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In 2 Sections—Section 2

The COMMERCIAL and FINANCIAL CHRONICLE

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The Financial Situation

If the current price control impasse could definitely be regarded as permanent, the thoughtful observer might be able to find it in his heart to forgive much of the shabby drama by which it was reached. Its permanence is, however, obviously open to serious question, and even the general outlines of any denouement which may presently be reached, if any is, are at this moment beyond the ken of man. Such uncertainty must of necessity create an atmosphere in which many branches of business will find it exceedingly difficult to operate normally. The general unsatisfactoriness of such a state of affairs may tend to strengthen the hands of those who wish to fasten sweeping controls upon the economy for all time—for that is precisely what many of those surrounding the President would like to do.

Keep the Record Straight

It would appear essential, therefore, to keep the record straight, even at the cost of considerable repetition and at the risk of tiresomeness. Once more let it be unhesitatingly asserted that the "no control at all" bogey of the President is no calamity. Quite the contrary, it is, or would be, a very definite blessing in the long run, no matter what the immediate consequences. At some date in the future we should, in any event, be obliged to get along with "no control at all" if we are to return to our American system of doing things, and our American effectiveness in producing and distributing an abundance of the things which make our standard of living by all odds the most exalted anywhere in the world. Let us not permit the President (doubtless in perfectly good faith), repeating the "ventriloquisms" of Chester Bowles, Sidney Hillman, Secretary Wallace and the others, to frighten us out of our wits with the spectre of "no control at all."

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From Washington Ahead of the News

By CARLISLE BARGERON

When Truman was in the Senate he used to sit around with his colleagues and bemoan the fact that Roosevelt never consulted the Congressional leaders about the formulation of policy. He merely sent up bills with instructions to these leaders that they be passed. It is the job, of course, of the incumbent party's leaders in Senate and House to maneuver the administration's program through to succesful passage. But they are supposed to be in on the formulation of that program. They never were in Roosevelt's time. Under him such exalted positions as the Speaker of the House and the majority leader of the Senate came to be mere political mechanicians, men who had the knack of marshalling the necessary votes on proposals handed down to them.

Carlisle Bargeron

It is amazing that this situation would be continued by Truman. There has been all sorts of bunk written and spoken that Truman set out to undo the ill-will between Congress and the White House which Roosevelt had created, but that the men on the Hill responded to his kindness with kicks in the pants. Congress' failure to enact his program—the full employment bill, the FEPC, the national health program, etc., is cited as an example. But the plain fact is that on no single part of this so-called program did Truman consult a single member of Congress. Not one of the party leaders had the slightest knowledge of it before it was sent up. It is silly then to argue that it is the Administration program. The Administration is not the President. It is the whole party in power and the party leaders in Congress are just as much a part of the policy making as the President.

It must be sheer ignorance on Truman's part that he doesn't abide by this. It must be this because he is not of the dictatorial sort. He has no hope or desire of browbeating Congress the way in which Roosevelt did. He would be terribly uncomfortable if he succeeded inadvertently in doing it.

In the case of his OPA veto, he

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Bowles' Resignation Accepted by Truman

On Passage of Amended OPA Extension Bill, he proffers resignation as Stabilization Director effective July 10. Tells President that bill legalizes inflation and urges its veto. President Truman accepts resignation with regret and remarks that coming on eve of passage of OPA extension, it refutes charge that Bowles sought to perpetuate himself in office.

Chester Bowles, former OPA Administrator and at present Director of the Office of Economic Stabilization, on June 28, in a letter to President Truman, submitted his resignation to take effect July 10. The President replied, saying that he had no alternative but to accept the resignation, and praised Mr. Bowles' stand in regard to price control, while expressing assurance "that I may continue to call upon you from time to time for counsel."

Chester Bowles

The text of Mr. Bowles' letter and the President's reply follows:

Dear Mr. President:

Effective control of prices and rents under the price control bill which seems likely to pass the Senate today would be flatly impossible. The bill would simply serve to legalize inflation.

Thousands of substantial price increases would be inevitable. The cost of living would climb rapidly. Black markets would multiply. There would be serious delays in production with the likelihood of a general breakdown in administration. Government it-

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GENERAL CONTENTS

Causes of Labor Strife

By WILLIAM GREEN*

President, American Federation of Labor

Asserting that, due to war-wrought distortions of relationships between costs, prices, and wages, labor and management have found their differences sometimes irreconcilable, Mr. Green maintains that strike tie-ups have been exaggerated. Denies striks are result of unionization of workers and protests against legislation which would weaken collective bargaining and undermine unions. Holds wage issue, arising from disparity between living costs and workers' earnings, is dominant cause of industrial strife. Urges improvement in collective-bargaining process as remedy, and accuses Congress of more eagerness to enact restrictive labor legislation than to eliminate cause of industrial unrest.

When war came to an end, American industry, including both management and labor, embarked upon a difficult and challenging task of readjustment to peacetime production and peacetime work. The objective of all wage-earners and all employers facing the future was nearly identical. Both wanted to make certain that the return to peace would make possible better income and expanding opportunity for productive work. But when management and labor came to grips with the economic realities of sudden transition from war to peace, when they came to deal with the war-wrought distortions of economic relationships between costs, prices and wages they found their difference wide and sometimes irreconcilable.

William Green

A few short months after V-J Day a wave of strikes and widespread industrial unrest swept the nation. Compared with strikes which followed the last war—and, taking into account America's vast industrial growth since that time—the recent postwar strikes proved to be much shorter in their duration and less extensive in their scope. But even so, we have lived through seven months in which work interruptions affected one major industry after another. Having gone through the terrific upheaval of war—a war with dis-

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*Statement of Mr. Green before the Special Subcommittee of the House Labor Committee, July 1, 1946.

Warns Banks Against Speculative Loans on Government Bonds

Allan Sproul, President of Federal Reserve Bank of New York, addresses circular letter to banks and trust companies in Second District urging them to decline loans for speculation in Government securities and not to accept subscriptions for bonds which are entered for speculative purposes. Holds such loans dangerous inflationary potential.

On June 26, Allen Sproul, President of the Federal Reserve Bank of New York, addressed a circular to the president of each bank and trust company in the Second Federal Reserve District outlining a policy for loans on Government securities and urging refusal of loans for the purpose of making speculative purchases of any federal government security.

Allan Sproul

The text of the circular follows:

Federal Reserve Bank of New York

Circular No. 3103
June 26, 1946

Loans to Purchase Government Securities

To the President of each Bank and Trust Company in the Second Federal Reserve District:

The program of the government for the financing of the war emphasized that banks should not make loans to facilitate speculative purchases of government securities. On October 8, 1945, prior to the Victory Loan, the Secretary of the Treasury addressed a letter to all banks in the United States requesting them to decline to make loans for speculative purchases of government securities and to decline to accept subscriptions from customers which appeared to be entered for speculative purposes.

It was recognized, however, that there would be instances in which purchasers of securities for investment and not for speculation would want to anticipate income by borrowing temporarily from banks. It was understood that these loans would be repaid out of income and would have ma-

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World Bank Fixes Member Quotas

Announces dates of payment by member governments of capital subscription quotas and also lists the amounts to be paid by individual members.

Eugene Meyer, President of the International Bank for Reconstruction and Development on June 20 issued the following statement:

Eugene Meyer

The International Bank for Reconstruc.ion and Development has fixed June 25, 1946 as the formal date for the beginning of operations. The selection of such a date was necessary under the terms of Section 8 of Article II of the Articles of Agreement in order that the Bank might be in a position to issue calls for capital as a preliminary step toward active operations.

The Bank is sending to the member governments a request for the payment of the following amounts on their capital subscriptions at the times specified:

2% in gold or U. S. dollars on or before Aug. 24, 1946, less one one-hundredth of 1% already paid in. 3% in national currencies on or before Nov. 25, 1946.

Member governments also are being notified that the Bank will make another call, as of Sept. 25, 1946, for a further 5% of their subscriptions, payable in their respective currencies on or before Nov. 25, 1946, and that the Bank will give early consideration to the question of calling up an additional 10% of its capital in national currencies.

The amounts of capital to be paid in by the members or or before Nov. 25, 1946, expressed in U. S. dollars, will be as follows:

By Aug. 24, 1946, $153.4 million.

By Nov. 25, 1946, $767.0 million.

The at.ached statement shows in U. S. dollars the amounts to be paid in by the respective members.

AMOUNTS TO BE PAID BY INDIVIDUAL MEMBERS
(In Dollars)

	—2% Gold or U. S. Dollars—			U. S. Dollar Equivalent in National Currency		Total
	Initial Deposit	Balance	Total	3%	5%	10%
	$	$	$	$	$	$
Belgium	22,500	4,477,500	4,500,000	6,750,000	11,250,000	22,500,000
Bolivia	700	139,300	140,000	210,000	350,000	700,000
Brazil	10,500	2,089,500	2,100,000	3,150,000	5,250,000	10,500,000
Canada	32,500	6,467,500	6,500,000	9,750,000	16,250,000	32,500,000
Chile	3,500	696,500	700,000	1,050,000	1,750,000	3,500,000
China	60,000	11,940,000	12,000,000	18,000,000	30,000,000	60,000,000
Costa Rica	200	39,800	40,000	60,000	100,000	200,000
Cuba	3,500	696,500	700,000	1,050,000	1,750,000	3,500,000
Czechoslovakia	12,500	2,487,500	2,500,000	3,750,000	6,250,000	12,500,000
Denmark	6,800	1,353,200	1,360,000	2,040,000	3,400,000	6,800,000
Dominican Republic	200	39,800	40,000	60,000	100,000	200,000
Ecuador	320	63,680	64,000	96,000	160,000	320,000
Egypt	4,000	796,000	800,000	1,200,000	2,000,000	4,000,000
El Salvador	100	19,900	20,000	30,000	50,000	100,000
Ethiopia	300	59,700	60,000	90,000	150,000	300,000
France	45,000	8,955,000	9,000,000	13,500,000	22,500,000	45,000,000
Greece	2,500	497,500	500,000	750,000	1,250,000	2,500,000
Guatemala	200	39,800	40,000	60,000	100,000	200,000
Honduras	100	19,900	20,000	30,000	50,000	100,000
Iceland	100	19,900	20,000	30,000	50,000	100,000
India	40,000	7,960,000	8,000,000	12,000,000	20,000,000	40,000,000
Iran	2,400	477,600	480,000	720,000	1,200,000	2,400,000
Iraq	600	119,400	120,000	180,000	300,000	600,000
Luxembourg	1,000	199,000	200,000	300,000	500,000	1,000,000
Mexico	6,500	1,293,500	1,300,000	1,950,000	3,250,000	6,500,000
Netherlands	27,500	5,472,500	5,500,000	7,250,000	13,750,000	27,500,000
Nicaragua	80	15,920	16,000	24,000	40,000	80,000
Norway	5,000	995,000	1,000,000	1,500,000	2,500,000	5,000,000
Panama	20	3,980	4,000	6,000	10,000	20,000
Paraguay	80	15,920	16,000	24,000	40,000	80,000
Peru	1,750	348,250	350,000	525,000	875,000	1,750,000
Philippines	1,500	298,500	300,000	450,000	750,000	1,500,000
Poland	12,500	2,487,500	2,500,000	3,750,000	6,250,000	12,500,000
Union of So. Africa	10,000	1,990,000	2,000,000	3,000,000	5,000,000	10,000,000
United Kingdom	130,000	25,870,000	26,000,000	39,000,000	65,000,000	130,000,000
United States	317,500	63,182,500	63,500,000	95,250,000	158,750,000	317,500,000
Uruguay	1,050	208,950	210,000	315,000	525,000	1,050,000
Yugoslavia	4,000	796,000	800,000	1,200,000	2,000,000	4,000,000

Government Report on World Food

President Truman on June 27 issued a statement on the world food situation, together with a report on the subject by former reconversion director John W. Snyder, Associated Press Washington advices stated. The President declared that in another three weeks the national half-year goal of 6,000,000 tons of wheat and bread grains to be shipped abroad will have been met, and praised the cooperation of consumers, producers and governmental agencies as well as the Famine Emergency Committee in the united effort to send food to famine stricken areas.

"But the crisis is not over," Mr. Truman continued. "It will not be over when we reach our half-year goal. Cooperation and determined effort by the public—by each one of us—must be continued during the coming months of hunger abroad."

The following is the text of the report submitted to the President by Mr. Snyder, dated June 26, as given by the Associated Press:

The United States will fully meet its half-year goal of six million tons of food grains for famine relief throughout the world, but final shipments to complete the total will not leave our ports until after the 1st of July.

By the end of June, an estimated total of 5,500,500 long tons of food grains will have been sent abroad since Jan. 1. The remainder of the six-million total goal is already in possession of the government, much of it on the way to ports or at ports ready for loading. The high rate of export shipments which has been reached in June will be continued until the full goal is reached—probably before the middle of July.

The shipments already made and those to be made by the end of June include 5,077,500 long tons of wheat and flour (in wheat equivalent), and 423,000 tons of corn and corn products especially assigned for export under the corn bonus plan.

In addition, but not counted as a part of the six-million-ton goal, there has been sent abroad since Jan. 1 a total of 294,500 long tons of other grains—oats, rye, barley, and corn shipped before the special bonus corn was procured for famine relief.

Only those grains which will have actually left port by June 30 are included as shipments, not included is grain now in elevators, en route to port or at the port for loading after June 30.

As soon as the total actual June shipments are known the subcommittee on grain of the Interdepartmental Committee on Transportation will be able to determine the exact date in July on which the United States goal of six million tons of bread grains for famine relief can be reached.

The Committee, established by the Office of War Mobilization and Reconversion last January, has performed an outstanding job in solving problems impeding the shipment of grain.

The record of over five and a half million tons of bread grains in the first half of this year is a tremendous one, of which the government and the people can be proud.

Not only have the people of our country cooperated by reducing their own consumption of wheat and other bread grains, the agencies of government have helped achieve this export record by combined and diligent effort. These agencies include the Department of Agriculture, which procured the wheat and other grains; the Office of Defense Transportation, which got it to ports, and the War Shipping Administration, which made the vessels available to take it abroad.

The Famine Emergency Committee has been of invaluable assistance at every stage of the program, and much of the credit for its success is due to the work of Mr. Chester Davis, the chairman of the Committee, and Mr. Herbert Hoover, the honorary chairman.

In meeting the goal, there were many obstacles to overcome—including time. Not only did we have to reapportion our total grain supply in order to share more liberally with the peoples abroad, but it was necessary to procure bagging and containers, which are short, to work out a time-table to facilitate transportation of the grain to ports, and finally to load it as expeditiously as possible, so as to make the best use of all our transportation facilities. The Office of Defense Transportation and the War Shipping Administration, as well as the other agencies concerned, have done a remarkable job in this respect.

Through their efforts and those of the Secretary of Agriculture, under whose direction the procurement program was so successfully managed, we have been able in the past crop year to ship through our ports a record amount of United States wheat and four. The June shipments of United States bread grains are the highest on record.

The July shipments necessary to reach the six million ton goal—and representing slightly more than 8% of the total—will not be deducted from the 250,000,000 bushels of grain which are scheduled for export during the crop year beginning July 1, but will be in addition to that goal.

The Secretary of Agriculture has wisely laid plans to continue the acquisition of wheat from the new 1946 crop, since world needs will still be great for many months to come. Americans must continue to conserve wheat, fats and oils in order to share our plenty with those who are starving.

Notice to Holders of Mexico Securities

Pan American Trust Co., as fiscal agent, is notifying holders of securities of the External Public Debt of the United States of Mexico, who have assented to the terms of an agreement dated Nov. 5, 1942, that payment of the July 1, 1946, interest coupon will be made at the office of the fiscal agent, 70 Wall Street. The notice says "Holders of securities who have not yet accepted the offer of the Mexican Government for the resumption of service on a modified basis, but who now desire to accept this offer, may deposit their securities with the trustee, provided they have been duly registered as to non-enemy ownership."

The Accord on Swiss Held German Assets

Provides for elimination of German interests in property in Switzerland and a payment by Swiss Government to Allies of 250 million Swiss gold francs. Proceeds from sale of property to be divided equally between Swiss and Allies. Accord yet to be approved by Swiss legislature.

The Department of State on June 17 released the text of the "Accord and Annex," constituting letters of understanding reached between the Allied Governments and the Government of Switzerland in the recently concluded negotiations on German holdings in Switzerland, looted gold, and related matters.

Letters identical in all but one respect were exchanged between the Allies and the Swiss Delegation on May 25, 1946. The sole difference was in paragraph V, in which the Swiss Delegation stated that it acted on behalf also of the Principality of Liechtenstein, whereas the Allies stated that they acted on behalf of the Governments signatory to the Paris Reparation Agreement.

The understanding will come into effect upon ratification by the Swiss Parliament. The subject is expected to be discussed in the Swiss Parliament during its current session.

The understanding, whose essential details have already been announced, provides for the elimination of German interests in property in Switzerland, for allocation of half of the proceeds to the Allies, and for payment by Switzerland of 250 million Swiss francs in gold, payable on demand in New York.

Following are the texts of the documents referred to:

Legation of Switzerland
Swiss Delegation
Washington, D. C.
May 25, 1946

Gentlemen:

In the course of the discussions which have taken place, the Allied Governments, fully recognizing Swiss sovereignty, claimed title to German property in Switzerland by reason of the capitulation of Germany and the exercise of supreme authority within Germany, and sought the return from Switzerland of gold stated to have been wrongfully taken by Germany from the occupied countries during the war and transferred to Switzerland.

The Swiss Government stated it was unable to recognize the legal basis of these claims but that it desired to contribute its share to the pacification and reconstruction of Europe, including the sending of supplies to devastated areas.

In these circumstances we have arrived at the Accord which follows:

I

1. The Swiss Compensation Office shall pursue and complete its investigations of property of every description in Switzerland owned or controlled by Germans in Germany and it shall liquidate such property. This provision shall apply equally to the property of such other persons of German nationality as are to be repatriated.

2. The Germans affected by this measure shall be indemnified in German money for the property which has been liquidated in Switzerland pursuant to this Accord. In each such case an identical rate of exchange shall be applied.

3. Switzerland will, out of funds available to it in Germany, furnish one-half of the German money necessary for this purpose.

4. The Swiss Compensation Office shall exercise the functions entrusted to it in close cooperation with a Joint Commission which shall be composed of a representative of each of the three Allied Governments, and a representative of the Swiss Government. The Joint Commission, as all interested private persons, shall have a right of appeal against the decision of the Swiss Compensation Office.

5. The Swiss Government will bear the cost of the administration and liquidation of German property.

II

1. Of the proceeds of the liquidation of property in Switzerland of Germans in Germany 50% shall accrue o the Swiss Government and 50% shall be placed at the disposal of the Allies for the rehabilitation of countries devastated or depleted by the war, including the sending of supplies to famine stricken people.

2. The Government of Switzerland undertakes to place at the disposal of the three Allied Governments the amount of 250,000,000 Swiss francs payable on demand in gold in New York. The Allied Governments declare on their part that, in accepting this amount, they waive in their name and in the name of their banks of issue all claims against the Government of Switzerland and the Swiss National Bank in connection with gold acquired during the war from Germany by Switzerland. All questions relative to such gold will thus be regulated.

III

The procedures relating to the application of the present Accord are set out in the Annex.

IV

1. The Government of the United States will unblock Swiss assets in the United States. The necessary procedure will be determined without delay.

2. The Allies will discontinue without delay the "Black lists" insofar as they concern Switzerland.

V

The undersigned representative of the Swiss Government declares on his part that he is acting also on behalf of the Principality of Liechtenstein.

VI

In case differences of opinion arise with regard to the application or interpretation of this Accord which cannot be settled in any other way, recourse shall be had to arbitration.

VII

This Accord and the Annex shall take effect upon their approval by the Swiss Parliament.

This Accord and the Annex have been written in English and French, both texts having the same validity.

Very truly yours,

STUCKI

To the Chiefs
Of the Allied Delegations,
Washington, D. C.

ANNEX

I

A. Property in Switzerland of Germans in Germany as defined under IV below, hereinafter termed "German property," shall be liquidated in the following manner:

a. Persons in Switzerland indebted to Germans in Germany shall be required to pay their debts into an account in the name of the Swiss Compensation Office with the Swiss National Bank and thus absolve themselves of liability.

b. All natural and juridical persons in Switzerland who in any form administer German property are to be required to surrender these assets to the Compensation Office. Such action will terminate their liability. The Compensation Office will liquidate the property and pay the proceeds into the account mentioned under "a."

c. The Compensation Office shall take title to all participations in Swiss enterprises or organizations belonging to Germans in Germany and shall liquidate them. The proceeds of liquidation shall be paid into the account mentioned under "a."

d. The Compensation Office will similarly proceed with the liquidation of any other German property.

e. The Joint Commission will give sympathetic consideration to cases, brought to their attention by the Compensation Office, relating to property of Swiss origin located in Switzerland and belonging to women of Swiss birth married to Germans and residing in Germany.

B. The Compensation Office will make every effort with the assistance of the Joint Commission to uncover all transactions of a cloaking nature whether by pawn, pledge, mortgage or otherwise, by which German property was concealed, and will ensure their annulment.

