of mortgages recorded during the first four months of this year, savings and loan associations accounted for 35.5%, commercial banks were second with 23.2%, and individuals 21.9%. In 1945, savings and loans accounted for 33.6% of the January-April total; commercial banks, 13.8%; and individuals, 26.9%.

Electric Output for Week Ended June 22, 1946 5.3% 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 22, 1946, was 4,129,163,000 kwh., which compares with 4,358,277,000 kwh. in the corresponding week a year ago, and 4,030,058,000 kwh. in the week ended June 15, 1946. The output for the week ended June 22, 1946, was 5.3% below that of the same week in 1945.

PERCENTAGE DECREASE UNDER SAME WEEK LAST YEAR

Major Geographical Divisions—	Week Ended			
	June 22	June 15	June 8	June 1
New England.....	1.2	8.0	0.3	3.3
Middle Atlantic.....	3.9	3.7	4.4	5.0
Central Industrial.....	6.0	9.2	12.5	15.1
West Central.....	\$2.0	1.0	4.0	9.4
Southern States.....	7.4	12.1	14.1	15.1
Rocky Mountain.....	\$4.9	\$7.2	0.5	\$12.9
Pacific Coast.....	7.2	7.1	7.5	10.4
Total United States.....	5.3	7.3	9.4	11.0
\$Increase.				

DATA FOR RECENT WEEKS (Thousands of Kilowatt-Hours)

Week Ended—	% Change under 1945				
	1946	1945	1944	1932	1929
March 2.....	4,000,119	4,472,110	-10.6	4,464,686	1,538,452
March 9.....	3,952,539	4,446,136	-11.1	4,425,630	1,537,747
March 16.....	3,987,877	4,397,529	-9.3	4,400,246	1,514,553
March 23.....	4,017,310	4,401,716	-8.7	4,409,159	1,480,208
March 30.....	3,992,283	4,329,478	-7.8	4,408,703	1,465,076
April 6.....	3,987,673	4,321,794	-7.7	4,361,094	1,480,738
April 13.....	4,014,652	4,332,400	-7.3	4,307,498	1,469,810
April 20.....	3,987,145	4,411,325	-9.6	4,344,188	1,454,505
April 27.....	3,976,750	4,415,889	-9.9	4,336,247	1,429,032
May 4.....	4,011,670	4,397,330	-8.8	4,233,756	1,436,928
May 11.....	3,910,760	4,302,381	-9.1	4,238,375	1,435,731
May 18.....	3,939,281	4,377,221	-10.0	4,245,678	1,425,151
May 25.....	3,941,865	4,329,605	-9.0	4,291,750	1,381,452
June 1.....	3,741,256	4,203,502	-11.0	4,144,490	1,435,471
June 8.....	3,920,444	4,327,028	-9.4	4,264,600	1,441,532
June 15.....	4,030,058	4,348,413	-7.3	4,287,251	1,440,541
June 22.....	4,129,163	4,358,277	-5.3	4,325,417	1,456,961
June 29.....		4,353,351		4,327,359	1,341,730

Weekly Coal and Coke Production Statistics

The total production of bituminous coal and lignite in the week ended June 15, 1946, as estimated by the United States Bureau of Mines, was 12,140,000 net tons, a decrease of 640,000 tons, or 5.0%, from the preceding week. In the corresponding week of 1945, output amounted to 11,746,000 tons. From Jan. 1, to June 15, 1946, production was estimated at 210,410,000 net tons, a decrease of 23.2% when compared with the 274,049,000 tons produced during the period from Jan. 1 to June 16, 1945.

Production of Pennsylvania anthracite for the week ended June 15, 1946, as estimated by the Bureau of Mines, was 1,120,000 tons, an increase of 1,074,000 tons over the preceding week. When compared with the output in the corresponding week of 1945 there was a decrease of 162,000 tons, or 12.6%. The calendar year to date shows an increase of 12.5% when compared with the corresponding period of 1945.

The Bureau also announced that the estimated production of beehive coke in the United States for the week ended June 15, 1946, showed an increase of 44,800 tons when compared with the output for the week ended June 8, 1946; but was 39,500 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 15, 1946	June 8, 1946	June 1, 1946	June 15, 1946	June 16, 1945
Bituminous coal & lignite—	12,140,000	12,780,000	11,746,000	210,410,000	274,049,000
Total, including mine fuel—	2,023,000	2,130,000	1,958,000	1,502,000	1,926,000

*Subject to current adjustment. †Revised.

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

	Week Ended			Calendar Year to Date		
	June 15, 1946	June 8, 1946	June 1, 1946	June 15, 1946	June 16, 1945	1937
Penn. Anthracite—	1,120,000	1,282,000	26,993,000	23,998,000	26,935,000	26,935,000
*Total incl. coll. fuel	1,075,000	1,231,000	25,912,000	23,038,000	25,588,000	25,588,000
†Commercial prod.	44,000	1,231,000	25,912,000	23,038,000	25,588,000	25,588,000
‡Beehive coke—						
United States total—	91,700	36,900	131,200	1,396,600	2,775,800	1,732,100

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

ESTIMATED WEEKLY PRODUCTION OF BITUMINOUS COAL AND LIGNITE, BY STATES, IN NET TONS

(The current weekly estimates are based on railroad carloadings and river shipments and are subject to revision on receipt of monthly tonnage reports from district and State sources or of final annual returns from the operators.)

State—	Week Ended		
	June 8, 1946	June 1, 1946	June 9, 1945
Alabama.....	412,000		372,000
Alaska.....	6,000		5,000
Arkansas and Oklahoma.....	61,000		93,000
Colorado.....	108,000		125,000
Georgia and North Carolina.....	1,000		1,000
Illinois.....	1,538,000		1,433,000
Indiana.....	517,000		523,000
Iowa.....	41,000		37,000
Kansas and Missouri.....	94,000	DATA	126,000
Kentucky—Eastern.....	1,142,000		1,024,000
Kentucky—Western.....	442,000		377,000
Maryland.....	59,000		32,000
Michigan.....	2,000	NOT	2,000
Montana (bitum. & lignite).....	70,000		96,000
New Mexico.....	30,000		28,000
North & South Dakota (lignite).....	35,000		30,000
Ohio.....	855,000	AVAILABLE	741,000
Pennsylvania (bituminous).....	2,945,000		2,921,000
Tennessee.....	134,000		131,000
Texas (bituminous & lignite).....	1,000		2,000
Utah.....	119,000		132,000
Virginia.....	413,000		372,000
Washington.....	15,000		28,000
†West Virginia—Southern.....	2,419,000		2,090,000
‡West Virginia—Northern.....	1,222,000		1,072,000
Wyoming.....	99,000		180,000
§Other Western States.....			
Total bituminous & lignite.....	12,780,000	3,700,000	11,973,000

†Includes operations on the N. & W.; C. & O.; Virginian; K. & M.; B. C. & G.; and on the B. & O. in Kanawha, Mason, and Clay counties. ‡Rest of State, including the Panhandle District and Grant, Mineral, and Tucker counties. §Includes Arizona and Oregon. *Less than 1,000 tons.

Statutory Debt Limitation as of April 30, 1946

The Treasury Department recently made public its monthly report showing that the face amount of public debt obligations issued under the Second Liberty Bond Act (as amended) outstanding on April 30, 1946 totaled \$284,104,286,890, thus leaving the face amount of obligations which may be issued subject to the \$300,000,000,000 statutory debt limitation at \$15,895,713,110. In another table in the report, the Treasury indicates that from the total gross public debt and guaranteed obligations of \$274,442,547,280 should be subtracted \$978,322,125 (outstanding public debt obligations not subject to debt limitation), and to this figure should be added \$10,640,061,735 (the unearned discount on U. S. Savings Bonds). Thus the grand total of public debt obligations outstanding as of April 30, 1946 amounted to \$284,104,286,890.

The Treasury Department's announcement follows:

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

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

Total face amount that may be outstanding at any one time.....	\$300,000,000,000
Outstanding April 30, 1946—	
Obligations issued under Second Liberty Bond Act, as amended:	
Interest-bearing:	
Bonds—	
Treasury.....	\$121,177,390,350
*Savings (maturity value).....	59,467,937,900
Depository.....	436,360,000
Adjusted service.....	500,157,956
Treasury notes.....	37,497,041,800
Certificates of indebtedness.....	47,038,623,000
Treasury bills.....	17,053,747,000
	181,581,846,206
Total interest-bearing.....	283,171,258,006
Matured, interest-ceased.....	202,829,858
Bearing no interest:	
War savings stamps.....	104,496,699
Excess profits tax refund bonds.....	81,638,681
	186,135,380
Total.....	283,560,223,244
Guaranteed obligations (not held by Treasury)—	
Interest-bearing:	
Debentures: PHA.....	41,036,086
Demand obligations: CCC.....	192,214,135
	533,280,221
Matured, interest-ceased.....	16,783,425
	544,063,646
Grand total outstanding.....	284,104,286,890
Balance face amount of obligations issuable under above authority..	15,895,713,110
RECONCILEMENT WITH STATEMENT OF THE PUBLIC DEBT—APRIL 30, 1946 (Daily Statement of the United States Treasury, May 1, 1946)	
Outstanding April 30, 1946:	
Total gross public debt.....	273,898,483,634
Guaranteed obligations not owned by the Treasury.....	544,063,646
Total gross public debt and guaranteed obligations.....	274,442,547,280
Add—Unearned discount on U. S. Savings Bonds (difference between maturity value and current redemption value).....	\$10,640,061,735
Deduct—other outstanding public debt obligations not subject to debt limitation.....	978,322,125
	9,661,739,610
	284,104,286,890
*Approximate face or maturity value; current redemption value, \$48,827,876,165.	