C. The Compensation Office will notify to the Joint Commission, for transmission to the competent authorities in Germany, the amount realized by the liquidation in each case of German property with particulars of the names and addresses of the German owners of that property. The competent authorities in Germany will take the necessary measures in order that there will be recorded the title of the German owners of the property liquidated to receive the counter value thereof in German money, calculated at a uniform rate of exchange. An amount equal to one-half of the total of the indemnities accruing to the German owners will be debited to the credit existing in the name of the Swiss Government at the "Verrechnungskasse" in Berlin. Nothing in this arrangement shall hereafter be invoked by one or the other party to this Accord as a precedent for the settlement of any Swiss claim upon Germany nor shall it be alleged that the Allied Government thereby recognized any right on the part of Switzerland to dispose of the credit above mentioned.

II

A. The Compensation Office will be empowered to uncover, take into possession, and liquidate German property.

B. The Swiss Government shall carry out this Accord in collaboration with the Governments of the United States, France, and the United Kingdom. For this purpose there shall sit in Berne or Zurich a Joint Commission composed of representatives of each of the four Governments, which shall act by majority vote. The functions of the Joint Commission are enumerated below.

C. The Compensation Office and the Joint Commission will enter upon their functions as soon as possible after the coming into force of the Accord.

D. The Compensation Office will exercise its functions in collaboration with the Joint Commission. It will keep the Joint Commission periodically informed about its activities; it will reply to inquiries submitted by the Joint Commission relative to the common objective, i.e., the uncovering, the census, and the liquidation of German property. The Compensation Office will consult the Joint Commission before making important decisions. The Compensation Office and the Joint Commission shall place at the disposal of each other all information and documentary evidence likely to facilitate the accomplishment of their tasks.

E. The Compensation Office shall as hitherto investigate the locus and status of items of property suspected by it or reported to it by the Joint Commission as being or believed to comprise a German property, or to be of doubtful or disputed bona fide Swiss ownership. The conclusions of the Compensation Office will be discussed with the Joint Commission.

F. The Compensation Office will settle, in general or particular, in consultation with the Joint Commission, the terms and conditions of sales of German property, taking into reasonable account the national interests of the signatory governments and those of the Swiss economy together with the opportunity of obtaining the best price and of favoring freedom of trade. Only persons of non-German nationality who are in a position to present suitable guarantees will be permitted to participate in the purchase of such property, and all possible measures will be taken to prevent resales to German persons.

III

If the Joint Commission after consultation with the Compensation Office is unable to agree to the decision of that office, or if the party in interest so desires, the matter may within a period of one month, be submitted to a Swiss Authority of Review. This Authority shall be composed of three members and shall be presided over by a Judge. This review will be administrative in form and the procedure shall be prompt and simple. The decisions of the Compensation Office, or of the Authority of Review, should the matter be referred to it, shall be final.

Nevertheless, if the Joint Commission is in disagreement with any decision of the Authority of Review, the three Allied Governments may, within one month, require the difference to be submitted to arbitration as follows: If the difference concerns matters covered by the Accord or the Annex or their interpretations, the difference may, if the Allied Governments desire, be submitted to an Arbitral Tribunal. This Tribunal shall be composed of one member designated by the three Allied Governments, a member designated by the Swiss Government, and a third member designated by the four governments. Any such difference which is not of primary importance may, if the Joint Commission and the Compensation Office agree, be submitted for decision to the member of the Tribunal who has been designated by agreement of the four governments, who in such cases will sit as the Arbitral Tribunal.

The Arbitral Tribunal will not be restricted as regards the nature or proof of evidence produced before it and will have full jurisdiction to consider all matters of fact or law submitted to it.

The decision of the Arbitral Tribunal shall be final.

The expenses of the Arbitral Tribunal shall be a charge on the proceeds of the liquidation of German property, before their division.

IV

A. The term "property," as used in the Accord and this Annex, includes all property of every kind and description and every right or interest of whatever nature in property acquired before the first of January, 1948. For the purpose of the Accord sums paid or payable by persons in Switzerland through the German-Swiss Clearing shall not be regarded as German property.

B. The expression "Germans in Germany" means all natural persons resident in Germany and all juridical persons constituted or having a place of business or otherwise organized in Germany, other than those organizations of whatever nature the ownership or control of which is held by persons who are not of Germany nationality. Appropriate measures will be taken to liquidate the interests in Switzerland which German nationals resident in Germany have through such organizations and equally to safeguard substantial interests of non-German persons which would otherwise be liquidated.

Germans who have been repatriated before the first of January, 1948, or in connection with whom, before that date, a decision by the Swiss Authorities has been taken that such persons should be repatriated from Switzerland, are to be considered as falling within the expression "Germans in Germany."

V

The Swiss Government undertakes, in recognition of the special circumstances, to permit the three Allied Governments to draw immediately up to 50,000,000 Swiss francs upon the proceeds of liquidation of German property against their share thereof. These advances will be devoted to the rehabilitation and resettlement of non-repatriable victims of German action, through the Inter-Governmental Committee on Refugees.

VI

A. Pending the conclusion of multilateral arrangements to which it is the intention of the three Allied Governments to invite the Swiss Government to adhere, and pending the participation of the Swiss Government in such arrangements, no German-owned patent in Switzerland shall be sold or otherwise transferred without the concurrence of the Compensation Office and the Joint Commission.

B. No German-owned trademark or copyright shall be sold or transferred without the concurrence of the Compensation Office and the Joint Commission.

VII

The preceding provisions do not apply to property in Switzerland of the German State, including property of the Reichsbank and the German railroads.

STUCKI

Washington, D. C.
May 25, 1946.

Klutznick Resigns

President Truman announced on June 20 that he had accepted with regret the resignation of Philip M. Klutznick as Commissioner of the Federal Public Housing Authority. Mr. Klutznick has been active in the Government's housing programs since 1941, and since May, 1944, had headed the various public housing programs under jurisdiction of the FPHA. Following V-J Day, he several times indicated his desire to return to private life, but at the request of the President continued in office to direct the Federal Public Housing program through its conversion from a wartime to a peacetime basis.

In a letter accepting Commissioner Klutznick's resignation, which takes effect June 30, President Truman wrote:

"Perhaps the most lasting contribution you have made has been your clear, sound enunciation of the role of public housing as an essential part of a healthy private enterprise system and a well-housed nation. Your principles have won the respect and support of responsible leadership throughout the country and have broadened public understanding of the importance of good housing to the national welfare."

Regret at Commissioner Klutznick's resignation was also expressed by Wilson W. Wyatt, National Housing Expediter and National Housing Administrator. The Federal Public Housing Authority is a constituent agency of the National Housing Agency. Mr. Klutznick's immediate plans are to return to Omaha, Neb., to reestablish his law practice in that city.

Wallace Reports Boom in Corporate Mergers

Commerce Secretary says trend resembles what occurred after World War I. Sees spectacular increase in absorption of small concerns by larger and cites figures of acquisitions in recent months covering various industries.

Since VJ-Day there has been a sharp increase in corporate mergers and the acquisition of small firms by larger ones, a trend closely resembling the corporate concentration that occurred following World War I, according to a statement of Secretary of Commerce Henry A. Wallace on June 25.

Henry A. Wallace

In the fourth quarter of 1945 mergers and acquisitions reached the highest level since 1931 and preliminary indications are that the high rate is continuing, Mr. Wallace said.

If it continues for a number of years it will have important repercussions on the nation's economic system, primarily because competition will be further reduced and the opportunities of small business further limited, he said.

Compared with the first quarter of 1945, the number of mergers and acquisitions during the first quarter of 1946 was up one-third. However, following a normal seasonal trend the number for the first quarter of 1946 was below that for the last quarter of 1945.

Recent corporate mergers have been most pronounced among alcoholic beverage companies, drug and pharmaceutical companies, dairy concerns, paper mills, textile mills and metal producing and fabricating plants.

In comparing the present trend with our experience following the First World War, Mr. Wallace said that the wave of mergers and acquisitions starting in 1918 continued through 1919, 1920 and the early part of 1921, until interrupted by the post-war depression. In 1925, after prosperous business conditions had returned, the absorption and purchase of businesses was renewed at an accelerated rate and reached all-time peaks in 1928 and 1929.

Mergers Increased After Pearl Harbor

The recent increase in mergers and acquisitions began shortly after the attack on Pearl Harbor and continued during the entire course of the war. Most of the mergers occurring from 1941-1945 involved nondurable goods industries. However, since V-J Day an increasing number of durable goods industries have been involved and there has been a spectacular increase in the number of small firms absorbed by larger ones.

The highly liquid asset position of the nation's corporations, their ownership of well-established nationwide outlets, and their nationwide advertising programs all give impetus to the trend toward further corporate mergers and acquisitions, Mr. Wallace said.

Examples of Recent Mergers

He gave the following examples of recent mergers and acquisitions involving seven industries:

During the first two months of 1946 a selling wave resulted in change in ownership of an estimated 1,000,000 (M) spindles of the cotton textile industry's 23,800,000 (M) spindles. On May 16, 1946, the merger into one company of 10 South Carolina mills at a cost of $50,000,000 (M) was reported.

During the war big liquor companies absorbed numerous distilleries and also entered the winery field on a large scale. The three largest liquor companies in the United States acquired 22 distilleries, six wineries, one brewery, one cooperage firm and one carbonated water concern in the years 1940-1945. Four big distillers now not only control aproximately 60% of the distillery capacity of the nation but also own better than one-fifth of the California winery storage capacity, as well as half the aging California wines, Mr. Wallace said.

Seven of the largest steel corporations bought up more than 35 smaller companies in the period 1940-1945. Through those acquisitions the big steel companies further extended their control over production of steel barrels, steel culverts and other steel products.

Many giant dairy concerns that were formed through mergers in the 1920's have renewed their acquisition drive, absorbing numerous smaller milk, cheese and butter factories in various parts of the country.

Large chain grocery stores have in recent years not only acquired smaller chains, but also have continued the integration of their operations by purchasing meat plants and small plants producing specialty foods.

One large drug and pharmaceutical company made 31 acquisitions between 1940 and 1945 and extended its activities into such diverse lines as baby foods, dairy products, coffee and prepared baking mixes. This company is one of five leading drug and pharmaceutical houses closely associated under one interest. Together they accounted for 30% of the corporate sales in the industry in 1942.

In the paper industry, many mills have converted from newsprint to book paper, and magazine publishers have purchased mills in order to assure their source of supply.

U. S. Gives War Air Base to Egypt

Payne Airfield, multi-million dollar wartime air base constructed by the United States near Cairo was turned over to the Egyptian Government June 15 and the United States agreed to withdraw all uniformed military personnel from that country within six months. In exchange for these concessions Egypt agreed to certain conditions required by the United States which were described in Cairo advices of June 15 to the Associated Press, as follows:

To make the field available to United States military aircraft for six months, renewable as may be mutually agreed upon; to designate the field as a civil airport available for use on a non-discriminatory basis; to enter into a bilateral transport agreement with the United States "in accordance with the principles of the November, 1944, civil aviation conference at Chicago," and to pay a price officially estimated at $10,000,000 for remaining United States military and naval installations and surplus equipment in Egypt.

It was explained in a joint bulletin that the provision of the agreement allowing the United States to use the field for military aircraft was necessary so that it could maintain communications with its forces in the Orient.

The Financial Situation

(Continued from first page)

That he and the others can and will do precisely some such thing is the real danger of the current situation.

Inflation a Fact, Not a Danger

Let it once more also be unhesitatingly asserted that the notion that under any price control system yet devised, or likely ever to be devised by man, production will presently overtake demand and in doing so create a situation in which advocates of control will concede that controls are no longer needed is wholly fallacious. No such easy and simple means of avoiding payment for the economic sins of the past exists. Inflation is not a "danger," as the President keeps insisting, but a fact. Evidence of its presence is found not only, indeed not even chiefly, in black market prices, which more and more make laughing-stocks of price "indexes," but in the enormous mass of accumulated "money supply" resulting from New Deal extravagance and the most costly war in all history. So long as this mass of "purchasing power," in addition to that created by the production process itself, impinges in any very substantial part upon the markets, and so long as this mass of "purchasing power" is anywhere near as large as it is now in relation to the total income of the people or the volume of goods available to the people, prices will tend to move upward, and volume production will not place any appreciable impediment in the way of that trend. Indeed, there are good authorities who believe that enlarged production may even tend to promote higher prices.

What the President and the other advocates of price control are trying to do is to prevent existing inflation from having its natural consequences in the market places of the world. It is a losing fight — inevitably and irrevocably a losing fight—no matter what the surface appearances may be. Any hope that the American people may be led to cherish that such a fight may be won must inevitably, sooner or later, turn to dust and ashes in their mouths.

But it does not follow, of course, that either with or without control, prices are likely in the early future to move in any such precipitous way as characterized the much publicized "inflations" in Germany following World War I, or Greece or China during World War II. Even the experience in this country during the first year or two after the end of World War I — which is being cited *ad nauseam* to frighten us all to death—may or may not in any circumstances be repeated now. Very considerable obscurity surrounds this mass of so-called liquid assets. A good deal of it is not "purchasing power" as such, but obligations of the Treasury. Much of it is payable by the Treasury upon demand of the holders, but the Federal Government can always manage its own affairs in such a way that the funds demanded by any holder of such obligations will be acquired from another who is saving the required sums from his income. In such a case the "spending" of one will be offset by the "saving" of another. Such an accomplishment by the Treasury would require very considerable modification of existing policy, but such modification is essential to a return to soundness in the economic system as a whole.

A Buying Orgy?

Such facts as are available, furthermore, seem to indicate that this "purchasing power" which so frightens the President is concentrated rather largely in hands which are not altogether likely to throw it on the market for goods recklessly. Surveys have been made which undertake to ascertain the "intentions" of holders of these funds and other "liquid assets." Such inquiries, of course, must be taken with several grains of salt, but for what they are worth they hardly suggest more than a somewhat moderate outpouring of funds for goods in the year ahead—certainly not any such orgy as some of the Washington wiseacres would have us fear. Prices themselves will in the future, as they have always done in the past, have no small influence upon the degree of eagerness with which individuals seek goods. Much that is being said today about "buyers' strikes" is doubtless quite fanciful, but no one need doubt that the American consumer has his or her own idea about what "things are worth."

It is unfortunate for the public—it is certainly unfortunate for his standing among thoughtful students—that the President has been led to suppose that he can guess what price changes would follow upon the adoption of such limitations upon price control as those suggested by Senator Taft. Take the following sentences from his veto message:

> The first impact of the Taft and Wherry amendments in the crucial field of housing would be little short of devastating. The prices of nearly all building materials would be affected. The average increase of such materials, excluding lumber, would be approximately 20%.
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> * * *
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> Ceilings for steel would have to be raised an average of \$4 to \$8 a ton.
>
> The average price of low-priced automobiles would be increased \$225 to \$250, on top of the substantial increases already granted.
>
> Household appliances such as washing machines and refrigerators would increase from 25 to 30%. Floor coverings would go up about 17%; plumbing supplies, about 16%; farm machinery, about 13%.
>
> The prices of clothing—already too high—would be increased by an estimated average of 15%—more than half of which would be attributable to the Taft and Wherry amendments and the balance to other amendments.

The President, whose advisers have been repeatedly saying that it would take an eternity to calculate new ceiling prices under the measure just vetoed, evidently has been told to the penny what many of these ceiling prices would be! But apart from such consideration, the President is obviously making the rather remarkable assumption that the new ceiling prices and the actual market prices would be one and the same. He seems to forget that American business is competitive, and that the American consumer has some ideas of values. He, moreover, appears to have a very low opinion of the intelligence, not only of the consumer, but of the business man. If these new prices are really quite out of reasonable relationship to cost, why does the President feel so certain that they will actually be asked or can actually be obtained? Unfortunately both in the veto message and over the radio to the general public these very dubious conclusions are stated as if there could be no more question about them than there can be about the binomial theorem.

Such in very brief are certain basic facts about this price control question and the price control situation in which we find ourselves today. Let us bear them carefully in mind in the days to come. It will help to keep our thinking straight.

Meanwhile, someone should suggest to the President that the way to combat inflation is to combat it, not its effects. The Treasury is responsible for the inflation now existing, and only the Treasury — meaning the fiscal policy of the Federal Government, of course—can do anything very effective to eliminate it or reduce its effects.

The State of Trade

The Office of Price Administration shared a very important part of the news last week with the veto by the President on Saturday of the much weakened substitute measure offered by Congress to take the place of the price control act which passed out of existence last Sunday at midnight as a result of the President's unwillingness to accept the new bill.

With our return to a free economy for the first time in many years business and industry are in a position to demonstrate to the people that the removal of such controls will prove a boon rather than a catastrophe to our economy. The necessity for price control has been the bone of contention among producers and consumers since the ending of the war, some holding to the opinion that our return to full production has been hampered by restrictive price controls, while others maintain that control is necessary to insure against an upward spiral of prices that will lead to a runaway inflation. Notwithstanding the latter point of view, the cost of living in recent months has slowly but steadily advanced with much merchandise and foodstuffs finding its way into black markets to the detriment of the country as a whole.

At the present moment the House is receptive to some form of revival of OPA, but the possibility of early action in the Senate appears remote. The first business day (Monday of this week) without controls, retail stores here in New York generally, continued to operate under OPA ceiling prices in response to a plea of manufacturers and merchants of the nation to hold the line. It was reported that competition came into play and proved to be a stabilizing force everywhere. Expressions from the country's various business leaders conveyed their intention of safe-guarding the interest of the consumer by maintaining quality of output and avoiding unwarranted increases in prices.

The principal rise on Monday of this week was reported in cattle prices. On the Chicago livestock market, two loads of choice offerings brought \$22 a hundred pounds, or an increase of \$3. Corn futures advanced the 5 cent limit allowed for a single session of the Chicago Board of Trade, while No. 2 hard wheat hit the highest level since 1925 as dealers bid \$2.05 for immediate delivery. Last week, the ceiling was \$1.97.

On the other hand crude oil prices remained at the level which was quoted last week. Industry leaders doubt that any steps will be taken to raise them until current uncertainty over extending OPA is eliminated, although it is almost unanimously held that a mark-up of 25 cents a barrel is necessary.

An announcement from Moses Pendleton, President of the America Woolen Company, stated that the general policy of the company will be to maintain its present schedule of prices, adding: "The removal of OPA price restrictions will not result in price increases for our fall, 1946 season covering deliveries through October. Beyond that our pricing policy will necessarily be controlled by conditions existing at that time."

For the past week total industrial production again moved ahead slightly as raw materials reached factories with greater regularity and in increasing quantities. The rate of order volume for goods in most lines continued at an extremely high level.

Steel production rose three points to 87.2% from 84.2% of capacity in the preceding week. Electric power output advanced 2.5%, while bituminous coal production declined 2.4%. Daily average crude oil production was also fractionally lower reflecting a decline of 0.2%.

In the automobile industry operations in many plants showed an accelerated pace last week with total optput rising for the third consecutive week. Truck and car production in the United States and Canada for the week ended June 22 was 8% above that of the week previous, but 58% under that of the like week in 1941.

Creamery butter production reflects a seasonal rise since mid-February, output in the week ended June 20, increasing by 1% from the previous week to 27,600,000 pounds. This was 33% under output for the similar week of 1945. American cheese production for the week ended June 20 was also 1% above that of the previous week and 17% below the total for the corresponding week one year ago.

Shoe manufacturing was at a high level with stocks of leather decreasing. Consumption of wool rose again the past week with output of woolen goods continuing at a high rate.

Consumer spending was heavy last week with expansion in retail volume above that of the previous week and the corresponding week a year ago. Favorable weather for shopping prevailed in most sectors of the country. No change was noted in retail food volume for the week, but it was appreciably above the like week of 1945.

Wholesale volume advanced slightly the past week and continued to exceed the levels of the corresponding 1945 week. Demand held strong for most commodities and inventories in most lines reflected a slow but steady rise.

Steel Industry—Steel producers last week faced one of the most serious shortages of iron and steel scrap since wartime peak production in 1942-32, 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.

Some dealers and scrap producers are reported to have been holding back supplies in the hope of higher prices, but 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, the magazine states.

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. 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.

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

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Items About Banks, Trust Companies

The statement of condition of Guaranty Trust Company of New York as of June 30, 1946, shows total resources of $3,489,673,520 as compared with $3,609,511,466 at the time of the last published statement, March 31, 1946. Deposits are $3,100,757,647, as compared with $3,093,764,158 on March 31; U. S. Government obligations total $1,946,239,729, as compared with $2,060,896,996; and loans and bills purchased total $737,594,522 as compared with $897,933,684. Total capital funds of $317,476,733, comprising capital of $90,000,000, surplus funds of $170,000,000 and undivided profits of $57,476,733, compare with a total of $314,865,941 on March 31.