Consumer Credit Outstanding in April

The Board of Governors of the Federal Reserve System announced on May 31 that consumer credit outstanding increased about 375 million dollars during April to an estimated total of 7,355 million. About half of the current rise, the Board continued, occurred in charge accounts receivable, but the rate of increase in other types of indebtedness was higher than in other recent months. At the end of the month the total amount outstanding was approximately 34% above the year-ago level. The Board's announcement continued: "Instalment loans outstanding increased by nearly 6% during April. The rise of 3% in single-payment loans was somewhat larger than in other recent months. By the end of April both instalment and single-payment loans outstanding were more than one-third above corresponding amounts of a year earlier.

"Instalment credit outstanding on automobile sales, which has increased steadily since June 1945, rose approximately 9% in April, or at about the same rate as in the preceding month. Other instalment sale credit, which ordinarily shows some reduction at this time of year, increased slightly, and was more than one-fifth above the level of last year.

"Charge accounts receivable increased further and at the end of the month were at a record high level. This type of indebtedness was more than 40% larger than a year ago."

	April 30, 1946	Increase or Decrease	
		From 1946	Apr. 30, 1945
*Total consumer credit.....	7,355	+ 375	+ 1,872
Instalment sale credit:			
Automobile.....	289	+ 25	+ 105
Other.....	662	+ 22	+ 123
†Instalment loans.....	1,695	+ 89	+ 471
Charge accounts.....	2,146	+ 174	+ 640
Single-payment loans.....	1,752	+ 57	+ 464

*Includes service credit not shown separately. †Includes repair and modernization loans.

British Food Stocks

Revealing one of Britain's hitherto most closely guarded secrets, Sir Ben Smith, Minister of Food, stated in answer to a question in Commons recently that his ministry held or controlled 3,806,000 tons of "food and feeding stuffs, as of May 1. Advice to this effect were contained in a wireless message to the New York "Times" from London by Michael L. Hoffman, which also had the following to say:

He asserted that he was unprepared to deplete the stocks for the benefit of European countries as it would mean cuts in consumption dangerous to the health and efficiency of the British nation.

At the same time the Government announced that during the next five weeks it was sending 70,000 tons of barley and 80,000 tons of potatoes to the British zone of Germany to stave off starvation reported to be threatening Germans in the area.

R. R. Stokes, Labor member who asked the Minister for food figures, promptly served notice following his reply that in view of the fact that reported stocks were nearly twice the pre-war normal he would raise the question of further British contributions to food-short areas at an early date.

Official figures are slightly lower than the 4,000,000-ton figure that has been generally assumed here in discussions of the world food problem. It was stated by a Government spokesman tonight that full details of Britain's food holdings had been given regularly to the Combined Food Boards and the United States Government but that they had never been made public before.

The Minister's statement was in response to a question as to whether he had released 500,000 tons of food of all descriptions for Europe to tide starving countries over till the harvest. He replied: "Since D-Day we've sent some 1,400,000 tons of foodstuffs to liberated Europe and this year we've substantially reduced our import requirements for the benefit of other claimants on world supplies."

"Stocks of food and feeding stuffs in MM or controlled by my ministry at the beginning of this month were 3,806,000 tons, about 125,000 tons less than a month earlier, and over 1,000,000 tons lower than the figure at the beginning of the year. About 750,000 tons of stocks at the beginning of this month consisted of coarse grains and animal-feeding stuffs. We've no reserve surplus to our processing and distributing requirements and I am not prepared to deplete our stocks further in the way suggested since this would mean more cuts in consumption which would seriously impair the health and efficiency of our nation."

Barley being sent to Germany is stated to be the amount due to be saved up to September this year as the result of reduced allocation to breweries. In announcing barley shipments British spokesman called attention to the fact that United States shipments to German during May were falling below the amount regarded as the absolute minimum which but for British action would have meant cuts in rations to as low as 500 calories daily.

Dawson, Wilson Resigning

White House announcements on June 18 stated that William Dawson had tendered his resignation as Ambassador to Uruguay, effective Aug. 31, and that Orme Wilson had resigned as Ambassador to Haiti, effective date not given. President Truman, the Associated Press advised from Washington, in accepting the resignations, expressed appreciation of the two men's services.

Moody's Bond Prices and Bond Yield Averages

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

MOODY'S BOND PRICES (Based on Average Yields)									
1946— Daily Averages	U. S. Govt. Bonds	Avg. Corpo- rate*	Corporate by Ratings*				Corporate by Groups*		
			Aaa	Aa	A	Baa	R. R.	P. U.	Indus
June 25	124.08	118.80	123.34	121.25	118.40	112.56	116.02	119.20	121.25
24	124.08	118.80	123.34	121.25	118.20	112.56	116.02	119.20	121.25
22	Stock Exchange Closed								
21	124.17	118.80	123.34	121.25	118.40	112.56	116.02	119.20	121.46
20	124.17	118.80	123.34	121.25	118.40	112.56	116.02	119.20	121.46
19	124.17	118.80	123.34	121.25	118.40	112.56	116.02	119.20	121.46
18	124.20	118.80	123.34	121.46	118.40	112.56	116.02	119.20	121.46
17	124.17	118.80	123.34	121.46	118.40	112.56	116.02	119.20	121.46
15	Stock Exchange Closed								
14	124.17	118.80	123.34	121.25	118.40	112.56	116.02	119.00	121.25
13	124.17	118.80	123.34	121.25	118.40	112.56	116.08	119.00	121.25
12	124.11	118.80	123.34	121.25	118.40	112.56	116.02	119.00	121.25
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	118.60	123.13	121.25	118.20	112.56	116.02	119.00	121.04
4	124.02	116.60	122.92	121.46	118.20	112.56	116.22	119.00	121.04
3	124.02	118.80	123.13	121.46	118.40	112.56	116.22	119.00	121.04
1	Stock Exchange Closed								
May 31	123.99	118.80	122.92	121.46	118.40	112.56	116.22	119.00	121.04
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 25, 1945	122.93	115.82	120.84	119.41	115.82	108.16	112.93	115.43	119.41
2 Years Ago									
June 24, 1944	120.19	112.37	118.40	117.00	112.00	102.80	106.04	113.89	117.40

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

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 25	1.47	2.71	2.49	2.59	2.73	3.03	2.85	2.69	2.59
24	1.47	2.71	2.49	2.59	2.73	3.03	2.85	2.69	2.59
22	Stock Exchange Closed								
21	1.46	2.71	2.49	2.59	2.73	3.03	2.85	2.69	2.58
20	1.46	2.71	2.48	2.59	2.73	3.03	2.85	2.69	2.58
19	1.46	2.71	2.48	2.59	2.73	3.02	2.85	2.69	2.58
18	1.47	2.71	2.48	2.58	2.73	3.03	2.85	2.69	2.58
17	1.46	2.71	2.48	2.58	2.73	3.03	2.85	2.69	2.58
15	Stock Exchange Closed								
14	1.46	2.71	2.49	2.59	2.73	3.03	2.85	2.70	2.59
13	1.46	2.71	2.49	2.59	2.73	3.03	2.85	2.70	2.59
12	1.47	2.71	2.49	2.59	2.73	3.03	2.85	2.70	2.59
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	2.84	2.70	2.60
10	1.49	2.71	2.51	2.58	2.72	3.02	2.83	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	2.46	2.56	2.69	2.96	2.79	2.64	2.57
12	1.35	2.65	2.46	2.54	2.67	2.94	2.77	2.64	2.56
5	1.34	2.65	2.46	2.54	2.67	2.93	2.77	2.64	2.55
Mar. 29	1.36	2.66	2.46	2.54	2.68	2.94	2.78	2.64	2.55
22	1.35	2.66	2.47	2.54	2.68	2.95	2.79	2.64	2.55
15	1.34	2.66	2.47	2.54	2.69	2.94	2.80	2.64	2.54
8	1.34	2.66	2.48	2.53	2.69	2.93	2.81	2.63	2.54
1	1.34	2.67	2.48	2.56	2.69	2.94	2.82	2.64	2.55
Feb. 21	1.33	2.67	2.49	2.56	2.70	2.94	2.83	2.64	2.55
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 25, 1945	1.60	2.86	2.61	2.68	2.86	3.27	3.01	2.88	2.68
2 Years Ago									
June 24, 1944	1.78	3.04	2.73	2.80	3.06	3.58	3.39	2.96	2.78

*These prices are computed from average yields on the basis of one "typical" bond (3 1/2% coupon, maturing in 25 years) and do not purport to show either the average level or the average movement of actual price quotations. They merely serve to illustrate in a more comprehensive way the relative levels and the relative movement of yield averages, the latter being the true picture of the bond market.

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

Civil Engineering Construction Totals \$105,784,000 for Week

Civil engineering construction volume in continental United States totals \$105,784,000 for the week ending June 20, 1946 as reported "Engineering News-Record." This volume is 24% below the previous week, 153% above the corresponding week of last year and 15% below the previous four-week moving average. The report issued on June 20, went on to say:

Private construction this week, \$58,974,000, is 32% below last week and 228% above the week last year. Public construction, \$46,810,000, is 11% below last week and 96% greater than the week last year. State and municipal construction, \$28,864,000, 3% below last week, is 137% above the 1945 week. Federal construction, \$17,946,000, is 21% below last week and 53% above the week last year.

Total engineering construction for the 25-week period of 1946 records a cumulative total of \$2,503,580,000, which is 202% above the total for a like period of 1945. On a cumulative basis, private construction in 1946 totals \$1,594,729,000 which is 559% above that for

1945. Public construction, \$908,851,000, is 55% greater than the cumulative total for the corresponding period of 1945, whereas state and municipal construction, \$610,693,000, to date, is 401% above 1945. Federal construction, \$298,158,000 dropped 36% below the 25-week total of 1945.

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

	June 20, '46	June 13, '46	June 21, '45
Total U. S. Construction	\$105,784,000	\$138,911,000	\$41,873,000
Private Construction	58,974,000	86,367,000	18,001,000
Public Construction	46,810,000	52,544,000	23,872,000
State and Municipal	28,864,000	29,842,000	12,173,000
Federal	17,946,000	22,702,000	11,699,000

In the classified construction groups, bridges, earthwork and drainage, public buildings and industrial buildings recorded gains this week over the previous week. Eight of the nine classes recorded gains this week over the 1945 weeks 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 \$16,253,000, and is made up of \$12,578,000 in state and municipal bond sales and \$3,675,000 in corporate security issues. New capital for the 25-week period of 1946 totals \$653,417,000, 23% greater than the \$532,885,000, reported for the corresponding period of 1945.

National Fertilizer Association Commodity Price Index Rises Sharply

The wholesale commodity price index compiled by The National Fertilizer Association and made public on June 24, rose sharply in the week ended June 22, 1946, advancing to 150.8 from 149.0 in the preceding week. The index, advancing to a new high level, registered the following percentage increases: 1.2% above the preceding week; 2.2% above a month ago, and 6.4% above a year ago. A month ago the index stood at 147.5, and a year ago at 141.6, all based on the 1935-1939 average as 100. The Association's report continued as follows:

Eight of the component groups of the index advanced during the latest week. The foods index rose substantially with higher prices for butter, cheese and dressed fowl much more than offsetting the lower quotations for potatoes. The farm products group advanced, reflecting higher prices for cotton, cattle, lambs and fluid milk. The fuels registered the largest increase during the week due to the rise in bituminous coal. The metals group was higher because of advances in the prices for brass sheets and rods, and copper sheets. The building materials group rose because of higher quotations for wire nails. The miscellaneous commodities group advanced due to higher prices for book paper. The textiles group again advanced. The rise in the fertilizer materials group reflected the advance in the prices for phosphate rock.

During the week 18 price series in the index advanced and 4 declined; in the preceding week 7 advanced and 1 declined; in the second preceding week 8 advanced and 3 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 Year			
		Week Jun 22, 1946	Week Jun 15, 1946	Month Ago May 25, 1946	Year Ago Jun 23, 1945
25.3	Foods	150.1	147.6	145.8	144.0
	Fats and Oils	152.7	147.4	147.4	145.2
	Cottonseed Oil	163.1	163.1	163.1	163.1
	Farm Products	181.9	181.1	178.4	168.0
	Cotton	277.0	276.2	261.2	214.8
	Grains	190.3	190.3	192.7	166.1
	Livestock	164.6	163.5	161.8	161.6
17.3	Fuels	135.8	131.4	131.4	132.0
10.8	Miscellaneous commodities	129.4	138.6	138.6	133.7
8.2	Textiles	169.7	169.6	166.6	157.1
7.1	Metals	123.5	122.2	117.9	108.9
6.1	Building materials	168.3	168.1	167.8	153.8
1.3	Chemicals and drugs	127.5	127.5	127.5	125.9
.3	Fertilizer materials	118.9	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	150.8	149.0	147.5	141.6

*Indexes on 1926-1928 base were: June 22, 1946, 117.5; June

Daily Average Crude Oil Production for Week Ended June 15, 1946 Increased 65,000 Bbls.

The American Petroleum Institute estimates that the daily average gross crude oil production for the week ended June 15, 1946 was 4,960,650 barrels, an increase of 65,000 barrels per day over the preceding week and a gain of 72,286 barrels per day over the corresponding week of 1945. The current figure was also 290,650 barrels in excess of the daily average figure of 4,670,000 barrels estimated by the United States Bureau of Mines as the requirement for the month of June, 1946. Daily production for the four weeks ended June 15, 1946, averaged 4,842,800 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 4,799,000 barrels of crude oil daily and produced 14,510,000 barrels of gasoline; 2,068,000 barrels of kerosine; 5,447,000 barrels of distillate fuel, and 8,931,000 barrels of residual fuel oil during the week ended June 15, 1946; and had in storage at the end of the week 93,449,000 barrels of finished and unfinished gasoline; 13,611,000 barrels of kerosine; 35,582,000 barrels of distillate fuel, and 45,915,000 barrels of residual fuel oil.

The complete report for the week ended June 15, 1946 follows in detail.

DAILY AVERAGE CRUDE OIL PRODUCTION (FIGURES IN BARRELS)

	*B. of M. Calculated Requirements June	State Allowables Begin. June 1	Actual Production Week Ended June 15, 1946	Change from Previous Week	4 Weeks Ended June 15, 1946	Week Ended June 15, 1945
**New York-Penna.	48,200		50,350	+ 2,050	49,850	48,950
Florida			250		250	14
**West Virginia	8,400		8,800	+ 650	8,150	7,700
**Ohio-Southeast	7,600		5,650	+ 700	5,550	5,400
Ohio-Other			2,850	+ 550	2,600	2,700
Indiana	18,000		19,600	+ 1,250	19,800	11,800
Illinois	210,000		207,800	- 600	209,050	200,250
Kentucky	31,000		29,900	- 1,100	30,600	29,600
Michigan	46,000		50,150	+ 2,750	47,800	49,450
Nebraska	800		1,750		750	900
Kansas	255,000	260,000	282,900	+ 43,450	261,750	275,150
Oklahoma	380,000	380,000	383,150	+ 1,850	379,900	386,350
Texas—						
District I			19,650		19,500	
District II			155,650		143,500	
District III			515,400		480,850	
District IV			229,600		223,800	
District V			43,950		41,150	
East Texas			326,000		358,000	
Other Dist. VI			107,350		105,150	
District VII-B			32,400		31,950	
District VII-C			28,450		27,750	
District VIII			580,450	- 3,750	538,200	
District IX			132,400		131,000	
District X			86,450		86,350	
Total Texas	2,050,000	2,293,092	2,257,750	- 3,750	2,187,200	2,180,450
North Louisiana			81,760	+ 700	80,700	69,050
Coastal Louisiana			296,100	+ 6,000	292,250	298,950
Total Louisiana	380,000	417,000	377,850	+ 6,700	372,950	368,000
Arkansas	79,000	78,268	74,150	- 50	73,650	78,700
Mississippi	57,000		63,450	+ 700	63,850	52,000
Alabama	1,000		1,150		1,150	700
New Mexico—So. East	98,000	106,000	97,600		96,450	103,350
New Mexico—Other			500	+ 150	450	400
Wyoming	104,000		117,350	+ 5,950	114,700	107,850
Montana	22,000		21,800	+ 2,450	19,950	20,300
Colorado	26,000		31,800	+ 1,000	31,100	11,550
California	848,000	831,000	875,100	+ 9,900	865,300	946,800
Total United States	4,670,000		4,960,650	+ 65,000	4,842,800	4,888,364
**Pennsylvania Grade included above			64,800	+ 3,400	63,550	62,050

*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 June. 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. June 12, 1946
‡This is the net basic allowable as of June 1 calculated on a 30-day basis and includes shutdowns and exemptions for the entire month. With the exception of those fields which were exempted entirely the entire state was ordered shut down for four 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 4 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 FUEL OIL, WEEK ENDED JUNE 15, 1946

(Figures in thousands of barrels of 42 gallons each)

District	% Daily Crude Report'g	Crude Runs to Stills Daily % Op-erated	Gasoline Produced at Ref. Inc. Nat. Blended	Stocks of Gasoline at Ref. Unfin. Gasoline	Kero-sine Stocks	Gas Oil of Fuel Oil	Stocks of Gas Oil of Dist. Resid. Fuel Oil
East Coast	99.5	761	90.7	1,726	22,894	5,432	10,955
Appalachian—							
District No. 1	76.3	96	67.1	310	2,466	266	453
District No. 2	84.7	54	87.1	184	1,025	67	147
Ind., Ill., Ky.	87.4	748	86.0	2,733	19,058	1,992	4,921
Okla., Kan., Mo.	78.3	389	82.9	1,336	8,137	827	2,117
Inland Texas	59.8	212	64.2	893	3,024	364	350
Texas Gulf Coast	89.2	1,206	98.4	3,694	14,140	2,332	5,821
Louisiana Gulf Coast	97.4	334	104.0	1,009	3,997	1,270	1,791
No. La. & Arkansas	55.9	57	45.2	149	1,841	204	406
Rocky Mountain—							
District No. 3	19.0	11	84.6	42	91	20	42
District No. 4	70.9	129	78.2	354	2,140	136	443
California	85.5	802	80.7	2,080	14,636	701	8,136
Total U. S. B. of M. basis June 15, 1946	85.8	4,799	86.3	14,510	*93,449	13,611	35,582
Total U. S. B. of M. basis June 8, 1946	85.8	4,827	86.8	13,864	94,146	13,013	33,958
U. S. B. of M. basis June 16, 1945		4,957		14,940	†87,105	8,562	30,282

*Includes unfinished gasoline stocks of 8,523,000 barrels. †Includes unfinished gasoline stocks of 11,773,000 barrels. ‡Stocks at refineries, at bulk terminals, in transit and in pipe lines. In addition, there were produced 2,068,000 barrels of kerosine, 5,447,000 barrels of gas oil and distillate fuel oil and 8,931,000 barrels of residual fuel oil during the week ended June 15, 1946, which compares with 1,827,000 barrels, 5,441,000 barrels and 9,015,000 barrels, respectively, in the preceding week and 1,541,000 barrels, 5,440,000 barrels and 9,385,000 barrels, respectively, in the week ended June 16, 1945.