Statement figures published July 3 by the National City Bank of New York show total resurces as of June 30, 1946, of $5,184,476,441, or a decrease of $63,739,247 in comparison with March 31, 1946. Total deposits are $4,872,600,625 against $4,948,852,510 last March 31. In these totals U. S. War Loan deposits are $562,987,699 and $1,001,642,473, respectively. Holdings of U. S. Government obligations are reported at $2,561,321,256 compared with $2,577,056,576. Cash and due from banks and bankers is $1,176,800,124 against $995,920,778 and loans and discounts are $1,074,374,109 compared with $1,290,314,552 on March 31. Capital and surplus are unchanged at $77,500,000 and $142,500,000, respectively, and undivided profits are $36,712,567 against $33,992,115.

The City Bank Farmers Trust Company, the stock of which is beneficially owned by the shareholders of the bank, reports total deposits as of June 30, 1946, of $163,251,893 compared with $159,396,527 last March 31. Total resources are $196,337,976 against $192,127,921. Cash and due from banks amounts to $31,306,200 compared with $25,193,100 and holdings of U. S. Government obligations total $154,778,911 in comparison with $155,785,748 as of March 31, 1946. Capital and surplus are unchanged at $10,000,000 each and undivided profits after providing for the full six months' dividend in the second quarter are $7,884,264 compared with $7,893,926 at the end of March, 1946.

Total deposits for the bank and trust company together as of June 30 amount to $5,035,852,518 and total resources to $5,380,814,417 as compared with corresponding totals at the end of March, 1946, of $5,108,249,037 and $5,440,343,609, respectively. The total capital funds of the bank and trust company together are $284,596,831 as of June 30, 1946, or $45.90 per share on the 6,200,000 shares outstanding compared with $276,515,874 or $44.60 per share as of Dec. 31, 1945. The earnings of the National City Bank of New York and the City Bank Farmers Trust Company combined for the first half of 1946 and for the same period in 1945 are:

1st Half 1946—	Amount	Per Share
Net current operating earnings	$9,589,922	$1.55
Net profits from sales of securities	3,768,651	.60
	$13,358,573	$2.15
1st Half 1945—	**Amount**	**Per Share**
Net current operating earnings	$8,376,394	$1.35
Net profits from sales of securities	4,135,980	.67
	$12,512,374	$2.02

These earnings in both cases, it is pointed out, do not include recoveries which were transferred to reserves.

The Chemical Bank & Trust Company of New York reported as of June 30, 1946, deposits of $1,327,454,154 and total assets of $1,470,212,722 compared respectively with $1,309,087,880 and $1,424,973,625 on March 31, 1946. Cash on hand and due from banks amounted to $343,959,027 compared with $210,528,634; holdings of U. S. Government securities to $594,226,779 against $605,489,186; bankers' acceptances and call loans to $135,827,012 against $189,133,178; and loans and discounts to $253,058,835 against $273,234,091. Net operating earnings for the first six months amounted to $3,889,977 as compared to $3,587,254 for the same period a year ago. Net profits and recoveries on securities amounted to $1,466,417 against $1,754,083 for the first six months of 1945. Miscellaneous credits for the first six months amounted to $555,397 compared to $55,893 for the same period a year ago. Capital and surplus were unchanged at $25,000,000 and $65,000,000, respectively, and undivided profits were $12,271,934 against $11,468,497 of March 31. The indicated net earnings on the bank's 2,500,000 shares (par $10) amounted to $0.77 per share for the second quarter of 1946 as compared with $0.72 per share a year ago.

Bank of the Manhattan Company of New York reported as of June 30, 1946, total deposits of $1,182,047,643 and total assets of $1,255,330,444, compared respectively with $1,156,221,705 and $1,227,214,197 as of March 31, 1946. Cash on hand and due from banks amounted to $317,691,630 against $190,319,729; holdings of U. S. Government obligations $514,585,527 against $580,467,625. Loans and discounts amounted to $359,320,038 compared with $389,716,422. Capital remained at $20,000,000. Surplus remained at $30,000,000. Undivided profits after reserve of $600,000 for quarterly dividend increased to $11,929,325, from $11,293,186 at the end of March.

The Central Hanover Bank & Trust Co. of New York announced in its statement of condition as of June 30, 1946, that total deposits were $1,767,706,438, against $1,687,366,373 on March 31, 1946; the total resources for the same two periods respectively were $1,902,366,206 and $1,818,199,401. Cash on hand and due from banks on June 30 was $452,470,634 against $303,648,608 on March 31, 1946; holdings of U. S. Government obligations were $931,610,352 against $888,346,713 and loans and bills purchased amounted to $468,166,927 on June 30, against $553,234,156 on March 31. Capital, $21,000,000 and surplus $80,000,000 on June 31 were unchanged from March 31 report, but undivided profits advanced to $18,310,986 June 30 from $17,785,462 March 31, 1946.

Chester R. Dewey, President of Grace National Bank of New York, announced on June 27 the election of F. G. Kingsley and John C. Griswold to the board of directors. Mr. Kingsley is Chairman of the board of Mercantile Stores Company, Inc., and Mr. Griswold is President of J. C. Griswold & Company, Inc.

The statement of condition of the Grace National Bank as of June 30, 1946, shows deposits of $88,265,488, as compared with $90,000,002 on March 31, 1946, and $92,942,431 a year ago. Surplus and undivided profits amounted to $3,713,610, as compared with $3,838,415 on March 31, 1946, and $3,420,930 a year ago. Cash in vault and with banks totaled $23,686,638, as compared with $15,811,095 on March 31, 1946, and $17,028,142 a year ago. U. S. Government Securities were $49,604,360, as compared with $50,140,917 on March 31, 1946, and $56,254,735 a year ago. Loans and discounts were $22,406,132, as compared with $27,049,754 on March 31, 1946, and $19,052,413 a year ago.

The statement of condition of Manufacturers Trust Company as of June 30, 1946, shows deposits of $2,343,557,026 which include U. S. Government War Loan deposits of $241,461,153. Resources are $2,489,524,759. These figures compare with deposits of $2,259,623,221 and resources of $2,401,433,547 shown on March 31, 1946. On June 30, 1945, the respective figures were $2,145,420,789 and $2,261,550,127. U. S. Government War Loan deposits on March 31, 1946, were $427,751,906 and on June 30, 1945, they were $398,135,001. Cash and due from banks is listed on June 30, 1946, at $560,937,087, as against $366,135,931 shown on March 31, 1946, and $381,982,154 shown a year ago. U. S. Government securities stand at $1,360,049,030; three months ago they were $1,417,231,943 and one year ago they were $1,319,364,692. Loans, bills purchased and bankers' acceptances are now $490,061,485, which compare with $527,435,424 on March 31, 1946, and $484,681,046 on June 30 last year. Capital funds as of June 30, 1946, are shown as: capital, $41,250,000; surplus, $41,250,000; and undivided profits, $33,604,839. Net operating earnings for the six months ending June 30, 1946, after amortization, taxes, etc., were $5,442,475, or $2.64 a share, based on 2,062,500 shares outstanding, which compares with $4,600,560, or $2.79 a share, based on 1,650,000 shares outstanding as of June 30, 1945. Of this amount, $2,474,996 was paid in dividends on capital stock and $2,967,479 was credited to undivided profits.

The Corn Exchange Bank Trust Company of New York announced in its statement of condition as of June 30, 1946, that deposits and other liabilities amounted to $821,876,579 as compared with $842,036,888 on Dec. 31, 1945. Total resources were announced at $862,966,008 in the most recent report while they stood at $882,047,904 on Dec. 31, 1945. Holdings of U. S. Government securities are now $576,541,409 as compared with $615,281,573 six months ago; cash in vaults and due from banks at the end of June was shown to be $194,137,662 against $178,687,417 at the end of December. Loans and discounts were announced at $66,531,798 as compared with the figure for last December of $55,445,681. Capital has remained unchanged at $15,000,000 while surplus and undivided profits rose from $25,011,016 on Dec. 31, 1945, to $26,089,428 at the present time.

The Public National Bank & Trust Co. of New York announced in its June 30 statement of condition that total deposits as of March 31, 1946, amounted to $540,965,686 and total assets to $576,936,653, compared respectively with $524,091,369 and $558,421,705 on March 31. Cash on hand and due from banks in the recent statement was $109,538,651 against $94,657,209 on March 31, 1946; holdings of U. S. Government securities amounted on June 30, 1946, to $296,294,365 compared with $300,499,781 March 31; loans and discounts are now $155,058,827 against $145,508,342 on March 31. The capital and surplus on June 30, 1946, total $22,000,000, the same as on March 31, 1946.

Undivided profits June 30, 1946, were $5,664,730 as compared with $4,892,178 on March 31, 1946.

J. Henry Schroder Banking Corporation of New York reports total resources of $71,184,077 on June 30, 1946, against $67,764,771 on March 30. Cash on hand and due from banks was $10,043,117, against $6,686,138. U. S. Government securities were $38,021,009, against $42,603,722; customers' liability on acceptances, $9,850,377, compared with $8,137,774. Surplus and undivided profits were $3,185,751, against $3,181,729 in the previous quarter; amount due to customers was $50,791,892, against $48,566,195. Acceptances outstanding were $10,558,696, against $9,469,373.

Schroder Trust Company reported June 30 resources of $38,596,747, compared with $44,215,435 on March 30; cash and due from banks, $7,483,057, against $7,034,058. U. S. Government securities totaled $25,460,659, against $31,961,612; loans and discounts, $4,871,958, compared with $4,448,686. Surplus and undivided profits were $2,584,891, against $2,583,323. Deposits were $34,103,198, against $39,802,517.

Fulton Trust Company of New York reports total deposits of $39,639,192 and total assets of $45,296,977 in its statement of June 29, 1946, as compared with deposits of $37,607,358 and total assets of $43,192,048 on March 30, 1946. As of June 30, 1945, total deposits were $43,820,930 and total assets $49,336,951. Cash U. S. Government securities and demand loans secured by collateral amounted to $42,517,559, as compared with $40,134,648 on March 30 and $45,845,805 a year ago. Capital and surplus showed no change in total at $4,000,000, but undivided profits increased to $1,293,530 after dividend of $30,000 payable July 1, 1946, as against $1,260,687 on March 30 and $1,183,248 on June 30, 1945.

Thomas J. Shanahan, President of the Federation Bank and Trust Company, of New York, reported as of June 28, 1946, deposits of $38,550,997 and total resources of $43,611,497, against $37,618,806 and $41,744,253, respectively, as of Dec. 31, 1945. Cash on hand and due from banks amounted to $9,184,420, against $9,922,247. Holdings of U. S. Government securities totaled $8,403,179, against $16,874,401. Loans and discounts were $15,594,794, against $9,400,785. Capital remained unchanged at $1,500,000. Surplus had been increased from $1,400,000 to $1,500,000 and undivided profits had been increased from $468,237 to $513,141.

The statement of the Chase National Bank of New York for June 30, 1946 made public July 3 shows deposits of the bank at the end of June of $5,039,709,000 compared with $5,140,087,000 on March 30, 1946 and $4,952,627,000 on June 30, 1945. Included in the total deposit figures are U. S. Government War Loan deposits with the Chase National Bank on the respective dates, as follows: June 30, 1946—$597,476,000; March 30, 1946—$1,080,691,000; June 30, 1945—$1,120,368,000.

Total resources on June 30, 1946 amounted to $5,403,847,000 compared with $5,498,511,000 on March 30, 1946 and $5,288,247,000 a year ago; cash in the bank's vault and on deposit with the Federal Reserve Bank and other banks amounted to $1,249,714,000 compared with $875,763,000 and $887,309,000 on the respective dates; investments in United States Government securities, $2,611,093,000 compared with $2,960,277,000 and $2,900,026,000; loans and discounts $1,166,386,000 compared with $1,315,612,000 and $1,159,769,000. On June 30, 1946 the capital of the bank was $111,000,000 and the surplus $139,000,000, both figures the same as on March 30. The undivided profits on June 30 were $59,392,000 compared with $56,792,000 on March 30. Net earnings for the first six months of 1946 were $1.64 per share compared with $1.71 per share in the corresponding period of 1945. Net current operating earnings were $1.30 per share compared with $1.14. In the first half of 1946 net profits on securities were 34 cents per share, after provision for taxes applicable to such profits, compared with 57 cents per share in the first half of 1945 when provision for taxes was applied entirely against current operating earnings.

Brown Brothers Harriman & Co., private bankers, in their statement of condition of June 30, 1946, reported total resources of $212,633,722 compared with $208,186,002 at March 31, 1946, and $189,584,235 as of June 30, 1945. Deposits for the first six months of this year amounted to $185,992,884 compared with $184,610,547 on March 31, 1946, and $167,857,610 a year ago. Capital and surplus of $13,725,455 compared with $13,705,542 three months ago and $13,645,792 on June 30 of last year. Loans and discounts totaled $51,945,475 against $52,756,899 on March 31, 1946, and $42,936,737 on June 30, 1945. Other important asset items compare as follows with figures for three months and a year ago: cash, $46,106,706 against $39,274,169 and $36,302,714; United States Government securities, $50,988,714 against $53,352,370 and $57,517,175; state, municipal and other public securities, $47,342,871 against $48,879,044 and $42,016,909.

The Commercial National Bank and Trust Company of New York reported as of June 30, 1946 total deposits of $252,114,309 and total assets of $277,327,769 compared respectively with $231,352,434 and $261,837,150 on March 31, 1946. The Bank held cash on hand and due from banks of $71,904,476 compared with $43,357,613 on March 31, 1946; investments in United States Government securities of $160,956,317 compared with $177,935,891 on March 31, 1946. Loans and discounts of $40,259,875 compared with $35,543,225 on March 31, 1946. The bank's capital account was unchanged at $7,000,000 and its surplus and undivided profit account increased to $12,593,546 from $12,388,206 at March 31, 1946 after payment of the regular dividend. Net earnings per share for the quarter were $.99 and for the six months of this year $1.96.

J. P. Morgan & Co., Inc., New York City, reported as of June 30, 1946, total deposits of $623,284,253 and total assets of $705,296,253 compared respectively with $663,101,843 and $732,435,257 on March 31, 1946. Cash on hand and due from banks is shown at $127,650,223 in the present statement against $124,084,208 three months ago. Holdings of U. S. Government securities are now $393,781,164 compared with $414,306,976 in March; loans and bills purchased are shown at $143,135,297 against $151,799,453 three months ago. Capital and surplus remained unchanged from March 31 at $20,000,000 each, while undivided profits increased to $7,149,596 in the current report from $6,784,767 three months ago.

The Continental Bank & Trust Company of New York reported as of June 30, 1946, total deposits of $194,260,150 and total assets of $209,209,199, compared respectively with $183,270,807 and $197,684,813 on March 31, 1946. Cash on hand and due from banks amounted to $53,507,515, against $33,895,483; holdings of U. S. Government obligations to $72,257,086, against $74,924,569; loans and discounts to $61,940,461, against $69,387,382. Capital and surplus were unchanged at $5,000,000 each. Undivided profits were $1,681,673, against $1,471,204.

The statement of condition of Brooklyn Trust Company, of

(Continued on page 144)

Combined U. S., Britain & Canadian Food Board Ends—Int'l Council of 19 Nations Continues Work

The war created Combined Food Board, whose functions were carried on by the United States, Great Britain and Canada, has been expanded into an International Emergency Council of 19 Nations, which was established at Washington on June 20, at a meeting presided over by Secretary of Agriculture Clinton P. Anderson. Until the new Council was formed it had been planned to continue the Three-Nation Board until Dec. 31.

A statement announcing the changed plans, whereby that Board ceased to exist July 1, was issued by the Three-Nation Board on June 29. It follows:

"We announced on May 9, 1946, plans to continue the Combined Food Board until Dec. 31, 1946, because of the deterioration that had occurred in the world food situation in recent months, and the need to control the distribution of many foods with a view to preventing widespread suffering and starvation.

"Subsequent to this announcement, a special meeting on Urgent Food Problems was convened in Washington by the Food and Agricultural Organization of the United Nations on May 20. As a result of discussions at this meeting, certain recommendations with respect to the formation of an International Emergency Food Council were approved and submitted to the governments concerned.

"It was a part of these recommendations that the governments of the United Kingdom, United States and Canada should arrange without delay for the Combined Food Board to call a meeting. This meeting was held on June 20, 1946, and was attended officially by representatives of 19 countries who, on behalf of their governments, formally accepted the terms of reference of the International Emergency Food Council.

"Accordingly, the International Emergency Food Council was established forthwith, and held its inaugural session on June 20. This organization will continue the work of the Combined Food Board which is hereby declared to be terminated as of July 1, 1946. The functions of the Combined Food Board, together with all its documents and records, will be transferred to the International Emergency Food Council on July 1, 1946."

Mr. Anderson, at the May 20 meeting, described the new Council, which will combat famine for the next year-and-a-half, as a great "step forward." At that time the Associated Press said:

"Members of the new agency are countries which participated in the work of the Combined Food Board's commodity committees. They are nations which have a major interest in importing or exporting various food items.

"The new Council will elect a Secretary General as its chief officer.

"Today the Council selected a 'Central Committee' of nine which will consider issues raised in commodity committees, coordinate their work, reconcile differences and carry out council functions between sessions of the full agency. Britain, the United States and Canada automatically became members of the Central Committee."

Urges Ratification of British Loan

Twentieth Century Fund's Committee, headed by Winfield W. Riefler, contends it is first step in rebuilding world trade and peace.

Immediate ratification of the proposed loan to Great Britain as a necessary first step in rebuilding both world trade and world peace was urged on June 26 at the first meeting of the Twentieth Century Fund's Committee to study the foreign economic relations of the United States.

Chairman of this Committee is Winfield W. Riefler, formerly Minister in Charge of Economic Warfare at the American Embassy in London and now on the faculty of the Institute for Advanced Study, Princeton, N. J. Members of the Committee who signed the statement were: Kermit Eby, Director of Education and Research, Congress of Industrial Organizations; Paul G. Hoffman, President, The Studebaker Corp.; Joseph C. Rovensky, formerly Vice-President, The Chase Bank; and Robert Watt, International Representative of the American Federation of Labor.

The Committee statement was issued at an all-day organization meeting in New York on June 27 at the offices of the Twentieth Century Fund. The full text follows:

"This Committee is called together to review a research study and make recommendations on public policy regarding the foreign economic relations of the United States. It is our unanimous conviction that we cannot even begin our work without first urging immediate ratification of the loan to Great Britain.

"Any recommendation we may later evolve would be made almost futile and pointless unless this loan goes through. Speaking impartially as men of business, labor, and representatives of the general public we can say that this loan is vital to the welfare of Americans in all walks of life.

"The British loan must be adopted if we hope to see a revival of world trade and world prosperity. It is an essential first step toward world peace and friendship and a rising standard of living among our own and other peoples."

Vinson Takes Oath As Chief Justice

The oath of office as Chief Justice of the United States was administered to Fred M. Vinson on June 24 by Chief Justice Lawrence D. Groner of the United States Court of Claims for the District of Columbia. Mr. Vinson took the oath as 13th Chief Justice at an elaborate White House ceremony in which President Truman said Justice Vinson would enhance national respect for the feud-ridden high tribunal, it was noted by the Associated Press, which added:

The swearing-in ceremony on the south portico had all the pomp and trappings of a Presidential inaugural.

For the second time since the war ended the iron gates to the White House were thrown open to the public and thousands of persons jammed the grounds to witness the historic ceremony.

Justice Vinson succeeds the late Harlan F. Stone as chief of the nation's highest court. The Court lately has been torn by a public feud between Justices Robert H. Jackson and Hugo L. Black.

Mr. Truman, in an apparent reference to the court split, said in a speech praising Vinson:

"All of us have the utmost respect for the courts of the country, and we know that that respect will be enhanced when Mr. Vinson becomes Chief Justice of the United States actively on the bench."

The President said he thought the fact that Mr. Vinson was the 13th Chief Justice was lucky for the country and for Mr. Vinson, too.

"At least I hope it is," Mr. Truman said.

"Only 13 Presidents have had the honor and privilege of appointing a Chief Justice of the United States," President Truman said. "That duty fell upon me.

"It was one on which I labored long and faithfully. I finally decided to make the Secretary of the Treasury the Chief Justice of the United States. And the one regret that I had was that I was losing Mr. Vinson from the Cabinet of the President."

There was one remark by President Truman, said the press advices, which many considered a cue to the unusual ceremony.

"We all know that one of the three branches of the Government of the United States is the branch of the judiciary—the judicial branch. The Supreme Court is at the top of the judicial branch. All of us have the utmost respect for the courts of the country, and we know that that respect will be enhanced when Mr. Vinson becomes chief justice of the United States, actively on the bench."

It was observed that members of the Court, including Justices Black and Jackson were grouped around the new presiding officer as he took the oath of office.

The Chief Justice, it was stated by the Associated Press, took one oath to support and defend the constitution and another to provide equal justice to rich and poor.

Speaker Rayburn, who presided, declared that President Truman had appointed a Chief Justice "capable of doing whatever job he is assigned to do."

The naming of Mr. Vinson, retiring Secretary of the Treasury, as Chief Justice was referred to in these columns June 13, page 3265. The Senate confirmed the nomination on June 20.