Wholesale Prices Up for Week Ended June 15, Labor Department Reports

"Primary market prices continued their advance during the week ended June 15, 1946, increasing 0.3%," it was announced on June 20 by the Bureau of Labor Statistics, U. S. Department of Labor which said that "at 111.8% of the 1926 average, the index of commodity prices in primary markets prepared by the Bureau was 5.5% higher than a year ago and 6.0% above the end of the war." The advices from the Bureau continued:

"Farm Products and Foods—The rise of 0.4% in the group index for farm products was due primarily to increases in prices of cattle, eggs, and milk. Prices of cows and steers increased as the small number received in the markets indicated continued holding-back by sellers. Lamb prices decreased with poor quality and poultry quotations declined seasonally. The demand for eggs, increased by the meat shortage, combined with seasonally lower production to raise egg prices. Lencn prices were higher, but were still under ceilings effective on May 27, and sweet potato prices increased seasonally. Prices of onions and potatoes declined with liberal supplies. Milk quotations moved up under the ceiling increase granted to producers June 7. Raw cotton quotations continued to climb. Farm products prices on the average were 1.5% higher than a month ago and 6.8% above a year ago.

"Sharp seasonal decreases in prices of fresh vegetables and smaller decreases for dressed poultry more than offset higher prices for bread and milk, bringing the group index for foods to a level 0.1% below a week ago. This was 0.3% higher than a month ago and 3.8% above a year earlier. The advance in bread prices was the result of weight reduction.

"Other Commodities—Prices of all commodities other than farm products and foods averaged 0.3% higher during the week and were 0.9% above a month ago and 5.2% higher than a year earlier. Farm machinery prices moved up from 3 to 10% and prices of brass mill products advanced following ceiling increases granted in accordance with the wage-price policy, to cover higher material costs and approved wage increases. Upward adjustments under the wage-price policy also were made for saws and alloy steel bars. Substantial price increases for red and white lead pigments followed higher ceilings allowed by OPA because of higher lead costs. Gasoline prices moved towards ceilings with increased demand. There were sharp advances in leather prices under increased ceilings to tanners effective June 7.

The following tables show (1) indexes for the past three weeks, for June 8, 1946 and June 16, 1945 and (2) percent changes in subgroup indexes from June 8, 1946 to June 15, 1946.

CHANGES IN WHOLESALE PRICES BY COMMODITY GROUPS FOR WEEK ENDED JUNE 15, 1946

Commodity group—	Percentage changes to June 15, 1946, from—							
	6-15 1946	6-8 1946	6-1 1946	5-18 1946	6-16 1945	6-8 1945	5-18 1945	6-16 1945
All commodities	111.8	111.5	111.1	110.9	106.0	+0.3	+0.8	+5.5
Farm products	139.9	139.4	138.8	137.9	131.0	+0.4	+1.5	+6.8
Foods	111.8	111.9	111.8	111.5	107.7	-0.1	+0.3	+3.8
Hides and leather products	123.4	120.9	120.9	120.9	118.3	+2.1	+2.1	+4.3
Textile products	108.3	108.3	108.2	108.2	99.1	0	+0.1	+9.3
Fuel and lighting materials	86.9	86.9	86.7	87.0	84.5	0	-0.1	+2.8
Metal and metal products	111.0	110.5	109.5	109.3	104.8	+0.5	+1.6	+5.9
Building materials	128.5	128.2	127.8	126.9	117.3	+0.2	+1.3	+9.5
Chemicals and allied products	96.8	96.8	96.6	96.3	95.3	0	+0.5	+1.6
Housefurnishings goods	110.4	110.2	110.0	109.4	106.2	+0.2	+0.9	+4.9
Miscellaneous commodities	97.9	97.9	97.8	96.3	94.6	0	+1.7	+3.5
Raw materials	125.8	125.5	125.1	124.6	119.0	+0.2	+1.0	+5.7
Semi-manufactured articles	104.4	103.4	101.7	101.7	95.3	+1.0	+2.7	+9.5
Finished products	106.8	106.6	106.5	106.1	102.0	+0.2	+0.7	+4.7
All commodities other than farm products	105.6	105.4	105.1	104.8	100.6	+0.2	+0.8	+5.0
All commodities other than farm products and foods	104.9	104.6	104.3	104.0	99.7	+0.3	+0.9	+5.2

PERCENTAGE CHANGES IN SUBGROUP INDEXES FROM JUNE 8, 1946 TO JUNE 15, 1946

Increases		Decreases	
Leather	8.4	Dairy Products	0.3
Agricultural Implements	5.2	Other Building Materials	0.3
Nonferrous Metals	2.2	Other Farm Products	0.2
Hides and Skins	1.4	Other Foods	0.2
Livestock and Poultry	0.8	Petroleum and Products	0.2
Cereal Products	0.7	Shoes	0.2
Paint and Paint Materials	0.6	Iron and Steel	0.1
Furnishings	0.4	Lumber	0.1
Fruits and Vegetables	1.4	Meats	0.3

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.

Red Cross Convention

The twenty-first convention of the American Red Cross opened at Convention Hall in Philadelphia on June 18, and the more than 4,000 delegates heard National Chairman Basil O'Connor read a message from President Truman in which the President declared, according to advices from the Associated Press, that the organization, despite its tremendous war contributions, can become an even greater force for unity among the peoples of the world. Said the President's message:

"This broader role provides new challenges and greater opportunities and along with them, heavier and more sobering responsibilities. In the continuance of our diligent work toward a just and enduring peace, it is very heartening to observe that how-

ever peoples may differ on political and economic issues, under the banner of the Red Cross they can unite for the betterment of mankind."

Mr. O'Connor, praising the work of the American organization during the war, asked, "Now we must face, indeed we are in the midst of, a reconversion period to meet the continuing responsibilities of our wartime services and the expansion of our traditional peacetime programs to meet more adequately the needs of all our people." Pointing out that the Red Cross is rendering service to approximately 1,500,000 men overseas, for whom it maintains 5,300 workers serving in 780 camps, hospitals and clubs, he added that the organization would "not be able to reduce to a total peacetime budget as soon as many expect us to."

Swope Re-Elected Pres. Health & Welfare Assn.

At the first annual meeting of the Trustees of the National Health & Welfare Retirement Association, Inc., Gerard Swope was re-elected Chairman of the Board, and Milton H. Glover of Hartford, Conn., President. Other officers who were re-elected for the coming year, it was announced June 19, were Gordon Rentschler, Treasurer, Mrs. Charles S. Brown, Henry Bruere, John O. Stubbs of Boston, Vice-Presidents, Hobart M. McPherson, Assistant Treasurer and Homer Wickenden, Secretary. Mr. Swope reported that since the National Health & Welfare Retirement Association started its operation on Oct. 1, 1945, contributions by employers and employees of hospitals, health and welfare agencies, are being received at the rate of \$1,800,000 per year and already these employees are covered by \$12,000,000 in death benefit protection. Ten death claims have been paid totaling \$20,575. The enrollment in the plan is approaching 8,000.

The Retirement Association was established under the sponsorship of the national association of Community Chests and Councils, Inc., because of the need of a retirement system for workers in welfare organizations throughout the country who are not now covered by Social Security. In more than 125 communities, Mr. Swope said, the community chest has appropriated the funds necessary for their constituent organizations to join the plan. Mr. Swope announced that negotiations with the American Hospital Association have been completed and amendments to the By-Laws adopted to make the Plan available to the hospitals throughout the country belonging to that Association. According to John H. Hayes, President-elect of the American Hospital Association, who is a member of the Executive Committee of the Retirement Association, the hospitals of the country are at a great disadvantage in competing with industry for personnel because up until this time hospitals have had no Social Security or pension benefits to offer their employees. The business of the National Health and Welfare Retirement Association is managed by a board of 60 Trustees representing welfare interests in all parts of the country. Its affairs are under the supervision of the Superintendent of Insurance of the State of New York and all its pension and death benefits are reinsured under a participating agreement with the John Hancock Mutual Life Insurance Company of Boston.

Annual Meeting of Small Business Assn.

The National Small Business Men's Association will hold its annual national membership meeting at the Palmer House in Chicago July 22, 23 and 24, according to DeWitt Emery, President. Operators of small business enterprises throughout the United States are expected to attend the sessions, which will deal with government regulations, labor relations, taxes and other problems of present-day business. Harold O. McLain, President of the Railways Ice Company, Chicago, will be the principal speaker at the banquet to be held July 23 and Billy B. Van, Mayor of Newport, N. H., will speak at the luncheon meeting July 24. Other speakers will also be heard at various sessions of the convention, Mr. Emery said. As President of the Association, Mr. Emery will report on the organization's accomplishments and objectives.

Trading on New York Exchanges

The Securities and Exchange Commission made public on June 19, 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 June 1, 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 June 1 (in round-lot transactions) totaled 2,539,686 shares, which amount was 15.22% of the total transactions on the Exchange of 8,345,280 shares. This compares with member trading during the week ended May 25 of 2,356,933 shares or 15.52% of the total trading of 7,593,460 shares.

On the New York Curb Exchange, member trading during the week ended June 1 amounted to 820,315 shares, or 15.13% of the total volume on that exchange of 2,710,220 shares. During the week ended May 25, trading for the account of Curb members of 690,985 shares was 14.16% of the total trading of 2,440,380 shares.

Total Round-Lot Stock Sales on the New York Stock Exchange and Round-Lot Stock Transactions for Account of Members* (Shares)
WEEK ENDED JUNE 1, 1946

	Total for Week	%
A. Total Round-Lot Sales:		
Short sales.....	274,450	
†Other sales.....	8,070,830	
Total sales.....	8,345,280	
B. Round-Lot Transactions for Account of Members, Except for the Odd-Lot Accounts of Odd-Lot Dealers and Specialists:		
1. Transactions of specialists in stocks in which they are registered—		
Total purchases.....	746,670	
Short sales.....	164,050	
†Other sales.....	647,820	
Total sales.....	811,870	9.34
2. Other transactions initiated on the floor—		
Total purchases.....	124,480	
Short sales.....	20,400	
†Other sales.....	151,050	
Total sales.....	171,450	1.77
3. Other transactions initiated off the floor—		
Total purchases.....	251,969	
Short sales.....	67,200	
†Other sales.....	366,047	
Total sales.....	433,247	4.11
4. Total—		
Total purchases.....	1,123,119	
Short sales.....	251,650	
†Other sales.....	1,164,917	
Total sales.....	1,416,567	15.22

Total Round-Lot Stock Sales on the New York Curb Exchange and Stock Transactions for Account of Members* (Shares)
WEEK ENDED JUNE 1, 1946

	Total for Week	%
A. Total Round-Lot Sales:		
Short sales.....	74,655	
†Other sales.....	2,635,565	
Total sales.....	2,710,220	
B. Round-Lot Transactions for Account of Members:		
1. Transactions of specialists in stocks in which they are registered—		
Total purchases.....	259,690	
Short sales.....	21,345	
†Other sales.....	222,465	
Total sales.....	243,810	9.29
2. Other transactions initiated on the floor—		
Total purchases.....	56,720	
Short sales.....	8,800	
†Other sales.....	48,185	
Total sales.....	56,985	2.10
3. Other transactions initiated off the floor—		
Total purchases.....	61,860	
Short sales.....	31,250	
†Other sales.....	110,000	
Total sales.....	141,250	3.74
4. Total—		
Total purchases.....	378,270	
Short sales.....	61,395	
†Other sales.....	380,650	
Total sales.....	442,045	15.13
C. Odd-Lot Transactions for Account of Specialists—		
Customers' short sales.....	0	
§Customers' other sales.....	122,171	
Total purchases.....	122,171	
Total sales.....	138,637	

*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—Some Improvement in Supply Situation Looked for—Stockpiles Off

"E. & M. J. Metal and Mineral Markets," in its issue of June 20, stated: "With strikes at most non-ferrous metal mines, mills, smelters, and refineries either settled or about to be settled, producers look for some improvement in the supply situation in copper and lead before the middle of July. Stockpiles of these metals have been reduced sharply since the beginning of the year and will continue to fall unless purchases from foreign sources are resumed in the near future. Preliminary discussions in reference to buying copper and lead from foreign producers have been in progress, even though the question of obtaining necessary funds has not yet been settled. Utah Copper, A. S. & R. Co., and U. S. Smelting, Refining & Mining labor contracts have been ratified by local unions. The Phelps Dodge settlement is expected shortly." The publication further went on to say in part as follows:

Copper

Though more than 85,000 tons of copper has been released by the Office of Metals Reserve for June, it is doubtful whether more than one-third of this quantity will be shipped in the form of wirebars. However, copper producers believe that June probably marked the low point for the year in reference to these shapes and that July should bring some measure of relief to consumers.

The Government's stockpile of copper was placed at 352,818 tons as of May 31. This figure, obtained from official sources, was viewed as too high in market circles. A more realistic figure would have brought the total down to around 310,000 tons at the end of May and it may fall to 250,000 tons by the end of the current month.

Foreign prices ruled firm and averaged slightly higher than in the preceding week. The strike at Chile Copper has not yet been settled.

Lead

The supply-demand problem for July was discussed at a meeting between CPA officials and producers in Washington on June 21. Consumers believe that more metal will be available next month than the greatly reduced tonnages distributed in recent months, owing to the resumption of smelting and refining operations at plants that have been closed down by strikes for almost four months. CPA, according to the reports circulating here, plans to ask producers to set aside around 25% of their production for a "kitty" to take care of essential business.

Lead sales for the week amounted to 1,456 tons.

Prices in the foreign market continue to strengthen, and business being placed abroad indicates that sellers are obtaining the equivalent of 8 3/4c and 9c per

pound. RFC has been negotiating for the purchase of foreign lead for third-quarter delivery.

The Government's stockpile of lead at the end of May was down to 39,600 tons, which compares with 40,926 tons a month previous.

Production of lead in Canada during April amounted to 15,432 tons, against 15,644 tons in March, and 14,086 tons in April last year, the Dominion Bureau of Statistics reports. During April, Canada exported 13,723 tons of pig lead and 33 tons contained in ore.

Zinc

There were no new developments in regard to the price situation in zinc last week. The industry believes that OPA is in no hurry to act on revising the price structure, even though costs have risen and certain grades are in an extremely tight position. Production of Special High Grade is expected to decline because of unexpected work stoppages at mines in New Jersey.

A 30-day inventory limit has been established by CPA for Special High Grade and Prime Western zinc, according to a release of June 14. Die-cast alloy also was placed under the inventory curb. The grades of zinc named are in critically short supply, and a tendency to accumulate excessive inventories has become evident, according to CPA.

A strike at the Franklin and Ogdensburg mines of the New Jersey Zinc Co. was called June 17. Members of District 50, United Mine Workers, AFL, demand an 18 1/2c an hour wage increase. About 1,000 workers are involved in the wage dispute.

Tin

The Government's stockpile of tin on May 31 totaled 55,579 tons, of which 24,734 tons was pig tin and 30,845 tons contained in ore and concentrate. The figures would indicate that the stockpile has declined only slightly since the first of the year. There were no developments in reference to the Bolivian tin concentrate contracts now up for renewal. It is believed in some quarters that imports of tin concentrates from the Dutch East Indies are likely as production in that area increases.

Production of tin concentrates in Malaya in the first quarter contained 802 long tons of tin.

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

	—Electrolytic Copper—		Straits Tin,	—Lead—		Zinc
	Dom. Refy.	Exp. Refy.	New York	New York	St. Louis	St. Louis
June 13.....	14.150	14.400	52.000	8.25	8.10	8.25
June 14.....	14.150	14.425	52.000	8.25	8.10	8.25
June 15.....	14.150	14.425	52.000	8.25	8.10	8.25
June 17.....	14.150	14.500	52.000	8.25	8.10	8.25
June 18.....	14.150	14.425	52.000	8.25	8.10	8.25
June 19.....	14.150	14.425	52.000	8.25	8.10	8.25
Average.....	14.150	14.433	52.000	8.25	8.10	8.25

Average prices for a calendar week ended June 8 are: Domestic copper f.o.b. refinery, 14.150c; export copper f.o.b. refinery 14.404c; Straits tin, 52.000c; New York lead, 8.250c; St. Louis lead, 8.100c; St. Louis zinc, 8.250c; and silver, 70.750c.

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

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

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

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

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

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

Quotations for lead reflect prices obtained for common lead only.

Forward metal was nominally as follows, in cents a pound:

	June	July	August
June 13.....	52.000	52.000	52.000
June 14.....	52.000	52.000	52.000
June 15.....	52.000	52.000	52.000
June 17.....	52.000	52.000	52.000
June 18.....	52.000	52.000	52.000
June 19.....	52.000	52.000	52.000

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

Quicksilver

The market was greatly concerned last week over reports that Italian metal was offered for shipment at lower prices. This brought out slightly lower prices here, with spot and nearby quicksilver available at \$99 to \$102 per flask, a drop of \$1. The first quarter statistics confirmed earlier reports that imports were light.

Silver

Market authorities look for a compromise on silver that eventually will raise the price to 90.5c an ounce. The provision inserted in pending legislation that would raise the price after two years to \$1.29 is expected to be sidetracked for the present. The famine in silver continues, with consumers of silver nitrate claiming that they are suffering real hardship because of the dearth in supplies.

Fear that silver is moving toward another crisis exists in financial circles in London, particularly in reference to the future position of the metal in India. Pressure to raise the price in the United States is given as the reason for growing tension abroad.

The New York Official price of foreign silver continued at 70 3/4c. London was unchanged at 44d.

National Petroleum Council Established

J. A. Krug, Secretary of the Interior, on June 18 announced the establishment of the National Petroleum Council, an industry committee of 85 members who will serve without compensation. They are to advise Mr. Krug and the Oil and Gas Division of the department on oil and gas matters.

The Council membership includes 55 men who served at some time during the war on the Petroleum Industry War Council, the national industry advisory group which aided the Petroleum Administration for War in mobilizing the United Nations oil resources on a world-wide scale.

In selecting the membership of the Council, Mr. Krug stated that special attention was given to assuring a well balanced representation as between large and small companies in all parts of the country and from all phases of both oil and natural gas industries. He explained that members of the Council do not serve as representatives of their companies, but as representatives of the industry as a whole.