OPA Exemptions or Suspensions Listed

A six-page supplementary list of 175 articles exempted or suspended from OPA price control from May 15 to June 15 was issued on June 24 by the Commerce and Industry Association of New York. The supplement brings up to date the original 34-page list of 2,000 items issued by the Association June 10. Thomas Jefferson Miley, Association Secretary, points out that the lists were prepared as a guide to business men because no such compilation has been made available to the public by the Office of Price Administration. The information was obtained from the Federal Register and other reliable sources, and checked against OPA orders and regulations.

Mr. Miley said the supplement includes a wide variety of items in such classifications as electrical equipment, foods, metals, paper products and textiles. Among specific items removed from price control during the past 30 days are canned broccoli and brussels sprouts, frozen carrots and okra, electric curling irons, bias tape, little cigars, friction tape, paper doilies, dress patterns and some lower priced furs such as skunk, raccoon, North American opossum, grey fox and wolf. He also said that price suspension on certain fresh and frozen fish has been extended from May 20 to August 18, 1946. Amendment 37 to Supplementary Order 132 exempted live, dressed and frozen rabbits from price control. This amendment also extends suspension on canned or frozen and prepared poultry from June 13, to an indefinite period. The original list and supplement are available to members of the Association without charge. Copies are available to non-members for $1.00.

U. S. Savs. Loan League To Convene

The 1946 convention of the United States Savings and Loan League will be held in Milwaukee, Nov. 18-22, it was announced on June 28 by Henry P. Irr, Baltimore, President of the League, which comprises 3,600 homeowner credit institutions. This is the 55th year of the League. The first full-size convention which the savings and loan associations and co-operative banks have had since 1941, the Milwaukee meeting will come when the business has reached the largest dimentions it has ever known, according to all prospects, said the League's advices, which continued:

Henry P. Irr

"The principal concern of the associations, the production of housing, will undoubtedly still be one of the nation's primary interests by next fall, Mr. Irr pointed out. By November this system of co-operative thrift and home financing associations will be between $9,000,000,000 and $10,000,000,000 in size, will have supplied some $750,000,000 of credit to home-seeking veterans under the GI Bill of Rights, and will be financing homes for upwards of 3,000,000 American families, Mr. Irr predicts.

At a meeting this last spring the Executive Council of the League adopted as a five-year goal for the savings and loan system the advancement of home-ownership in the United States to the place where three out of every four families occupy their own homes. The Milwaukee meeting will discuss means to accomplish this goal by the middle of the century, further expansion of the veterans' home loan program, the real estate price situation, and the outlook for savings and thrift in post-war America.

Senate Group Boosts Appropriation for Army

The War Department appropriation of $7,091,034,700 approved by the House June 21 was boosted by the Senate Appropriations Committee to $7,595,449,868 when it approved the measure June 27 and sent it to the Senate floor. The appropriation is the largest of any peace time year in the nation's history and about double that of 1941. The Senate committee restored to the bill the $150,000,000 trimmed from the measure by the House, for relief in former enemy countries, by this action it brought the appropriation for this purpose up to an even $500,000,000, the amount originally recommended by the Budget Bureau. The Senate committee accepted the House figure of $375,000,000 for the Army's atomic research program, which represented an increase of $175,000,000 over the Budget Bureau's recommendation.

Except for the increase in the atomic program and the decrease in the enemy relief appropriation the bill approved by the House incorporated amounts as recommended by the Budget Bureau. The House had accepted in full the recommendations of its Appropriations Committee which were summarized in Associated Press advices of June 20, from Washington, as follows:

The committee approved in full the $1,199,000,000 allotment for the Air Corps after hearing Gen. Carl Spaatz relate plans for an air force adequate to detect and repel any surprise attack, to launch a crippling counter-offensive and to back up the land and sea forces.

Gen. Spaatz, Air Corps commander, told the committee that the minimum post-war air force needs 70 combat groups backed by a pool of at least one air national guard squadron in each State.

The air forces' cash allotment included $388,776,454 for the purchase of approximately 1,046 modern planes and gliders. At the end of April of this year the Air Forces had 39,000 planes.

The committee increased the atomic service fund — part of which will be used to pay for contracts into the fiscal year 1948 —after hearing Army heads outline plans to maintain development activities at their present level and to press vigorous research into peacetime possibilities of the newly developed power source.

Both Gen. Dwight D. Eisenhower, Army Chief of Staff, and Major-Gen. Leslie R. Groves, who heads the Manhattan project, which produced the atomic bomb, cautioned against sharing the A-bomb secret at this time. Gen. Eisenhower said: "I am against giving away any sceret of the United States until we are satisfied that there is workable machinery for seeing to it that others as well will pursue the same general line of policy with respect to that secret. I must have that assurance."

Explaining why it cut funds for Army relief and Government activities abroad, the Committee said the lower amount should be adequate in view of the probability that favorable crop conditions abroad would reduce the need for large cash outlays for food.

Funds approved by the Committee, subject to House action when the bill is considered tomorrow, contemplate an average Army strength of 1,279,000 for the coming fiscal year, with a total of 1,070,000 on June 30, 1947.

Backing up these active forces would be a National Guard of 240,000 officers and men, an Air National Guard of 47,646, organized reserves of 1,053,000 and a reserve officers training corps of 157,100 sttudents.

For the National Guard the committee recommended $110,000,000; for the organized reserves $56,000,000 and for the R. O. T. C., $16,872,000.

For other Army research programs in addition to the atomic energy project, the committee approved $281,500,000.

For permanent construction work at Army bases in Alaska, the Marianas, the Phillippines, Hawaii and Okinawa it granted the full budget estimate of $195,000,000.

The bill was accompanied by publication of 1,200 printed pages of testimony taken during its consideration. Witnesses ranged from Secretary of War Patterson and Eisenhower down through the lower civilian and military echelons.

Draw Sydney Bonds

Holders of 25-year 5½% sinking fund gold bonds, due Feb. 1, 1955, of the City of Sydney, New South Wales, Australia are being notified that $73,000 principal amount of these bonds has been drawn by lot for redemption through the sinking fund on Aug. 1, 1946, at par. Payment will be made at the principal office of the successor fiscal agent, City Bank Farmers Trust Co., 22 William Street, New York.

Steel Production Unchanged—No Immediate Sharp Price Increases Expected by Industry

"While the steel industry may soon raise the price of some steel products, this action would have taken place whether or not the OPA passed out of existence, since the agency was expected to grant further price relief," states "The Iron Age," national metalworking paper, in its issue of today (July 4), which further adds in part as follows:

"It is the general view in the industry that no sharp increases in steel prices will take place in the immediate future now that all government price controls have been removed.

"No steel company would be expected to step out front with a healthy price raise for fear of public censure and the possibility that such action might contribute to revival of OPA or similar legislation. Steel firms at this time are primarily interested in raising the price of those products on which the return is low. Until the current situation is clarified no action of any kind on steel prices is expected.

"The confusion or the reluctance to make any move pricewise in the steel industry or in the iron and steel scrap industry was reminiscent of the days following the end of the National Recovery Act. Scrap brokers and dealers early this week were sitting tight and shipping on old contracts. Steel companies, on the other hand, were insisting that any scrap they purchased should be at the old ceiling price. If the period during which the government attempts to have passed some type of legislation breathing new life into the OPA corpse is too long, scrap prices may spiral upwards.

"Currently steel companies are attempting to keep operations at as high a level as possible. Some firms would pay slightly higher prices for scrap in order to get the material and maintain their operating level. Should prices soar substantially in a wide open scrap market, steelmakers would be forced to rapidly adjust their own prices of steel products in order to offset additional increased steelmaking costs.

"For the next two weeks at least the price relationship in the steel industry will probably remain unchanged. Attempts have already been made by some scrap interests to consign scrap on a retroactive basis. This unusual procedure in a free market left steel firms which had been approached with the idea uninterested.

"Huge backlogs and continuing heavy demand caused the steel industry this week in most instances to pay time-and-a-half in primary steelmaking departments for Fourth of July work.

"Steel shipments this month will probably be at the highest level than at any time since V-J Day. Most firms have been able to replenish inventories ahead of steel finishing mills with the result that July operations will present a balanced picture. The only factor which could prevent a continuation of the current high level of operations would be a crisis in the supply of scrap. Scrap this week was still difficult to obtain and the laying of plans for nationwide scrap drives indicated the seriousness with which the Civilian Production Administration views the matter.

"Most steel concerns have still failed as yet to open mill order books for 1947 business. This may be interpreted as having been a wise move especially in view of the price situation. If no further controls are reinstituted on steel prices, producers will be free to name their higher quotations before accepting contracts for next year's shipments."

The American Iron and Steel Institute on July 1 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 July 1, compared with 87.2% one week ago (showing no change), 55.2% one month ago and 88.1% one year ago. The operating rate for the week beginning July 1 is equivalent to 1,536,800 tons of steel ingots and castings, compared to 1,536,800 tons one week ago, 972,800 tons one month ago, and 1,613,700 tons one year ago.

"Steel" of Cleveland, in its summary of latest news developments in the metalworking industry, on July 1 stated in part as follows: "Products of America's farms will be grown without the aid of any substantial volume of new equipment this year. Material shortages and strikes in the major plants producing farm equipment will result in a production of equipment 25% to 30% lower than 1945, despite the fact that production controls were lifted as of V-J Day.

"Steel deliveries to the agricultural implement industry as well as to other metalworking plants are now in such a chaotic condition that most mills have refused to establish any sort of delivery schedule. Only recently reaching high levels of production, the mills are entering the third quarter while still rolling in many cases on orders scheduled for first quarter production. The lag is about three months on the average, but it varies widely from one product to another.

"That these mills are not in even worse position, considering especially heavy pressure for these products, may be ascribed to the fact that during the recent coal strike many diverted steel to light flat-rolled items, including tin plate, at the expense of other products. Thus, bars, shapes and plates lost ground, with arrearages in some cases and on some sizes now more than three months, despite relatively somewhat less demand compared with light flat products. Certain types of wire and pipe are as stringent as ever.

"Going into third quarter with capacity generally covered for the remainder of the year on the basis of order commitments and quota obligations, some loosening of order books for 1947 is expected, and while there has been no formal opening of books, some producers are accepting limited tonnages of plates for next year, with a little in some other lines. Leading trade interests expect no sweeping action along that line for some time. One large producer does not expect to open books for next year until about the beginning of fourth quarter. Most producers are too far behind at present to plan for 1947.

"Many sellers believe that on the basis of commitments originally made for this year they will have a substantial carryover for 1947, a number believing it will be close to three months, indicating they expect to gain little ground during last half. New orders booked now probably would fall mainly in second quarter next year.

"Some producers have technically blocked out arrearages, now shipping in July tonnage originally promised for April. However, strong obligations remain and likely will be a factor at the end of the year.

"Office of Price Administration has increased prices of all grades of Lake Superior iron ore 50 cents per ton, effective June 24. This was the first advance in Lake Superior ore prices since fixing of prewar prices in 1940."

Senate Group Votes Sugar Act Extension

The Senate Finance Committee on June 20 voted to extend the 1937 Sugar Quota Act for three years, instead of one year as voted by the House, the Associated Press reported from Washington. Expiring the end of 1946, the Act provides for production quotas in the domestic areas and import quotas from foreign countries. The same advices continued:

The three-year extension was proposed by Senator Johnson (D., Colo.), who said it would provide greater stabilization in the sugar industry pending the consideration of various proposed changes in the basic law in the next session of Congress.

Senator O'Mahoney (D., Wyo.) argued in support of the three-year extension, although he said he would press for hearing next January on a bill he and Senator Johnson introduced jointly to increase domestic sugar quotas.

Both Senators Johnson and O'Mahoney declared the three-year extension also would remove the issue from the 1948 elections, since the three-year period will expire Dec. 31, 1949.

Sugar quotas have been suspended during the war and O'Mahoney said there is no possibility they will be reestablished next year.

Senator Pepper (Dem., Fla.) asked that the bill be amended to assure domestic cane producers, particularly in Florida and Louisiana, that when quotas are re-established they will not have to abandon sugar processing facilities he said were started during the war period of critical sugar shortage.

Chairman George (D., Ga.) suggested that Pepper consult the State and Interior Departments and the President about his proposal to reduce off-shore quotas if necessary, and offer his amendment on the Senate floor should he consider it advisable.

The Committee agreed that an over-all revision of the Sugar Act would require extended hearings which are impossible at this session. Congress is pressing for adjournment some time next month.

Senate approval of the three-year extension of the Sugar Act would send the bill to a conference with the House. The one-year extension was passed by the House on June 17.

Pact With China On Pipeline Lend-Lease

The State Department announced on June 17 that China had agreed to pay the United States $58,900,000 for Lend-Lease supplies which were en route or on order on V-J Day, Washington Associated Press advices stated, adding that the amount is to be paid in American dollars in 30 annual instalments. The announcement pointed out that this did not constitute a final Lend-Lease settlement with China, but merely an arrangement covering goods in the Lend-Lease "pipelines" (items in process of delivery or procurement at the time of Japan's surrender). Payments of both principal and interest, at the rate of 2⅜% annually, will commence July 1, 1947, to be completed on or before July 1, 1976.

According to President Truman's latest Lend-Lease report to Congress, China's total Lend-Lease obligation to the United States was $1,335,632,000, through last Dec. 31. China, said the Associated Press, has continued to receive straight military Lend-Lease supplies since V-J Day which also are not included in the $58,900,000 "pipeline" agreement, the State Department said.

Bowles' Resignation Accepted

(Continued from first page)

self would be seriously discredited.

I have recommended that this bill be vetoed as soon as it reaches your desk. I have made this recommendation only after a sober and objective study of the alternatives that face us.

Congress has been considering the extension of the Price Control Act since last February. The time left before midnight, June 30, is short, and this fact places you in a particularly difficult position.

Nevertheless, it is my hope and belief that Congress, following the receipt of a veto message from you, will squarely meet the issue which confronts us and provide the legislation which is essential if we are to maintain a stable economy. In any event, that hope represents the people's last practical chance to avoid a period of sharply increasing prices followed by a collapse.

I have participated in the fight to keep down the cost of living for four and one half years. It has been my responsibility to administer the stabilization program in the interests of all the people —business men, farmers, factory workers, whitecollar workers and consumers generally. The great majority of our people, who understand only too clearly the gigantic issues which are involved, have given me their whole-hearted support.

But in carrying out my responsibilities, it has been necessary for me to say "no" one hundred times for every occasion on which it was possible to say "yes." I have been forced to step on many important toes. Inevitably my efforts in behalf of all the people have antagonized those minority groups which seek special concessions.

As you know, I had hoped to leave Washington following V-E Day, again after V-J Day and again last February. I agreed to stay on only at your insistence.

In spite of that fact, a few bitter opponents of price and rent control, in an effort to rationalize their own position, have claimed that I am personally anxious to extend these essential controls indefinitely and unnecessarily.

The announcement of my resignation at this time, effective July 10th, will eliminate any vestige of doubt as to my own position and further sharpen the grave issue which Congress must face in the next seventy-two hours in the event of your veto. Clearly I could not remain here in any event to administer the inflationary bill which the Congress is about to present for your signature.

I am submitting my resignation at this time with genuine reluctance. I recognize the tremendously heavy burden which rests on your shoulders. I appreciate, as do tens of millions of other Americans, the courageous efforts that you have made and are making in the interest of the country as a whole.

In the future if there is anything that I can do to be helpful to you personally or to the Administration, I hope that you will call upon me.

With my very best wishes.

Very sincerely,

CHESTER BOWLES.

President Truman's Reply

Dear Chet:

Now that the Senate has taken the legislative action which you forecast in your letter of this date (June 28) I have no alternative but to accept your resignation as Director of the Office of Economic Stabilization, effective at the close of business on July 10th next.

Deeply as I regret to see you leave the Administration I can symphathize heartily with the reasons which impel you to this step. I accede to your request most reluctantly. I am mindful of your desire to leave Washington, often expressed since V-E Day, and appreciate your self-sacrifice in remaining at your difficult post as long as you did.

Your action in submitting your resignation before the Senate had acted is an emphatic answer to the fantastic charge of spokesmen for selfish interests that you sought extension of the price-control bill in order to perpetuate yourself in office.

In expressing my deep regret at your leaving the Government I know that I am merely adding my voice to one much greater—the voice of the American people. The people of this country know how conscientiously and faithfully you have worked to protect their interests both during the war and during the transition from war to peace.

They know that under your leadership, the Office of Price Administration and the Office of Economic Stabilization have been a powerful bulwark against the forces in our economy which might long since have destroyed the security and the hopes of millions of workers and their families. They know your personal fearlessness and integrity, which time and again you demonstrated in speaking out vigorously for the basic principles of this Administration.

In accepting your resignation I want to assure you and at the same time every American, that this Administration will never give up the fight. We shall continue the battle against inflation with every weapon at our disposal, and shall not rest until this country has reached permanent high levels of production, prosperity and employment.

The hope that you may remain in public life as a champion of the principles of this Administration, and the assurance that I may continue to call upon you from time to time for counsel, will be some consolation for the loss of so tireless and effective a public servant as you have been over a period of more than four difficult years.

With every good wish.

Very sincerely yours,

HARRY S. TRUMAN.

Granger Heads Latin-Amer. Div. in State Department

William T. Stone, Director of the Office of International Information and Cultural Affairs of the State Department, announced on June 26 the appointment of Fitzhugh Granger as chief of OIC Area Division IV (the American Republics). Mr. Granger was formerly Public Affairs Officer in Argentina for the OIC. Dr. William Schurz, who has been acting chief of the division, will continue as associate chief. Mr. Granger is a veteran of 17 years experience in Argentina. From 1923 to 1929 he was employed by the International Harvester Company's advertising division in Chicago. In 1929 he was sent to Argentina as the company's advertising manager, a position which he held through 1941. On January 1, 1942, he joined the Office of the Coordinator of Inter-American Affairs as executive secretary for the Coordination Committee for Argentina and manager of the Asociacion de Difusion Inter-Americana. He served in this capacity for four years until his appointment as Public Affairs Officer in charge of OIC activities in the American Embassy at Buenos Aires.

Causes of Labor Strife

(Continued from first page)

locations far greater than in the last one, the American people were more intent than ever before to return to conditions of stability and of plenty. But the worker, the farmer, the businessman—each was guided according to his own lights toward that goal.

A conflict was inevitable. One after another disputes broke out on the industrial scene. Many—in fact most—were settled through negotiation and peaceful adjustment. I am pleased and proud to report that by far the greater majority of unions affiliated with the American Federation of Labor succeeded in settling the difference with their employers without strikes. But in other disputes no settlement could be reached. Negotiations broke down. Work stopped. Charges and countercharges were publicly hurled by each side in some of those disputes. Tempers grew short. The public outcry for a quick and easy remedy grew more intensive. A tide of hysteria swept the country, reaching into the chambers of the Congress itself.

The ready answer and the easy remedy offered was legislation. Without study and deliberation, without investigation of the causes and an appraisal of the effectiveness of the cure, legislation was hastily, carelessly and recklessly drafted in both houses of Congress. On the very crest of the wave of political unreason, it was carried from Congress to the White House.

What did this legislation propose to do? It was framed by those who saw the long-awaited opportunity to strike out freedom from the charter of rights of American wage earners, and replace it with compulsion. It was designed to bring the force of public power to compel workers to accept the terms and conditions of employment dictated to them without their consent. It proposed that free Americans work against their will. It was conceived to destroy and make ineffective the freedom of association of workers into unions of their own choice for effective mutual aid and protection. The proposed legislation providing for all this and much more, was offered in the name of industrial peace and as a means of eliminating industrial unrest.

Wisely, President Truman refused to approve the Conressional proposal as ill-advised, ill-conceived, ill-tempered, and, above all, ill-designed to accomplish the very objective it claimed it would achieve.

At that time, on behalf of the American Federation of Labor, I called upon Congress to respond to the crisis with statesmanship and to temper its judgment by a careful study of all the underlying facts. I asked Congress to conduct an investigation of the causes of unrest and to bring forward recommendations founded not upon a passing fit of temper, but upon solid facts. I want to commend this Committee for choosing this course and for assuming the responsibility for this study it has now launched through its open and public investigation. I know that in these hearings this Committee would deny no responsible group the opportunity to come forward with the expression of their views and with the proposal of solutions to the real, practical problems with which labor and management are confronted.

This Congressional investigation has just been started. It is not for me to anticipate its conclusions or to plead for specific remedies at this time. It is my purpose here to place the recent developments in labor-management relations in their proper perspective, to indicate the major problems that loom ahead and to lay down a few fundamental principles which labor believes to be indispensable to stable labor-management relations in a free society.

I do not propose to either belittle the serious consequences of labor disputes resulting in work interruption or to minimize the share of the responsibility for the maintenance of industrial peace that falls directly upon organized labor. I am here to join with your Committee in examining the facts. It is my purpose to state in clear and unmistakable terms the responsibility that falls on labor, the related responsibility that falls on management. It is my purpose here also to state clearly the extent of the responsibility that falls upon the Government in labor-management relations.

The Extent of Collective Bargaining

Collective bargaining has become the accepted instrumentality of labor-management relations. Collective bargaining is a process which effectuates the settlement of the issues arising between labor and management with regard to terms and conditions of employment in the form of an agreement. That agreement is voluntary. It is arrived at through the give and take of negotiations and is willingly entered into by the employer and the chosen representatives of the workers. The labor union is the agency of the wage-earners for the purpose of mutual accord and mutual action in arriving at a fair and equitable agreement regarding the conditions of labor by the process of collective bargaining.