Mr. Krug pointed out that while many of the members are affiliated with the larger companies, the preponderance of representation is from the smaller, independent companies. "These small companies," he said, "in the aggregate form a large and most important segment of the petroleum industry and one of the largest classes of small business in the country."

Ralph K. Davies, formerly Deputy Petroleum Administrator, and now head of the Oil and Gas Division, in commenting upon the plans for the Council, said that it was contemplated that there would be established a series of national committees of the Council. This additional organization, he pointed out, will broaden further the scope of industry representation and will provide working groups of great value to Government.

President Vetoes War Prisoner Bill

President Truman on June 14 vetoed legislation providing for promotion of Navy, Marine Corps and Coast Guard personnel who had been prisoners of war, on the ground that the measure did not take into consideration the needs of the service, and that it was neither necessary nor in the national interest. The President said, according to Associated Press Washington advices: "The act does not include personnel of the Army and it is my considered belief that any such law should provide a common policy for prisoners of war of all of the armed forces of the United

States." The press advices added: "He said that the Secretaries of War and Navy made an agreement on March 31, 1945, establishing a common policy giving special consideration to the promotion of returned prisoners of war. The two departments are now promoting such personnel to the level which they presumably would have acquired had they not been captured.

"The act contemplates expenditure of large and indefinite sums under retroactive features," he said. Army personnel who were taken prisoner far exceed those of the other services and if the bill's benefits were extended to them, he said, it would involve expenditures far in excess of those contemplated in the legislation."

Revenue Freight Car Loadings During Week Ended June 15, 1946 Increased 37,792 Cars

Loading of revenue freight for the week ended June 15, 1946 totaled 867,918 cars, the Association of American Railroads announced on June 20. This was a decrease below the corresponding week of 1945 of 5,404 cars, or 0.6%, and a decrease below the same week in 1944 of 9,575 cars or 1.1%.

Loading of revenue freight for the week of June 15, increased 37,792 cars or 4.6% above the preceding week.

Miscellaneous freight loading totaled 369,851 cars, an increase of 12,628 cars above the preceding week, but a decrease of 23,003 cars below the corresponding week in 1945.

Loading of merchandise less than carload lot freight totaled 126,078 cars, a decrease of 820 cars below the preceding week, but an increase of 19,613 cars above the corresponding week in 1945.

Coal loading amounted to 187,287 cars, an increase of 13,996 cars above the preceding week and an increase of 14,193 cars above the corresponding week in 1945.

Grain and grain products loading totaled 45,538 cars, an increase of 2,032 cars above the preceding week, but a decrease of 7,383 cars below the corresponding week in 1945. In the Western Districts alone, grain and grain products loading for the week of June 15 totaled 32,145 cars, an increase of 2,891 cars above the preceding week but a decrease of 4,664 cars below the corresponding week in 1945.

Livestock loading amounted to 13,660 cars, a decrease of 1,519 cars below the preceding week and a decrease of 1,023 cars below the corresponding week in 1945. In the Western Districts alone loading of livestock for the week of June 15 totaled 10,064 cars, a decrease of 1,298 cars below the preceding week, and a decrease of 362 cars below the corresponding week in 1945.

Forest products loading totaled 47,822 cars, an increase of 687 cars above the preceding week and an increase of 2,446 cars above the corresponding week in 1945.

Ore loading amounted to 66,375 cars, an increase of 7,882 cars above the preceding week but a decrease of 8,449 cars below the corresponding week in 1945.

Coke loading amounted to 11,307 cars, an increase of 2,906 cars above the preceding week, but a decrease of 1,798 cars below the corresponding week in 1945.

All districts reported decreases compared with the corresponding week in 1945 except Eastern, Pocahontas and Southern and all reported decreases compared with 1944 except Pocahontas, Southern and Centralwestern.

	1946	1945	1944
4 weeks of January	2,883,620	3,003,655	3,158,700
4 weeks of February	2,866,710	3,052,487	3,154,116
5 weeks of March	3,982,229	4,022,088	3,916,037
4 weeks of April	2,604,552	3,377,335	3,275,846
4 weeks of May	2,616,067	3,456,465	3,441,616
Week of June 1	626,885	837,866	810,698
Week of June 8	830,126	884,658	873,174
Week of June 15	867,918	873,322	877,493
Total	17,278,107	19,507,896	19,507,680

The following table is a summary of the freight carloadings for the separate railroads and systems for the week ended June 15, 1946. During this period 61 roads reported gains over the week ended June 16, 1945.

Railroads	Total Revenue Freight Loaded		Total Loads Received from Connections	
	1946	1945	1946	1945
Eastern District—				
Ann Arbor	368	306	273	1,447
Bangor & Aroostook	1,500	1,303	1,074	407
Boston & Maine	7,911	6,988	6,913	12,118
Chicago, Indianapolis & Louisville	1,226	954	1,390	1,882
Central Indiana	25	40	24	35
Central Vermont	1,047	1,017	1,117	2,386
Delaware & Hudson	4,828	4,949	4,957	11,029
Delaware, Lackawanna & Western	8,097	8,048	8,061	10,962
Detroit & Mackinac	401	247	286	211
Detroit, Toledo & Ironton	1,402	1,731	1,780	1,010
Detroit & Toledo Shore Line	389	414	338	3,012
Erie	11,524	12,763	13,203	14,551
Grand Trunk Western	4,739	4,037	3,928	7,623
Lehigh & Hudson River	179	197	209	2,235
Lehigh & New England	2,314	2,260	2,225	1,706
Lehigh Valley	8,576	8,405	9,208	7,308
Maine Central	2,790	2,480	2,420	2,866
Monongahela	5,169	6,383	7,647	290
Montour	2,777	2,904	2,644	44
New York Central Lines	52,661	50,377	50,830	48,785
N. Y., N. H. & Hartford	10,774	10,084	9,508	1,000
New York, Ontario & Western	982	1,049	1,390	3,587
New York, Chicago & St. Louis	6,728	6,241	6,672	13,276
N. Y., Susquehanna & Western	368	362	419	2,211
Pittsburgh & Lake Erie	5,882	7,222	7,755	8,834
Pere Marquette	5,783	5,147	5,016	6,682
Pittsburgh & Shawmut	1,228	889	1,011	31
Pittsburgh, Shawmut & North	370	347	339	101
Pittsburgh & West Virginia	1,026	1,083	1,440	2,430
Rutland	428	366	373	1,186
Wabash	6,116	6,238	5,685	11,073
Wheeling & Lake Erie	5,752	5,723	6,087	4,205
Total	163,380	160,564	164,012	193,467
Allegheny District—				
Akron, Canton & Youngstown	498	734	698	1,098
Baltimore & Ohio	41,225	46,924	47,722	23,300
Bessemer & Lake Erie	5,041	5,418	7,058	1,753
Cambria & Indiana	1,537	1,313	1,659	17
Central R. R. of New Jersey	6,546	6,897	6,712	15,675
Cornwall	438	458	531	52
Cumberland & Pennsylvania	312	171	246	9
Ligonier Valley	43	104	178	9
Long Island	1,555	1,676	1,765	4,678
Penn.-Reading Seashore Lines	1,695	1,831	1,744	1,714
Pennsylvania System	85,412	88,280	88,852	67,848
Reading Co.	14,821	15,238	15,304	25,553
Union (Pittsburgh)	13,405	16,345	19,562	5,289
Western Maryland	4,915	3,900	4,064	11,167
Total	177,443	189,299	196,095	158,162
Pocahontas District—				
Chesapeake & Ohio	36,240	28,698	28,864	17,090
Worfolk & Western	26,755	21,378	22,282	7,171
Virginian	5,475	4,437	4,542	1,594
Total	68,470	54,513	55,688	25,855

Railroads	Total Revenue Freight Loaded		Total Loads Received from Connections	
	1946	1945	1946	1945
Southern District—				
Alabama, Tennessee & Northern	474	437	254	153
Atl. & W. P. - W. R. of Ala.	325	798	719	2,091
Atlanta, Birmingham & Coast	↑	↑	845	↑
Atlantic Coast Line	15,401	12,168	12,524	8,636
Central of Georgia	4,175	3,831	3,674	4,503
Charleston & Western Carolina	436	401	419	1,669
Clinchfield	1,636	1,724	1,803	3,624
Columbus & Greenville	356	258	243	294
Durham & Southern	102	105	124	1,008
Florida East Coast	1,073	1,000	983	1,390
Gainesville Midland	95	50	52	82
Georgia	1,200	1,211	1,343	2,624
Georgia & Florida	403	416	403	828
Gulf, Mobile & Ohio	4,956	5,084	4,036	3,690
Illinois Central System	27,464	27,843	28,576	14,860
Louisville & Nashville	29,190	26,529	25,252	9,612
Macon, Dublin & Savannah	200	211	165	990
Mississippi Central	428	348	216	253
Nashville, Chattanooga & St. L.	3,473	3,401	3,180	3,955
Norfolk Southern	2,263	2,121	1,342	1,382
Piedmont Northern	454	406	377	1,410
Richmond, Fred. & Potomac	426	579	426	10,859
Seaboard Air Line	11,626	10,277	9,835	7,320
Southern System	27,199	25,151	22,608	24,323
Tennessee Central	741	543	687	734
Winston-Salem Southbound	149	129	130	1,137
Total	134,745	125,011	120,316	107,450