Union representation for collective bargaining has become the established means of labor-management relations for the majority of American wage-earners. In 1945, about 14,000,000 workers had their wages and working conditions covered by union agreements. In manufacturing industries, 8,000,000, or 67%, of the production wage-earners were employed under union agreements. In other words, two out of every three workers engaged in manufacturing were union members for whom the union was the chosen means of dealing with their employer.

Of the total number of workers covered by union agreements, 10,212,000, or 74%, worked under agreements providing for some form of union shop or maintenance of membership. Of these, 6,210,000, or 45%, were covered by the union shop clauses. These figures indicate the extent of wide acceptance of collective bargaining with unions by management and of the union shop as the most effective means of achieving stable labor-management relations.

Work Stoppages

Transition from war to peace is always bound to bring instability in industrial relations. The dislocations of war had reached into every industry, every mine and every shop. They deeply affected the life in every home. They created maladjustments and tensions. It is against the background of these developments that the experience of work stoppages since V-J Day must be appraised.

Strikes attract wide public notice. They are born of controversy. Their extent and effect is always exaggerated in the public mind. The extent and duration of strikes is difficult to measure. Strike statistics lend themselves easily to misinterpretation.

Although it is not the truly accurate measurement, the most widely publicized measure of strikes is the number of workers involved in work stoppages in effect during a current month. The strike record after V-J Day as compared with the corresponding months in the prevoius year is shown in the following table:

Number of Workers Involved in Work Stoppages Since V-J Day by Month as Compared With Corresponding Month in Previous Year

	1945	1944
September	610,900	234,800
October	851,700	238,100
November	660,400	229,300
December	503,900	116,600
	1946	1945
January	1,750,000	55,100
February	1,430,000	118,300
March	1,000,000	226,500
April	925,000	327,400

These latest available statistics show that the increase in work stoppages since V-J Day was indeed far-reaching. Yet it is important to consider those figures in their proper perspective. In 1945, there was a total of 3,467,000 workers involved in work stoppages at one time or another in the course of the year. Of these, 1,791,000 were involved in strikes which took place *before* V-J Day on August 14. As compared with this, there was a total of 1,676,000 workers involved in work stoppages some time *after* V-J Day. The highest number of workers idle in any month since V-J Day in 1945 was 851,700 last October. This, however, represent *only 3.1% of the total number of workers employed.* This means that while three out of every hundred workers were involved in work stoppages 97 *out of every hundred workers remained hard at work.*

Again I want to emphasize that we must consider those facts in their proper perspective. We must not permit the exaggerations bred by prejudice and hysteria to stand as a substitute for reality. Again I must insist that my concern is neither to exaggerate the facts nor to belittle them, but to state them fairly. The fact that in January, 1946, the number of workers who participated in the various work stoppages taking place in that month, reached the postwar high of 1,750,000 is one whose true significance must be properly appraised.

When the strike wave reached its peak in 1919, following the last war, the total number of workers involved in strikes reached 4,160,000. That was the toll of industrial readjustment following the last war. But compare the dislocation resulting in the strikes which took place in recent months. In 1945, the physical volume of industrial production was *more than three times* the volume of production turned out by our industry in 1919. Were the strikes after this war three times as great as after the last one? No, while the dislocation was greater, while the war had been longer and its effect on the industry more far-reaching, the extent of industrial strife in the wake of industrial readjustment was not greater, but actually much smaller, than after the last war.

Let me stress also the fact that the extent of strikes cannot be measured by the number of workers involved alone. It is extremely significant that the average duration of work stoppages in 1945 was only 9.9 calendar days each. It compares with the prewar years of 1935-1940 when the average work stoppage ranged from 20.3 to 23.8 days for each stoppage. It is clear that the intensity of the strikes has greatly diminished as compared with the prewar record.

The most accurate single measurement of work stoppages is the relation between the total man-days idle as a result of strikes and the total available working time. This relation gives us a true picture of what proportion of our total economy is not at work because of strikes. For the prewar years, beginning with 1927 when the Department of Labor began to keep figures of this type, through 1941, this ratio of idleness percentage due to strikes, to the total available working time has ranged from one-tenth to 1% to five-tenths of 1%.

For the war years the figures show a remarkable record. They show that labor's no-strike pledge was scrupulously kept throughout the entire year. For example, the number of man-days idle in 1942 was only *five one-hundreds* of 1% of time worked. From Dec. 8, 1941, to Aug. 14, 1945, only 11 one-hundreds of 1% of available working time was lost because of strikes.

What does this mean? It means that 99.89% of available time was devoted to uninterrupted wartime production. It means the time lost due to strikes in wartime was negligible and barely measurable. This becomes even more remarkable in view of the fact that, under the rigid wage stabilization program, the average worker faced with rapidly rising living costs was unable to obtain wage adjustments comparable to the loss of income due to the rising cost of living.

Preliminary estimates indicate that for the first four months of 1943, the proportion of available working time lost because of strikes was 3%. This, of course, was much higher than our wartime record. But this figure shows that even at the height of the post war crisis, 97% of the nation's work continued uninterrupted.

Since April of this year the over-all situation has been improving steadily. In the major disputes that did occur, settlements that were reached cleared the way for uninterrupted production. It is significant that strike notices filed under the War Labor Disputes Act which reached a high of 250 in the week of April 17 declined to 140 in the week of May 22 and fluctuated close to that level since.

Examine these facts. From them you will be compelled to conclude that the hysteria which seemed to grip the country's newspapers and radio has magnified the impact of the recent strikes out of all proportion. The average reader, scanning the headlines and the news stories during the past months, has received the impression that our reconversion effort has been "stalled," "brought to a standstill" or even "dealt a death blow" by those strikes. This does not even come close to the truth. It is true that some industries were hit and hit hard, but the productive effort of our economy as a whole has continued to increase.

This is brought out clearly by the Federal Reserve Board Index of Production which shows that for most industry groups, productio nreached last April was very substantially higher than in September, 1945. This includes, among others, such major groups as lumber, textiles, leather, manufactured foods, stone, clay and glass, paper, printing and rubber. The declines have been extremely small and occurred in industries where the total production was curtailed because of the end of the war. In transportation equipment, for example, this reflects the termination of war production of aircraft and ships. In petroleum there was a decline in aviation gas. The alcoholic beverage production was suffering from the grain situation. So it is clear that work stoppages have not been an important factor in these cases where declines did occur. It is also clear that all the way along the line, industrial production is rapidly shifting into high gear.

Let us look at the reconversion production in proper perspective. Industry is by no means out of the woods yet even in the sheer physical task of tooling up and readying for full peacetime production. But even so, in March and April, 1946, the physical volume of all industrial production was 62.5% above the prewar average of 1935-1939. Even if you take the highest peacetime production year of 1939, still the production attained in March and April of this year was 49% higher.

Causes of Unrest

We cannot expect industrial strife to diminish and strikes to decline unless we reach the fundamental causes underlying this industrial unrest.

Strikes are not the result of sudden and thoughtless action on the part of the workers concerned. To be soure, there may occasionally be spontaneous or so-called "wildcat" strikes, which occur when human emotions get out of hand, as when a shop steward loses his temper over what he feels is an unjust treatment of a grievance. But usually this type of stoppage is very short and the workers involved are back at work the next morning. Most strikes come only after prolonged negotiations with management after countless hours of discussion at union meetings, and after a democratic vote of all union members. The strike is an economic weapon of last resort, utilized only when all other methods fail. When all other methods to reach a reasonable fair settlement do fail, the strike is the only means available to workers by which they can protest against what they consider unfair or unjust treatment at the hands of management.

To the workers involved a strike is a trying and terrible experience. It disrupts the worker's income and jeopardizes the security of his job. Workers don't go on strike lightly or without cause. They strike only when pressed into it by force of a real injustice which they can no longer tolerate. Behind every strike there is a deep-seated grievance, behind every stoppage there is a wrong that calls for adjustment and correction. In most cases that grievance and that wrong go to the very roots of the economic well-being of the wage-earner and his family.

Work stoppages are identified in the public mind with unions. Even students of labor relations tend to identify collective action among workers only with trade-union action and to consider work restrictions and work stoppages only in relation to a trade-union dispute. Yet the record shows that work interruptions in unorganized areas of employment are more frequent and more recurrent than in the areas of employment covered by trade union collective bargaining agreement.

This fact is brought out with force by a study of "Restriction of Output Among Unorganized Workers," prepared under the direction of Stanley B. Mathewson with the collaboration of William M. Leiserson, Henry S. Dennison, Arthur E. Morgan and Walter B. Bingham, published as far back as 1931. The clear finding of that survey was that work interruptions in unorganized establishments result in a greater comparative loss of productive time, over the year, than in unionized establishments.

Trade union organization produces the kind of collective discipline based on voluntary and willing participation of the workers for which no effective substitute has been or can be found. There is no question in my mind that one of the main reasons why the greater and more far-reaching dislocations following this war resulted in proportionately a far smaller extent of industrial strife than after the last war is due directly to the growth and maturity achieved by trade unions in the United States during the past quarter century.

Legislation sought in and out of Congress to prevent strikes and eliminate industrial disputes has provided for every conceivable device of trade union restriction on the assumption that the objective can be achieved by weakening collective bargaining and undermining unions. Other proposals and devices have attempted regulation of the various phases of labor-management relations. All this has been done and is being done in the name of industrial peace and for the purpose of speeding transition to full production in reconversion. I submit that all these proposals have no relation to the major predominant question of labor disputes in the transition from war to peace.

Consider the record. In the first quarter of 1946, of every four workers on strike, three were on strike because of one major issue alone—wages. The wage issue has become the major and predominant cause of industrial strife because of the disparity between wages and the rising cost of living since the time rigid ceilings on wages were imposed by regulation. Before the war, in 1939, the number of work stoppages due to wage disputes represented only 26.5% of all work stoppages. In 1945, 42.4% of all work stoppages were due to disputes over wages.

It is important to realize that in the change from war to peace production, most workers were affected by the elimination of overtime, a forced shift from higher paying to lower paying jobs and a decrease in pay due to a number of other factors inherent in the switch from wartime to peacetime activity in industry and trade. Due to these developments and despite the adjustments secured in wage rates, the wage income of manufacturing workers has steadily declined throughout the year following V-E Day.

Workers in manufacturing plants have watched their average weekly pay envelope fall from $47.12 in April 1945, to the last month before V-E day to $40.60 in February 1946, a drop of 13.8%. When the intervening changes in consumer prices are taken into account, the decline is even greater, over 15%. In view of this, labor could not be expected to accept the reduced take-home pay without insisting on compensatory adjustments in hourly rates. In most cases these compensatory adjustments could have been achieved without any substantial alteration of the price structure. However, the Government decided, unwisely I think, that a new wage-price policy was necessary. The application of this policy permitted unwarranted price increases.

These price increases deliberately ignored the fact that wage cost is only a fraction of the total cost of manufacturing. They refused to consider the relation of wages to productivity. Hundreds of employers in major industries were handed handsome price bonuses 'way above and beyond the cost of wage adjustments. This has opened the door to authorized price rises in numerous cost of living items which deprive the wage earner of his increased wages, just as soon, or in some cases even before, the wage increase has become effective. Meanwhile, Congress has moved forward to complete the job by passing a price control bill which effectively and completely scuttles price control. By this action alone Congress not only has shown a disregard for the welfare of the community as a whole, but burnt the only bridge of stable transition to peaceful and uninterrupted full postwar production.

The second major source of disruption in labor-managament relations in recent months has been the unwise, unwarranted and improper intervention of the Government. As is well-known, the Smith-Connally War Labor Disputes Act contains a notorious provision requiring that a thirty-day strike notice be filed in order to make work stoppage legitimate. This has provided a strong incentive to resort to strikes in order to bring the dispute to adjudication, as a substitute for an earnest effort by labor and management to compose their differences through direct negotiation.

The third of the major causes of strikes in the past year has been the increasing refusal on the part of the employers to engage in genuine collective bargaining and reach a fair agreement. Signs have multiplied on the industrial horizon since V-J Day that employers are deliberately setting out to frustrate collective bargaining and to seize the first opportunity to undermine self-organization among their workers.

Recently proposed legislation has sought to eliminate disputes by dealing chiefly with questions of union organization. Consider this in the light of the fact that in 1939, prior to the war, 54 out of every hundred workers were involved in strikes caused by the issues related to union organization. Then compare this with the fact that in 1945 less than 17 out of every hundred workers involved in strikes were concerned with the questions of union organization. This presents a conclusive proof of the fact that it is not the questions of union recognition or union security but the single economic question, the question of wages in relation to the cost of living and to the future economic security, that labor and management must find a peaceful way to resolve. The answer, it seems to me, is clearly dictated, both by these facts and by the experience of those who have been close to the source of industrial strife.

Toward the Industrial Peace

The first and ready answer, the easy answer that is always proffered whenever the question is asked "What shall we do about strikes?" is to devise some new and different "machinery" for the adjustment of disputes. Those who urge that strike prevention machinery be devised along new lines are the ones who are never prepared to explain conclusively or even plausibly just how this new machinery would prove to be effective.

Labor-management relations are human relations. They are not mechanical. The problems of these human relations change with conditions and change with growth. They cannot be automatically sorted out in advance and automatically dropped into predetermined boxes where a mechanical process would take care of them. As is it, we have at hand procedures developed through experience and tested in time. These procedures can and should be constantly improved, modified and perfected. But at the source of all of them is the will of both the workers and the employers to reach an agreement and to find a basis of fair accommodation. The test of an agreement is its acceptance. For that there is no substitute.

What can we do to perfect these procedures? The first and foremost step that can and should be taken is to improve the process of collective bargaining and to make it scientific. In the past, and especially in the last fifteen years, the American Federation of Labor has devoted much time, effort and expense to develop technical knowledge and factual information necessary to equip the workers' representatives at the bargaining table with the understanding of the operating problems of industry, of production problems and of management problems facing their employers. Technical research facilities have been established by the majority of our national and international unions and have provided them with new tools for resolving collective bargaining issues through effective peaceful means.

The improvement in the collective bargaining process leaves much ground yet to be gained. The responsibility for the future advances rests upon both labor and management. But these advances cannot be made unless management is willing to make collective bargaining the prime instrumentality of industrial peace. How often is top management willing to meet with union representatives, not to negotiate issues in dispute, but to plan and work together for a common goal? If that were done more generally, disputes would diminish.

It is the belief of the American Federation of Labor that union-management cooperation, if fully accepted, can provide the means and methods for solving basic human problems in labor-management relations on an increasing scale. By union-management cooperation I mean a procedure which is tangible and an objective which is specific. By it I mean an active policy in which the union works jointly with management under a collective bargaining relationship for the purpose of promoting the interest of both management and the workers in the establishment. Improved efficiency and raised production standards which serve to strengthen the competitive position of the firm is a matter of vital interest to workers when they know that they can share in the returns from improved operations.

The union represents an agency in which workers can place their full confidence and be sure that proposals accepted by the unions are not the device to sacrifice labor standards or workers' welfare. That is why union-management cooperation is the only true and effective form of labor-management cooperation.

The large area in which employers and workers fail to reach an agreement cannot be ignored. If negotiations break down, the first and the most effective step for resolving the dispute is conciliation. In the heat of the Congressional argument over labor relations policy the part which the Conciliation Service of the U. S. Department of Labor has played has been completely overlooked. Yet the record of performance of the U. S. Conciliation Service speaks for itself in providing the proof of its effectiveness. In the past eleven months the U. S. Conciliation Service performed a truly gigantic and a most effective task. During that time its conciliators have settled 14.990 cases of threatened strikes and controversies involving a total of 7,712,727 workers.

Even more important is the fact that of this number, 11,000 threatened strikes and controversies involving 5,400,000 workers were successfully settled through conciliation without the occurrence of a strike.

The U. S. Conciliation Service is now assisted by a Labor-Management Advisory Committee composed of top representatives of management and labor in the United States. It is the function of this Committee to constantly review the work of the Service and to make recommendations for the improvement of the Service in the light of direct experience of both labor and management. I urge Congress to give a careful study to this effective instrument of peaceful adjustment which is serving the nation in the promotion of industrial peace without resorting to compulsion.

What of the remaining situations in which conciliation, too, fails? In many sections of our industry and trade voluntary submission by both parties of issues in dispute to an impartial arbitrator, mutually agreed upon, has become a part of accepted and tested procedures. Provision for arbitrators and for arbitration boards has been proved to be an effective and efficient means of resolving differences and formulating decisions on the basis of facts without partiality.

Voluntary arbitration must not become a substitute for collective bargaining. It must not supersede adjustment of differences directly by the parties or by conciliation. Voluntary arbitration must be confined to issues which are arbitrable. Rights of workers or of employers cannot be arbitrated. Voluntary arbitration is an effective method for the settlement of disputes which cannot be settled by direct negotiation or conciliation. To be effective, arbitration must be voluntary and democratic. To be effective the acceptance of the decision of the arbitrator must be backed up by the advance agreement of both parties.

The Private Vs. the Public Responsibility

The answer to our labor relations problem is not legislation. By the enactment of more laws and more procedural regulation governing the adjustment of the disputes the area of disputes tends to become exaggerated and dramatized and the difficulty in reaching an agreement enhanced. The so-called "fact finding" procedure and its many varieties and forms hinder rather than help the promotion of industrial peace. They place a premium on the professional technicians who in their role of outsiders make judgments unrelated to the operating experience of workers or employers. They provide an entering wedge for the usurpation by the Government fiat of the private responsibility of adjusting the work arrangements in the light of the practical relationship between workers and employers.

In this session the Congress plunged headlong into legislative issues which in a free society can only be resolved by the effective exercise of the private responsibility of the workers and employers in each case.

Strikes cannot be outlawed. The strikes cannot be made illegal without subjecting workers to involuntary servitude. Experience abroad and especially the wartime experience in England shows that the laws prohibiting strikes fail in their purpose and only promote lawlessness.

I say flatly that compulsion will not work, unless this country is prepared to march down the road to totalitarian government. The right to strike, the right to quit work in concert as a protest against unfair working conditions is a vital part of our American liberties. Restriction of this right is impossible of enforcement. The only society which can enforce restriction on the right to strike is totalitarianism. You have heard the question, in connection with the recent coal strike, "Can Government mine coal with bayonets?" Well, nations *can* mine coal with bayonets by forcing coal miners to stay at work upon penalty of death. Hitler's Germany did it by a rigid straitjacket on all wages, hours and working conditions and by not permitting workers to leave their jobs. Restrictions on the right to strike will start this country along the same path. Even if these restrictions are relatively mild, they can only succeed by leading in turn to more stringent restrictions. They do not solve the problems of reduced pay, insecurity, and fear which underline manifestations of worker discontent in this country. Only a program which attacks these causes will succeed without endangering the entire democratic structure of society.

The eagerness of Congress to enact new and restrictive labor legislation is in sharp contrast with the failure of Congress to eliminate the causes of labor unrest. When the war came to an end, the American Federation of Labor called for the urgent enactment of legislation which labor deemed absolutely essential to meet the human needs of reconversion. In his message to Congress on Sept. 6, 1945, soon after the termination of hostilities and in his annual message on Jan. 14, 1946, President Truman pleaded with Congress to recognize the imperative need for the enactment of these programs in order to give the American people a firm assurance that Congress is ready to discharge its proper public responsibility toward public welfare.

This program called for legislation to supplement unemployment insurance benefits provided by the several states. This has not been enacted. The President asked amendments to the Social Security Act to broaden the coverage and increase the benefits. This was not done. The President called for the retention of the U. S. Employment Service in the Federal Government, at least during the transition. This was refused. The President urged the adoption of a comprehensive health and medical care program. Congress failed to enact such a program. The President requested amendments to the Fair Labor Standards Act to increase substantially the level of minimum wages. This proposal has been laid aside. The President urged the adoption of a permanent long-range housing program to bring decent housing within the reach of families of all incomes. At the eleventh hour before the recess the House of Representatives has not yet voted on this vital legislation. The President requested the establishment of a Permanent Fair Employment Practice Commission. That request went unheeded. The President recommended the enactment of an effective Full Employment bill. Instead, Congress approved a bill which falls dismally short of its purpose.

Each and every one of these failures of this Congress to discharge its public responsibility has directly contributed to the tension and industrial unrest in mines, factories, and shops throughout the nation. This tension was enhanced by the contrast of a series of decisive actions taken by Congress to help business in reconversion. Acting swiftly and without hesitation, Congress repealed the excess profits tax. It further liberalized amortization of war facilities and thereby reduced taxes on corporate income. It enacted carry-back provisions of the tax law permitting corporations to obtain refunds on excess profits taxes where the current income is below the excess profits taxes where the current income is below the excess profits tax credit. It provided special subsidies in the form of premium payments for the production of building materials and authorized Government purchase creating a guaranteed market for manufacturers of prefabricated housing. It brought the series of these and other acts to a climax in destroying effective price contrals.

That is the record. It is a record which shows that the public trust vested in Congress by the people to safeguard their economic future was not equitably discharged. It is a record which explains why the workers of America in many sections of industry and trade were compelled to resort to a public and open protest against the curtailment of their income, both directly through the loss of earnings and through the Government-encouraged rise in prices.

As we face the future, the legislative remedy against industrial unrest does not lie in the enactment of labor laws. The legislative remedy lies in the equity of laws enacted to safeguard the economic welfare of workers, farmers, and businessmen alike.

It is my hope that, before it is too late, measures essential to meet the human needs of postwar transition can still be enacted. I am confident that if this public duty is carried out, labor and management will cooperate to the limit in discharging a full measure of their private responsibility in the public interest of the people of the United States.

From Washington Ahead Of The News

(Continued from first page)

completely crossed up, not only Barkley but Speaker Sam Rayburn as well. They had been given distinctly to understand he would sign the sort of bill that was finally worked out. This was the reason Barkley and Taft worked so faithfully to remove in conference what were considered to be the objectionable features.

The general impression in Washington was that he would sign it. What happened then to change his mind? There was no one among his close counsellors urging this action. It was not Chester Bowles' blast, because Truman frankly dislikes the bumptious Bowles. It is not believed either that it was the CIO pressure, which was just as strong against the action which he took in the railroad strike.

The best guess is that Truman got it into his head that there was an impression abroad that he didn't have the courage to veto the bill. He is by way these days of showing that he has a tremendous strength of character. Certainly there was more nonsense and misinformation in his veto message and radio address than has appeared in any of his State papers, and that is saying a lot. Just how on earth he expects his action to be politically helpful is difficult to understand. He is not running for anything this November. It is the individual members of Congress that are running and the majority of them, of his own party, were on the other side of the question. His action was a repudiation of them. Assuming it was the CIO he was catering to, does any one think that that crowd will throw its so-called strength behind a Congressional candidate who voted for the bill, because Truman showed great "strength" and vetoed it? If the dire predictions about the passage of the bill are true, then the issue stands against any member who voted for it.

One thing is sure and certain: No candidate about whom we know intends to seek reelection on Truman's name. This is unusual. Usually the members of the incumbent party insist that their election is essential because the President needs them. All of those we've talked to would just as soon not have Truman's name mentioned in the campaign.

As we reported several weeks ago, the only substantial immediate effects of the bill as it went to the President, after all of the hullabaloo, would be the riddance of Chester Bowles. It would be many months before industry would get the price relief afforded. Each industry would have to prove its case and the OPA could stall indefinitely, which it fully intended to do.

It was no fault of the radio commentators, and to a lesser extent the newspapers, that runaway inflation did not occur Monday. They sought in every way at their command on Sunday night to get prices lifted and to bring about panic buying. And early Monday they were out searching every little nook and cranny of the country to find a landlord or a merchant who had boosted his wares by so much as a dime. Regardless of how isolated, every incident was magnified in an air of "I told you so," and "Here comes the inflation." It is a commentary on something that the most pronounced increase of that day was the application of a new tax in New York.

Irrespective of what comes now, and the impression is that there is going to be considerable jockeying in Congress to see just what does happen under no bill at all, it was a great week-end for us reactionaries, and a bad one for the Liberals. Not only was OPA kicked over but the atomic bomb demonstration seems to have been a relative flop. Maybe it won't be necessary for us to turn the Government over to the scientists after all; maybe we won't have to "get along" with the world.

Warns Banks Against Speculative Loans on Government Bonds

(Continued from first page)

turities of not to exceed six months. Loan arrangements of this character were recognized in the joint statement issued by the National and State bank supervisory authorities in November 1942, which said that "such loans will not be subject to criticism but should be on a short term or amortization basis fully repayable within periods not exceeding six months."

During the Victory Loan Drive, a large amount of long-term bonds was purchased with the aid of bank loans. It has been reported that many such loans have not been repaid out of current income and that bank credit has been used for speculative carrying of government securities. Reports have been received also of the activities of money brokers and others seeking to arrange bank loans on government securities for customers without provision for amortization and with margins and rates of interest which emphasize high returns on small amounts of the borrower's own funds required for relatively large transactions. The same general considerations which led to efforts to discourage speculative subscriptions to government securities during the war loan drives clearly apply to this sort of loan.

Borrowing from banks creates an addition to the country's money supply to the same extent as direct purchases of securities by banks. The existing unprecedented supply of deposits and currency, in the face of an inadequate supply of goods and services, is a dangerous inflationary potential. Therefore, every effort should be made to reverse the wartime trend of increased borrowing for the purpose of purchasing and carrying government securities and to reduce as much as possible the use of bank credit for that purpose.

It seems timely to ask your cooperation to this end, particularly as loans made to facilitate purchase of government securities during the Victory Loan Drive, which are still unpaid, have now run for more than six months. You will realize, of course, that nothing will be accomplished if one bank makes a loan on government securities to enable a customer to comply with the request of another bank to pay off a loan originally made to purchase government securities.

ALLAN SPROUL,
President.

Nat'l City Class of 1916 Holds Reunion

Thirty members of The National City Bank of New York's College Training Class of 1916 held their 30th Anniversary Reunion at the Sleepy Hollow Country Club on June 22. The Class, originally consisting of 54 men fresh from colleges, also gathered for a reunion luncheon the previous day (June 21) in the Officers' Dining Room of the Bank. The record of the Training Class of 1916 has been a successful one. Today twelve are officers of National City, six of them in high ranking capacities, four are Presidents and four are Vice-Presidents of other banks, and the others are either in business for themselves or hold top executive positions.

Board Named to Survey World Trade

A twelve-man committee, comprising six bankers and six industrialists, was appointed on June 26 by President Truman to survey foreign trade potential and make recommendations on the financing of international reconstruction, a special dispatch from Washington to the New York "Times" stated. The stated purpose of the survey is to make possible an early "return of our foreign commerce and investments to private channels". Following are the names of those who will make up the group:

As given in the "Times" advices.

Winthrop W. Aldrich, Chairman of the Chase National Bank of New York.

Gordon S. Rentschler, Chairman of the National City Bank of New York.

L. M. Giannini, President of the Bank of America, San Francisco.

Fowler McCormick, Chairman of the International Harvester Company.

Paul G. Hoffman, President of the Studebaker Corporation.

Irving S. Olds, Chairman of the United States Steel Corporation.

A. W. Robertson, Chairman of the Westinghouse Electric Corporation.

Tom K. Smith, President of the Boatmen's National Bank of St. Louis.

Herbert H. Pease, President of the New Britain Machine Company, New Britain, Conn.

Champ Carry, President of the Pullman-Standard Car Manufacturing Company.

Walter J. Cummings, Chairman of the Continental Illinois National Bank and Trust Company, Chicago.

Edward Hopkinson, Jr., partner in Drexel & Co., Philadelphia.

President Truman said that he had appointed the Committee "because our foreign trade, export and import, must in the long run be privately handled and privately financed if it is to serve well this country and world economy." He added, "It is true that for the immediate present Governmental help is needed in order to get our foreign trade under way. But I am anxious that there shall be the fullest cooperation between the Governmental agencies and private industry and finance. Our common aim is the return of our foreign commerce and investments to private channels as soon as possible."

U. S. Contributions To World Recovery

Chiding critics who say that the United States is not doing its part to aid world recovery, W. Averell Harriman, United States Ambassador to Britain, reminded a mixed British-American audience in London on June 25 of some American contributions. Reporting this a wireless message on that date to the New York "Times" went on to say:

Speaking at a meeting of the American Chamber of Commerce in London, Mr. Harriman said that the United States, with less than a seventh of the world's population, had furnished 70% of UNRRA supplies. He said that by July 1 the United States would have shipped more than 393,000,000 bushels of wheat this year, twice Britain's total consumption during the same period and more than 90% of the original quota set for the United States.

He stressed that the world had come to expect prodigious things of the United States, which might explain why American shortcoming attracted more attention than those of other countries.

"We have the habit in America," he continued, "of setting targets a little higher than it looks possible to reach and then reaching them."

Condemns Insurance Regulation Bills

Legislative Committee of Risk Research Institute, Inc. objects to "model" rate bill proposals, approved by the National Association of Insurance Commissioners. Complains inroads by government are destroying competition and free enterprise in the industry.

"The damage which the interests of the insurance-buying public will suffer cannot be overestimated" if State Legislatures enact the Fire and Casualty rate regulatory bills drafted by the "All-Industry Committee" of the insurance business and approved by the National Association of Insurance Commissioners only two weeks ago, policyholders were warned in a report issued on June 27 by the Committee on Legislation of Risk, Research Institute, Inc., an organization of insurance officers of industrial concerns.

In a thorough condemnation of the so-called "model" bills the report of the Committee on Legislation described as "a matter of the gravest concern to every American policyholder and property-owner" "the extinction of competition (between insurance companies) which these bills threaten." It declared: "No American business ever has yielded the right to direct its own affairs to such a degree as insurance is now offering to do, and other branches of business have cause to be disturbed by the example insurance is setting."

The full text of the Committee's report follows:

The Legislative Committee has carefully reviewed the "model" Rate Regulation Bills drawn by the "All-Industry Committee" representing the insurance companies and approved on June 13 by the National Association of Insurance Commissioners at their meeting in Portland. It is our firm conviction that if these bills are enacted by the several States, the management of the Fire-Marine and Casualty-Surety insurance business, for every practical purpose, will have passed into the hands of Government.

State Codes have, for years, included laws regulating the forming and licensing of insurance companies; capital and surplus requirements; premium and loss reserves; the investment of assets; maximum single-risk exposure; reinsurance; accounting and reports; licensing of producers; and so on. These controls have been set up and extended so insidiously that many, both in and outside of insurance, are prone to regard further regulation as a normal and inevitable development. If we judge the situation correctly, the statutes now proposed will complete the process, for, taken in conjunction with existing laws, they will clothe the States with full and final authority over every important detail of the operations of Fire and Casualty insurance companies.

There is no necessity, particularly at this point in our economic history, to emphasize the evils of excessive Government regulation. When, therefore, regulation is carried to such an extreme that it amounts to practically complete management of an industry as fundamentally important as insurance, it becomes a matter of the gravest concern to every American policyholder and property owner. Under such control there can be no genuinely free market; the pioneering of new coverages and the broadening or refining of existing forms of insurance will be severely restricted, if not virtually impossible; competition among companies of the same type will tend to disappear, and participating companies stand to gain decided advantages over non-participating companies. The damage which the interests of the insurance-buying public will thus suffer under the proposed bills cannot be overestimated.

It may be, as the Sub-Committee of the Commissioners contends in its report endorsing the Bills, that the debate preceding Public Law 15 leaves the impression the Congress will tolerate "co-operative action (among underwriters), including price-fixing, in the insurance business on a State level. . . ," but it is absurd to suppose that either Congress or the Department of Justice can countenance the extinction of competition which these bills threaten. On the contrary, it is self-evident the Congress intended to guarantee to the American public the advantages of free competition within the insurance industry.

It seems strange that the insurance industry did not recognize the Supreme Court's 1944 decision as a release from State regulation and immediately formulate plans to take proper advantage of its freedom. Instead, when Public Law 15 was being framed, the industry rushed headlong in the direction of stricter regulation. Here was a chance to overhaul the whole philosophy of insurance regulation, to review experience, to discard the bad, revitalize the good, introduce the new. Unfortunately, there is no evidence that anything so logical was even considered, and the opportunity may never come again.

No American business ever has yielded the right to direct its own affairs to such a degree as insurance is now offering to do, and other branches of business have cause to be disturbed by the example insurance is setting. No other industry has been so loud as insurance in its condemnation of both Federal and State government in business or so persistent in its vocal championship of free enterprise, and at the same time so ineffective against expanding Government control. Much of existing regulation has been invited by the industry itself, but acceptance of the proposed Rating Bills constitute the final act of acquiesence, of voluntary submission to everything short of State ownership.

We refuse to conclude that the American Insurance Industry does not possess the will, the courage, the talent and leadership to avoid such a fate.

W. S. Hallanan Heads National Oil Council

Immediately following his appointment on June 24 as Chairman of the newly formed National Petroleum Council, Walter S. Hallanan, President of the Plymouth Oil Co., declared that there should be "no infringement by the Government upon the principles of complete independence of the petroleum industry" in conduct of its business.

He stated that the creation of the Oil and Gas Division in the Interior Department "with a concentration of authority to deal with the petroleum industry's problem is a commendable step."

(The organization of this Council was mentioned in our issue of June 27, page 3546.)

Air Mail Outside US

Postmaster Albert Goldman announces that, effective at once, articles weighing up to 4 pounds 6 ounces may be accepted for dispatch by air to Australia, Fiji Islands, New Caledonia, New Zealand and Siam.

Electric Output for Week Ended June 29, 1946 5.1% Below That for Same Week a Year Ago

The Edison Electric Institute, in its current weekly report, estimated that the production of electricity by the electric light and power industry of the United States for the week ended June 29, 1946, was 4,132,680,000 kwh., which compares with 4,353,351,000 kwh. in the corresponding week a year ago, and 4,129,163,000 kwh. in the week ended June 22, 1946. The output for the week ended June 29, 1946, was 5.1% below that of the same week in 1945.

PERCENTAGE DECREASE UNDER SAME WEEK LAST YEAR

	Week Ended			
Major Geographical Divisions—	June 29	June 22	June 15	June 8
New England	0.4	1.2	§0.1	0.3
Middle Atlantic	2.1	3.9	3.7	4.4
Central Industrial	6.2	6.0	9.2	12.5
West Central	§1.5	§2.0	1.0	4.0
Southern States	8.0	7.4	12.1	14.1
Rocky Mountain	§1.8	§4.9	§7.2	0.5
Pacific Coast	7.6	7.2	7.1	7.5
Total United States	5.1	5.3	7.3	9.4

§Increase.

DATA FOR RECENT WEEKS (Thousands of Kilowatt-Hours)

Week Ended—	1946	1945	% Change under 1945	1944	1932	1929
March 2	4,000,119	4,472,110	—10.6	4,464,686	1,538,452	1,702,570
March 9	3,952,539	4,446,136	—11.1	4,425,630	1,537,747	1,687,229
March 16	3,987,877	4,397,529	— 9.3	4,400,246	1,514,553	1,683,262
March 23	4,017,310	4,401,716	— 8.7	4,409,159	1,480,208	1,679,589
March 30	3,992,283	4,329,478	— 7.8	4,408,703	1,465,076	1,633,291
April 6	3,987,673	4,321,794	— 7.7	4,361,094	1,480,738	1,696,543
April 13	4,014,652	4,332,400	— 7.3	4,307,498	1,469,810	1,709,331
April 20	3,987,145	4,411,325	— 9.6	4,344,188	1,454,505	1,699,822
April 27	3,976,750	4,415,889	— 9.9	4,336,247	1,429,032	1,688,434
May 4	4,011,670	4,397,330	— 8.8	4,233,756	1,436,928	1,698,942
May 11	3,910,760	4,302,381	— 9.1	4,238,375	1,435,731	1,704,426
May 18	3,939,281	4,377,221	—10.0	4,245,678	1,425,151	1,705,460
May 25	3,941,865	4,329,605	— 9.0	4,291,750	1,381,452	1,615,085
June 1	3,741,256	4,203,502	—11.0	4,144,490	1,435,471	1,689,925
June 8	3,920.444	4,327,028	— 9.4	4,264,600	1,441,532	1,699,227
June 15	4,030,058	4,348,413	— 7.3	4,287,251	1,440,541	1,702,501
June 22	4,129,163	4,358,277	— 5.3	4,325,417	1,456,961	1,723,428
June 29	4,132,680	4,353,351	— 5.1	4,327,359	1,341,730	1,592,075

National Fertilizer Association Commodity Price Index Higher For Eighth Consecutive Week

For the eighth consecutive week the wholesale commodity price index compiled by The National Fertilizer Association and made public on July 1, advanced to a new high level when it reached 151.7 in the week ended June 29, 1946, from 150.8 in the preceding week. The index is now 7.1% higher than it was a year ago. A month ago the index stood at 148.0, and a year ago at 141.6, all based on the 1935-1939 average as 100. The Association's report went on to say:

Six of the 11 composite groups of the index advanced during the latest week and none declined. The foods index, advancing to a new high peak, reflected higher prices for bread which more than offset lower prices for oranges and potatoes. The farm products group advanced to a new high level because of the 6% rise in cotton prices during the week which much more than offset the decline in the livestock subgroup caused by lower quotations for choice and good cattle, lambs and sheep. The fuels index rose 1.2% to a new high level because of higher prices for anthracite coal. The textiles group was again higher. The farm machinery group registered a sharp increase. The miscellaneous commodities group advanced with higher prices for cigarettes.

During the week 5 price series in the index advanced and 6 declined; in the preceding week 18 advanced and 4 declined; in the second preceding week 7 advanced and 1 declined.

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

% Each Group Bears to the Total Index	Group	Latest Week Jun. 29, 1946	Preceding Week Jun. 22, 1946	Month Ago Jun. 1, 1946	Year Ago Jun. 30, 1945
25.3	Foods	150.6	150.1	146.8	143.6
	Fats and Oils	152.7	152.7	147.4	145.2
	Cottonseed Oil	163.1	163.1	163.1	163.1
23.0	Farm Products	183.5	181.9	179.4	167.7
	Cotton	293.6	277.0	164.7	214.0
	Grains	190.3	190.3	192.1	164.6
	Livestock	163.6	164.6	162.9	161.8
17.3	Fuels	137.4	135.8	131.4	133.3
10.8	Miscellaneous commodities	140.3	139.4	138.6	133.7
8.2	Textiles	172.3	169.7	167.1	157.0
7.1	Metals	123.5	123.5	117.9	108.9
6.1	Building materials	168.3	168.3	167.8	153.8
1.3	Chemicals and drugs	127.5	127.5	127.5	125.9
.3	Fertilizer materials	118.9	118.9	118.2	118.3
.3	Fertilizers	119.8	119.8	119.8	119.9
.3	Farm machinery	109.0	105.8	105.8	104.8
100.0	All groups combined	151.7	150.8	148.0	141.6

*Indexes on 1926-1928 base were: June 29, 1946, 118.2; June 22, 1946, 117.5, and June 30, 1945, 110.3.

The State of Trade

(Continued from page 132)

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, the above trade authority adds.

In the nonferrous field consumers of non-ferrous metals are gradually recognizing the fact that shortages of lead, tin, copper, zinc and silver are worldwide in scope and likely to continue indefinitely or at least until exploration reveals significant new deposits, "The Iron Age" points out. 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 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 July 1, unchanged from one week ago, 55.2% one month ago and 88.1% one year ago.

This week's operating rate is equivalent to 1,536,800 tons of steel ingots and castings the same as one week ago, 972,800 tons one month ago and 1,613,700 tons one year ago.

Electrical Production—The Edison Electric Institute reports that the output of electricity increased to 4,129,163,000 kwh. in the week ended June 22, 1946, from 4,030,058,000 kwh. in the preceding week. Output for the week ending June 22, 1946, was 5.3% below that for the corresponding weekly period one year ago.

Consolidated Edison Co. of New York reports system output of 176,800,000 kwh. in the week ended June 23, 1946, compared with 171,500,000 kwh. for the corresponding week of 1945, or an increase of 3.1%. Local distribution of electricity amounted to 171,100,000 kwh. compared with 169,800,000 kwh. for the corresponding week of last year, an increase of 0.8%.

Railroad Freight Loading—Car loadings of revenue freight for the week ended June 22, 1946, totaled 858,437 cars, the Association of American Railroads announced. This was a decrease of 9,481 cars (or 1.1%) below the preceding week and 18,266 cars, or 2.1% below the corresponding week for 1945. Compared with the similar period of 1944, a decrease of 21,874 cars, or 2.5%, is shown.

Paper and Paperboard Production—Paper production in the United States for the week ending June 22 was 106.2% of mill capacity, as against 104% for the preceding week and 90.4% in the like 1945 week, according to the American Paper & Pulp Association. Paperboard output for the current week was 97% against 98% in the preceding week and 96% for the corresponding week a year ago.

Business Failures Low—Commercial and industrial failures in the week ending June 27 dropped down sharply after last week's upswing but were as numerous as in the corresponding week of 1945. Dun & Bradstreet, Inc., reports 14 concerns failing as compared with 25 in the previous week and 14 a year ago.

Large and small failures accounted for an equal number of the week's failures. This represented a downtrend in large failures with losses of $5,000 or more; seven concerns failed in this size group, less than half as many as in the last week when there were 16 and also lower than the nine reported in the previous year. Small concerns failing with liabilities under $5,000 showed only slight variation; they were down two from a week ago but exceeded by two the number occurring in the same week of 1945.

This week's failures were about evenly divided between retailing, manufacturing and construction, while wholesaling and commercial service did not have any failures. In all industry and trade groups except construction, failures were less numerous than a week ago. Holding steady at five, construction failures were also responsible for the only marked change from the 1945 record—an increase of three.

Canadian failures numbered two, the same as in the previous week, against none in the comparable week of 1945.