Northwestern District—				
Chicago & North Western	20,482	19,050	20,189	13,466
Chicago Great Western	2,186	2,333	2,264	2,972
Chicago, Milw., St. P. & Pac.	20,018	22,174	21,105	10,695
Chicago, St. Paul, Minn. & Omaha	3,333	3,671	3,365	3,975
Duluth, Missabe & Iron Range	22,683	27,544	27,881	330
Duluth, South Shore & Atlantic	789	1,177	1,023	540
Elgin, Joliet & Eastern	7,253	8,531	8,773	8,691
Ft. Dodge, Des Moines & South	458	381	434	135
Great Northern	20,927	21,996	22,954	6,763
Green Bay & Western	488	402	492	843
Lake Superior & Ishpeming	2,243	2,522	2,673	80
Minneapolis & St. Louis	1,607	2,031	2,150	2,067
Minn., St. Paul & S. S. M.	7,249	8,010	6,755	3,542
Northern Pacific	10,111	11,581	11,114	5,380
Spokane International	130	310	147	572
Spokane, Portland & Seattle	2,607	2,973	2,975	2,529
Total	122,564	134,506	134,294	62,545

Central Western District—				
Atch., Top. & Santa Fe System	29,545	29,103	27,233	10,054
Atlan.	2,675	3,904	3,461	3,401
Bingham & Garfield	5	356	455	9
Chicago, Burlington & Quincy	18,727	19,492	18,736	10,998
Chicago & Illinois Midland	3,431	3,239	3,098	724
Chicago, Rock Island & Pacific	14,693	13,311	12,142	13,525
Chicago & Eastern Illinois	3,114	2,920	2,686	3,238
Colorado & Southern	573	627	546	1,696
Denver & Rio Grande Western	2,612	3,621	3,629	4,088
Denver & Salt Lake	636	525	730	64
Fort Worth & Denver City	1,877	1,589	1,056	1,384
Illinois Terminal	1,929	2,519	2,270	1,671
Missouri-Illinois	1,134	1,148	1,176	447
Nevada Northern	1,466	1,444	1,779	122
North Western Pacific	739	778	940	603
Peoria & Pekin Union	0	0	0	0
Southern Pacific (Pacific)	33,972	34,624	33,647	10,217
Toledo, Peoria & Western	5	405	317	2
Union Pacific System	13,498	15,665	14,405	15,090
Utah	534	620	525	6
Western Pacific	1,997	2,124	2,124	3,057
Total	133,162	138,017	130,996	79,496

Southwestern District—				
Burlington-Rock Island	207	334	423	729
Gulf Coast Lines	4,013	5,098	5,617	2,779
International-Great Northern	2,470	3,318	3,200	5,194
I.K.O. & G. M. V. & O. C. - A. - A.	1,262	1,111	891	1,773
Kansas City Southern	3,404	4,959	6,213	3,029
Louisiana & Arkansas	2,596	3,309	3,884	2,119
Litchfield & Madison	316	255	246	1,400
Missouri & Arkansas	193	125	138	344
Missouri-Kansas-Texas Lines	6,226	5,875	7,002	4,629
Missouri Pacific	17,223	16,672	16,591	15,265
Quanah Acme & Pacific	386	138	65	198
St. Louis-San Francisco	11,175	9,784	8,905	7,127
St. Louis-Southwestern	3,212	3,452	3,499	5,369
Texas & New Orleans	9,255	10,163	14,317	5,429
Texas & Pacific	5,847	5,615	4,929	7,634
Wichita Falls & Southern	278	131	141	77
Weatherford M. W. & N. W.	31	33	30	13
Total	68,154	71,412	76,092	63,108

†Included in Atlantic Coast Line RR. †Includes Midland Valley Ry. and Kansas, Oklahoma & Gulf Ry. only in 1944 and also Oklahoma City-Ada-Atoka Ry. in 1945 and 1946.
NOTE—Previous year's figures revised.

Weekly Statistics of Paperboard Industry

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

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

Period	Orders Received		Unfilled Orders		Percent of Activity Current Cumulative
	Tons	Production Tons	Remaining Tons	Percent of Activity	
1946—Week Ended					
Mar. 2	198,985	161,122	533,794	98	93
Mar. 9	178,443	158,229	551,081	99	94
Mar. 16	157,227	167,243	538,572	100	94
Mar. 23	169,355	164,267	539,100	99	95
Mar. 30	183,509	167,541	549,928	100	95
Apr. 6	225,192	164,562	607,799	99	95
Apr. 13	154,235	169,627	591,661	101	96
Apr. 20	143,946	167,627	566,152	101	96
Apr. 27	148,161	156,291	553,274	95	96
May 4	229,120	174,501	605,2		

Items About Banks, Trust Companies

Walter G. Kimball, Chairman of the Board of the Commercial National Bank and Trust Company of New York, announced on June 20 the following official changes and appointment:

"Arthur W. Heidenreich, Assistant Trust Officer, to become Trust Officer; Sidney Mathews, Assistant Trust Officer, to become Trust Officer; Malcolm C. McMaster, Assistant Trust Officer, to become Trust Officer; Sydney G. Stevens, Assistant Trust Officer, to become Trust Officer, and Isaac W. Hughes, Jr., appointed Assistant Trust Officer.

Harvey D. Gibson, President of Manufacturers Trust Company of New York, announces that at the meeting of its board of directors held on June 24 Kenneth F. MacLellan of Chicago was elected a Director. Mr. MacLellan was born in Trenton, Ontario, Canada. Upon the completion of his education, all of which he received in Chicago, he entered the employ of the National Biscuit Company until 1910 when he joined the Chicago Carton Company. In 1925 he formed the United Biscuit Company of America and became its President which position he still holds.

Guaranty Trust Company of New York announces the appointment of Joseph F. Lord as an Assistant Secretary at the Company's Fifth Avenue Office. Mr. Lord was on military leave of absence from the company for more than three years prior to last November, serving in the Pacific with the rank of Lieutenant Commander, USNR. Attached to the Marine Corps Air Wing in connection with radar and fighter direction, he was awarded the Bronze Star Medal.

The directors of the Trade Bank & Trust Company, New York, Seventh Avenue and Thirty-sixth Street, announced the opening of a new branch of the bank on June 24; this office is located at 8 West Forty-eighth Street, and will be headed by Sidney W. Guttentag, Assistant Secretary of the institution. The bank also has an office at Second Avenue and Fourth Street.

The 25th anniversary of the Forty-second Street Branch of the National City Bank of New York, which began business at the northwest corner of Madison Avenue and Forty-second Street on June 20, 1921, was marked on Thursday, June 20, with a staff banquet in the main ballroom of the Hotel Shelton. Douglass B. Simonson, Vice-President in charge of National City's largest branch unit in the entire domestic and overseas system of the bank, presided.

The Greenwich Savings Bank of New York has announced that it will open a new branch office today (June 27) at 2 West Fifty-seventh Street in New York City. As soon as materials become available, the bank states a new bank building will be erected at 3-5 West Fifty-seventh Street. The bank's main office is located at Broadway and Thirty-sixth Street, and it also operates an office at Sixth Avenue and Sixteenth Street.

The Dollar Savings Bank of the City of New York, main office Third Avenue and One hundred Forty-seventh Street, opened on June 24 a new branch office at 121 East One hundred Seventieth Street in the Bronx, N. Y. The

bank, which has resources in excess of \$280,000,000 now has three branch offices in New York City.

Herman Ringe, President of the Ridgewood Savings Bank of Ridgewood, New York, has announced the election of George C. Meyer as Trustee of the bank. Mr. Meyer is Director and Secretary of the Cord-Meyer Developing Company, the Dick-Meyer Realty Corporation, and the Garden Housing Corporation.

Herman Ringe, President of the Ridgewood Savings Bank, has announced that the bank is now celebrating its 25th anniversary. Organized in 1921, the Ridgewood rapidly expanded to become, it is stated, the 44th largest savings bank in the United States. The bank now has two modern offices, in Ridgewood and Forest Hills. In 1929, eight years after the bank opened, a modern building at the corner of Myrtle and Forest Avenues was erected to handle the expanding business. In 1939 the bank erected its second office at Queens Boulevard and Continental Avenue, Forest Hills. The Ridgewood Savings Bank now serves more than 75,000 depositors with resources over 90 million dollars. It offers every type of savings bank service, including Savings Bank Life Insurance. During the war years the Ridgewood Savings Bank sold more than \$13 million in War Bonds. Today, it is engaged in postwar development of new homes and better housing facilities.

The Board of Trustees of Brooklyn Trust Company of Brooklyn, N. Y., have declared a semi-annual dividend of \$2.50 a share on the capital stock, payable July 1 to stockholders of record at the close of business June 24. This represents an increase from the previous rate of \$2 a share semi-annually, or \$4 per annum, which had been paid since April 1, 1933. In December, 1945, however, an extra dividend of \$1 a share was declared along with the regular semi-annual dividend of \$2 a share, both of which were paid Jan. 2, 1946.

The merger of the Merchants National Bank of Dunkirk, N. Y., and the Bank of Corfu, N. Y., with the Manufacturers & Traders Trust Company of Buffalo, N. Y., was approved by stockholders of each bank on June 19, the Buffalo "Evening News" of that date reported; it further said:

"The consolidation will become effective June 29. Henry B. Kingman of the Dunkirk bank will become a Vice-President of the M. & T. and will be in charge of the Dunkirk office. Cyrus W. Carrier will be Manager of the Corfu office.

"Stockholders of the M. & T. also voted to increase the capital stock from \$5,490,000 to \$5,720,000 and to issue 23,000 additional shares which will be exchanged for the stock of the Merchants National Bank and the Bank of Corfu on the following basis: Nine-tenths of a share of M. & T. for each share of Merchants; 10 shares of M. & T. for each share of Bank of Corfu stock. The M. & T. and Merchants bank stocks have a par value of \$10 while the Bank of Corfu stock has a par value of \$100."

An item regarding the proposed merger appeared in our issue of May 30, page 2988.

At the annual meeting of the Middletown Savings Bank, Mid-

dletown, Conn., held on June 3, John M. Hincks was made a Vice-President and Elmer S. Hubbell was elected a director of the institution according to Middletown advices to the Hartford "Courant" which stated that Mr. Hincks is President of the Middlesex Assurance Company, Middletown and Mr. Hubbell is President of the Middletown Press Publishing Company.

At the one hundred and twenty-seventh annual meeting of the Society for Savings of Hartford, Conn., on June 18, it was announced that Charles P. Cooley, Chairman of the Board since 1928, would retire because of ill health. Mr. Cooley, who joined the bank as trustee in 1902, became its President in 1920 and Chairman of the Board eight years later.

At the June 18 meeting Edwin H. Burkle, was made an assistant secretary of the bank and Ostrom Enders, First Vice-President of the Hartford National Bank & Trust Company, was made a trustee.

The Hartford "Courant" of June 19, from which this information is learned, went on to say:

"The reports at the meeting indicated growth in the bank's volume of deposits, which have increased from \$48,877,000 to \$114,247,000 in the last 20 years. More important additions during the same period were in the surplus account, which increased from \$4,019,000 to \$14,588,000, a gain of 262%. The total amount received by depositors in the past fiscal year was \$31,851,739 compared with \$24,488,666 in the corresponding period of 1945, an increase of 31%. Total as of the closing of the fiscal year ending June 1 were \$114,247,496 compared with \$104,939,679 at the end of the previous year, an increase of 9.3 per cent. Total bank assets are \$129,077,052 for 1946 compared with \$118,370,552 in the fiscal year ended May 31, 1945."

Terms for merging of the West Hartford Trust Company, West Hartford, Conn., with the Hartford-Connecticut Trust Company, Hartford, Conn., have been agreed upon, subject to approval by the stockholders, which is expected, it was announced on June 22 by the Hartford "Courant," the advices therein by A. E. Magnell further stating:

"Under terms agreed upon stockholders of West Hartford Trust Company receiving eight shares of stock of the Hartford-Connecticut Trust Company, for each share of West Hartford Trust, will receive an equivalent of 7/12 a share for their stock shares of West Hartford Trust are \$100 par and those of Hartford-Connecticut are \$25 par, making the ratio of exchange on equivalent par basis two for one. The current bid for stock of West Hartford Trust Company was \$230.

"West Hartford Trust Company has total resources of \$13,500,000. Its capital is \$200,000 (shares \$100 par) surplus is \$300,000; and undivided profits \$105,000. The bank was organized in 1926. No changes in personnel are contemplated.

"In connection with this transaction Hartford-Connecticut Trust Company will have a capital increase, from \$4,000,000 to \$4,400,000. The terms of issue will be outlined to stockholders in connection with the special meeting of stockholders.

"Hartford-Connecticut Trust Company is one of the strongest state banks and trust companies in New England outside of Boston. Its total resources exceed \$126,000,000: Capital \$4,000,000; surplus \$4,000,000; undivided profits \$852,000; reserves, \$1,061,000 as of Dec. 31, 1945.

At a meeting held on June 18th the board of directors of the Commercial Trust Co. of New Jersey, at Jersey City, declared the regu-

lar quarterly dividend of 2% and an extra dividend of 1% payable July 1st. The sum of \$600,000 was at the same time added to the surplus, which was formerly \$3,400,000. The capital and surplus figures are now: Capital, \$3,400,000; surplus, \$4,000,000.

The Philadelphia "Evening Bulletin" stated on June 19 that Lee Sowden has been elected Chairman of the Board of the North Philadelphia Trust Company of Philadelphia, Pa. He had served the company as President for 27 years. John F. McNelis, the advices continue, formerly Executive Vice-President, succeeds him as President. Raymond A. Mayer, a principal examiner for the Pennsylvania State Banking Department, was elected Treasurer and Francis Eisele was elected Assistant Treasurer.

J. Marshall Delamater has been elected Assistant Secretary and D. Rice Longaker and A. Radford Quigley, Assistant Treasurers of the Land Title Bank and Trust Company of Philadelphia.

The election of Harold G. Hawthorne as Assistant Vice-President of the Farmers Deposit National Bank, Pittsburgh, Pa., was made known on June 21, by the Pittsburgh "Post Gazette" which went on to say:

"Mr. Hawthorne, who will assume his new duties on August 1, is at present connected with the General Motors Acceptance Corporation as assistant manager of the Pittsburgh office. In his new position he will be in charge of the bank's installment credit operations."

The Fidelity and Deposit Company of Maryland at Baltimore and its affiliate, the American Bonding Company of Baltimore, have announced the appointment of James F. Neale, Jr., as manager of their Albany, N. Y., branch. He succeeds the late Joseph D. Brooks, who had headed the office since its opening in 1922. Mr. Neale has been a member of the companies' field organization since 1937 and has served in various capacities in the companies' offices in Memphis, Newark, Brooklyn and Detroit. He will be assisted in the management of the Albany branch by George H. Fennell.

A semi-annual dividend of 4 1/2% or \$2.25 a share was declared by the directors of the Calvert Bank of Baltimore, Md., on June 18, it was announced in the Baltimore "Sun" of June 19, which stated that the dividend is payable June 29 to stockholders of record June 26. The previous semiannual payment was 4% or \$2 a share.

From the "Sun" we also quote: "The bank paid a stock dividend of 50% last October 31. "The board also ordered the transfer of \$100,000 from undivided profits to surplus, as of June 29. This will give the bank a capital of \$600,000 and surplus of \$900,000."

Harold W. Kreamer has been named Treasurer and Lawrence I. Schiermyer, Assistant Secretary and Assistant Treasurer of the Ohio Citizens Trust Co. of Toledo, Ohio, Willard I. Webb, Jr., President, announced on June 12, according to the Toledo "Blade" which added in part:

"Mr. Kreamer became Auditor of the bank when it was organized in 1932. He was appointed Assistant Treasurer in 1944.

"Mr. Schiermyer also has been with the bank since the organization. He has served as Credit Manager since 1942 and is past President of the Toledo Chapter, American Institute of Banking.

The election of Walter F. Rockwell as a Director of the Industrial National Bank of Detroit, Mich., was announced by Eugene

W. Lewis, President of the bank. Mr. Rockwell, the Detroit "Free Press" of June 18 reported, is President of the Timken-Detroit Axle Company.

Henry E. Atwood, President of the First National Bank of Minneapolis, Minn., announced on June 21 that Kenneth M. Morrison, Vice-President and Comptroller had resigned his position with the bank because of ill health. Mr. Morrison, said the Minneapolis "Journal" on June 21, who has been with the bank since 1909, is being succeeded as Comptroller by Delmar E. Kulp, Assistant Comptroller since 1933.

The St. Louis Union Trust Company, St. Louis, Mo., announced recently the election of Dr. Charles A. Thomas, as a member of the board of the bank, according to the St. Louis "Globe Democrat" of June 21 which also said that Dr. Thomas is Vice-President of the Monsanto Chemical Company.

Hugh M. Schwab, Jr., has been advanced from Assistant Cashier to Vice-President of the Lincoln Bank & Trust Company of Louisville, Ky., it was indicated in the Louisville "Courier Journal" of June 20, which said that Mr. Schwab, has been associated with the bank since 1933, and has recently returned from four years of service in the Army Air Forces.

Security-First National Bank of Los Angeles, Calif., has been granted approval by the Comptroller of the Currency to open a branch in Bakersfield, county seat of Kern County, according to George M. Wallace, President. He also announced that the bank has purchased a site with a building in the Bakersfield business district as quarters for the new banking office. The bank will remodel the building before opening the new branch, and later will erect a modern bank building on the site. The Bakersfield branch will be set up by the bank to serve the entire south end of the San Joaquin Valley, Mr. Wallace said. The bank already operates in other parts of the valley 10 of its 120 branches in Central and Southern California. For many years Security-First National has been serving scores of important customers in the Bakersfield area, and in recent years has felt increasingly the need of banking facilities there.

The United States National Bank of Portland, Oregon, opened its 31st banking unit on June 17 when the Bank of Oregon, of Springfield, Ore., became the Springfield Branch. Announcement of this addition to the United States National's statewide system was made by E. C. Sammons, President.

The Bank of Oregon, organized in 1939, had deposits in excess of \$2,700,000 at the time of the amalgamation.

H. L. Edmunds, President of the Bank of Oregon since its organization, will now retire from the banking field. Willis N. Ekblad, who has served as cashier of the Bank of Oregon, will become manager of the United States National's Springfield Branch.

R. H. McDade has recently been named Assistant General Manager of the head office of the Canadian Bank of Commerce in Toronto, Canada, it is learned from the Montreal "Gazette" of June 20.

After serving in various other capacities Mr. McDade was appointed Assistant Manager at Rio de Janeiro branch of the Canadian Bank of Commerce in 1929, Manager of that branch in 1932, and Assistant Manager at London, England, three years later. He was made a superintendent at head office early in 1943, and manager at London, England, toward the end of that year.