Food Price Index Unchanged at Peak Level—Following the sharp upturn of the previous week, the Dun & Bradstreet wholesale food price index for June 25 remained unchanged at the 25-year peak of $4.35. This represented a gain of 5.8% over the $4.11 recorded at this time last year. Eggs and lambs advanced during the week, while potatoes declined.

The index represents the sum total of the price per pound of 31 foods in general use.

Wholesale Commodity Price Index—The daily wholesale commodity price index, compiled by Dun & Bradstreet, Inc., remained at a peak level throughout the past week. The figure rose to 199.15 on June 25, comparing with 198.33 a week earlier, and with 177.48 on the corresponding date last year.

Activity in grain futures markets was practically non-existent last week. Confined wholly to oats, sales on the Chicago Board of Trade fell to the smallest on record, aggregating 2,584,000 bushels. This contrasted with 20,247,000 bushels in the previous week and 217,192,000 in the corresponding week last year. Transactions in deferred oats deliveries were scattered and in small lots with prices generally at ceilings. With farmers holding their grains in anticipation of higher prices, cash markets recorded few if any country offerings, with prices pressing tightly against ceilings. A special mid-month report on the wheat crop by the Department of Agriculture indicated a prospective yield of 1,033,000,000 bushels. A slight improvement in production and sales of flour was reported but the general supply situation continued very tight. Lard stocks showed no betterment as hog weights and receipts continued much below normal.

After some hesitation in early dealings, cotton prices advanced steadily in the latter part of the week to reach new high ground for 22 years. Demand in spot markets was strong with inquiries numerous but traders were inclined to be cautious pending clarification of existing price uncertainties. Foreign demand remained strong and export volume for the first nine months of the season totaled more than twice that of a year previous. Crop reports were more favorable with fair and warmer weather prevailing over a large part of the belt. The official report of the Census Bureau placed consumption of the staple during May at 871,559 bales, as compared with 813,732 in April, and 830,414 in May last year. For the season through May consumption totaled 7,643,000 bales, against 8,109,000 in the same period a year ago. In the carded gray cotton cloth markets, business came to a virtual standstill with transactions widely scattered and in very small volume. Little activity was looked for until after the coming holiday period.

A steady though moderate volume of business in domestic wools continued to be reported in the Boston market. Inquiries were numerous and mills were said to be constantly seeking desired types. Considerable activity was again noted in Texas wools with demand principally from mills and topmakers. Foreign wools continued in demand but desired types remained scarce and offerings were quickly taken by mills. Imports of foreign wools received at the three leading Eastern ports during the week ended June 14 amounted to 8,041,000 clean pounds, compared with 6,176,100 in the previous week. Appraisals of domestic wools for purchase by the Commodity Credit Corporation totaled 12,154,906 pounds during the week ended June 14.

Retail and Wholesale Trade—With warm and sunny weather in most sections of the country, total retail volume this week was lifted slightly above that of the preceding week and markedly above that of the corresponding week a year ago states Dun & Bradstreet, Inc., in its weekly "Review of Trade." Tourist trade got under way and helped to augment retail volume.

Gains over a year ago in dollar volume of foodstuffs were less extensive last week than in previous weeks with over-all volume unchanged from a week ago. It was extremely difficult to find meat, butter, sugar, bread, flour and some canned goods. The amount of fish and poultry in the stores was unchanged from previous weeks with volume of sales high. Fresh fruits and vegetables were abundant and sold well.

Inventories of both men's and women's apparel were somewhat larger the past week than previously; the dollar volume continued upward. Gloves, shoes, beach wear, summer dresses, jewelry and lingerie sold quickly. The demand for millinery and handbags dropped off slightly; women's hosiery and lingerie were not easily found. As more summer materials have become available recently, stocks of men's lightweight suits have risen. Better grade straw hats moved well.

Household items attracted a considerable amount of consumer attention. Household and garden furniture were eagerly sought. Sizable gains over a year ago were noted in the volume of automotive accessories. There was a noticeable increase in the buying of luggage last week.

Consumer purchasing of curtains, draperies and towels increased during the week with many reports of a higher volume of rug buying than in the previous week. Toileteries and silverware moved in moderate quantity.

Retail volume for the country for the week ended last Thursday was estimated to be from 24 to 28% above the corresponding week a year ago. Regional percentage increases were: New England 17 to 21, East 28 to 32, Middle West 23 to 28, Northwest 22 to 26, South 20 to 24, Southwest 23 to 27, and Pacific Coast 25 to 29.

Gains in the dollar volume of sales in most wholesale lines the past week resulted in a modest increase above the previous week's total wholesale volume. The volume of wholesale trade last week continued to surpass that of the corresponding week a year ago. Reports indicated that inventories generally were increasing slowly.

Department store sales on a country-wide basis, as taken from the Federal Reserve Board's index for the week ended June 22, 1946, increased by 35% above the same period of last year. This compared with an increase of 37% in the preceding week. For the four weeks ended June 22, 1946, sales increased by 36% and for the year to date by 27%.

Retail trade here in New York moved to new high seasonal peak last week. Hot weather greatly stimulated the demand for many types of goods. Department store volume was estimated as about 50% ahead of the like week last year, with corresponding gains for other types of distributors.

Activity in many of the wholesale markets, particularly textiles, came to a standstill in anticipation of new pricing action under the OPA Extension Act.

Food sales were off because of continuing shortages, particularly of meat.

According to the Federal Reserve Bank's index, department store sales in New York City for the weekly period to June 22, 1946, increased 37% above the same period last year. This compared with an increase of 43% (revised figure) in the preceding week. For the four weeks ended June 22, 1946, sales rose by 41% and for the year to date 34%.

Trading on New York Exchanges

The Securities and Exchange Commission made public on June 26, 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 8, continuing a series of current figures being publshied 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 8 (in round-lot transactions) totaled 2,020,537 shares, which amount was 16.39% of the total transactions on the Exchange of 6,166,320 shares. This compares with member trading during the week ended June 1 of 2,539,686 shares or 15.22% of the total trading of 8,345,280 shares.

On the New York Curb Exchange, member trading during the week ended June 8 amounted to 627,600 shares, or 15.43% of the total volume on that exchange of 2,033,745 shares. During the week ended June 1, trading for the account of Curb members of 820,315 shares was 15.13% of the total trading of 2,710,220 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 8, 1946

	Total for Week	†%
A. Total Round-Lot Sales:		
Short sales	174,250	
‡Other sales	5,992,070	
Total sales	6,166,320	
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	635,360	
Short sales	116,690	
‡Other sales	503,340	
Total sales	620,030	10.18
2. Other transactions initiated on the floor—		
Total purchases	78,020	
Short sales	10,900	
‡Other sales	126,760	
Total sales	137,660	1.75
3. Other transactions initiated off the floor—		
Total purchases	241,795	
Short sales	33,410	
‡Other sales	274,262	
Total sales	307,672	4.46
4. Total—		
Total purchases	955,175	
Short sales	161,000	
‡Other sales	904,362	
Total sales	1,065,362	16.39

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

WEEK ENDED JUNE 8, 1946

	Total for Week	†%
A. Total Round-Lot Sales:		
Short sales	34,425	
‡Other sales	1,999,320	
Total sales	2,033,745	
B. Round-Lot Transactions for Account of Members:		
1. Transactions of specialists in stocks in which they are registered—		
Total purchases	204,530	
Short sales	17,300	
‡Other sales	174,960	
Total sales	192,260	9.76
2. Other transactions initiated on the floor—		
Total purchases	59,325	
Short sales	1,900	
‡Other sales	32,110	
Total sales	34,010	2.29
3. Other transactions initiated off the floor—		
Total purchases	42,165	
Short sales	10,650	
‡Other sales	84,680	
Total sales	95,330	3.38
4. Total—		
Total purchases	306,020	
Short sales	29,850	
‡Other sales	291,750	
Total sales	321,600	15.43
C. Odd-Lot Transactions for Account of Specialists—		
Customers' short sales	0	
§Customers' other sales	151,113	
Total purchases	151,113	
Total sales	116,399	

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

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

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

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

Civil Engineering Construction Totals $128,606,000 for Week

Civil engineering construction volume in continental United States totals $128,606,000 for the week ending June 27, 1946 as reported to "Engineering News-Record." This volume is 22% above the previous week, 176% above the corresponding week of last year and 3% above the previous four-week moving average. The report issued on June 27, added:

Private construction this week, $84,010,000, is 42% above last week and 472% above the week last year. Public construction, $44,596,000, is 5% below last week and 40% greater than the week last year. State and municipal construction, $29,052,000, 1% above last week, is 187% above the 1945 week. Federal construction, $15,544,000, is 13% below last week and 28% below the week last year.

Total engineering construction for the 26-week period of 1946 records a cumulative total of $2,632,186,000, which is 200% above the total for a like period of 1945. On a cumulative basis, private construction in 1946 totals $1,678,739,000, which is 554% above that for 1945. Public construction $953,447,000, is 54% greater than the cumulative total for the corresponding period of 1945, whereas State and municipal construction, $639,745,000, to date, is 385% above 1945. Federal construction, $313,702,000, dropped 36% below the 26-week total of 1945.

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

	June 27, 1946	June 20, 1946	June 28, 1945
Total U. S. Construction	$128,606,000	$105,784,000	$46,540,000
Private Construction	84,010,000	58,974,000	14,690,000
Public Construction	44,596,000	46,810,000	31,850,000
State & Municipal	29,052,000	28,864,000	10,129,000
Federal	15,544,000	17,946,000	21,721,000

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

New Capital

New capital for construction purposes this week totals $13,981,000, and is made up of $10,660,000 in state and municipal bond sales and $3,321,000 in corporate security issues. New capital for the 26-week period of 1946 totals $667,398,000, 24% greater than the $539,751,000, reported for the corresponding period of 1945.

Moody's Bond Prices and Bond Yield Averages

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

MOODY'S BOND PRICES
(Based on Average Yields)

1946— Daily Averages	U. S. Govt. Bonds	Avge. Corporate*	Corporate by Ratings* Aaa	Aa	A	Baa	Corporate by Groups* R. R.	P. U.	Indus.
July 2	124.11	118.80	123.56	121.25	118.40	112.56	116.02	119.20	121.46
1	124.11	118.80	123.56	121.25	118.60	112.56	116.02	119.20	121.46
June 29	Stock Exchange Closed								
28	124.11	118.80	123.34	121.25	118.40	112.56	116.02	119.20	121.46
27	124.08	118.80	123.34	121.25	118.40	112.56	116.02	119.20	121.46
26	124.11	118.80	123.34	121.25	118.40	112.56	116.02	119.20	121.25
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	123.56	121.25	118.40	112.56	116.02	119.20	121.46
19	124.17	118.80	123.56	121.25	118.40	112.75	116.02	119.20	121.46
18	124.20	118.80	123.56	121.46	118.40	112.56	116.02	119.20	121.46
17	124.17	118.80	123.56	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	118.60	122.92	121.46	118.20	112.56	116.22	119.00	121.04
3	124.02	118.80	123.13	121.46	118.40	112.56	116.22	119.00	121.04
1	Stock Exchange Closed								
May 31	123.99	118.80	122.92	121.46	118.40	112.56	116.22	119.00	121.04
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									
July 2, 1945	122.97	116.02	121.04	119.20	116.02	108.16	113.12	115.43	119.41
2 Years Ago									
July 1, 1944	120.15	112.37	118.60	116.80	112.19	102.96	106.04	113.89	117.40

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

1946— Daily Averages	U. S. Govt. Bonds	Avge. Corporate*	Corporate by Ratings* Aaa	Aa	A	Baa	Corporate by Groups* R. R.	P. U.	Indus
July 2	1.47	2.71	2.48	2.59	2.73	3.03	2.85	2.69	2.58
1	1.47	2.71	2.48	2.59	2.72	3.03	2.85	2.69	2.58
June 29	Stock Exchange Closed								
28	1.47	2.71	2.49	2.59	2.73	3.03	2.85	2.69	2.58
27	1.47	2.71	2.49	2.59	2.73	3.03	2.85	2.69	2.58
26	1.47	2.71	2.49	2.59	2.73	3.03	2.85	2.69	2.59
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	2.74	3.03	2.85	2.69	2.59
22	Stosk 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									
July 2, 1945	1.59	2.85	2.60	2.69	2.85	3.27	3.00	2.88	2.68
2 Years Ago									
July 1, 1944	1.79	3.04	2.72	2.81	3.05	3.57	3.39	2.96	2.78

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

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

NAM on Air July 6

A new series of radio programs to help people get better acquainttd with the nation's business, large and small, and the people who manage it, will open July 6, presented by the Columbia Broadcasting System in collaboration with the National Association of Manufacturers. Named "Cross-Section—NAM," the feature will be broadcast every Saturday for 13 weeks from 3:45 to 4 p.m., Eastern Daylight Time. Dwight Cooke, CBS roving reporter, will visit managements of businesses in a different industrial center each week, talking with them around the microphone about what industry is doing and hoping to do and about their problems and employes and customers. The series will be a follow-up to "Cross-Section—CIO" and "Cross-Section—AFL," broadcast earlier this year.

NAM's part in the program is to help select cities and the industries with the most interesting stories to tell, arrange contacts with company managements and secure their cooperation, and give whatever other assistance is needed. The same day, July 6, will bring resumption of NAM's widely noted "It's Your Business" series which was presented over the American Broadcasting System last winter. Conceived and produced by NAM, the program again will originate at WJZ, New York, at 7 p.m., Eastern Daylight Time, each Saturday for 13 weeks.

Moodys Daily Commodity Index

Tuesday, June 25, 1946	287.6
Wednesday, June 26	288.7
Thursday, June 27	289.7
Friday, June 28	289.7
Saturday, June 29	289.7
Monday, July 1	311.6
Tuesday, July 2	305.1
Two weeks ago, June 18	286.3
Month ago, June 1	280.8
Year ago, July 2, 1945	256.7
1945 High, Dec. 27	265.0
Low, Jan. 24	252.1
1946 High, July 1	311.6
Low, Jan. 2	264.7

NYSE Odd-Lot Trading

The Securities and Exchange Commission made public on June 26, a summary for the week ended June 15, of complete figures showing the daily volume of stock transactions for odd-lot account of all odd-lot dealers and specialists who handled odd lots on the New York Stock Exchange, continuing a series of current figures being published by the Commission. The figures are based upon reports filed with the Commission by the odd-lot dealers and specialists.

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

Week Ended June 15, 1946

	Total Per Week
Odd-Lot Sales by Dealers— (Customers' purchases)	
Number of orders	30,796
Number of shares	903,974
Dollar value	$42,944,983
Odd-Lot Purchases by Dealers— (Customers' sales)	
Number of Orders:	
Customers' short sales	52
*Customers' other sales	25,524
Customers' total sales	25,576
Number of Shares:	
Customers' short sales	2,153
*Customers other sales	721,170
Customers' total sales	723,323
Dollar value	$34,041,029
Round-Lot Sales by Dealers—	
Number of Shares:	
Short sales	180
†Other sales	140,170
Total sales	140,350
Round-Lot Purchases by Dealers—	
Number of shares	312,510

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

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

Daily Average Crude Oil Production for Week Ended June 22, 1946 Decreased 11,150 Bbls.

The American Petroleum Institute estimates that the daily average gross crude oil production for the week ended June 22, 1946 was 4,949,500 barrels, a decrease of 11,150 barrels per day from the preceding week. The current figure, however, was 51,636 barrels per day higher than in the corresponding week of 1945, and was 279,500 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. Daliy production for the four weeks ended June 22, 1946, averaged 4,890,450 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 4,836,000 barrels of crude oil daily and produced 14,271,000 barrels of gasoline; 1,928,000 barrels of kerosine; 5,592,000 barrels of distillate fuel, and 8,706,000 barrels of residual fuel oil during the week ended June 22, 1946; and had in storage at the end of that week 92,894,000 barrels of finished and unfinished gasoline; 13,744,000 barrels of kerosene; 36,420,000 barrels of distillate fuel, and 46,526,000 barrels of residual fuel oil.

DAILY AVERAGE CRUDE OIL PRODUCTION (FIGURES IN BARRELS)

	*B. of M. Calculated Requirements June	State Allow-ables Begin. June 1	Actual Production Week Ended June 22, 1946	Change from Previous Week	4 Weeks Ended June 22 1946	Week Ended June 23, 1945
**New York-Penna.	48,200		50,800	— 450	50,300	48,700
Florida	----		250	----	250	14
**West Virginia	8,400		9,050	+ 250	8,450	9,100
**Ohio—Southeast }	7,600		5,250	— 400	5,450	5,350
Ohio—Other }			2,100	— 750	2,500	2,700
Indiana	18,000		19,900	+ 300	20,050	12,900
Illinois	210,000		208,150	+ 350	208,850	204,400
Kentucky	31,000		31,200	+ 1,300	30,650	30,600
Michigan	46,000		45,100	— 5,050	47,050	46,550
Nebraska	800		†750	----	750	900
Kansas	255,000	260,000	†277,450	— 5,450	263,600	384,300
Oklahoma	380,000	380,000	†388,500	+ 5,350	383,850	276,500
Texas—						
District I			19,650	----	19,550	----
District II			155,650	----	149,600	----
District III			515,400	----	498,100	----
District IV			229,600	----	226,700	----
District V			43,950	----	42,550	----
East Texas			326,000	----	342,000	----
Other Dist. VI			107,350	----	106,250	----
District VII-B			32,400	----	32,200	----
District VII-C			28,450	----	28,100	----
District VIII			566,450	—14,000	556,300	----
District IX			132,400	----	131,700	----
District X			86,450	----	86,400	----
Total Texas	2,050,000	‡2,293,092	2,243,750	—14,000	2,219,450	2,180,450
North Louisiana			81,900	+ 150	81,200	69,200
Coastal Louisiana			296,100	----	293,450	298,950
Total Louisiana	380,000	417,000	378,000	+ 150	374,650	368,150
Arkansas	79,000	78,268	73,650	— 500	73,850	79,650
Mississippi	57,000		63,150	— 300	63,850	50,600
Alabama	1,000		1,150	----	1,150	700
New Mexico—So. East }	98,000	106,000	97,600	----	97,000	103,350
New Mexico—Other }			500	----	450	450
Wyoming	104,000		111,600	— 900	110,200	110,300
Montana	22,000		25,750	— 900	25,050	20,250
Colorado	26,000		32,850	+ 1,050	32,050	11,250
California	848,000	§831,000	883,000	+ 7,900	871,000	950,700
Total United States	4,670,000		4,949,500	—11,150	4,890,450	4,897,864
**Pennsylvania Grade included above			65,100	+ 300	64,200	63,150

*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 19, 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 STILLS; PRODUCTION OF GASOLINE; STOCKS OF FINISHED AND UNFINISHED GASOLINE, KEROSINE, GAS OIL AND DISTILLATE FUEL AND RESIDUAL FUEL OIL, WEEK ENDED JUNE 22, 1946

(Figures in thousands of barrels of 42 gallons each)

Figures in this section include reported totals plus an estimate of unreported amounts and are therefore on a Bureau of Mines basis

District—	% Daily Refin'g Capac. Report'g	Crude Runs to Stills Daily Av.	Crude Runs to Stills % Op-erated	§Gasoline Produc'n at Ref. Inc. Nat. Blended	‡Finish'd and Unfin. Gasoline Stocks	‡Stocks of Kero-sine	‡Stks. of Gas Oil & Dist. Fuel Oil	‡Stks. of Resid. Fuel Oil
East Coast	99.5	816	97.3	1,712	22,890	5,340	11,272	8,517
Appalachian—								
District No. 1	76.3	104	72.7	292	2,495	285	429	218
District No. 2	84.7	54	87.1	184	1,052	62	138	170
Ind., Ill., Ky.	87.4	749	86.1	2,724	18,608	2,130	5,029	3,663
Okla., Kan., Mo.	78.3	381	81.2	1,276	8,233	877	2,218	1,270
Inland Texas	59.8	212	64.2	975	2,942	366	361	673
Texas Gulf Coast	89.2	1,188	96.9	3,373	14,214	2,317	6,190	5,678
Louisiana Gulf Coast	97.4	335	104.4	900	3,712	1,298	1,641	1,335
No. La. & Arkansas	55.9	52	41.3	123	1,832	195	454	174
Rocky Mountain—								
District No. 3	19.0	12	92.3	41	92	20	43	39
District No. 4	70.9	129	78.2	369	2,059	144	451	708
California	85.5	804	80.9	2,302	14,765	710	8,194	24,081
Total U. S. B. of M. basis June 22, 1946	85.8	4,836	87.0	14,271	*92,894	13,744	36,420	46,526
Total U. S. B. of M. basis June 15, 1946	85.8	4,799	86.3	14,510	93,449	13,611	35,582	45,915
U. S. B. of M. basis June 23, 1945		5,067		15,200	†87,099	9,058	31,694	40,165

Includes unfinished gasoline stocks of 8,689,000 barrels. †Includes unfinished gasoline stocks of 12,124,000 barrels. ‡Stocks at refineries, at bulk terminals, in transit and in pipe lines. §In addition there were produced 1,928,000 barrels of kerosine, 5,592,000 barrels of gas oil and distillate fuel oil and 8,706,000 barrels of residual fuel oil during the week ended June 22, 1946, which compares with 2,068,000 barrels, 5,447,000 barrels and 8,931,000 barrels, respectively, in the preceding week and 1,410,000 barrels, 5,106,000 barrels and 9,803,000 barrels, respectively, in the week ended June 23, 1945.

Weekly Coal and Coke Production Statistics

The total production of bituminous coal and lignite in the week ended June 22, 1946, as estimated by the United States Bureau of Mines, was 11,875,000 net tons, a decrease of 525,000 tons, or 4.2%, from the preceding week. In the corresponding week of 1945, output was estimated at 11,614,000 tons. From Jan. 1 to June 22, 1946, production of soft coal was estimated at 222,545,000 net tons, a decrease of 22.1% when compared with the 285,663,000 tons produced during the period from Jan. 1 to June 23, 1945.

Production of Pennsylvania anthracite for the week ended June 22, 1946, as estimated by the Bureau of Mines, was 1,197,000 tons, an increase of 77,000 tons, or 6 9% over the preceding week. When compared with the corresponding week of 1945, there was a decrease of 162,000 tons, or 11.9%. The calendar year to date shows an increase of 10.6% when compared with the corresponding period of 1945. It was also announced that the final figure for 1945 calendar year anthracite production was 54,933,909 net tons, of which 260,342 tons was "bootleg" coal prepared and shipped by recognized producers.

The Bureau also reported that the estimated production of beehive coke in the United States for the week ended June 22, 1946, showed an increase of 6,900 tons when compared with the output for the week ended June 15, 1946; but was 25,600 tons less than for the corresponding week of 1945.

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

	Week Ended June 22, 1946	Week Ended *June 15, 1946	Week Ended June 23, 1945	Jan. 1 to Date †June 22, 1946	Jan. 1 to Date June 23, 1945
Bituminous coal & lignite—					
Total, including mine fuel	11,875,000	12,400,000	11,614,000	222,545,000	285,663,000
Daily average	1,979,000	2,067,000	1,936,000	1,523,000	1,926,000

*Revised. †Subject to current adjustment.

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

	Week Ended ‡June 22, 1946	Week Ended §June 15, 1946	Week Ended ¶June 23, 1945	Calendar Year to Date June 22, 1946	Calendar Year to Date ¶June 23, 1945	Calendar Year to Date June 26, 1937
Penn. Anthracite—						
*Total incl. coll. fuel	1,197,000	1,120,000	1,359,000	28,190,000	25,497,000	27,872,000
†Commercial produc.	1,151,000	1,077,000	1,307,000	27,103,000	24,515,000	26,478,000
Beehive coke—						
United States total	98,700	91,800	124,300	1,495,400	2,900,100	1,797,900

*Includes washery and dredge coal and coal shipped by truck from authorized operations. †Excludes colliery fuel. ‡Subject to revision. §Revised. ¶1945 weekly and calendar year to date production has been adjusted to the final 1945 tonnage.

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 15, 1946	Week Ended June 8, 1946	Week Ended June 16, 1945
Alabama	441,000	412,000	398,000
Alaska	6,000	6,000	4,000
Arkansas and Oklahoma	55,000	61,000	78,000
Colorado	109,000	108,000	124,000
Georgia and North Carolina	1,000	1,000	1,000
Illinois	1,383,000	1,538,000	1,432,000
Indiana	498,000	517,000	479,000
Iowa	31,000	41,000	36,000
Kansas and Missouri	93,000	94,000	129,000
Kentucky—Eastern	1,165,000	1,142,000	1,018,000
Kentucky—Western	413,000	442,000	361,000
Maryland	56,000	59,000	33,000
Michigan	3,000	2,000	3,000
Montana (bitum. & lignite)	70,000	70,000	78,000
New Mexico	31,000	30,000	25,000
North & South Dakoa (lignite)	30,000	35,000	36,000
Ohio	801,000	855,000	661,000
Pennsylvania (bituminous)	3,505,000	2,945,000	2,889,000
Tennessee	151,000	134,000	139,000
Texas (bituminous & lignite)	1,000	1,000	2,000
Utah	106,000	119,000	125,000
Virginia	423,000	413,000	367,000
Washington	19,000	15,000	21,000
†West Virginia—Southern	2,502,000	2,419,000	2,073,000
‡West Virginia—Northern	865,000	1,222,000	1,051,000
Wyoming	97,000	99,000	183,000
§Other Western States	*	*	*
Total bituminous & lignite	12,400,000	12,780,000	11,746,000

†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.

War Dept. Accepts Doolittle Board Recommendations for Army "Caste" Reforms

On June 25 Secretary of War Robert P. Patterson announced his approval of nearly all the recommendations made by the Board, headed by former Lieut. Gen. James H. Doolittle, which had been appointed to make suggestions for improvement of relationships between officers and enlisted men of the Army. The report of that Board, released by the War Department on May 27 declared, according to Associated Press Washington advices, that "much of the present structure of our Army harks back" to the old Prussian and British military orders, and urged that off-duty saluting be abolished, that social distinctions between officers and enlisted men be swept away, with the plain term "soldiers" to be used for everybody rather than "enlisted man" and "officer".

In addition to recommending elimination of social distinctions between officers and men, the Board's report also "strongly recommended" the following reforms, the Associated Press (May 27) reported:

It is proposed that the system of promoting officers on the basis of seniority be discarded. Instead, it urged a merit system—one which would permit officers to be demoted, too, or dismissed entirely if incompetent. It said that men selected for officers ought first to serve a year in the ranks—except in the case of technicians, and they should not get command posts.

It is advocated that anything which is a crime for enlisted men should be a crime for officers, and that the higher the offender's rank, the more severe be the penalty. It also proposed that enlisted men be allowed to serve on courts martial, provided they outrank the accused.

It called for a halt to wholesale distribution of decorations "that will tend to cheapen them," and declared that the higher a man's rank, the more difficult it should be for him to merit an award.

It also proposed reforms in pay, allowances, messing facilities and inspections.

According to Mr. Patterson's recent announcement, (June 25) the recommendations of the Board which have been approved have been ordered into effect. The suggestions which have been rejected are that the terms "officers" and "enlisted men" be abolished, and that copies of reports of inspectors general be transmitted to the War Department outside regular channels.

After expressing appreciation of the work done by the Doolittle Board, Secretary Paterson concluded his statement, according to the United Press, with the following:

As a final word on this whole problem, I cannot refrain from pointing out that in seeking improvement in detail, we must not lose sight of the fundamentals.

The ultimate objective of armies is to be ready in national crisis, to win victory on the battlefield. There can be no democracy in the platoon advancing under fire to take a tactical objective. Only discipline of the highest order can then win the fight and at the least cost in lives. The situation is one where the authority of the leader must be unchallenged. Men will fight well only with a leader who does not hesitate to accept the tremendous responsibility involved and to exercise authority equal to that responsibility.

The other fundamental of the problem is to fit this inescapable requirement into the organization and into the control and command practices of the army in such a way as to avoid unnecessary violence to our national concepts of freedom and democracy.

Signs Appropriation Bills

Various appropriation measures which recently received the President's signature, according to Associated Press dispatches from Washington, included one signed June 21 providing funds for various government operations and additional contract authority for the Veterans Administration. His signature was affixed to the Agriculture Department appropriation June 22 and to a bill providing funds for teacher salary deficits in certain communities, June 27.

Under the June 21 measure, the Veterans Administration was given $441,230,000 new contract authority to complete 76 hospitals, which was in addition to $331,452,814 previously authorized for the project. The bill also provided $661,847,988 for different government operations, including $416,000,000 cash for the Veterans (chiefly for National Service Life Insurance) and $92,500,000 for the War Department to bring back bodies of the war-dead. The balance was distributed among several departments.

The Agriculture Department appropriation provided $1,137,694,189 for the operation of that branch during the fiscal year that just started; the total includes $75,000,000 for the Federal school lunch program. A "no strike" section of the bill bars payment of salary to any worker belonging to an organization claiming the right to strike against the Government.

Teacher salary deficits in war boom communities was provided for by an appropriation of $7,000,000 for one more year in extreme hardship cases. Some 250 communities have claimed they need this assistance. In order to get the funds municipalities must show that their school is operating at a deficit and that there is a continuous overburdening of school facilities. The appropriation was made under the Lanham Act which provided funds for "war public services", nursery schools, recreation projects and hospital, police and fire assistance to boom towns.

Wholesale Prices Increased 0.5% in Week Ended June 22, Labor Department Reports

"Primary market prices increased 0.5% during the week ended June 22, 1946, continuing their advance of previous weeks," it was stated on June 27 by the Bureau of Labor Statistics, U. S. Department of Labor, which added that "at 112.4% of the 1926 average the index of commodity prices in primary markets, prepared by the Bureau was 1.5% higher than a month ago and 6.5% above the end of the war." The Bureau further reported:

"Farm Products and Foods—Higher prices for cattle, cotton and wool more than offset a decrease in fruits and vegetables, advancing the index for farm products 0.1%. It was 2.0% above a month ago and 7.7% higher than a year earlier. Prices of steers advanced with continued shortages. A decrease in lamb prices resulted from heavy marketing, preceding the removal of subsidies to take place June 30. Lemon and sweet potato prices increased seasonally. Incrased demand, combined with lower supplies to raise the price of white potatoes. Prices of apples and oranges were down and unions decreased in price with good supplies. Cotton prices advanced in anticipation of removal of government controls, and foreign wool prices moved up close to ceilings as stocks became more limited under increased buying by European countries.

"Sharp advances in dairy products contributed to the increase of 1.7% in foods. New ceilings were allowed for butter (10 cents per pound increase) and cheese (5 cents per pound increase) while a second increase was allowed for evaporated milk. There was a sharp increase in the price of cornflakes, allowed because of increased grain costs and reduced production owing to the shortage of corn. Poultry prices decreased because of the seasonal ceilings. On the average food prices were 2.4% higher than a month ago and 6.0% higher than a year earlier.

"Other Commodities—Prices of all commodities other than farm products and foods averaged 0.2% higher during the week with the largest advance occurring in building materials. The price of common brick moved up under new ceilings and advances ranging from 6 to 15% for several species of lumber reflected earlier OPA increases. The price of wire nails advanced sharply. Increases in bituminous coal prices were allowed to cover higher wages which followed the termination of the coal strike. Higher ceilings allowed for phosphate rock to offset wage increases, advanced the index of fertilizer materials. Prices of strawboard moved up under new ceilings set by OPA to encourage production. Calf leather prices increased in response to the June 7 ceiling increase. Prices of all commodities other than farm products and foods were 0.1% above the corresponding week in May and 5.3% higher than a year ago."

The following tables show (1) indexes for the past three weeks, for June 8, 1946, June 16, 1945 and June 22, 1946 and (2) percent changes in subgroup indexes from June 15, 1946 to June 22, 1946.

CHANGES IN WHOLESALE PRICES BY COMMODITY GROUPS
FOR WEEK ENDED JUNE 22, 1946
(1926=100)

Commodity group—	6-22 1946	6-15 1946	6-8 1946	5-25 1946	6-23 1945	Percentage changes to June 22, 1946 from— 6-15 1946	5-25 1946	6-23 1945
All commodities	112.4	111.8	111.5	110.7	105.9	+0.5	+1.5	+6.1
Farm products	140.0	139.9	139.4	137.2	130.0	+0.1	+2.0	+7.7
Foods	113.7	111.8	111.9	111.0	107.3	+1.7	+2.4	+6.0
Hides and leather products	123.5	123.4	120.9	120.9	118.3	+0.1	+2.2	+4.4
Textile products	108.3	108.3	108.3	108.2	99.1	0	+0.1	+9.3
Fuel and lighting materials	87.1	86.9	86.9	87.1	84.7	+0.2	0	+2.8
Metal and metal products	111.0	111.0	110.5	109.4	104.8	0	+1.5	+5.9
Building materials	129.7	128.5	128.2	127.2	117.3	+0.9	+2.0	+10.6
Chemicals and allied products	96.9	96.8	96.8	96.6	95.3	+0.1	+0.3	+1.7
Housefurnishings goods	110.4	110.4	110.2	109.4	106.2	0	+0.9	+4.0
Miscellaneous commodities	97.9	97.9	97.9	96.6	94.6	0	+1.3	+3.5
Raw materials	126.0	125.8	125.5	124.2	118.6	+0.2	+1.4	+6.2
Semi-manufactured articles	104.4	104.4	103.4	101.7	95.3	0	+2.7	+9.5
Finished products	107.7	106.8	106.6	106.2	102.0	+0.8	+1.4	+5.6
All commodities other than farm products	106.3	105.6	105.4	104.9	100.6	+0.7	+1.3	+5.7
All commodities other than farm products and foods	105.1	104.9	104.6	104.1	99.8	+0.2	+1.0	+5.3

PERCENTAGE CHANGES IN SUBGROUP INDEXES FROM
JUNE 15, 1946 TO JUNE 22, 1946

Increases

Dairy Products	9.0	Other Building Materials	0.4
Lumber	2.3	Leather	0.3
Fertilizer Materials	0.8	Iron and Steel	0.1
Cereal Products	0.7	Livestock and Poultry	0.1
Bituminous Coal	0.6	Other Farm Products	0.1
Brick and Tile	0.4	Other Foods	0.1
Paper and Pulp	0.1		

Decreases

Fruits and Vegetables	0.8	Meats	0.2
Paint and Paint Materials	0.2		

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.

Non-Ferrous Metals — July Copper and Lead Deliveries to Rise—Iron Ore Ceiling Raised

"E. & M. J. Metal and Mineral Markets," in its issue of June 27 stated: "Demand for copper and lead continues in excess of the available supply by a wide margin, but with production resuming at all levels, from the mine to the refinery, consumers will obtain larger tonnages in July than they received in June. The silver rider to the Treasury-Post Office Appropriations bill has been passed by the Senate. Modification of the Premium Price Plan for copper, lead and zinc, announced last March, has been made official by the Office of Economic Stabilization. OPA recently lifted ceiling prices on Lake Superior iron ores and copper sulphate." The publication further went on to say in part as follows:

Copper

The squeeze in wirebars and cakes continues, but producers are confident that a gradual easing in the supply situation will take place next month. Production of copper has been resumed at virtually all properties except the Phelps Dodge group, where negotiations with locals of the union have not yet been concluded. However, an early settlement is expected.

Demand for copper outside of the United States has been quite active. With offerings shrinking, because of strikes, as at Chile Copper, and reduced output of African mines, prices being realized are moving upward. As the week ended the New York f.a.s. equivalent was 14⅝c.

Lead

With refineries getting into production, consumers of lead are expected to receive close to 40,000 tons of lead in July. Total requests for July lead approached 70,000 tons. CPA "borrowed" 6,000 tons of lead from the stockpile, but intends to replace this quantity from July imports of around 8,700 tons. An order is to be issued soon requesting producers to set aside 25% of their August output for a "kitty" for allocation purposes.

Sales of lead increased last week to 6,713 tons, against 1,456 tons in the preceding week.

Domestic refineries produced even less lead in May than in the preceding month, owing to strikes. According to the American Bureau of Metal Statistics, May production of refined lead dropped to 19,530 tons, which compares with a monthly average of 43,694 tons in 1945. Shipments to consumers amounted to 21,720 tons, reducing stocks in the hands of refiners to 39,563 tons.

Zinc

Offerings of Prime Western and Special High Grade remain light The industry was interested in current OPA developments. After price control has been extended, which appears to be highly probable, the price situation in zinc is expected to receive added attention. Production is likely to suffer unless the price of Prime Western is raised to at least 9c per pound, sellers claim. The foreign market is absorbing zinc on the basis of 8¾c.

Antimony

In view of higher costs resulting from wage increases and other factors, the price situation in antimony is receiving increased attention. Producers look for a general upward revision in ceiling prices. The disparity in prices obtaining here and in foreign markets is diverting antimony ore to the hgihest bidder. Foreign consumers are paying from 22c to 23c per pound for antimony.

Iron Ore

OPA raised ceiling prices on iron ore produced in Minnesota, Wisconsin, and Michigan 50c a gross ton, effective June 24, 1946. The increase was granted to meet the requirements established by the Price Control Act and the government's wage-price policy. Under OPA's industry earnings standard, a price increase of 43c would cover the higher wages, it was stated, but to take account of the greater costs sustained in underground operations an additional 7c allowance was included in the price increase. New ceiling prices of standard Lake Superior iron ores follow: Mesabi non-Bessemer, $5.05; Mesabi Bessemer, $5.20; Old Range non-Bessemer, $5.30; Old Range Bessemer, $5.45; High Phosphorous, $5.05.

Bolivian producers are asking 64½c per pound of tin contained in concentrates, plus a bonus of 1½c to offset higher costs. In addition, 1½c more has been asked should the rate of production exceed the 1943-44 average.

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

	June	July	August
June 20	52.000	52.000	52.000
June 21	52.000	52.000	52.000
June 22	52.000	52.000	52.000
June 24	52.000	52.000	52.000
June 25	52.000	52.000	52.000
June 26	52.000	52.000	52.000

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

Quicksilver

The spot situation in quicksilver underwent no further change in the week that ended yesterday. Quotations continued at $99 to $102 per flask. Some business was booked in forward metal at $98 per flask. Nervousness over possible selling pressure from Italian sources continues. The position of Spanish sellers is not expected to be revealed until buying on a broader scale develops.

Silver

The rider attached to the Treasury-Post Office Appropriations bill was passed by the Senate during the last week. This measure, which would set the price of unpledged Treasury silver at 90.3c an ounce troy for two years and at $1.29 thereafter, against 71.11c in the House version, has been referred to a committee representing both factions. Until a compromise is reached the market is expected to remain devoid of offerings.

Quotations continued at 70¾c, New York, and 44d London.

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

	—Electrolytic Copper— Dom. Refy.	Exp. Refy.	Straits Tin, New York	—Lead— New York	St. Louis	Zinc St. Louis
June 20	14.150	14.425	52.000	8.25	8.10	8.25
June 21	14.150	14.500	52.000	8.25	8.10	8.25
June 22	14.150	14.500	52.000	8.25	8.10	8.25
June 24	14.150	14.375	52.000	8.25	8.10	8.25
June 25	14.150	14.550	52.000	8.25	8.10	8.25
			52.000	8.25	8.10	8.25
June 26	14.150	14.550				
Average	14.150	14.483	52.000	8.25	8.10	8.25

Average prices for calendar week ended June 22 are: Domestic copper f.o.b. refinery, 14.150c; export copper f.o.b refinery 14.463c; Straits tin, 52.000 c; 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 quctation 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.

Premiums Paid By Life Insurance Cos.

American life insurance companies last year paid or credited to policyholders and beneficiaries, through direct benefits or additions to policy funds, 83.2 cents of every income dollar, which is 8.6% more than the premiums received from policyholders, it was reported on June 26 by the Institute of Life Insurance. The benefit payments and additions to policy reserves combined aggregated nearly $5,500,000,000 in 1945, compared with just under $5,000,000,000 in 1944 and just over $4,000,000,000 in prewar 1941. Premiums accounted for 76.6 cents of the average income dollar of the life insurance companies, interest earnings making up 20.9 cents and other income 2.5 cents, said the advices made available by the Institute, which also reported:

"Payments to policyholders and beneficiaries absorbed 41.2 cents of this average income dollar in 1945 and additions to policy reserves required to meet future claims took 42.0 cents, making a total of payments and credits of 83.2 cents.

"The make-up of the 1945 life insurance income dollar is not much changed from that of prewar. In 1941, premiums accounted for 76.3 cents of the total income dollar, in 1944 for 76.5 cents and last year for 76.6 cents. "On the other hand, there have been material changes in the uses to which this income dollar was put. Additions to policy reserves, which absorbed 29.9 cents of the 1941 income dollar and 39.5 cents in 1944, last year took 42.0 cents of the income dollar. This is a reflection of the increased number of policies owned and the greater number of policies in which the reserves have reached larger proportions. Payments to policyholders and beneficiaries were 41.2 cents of the 1945 income dollar, compared with 41.5 cents of the 1944 dollar.

"At the same time, the war years have seen a reduction in the portion of the income dollar used for operating expenses and taxes. These required only 15.2 cents of the 1945 income dollar, as compared with 15.7 cents of the 1941 dollar. Last year head office expenses including salaries accounted for 4.9 cents and agency expenses, including all salaries and commissions, 8.3 cents. Taxes represented 2.0 cents.

"Total dividends to stockholders were 4/10th of a cent of the income dollar. These went to the shareholders of those companies in which there is a stock interest.

"Additions to special reserves and surplus funds in 1945 were 1.2 cents of the year's income dollar."

Result of Treasury Bill Offering

The Secretary of the Treasury announced on July 1 that the tenders for $1,300,000,000 or thereabout of 90-day Treasury bills to be dated July 5 and to mature Oct. 3, which were offered on June 28, were opened at the Federal Reserve Banks on July 1.

Total applied for $1,803,541,000.

Total accepted, $1,307,745,000 (includes $29,689,000 entered on a fixed price basis of 99.905 and accepted in full).

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

Range of accepted competitive bids:

High 99.908; equivalent rate of discount approximately 0.368% per annum.

Low, 99.906; equivalent rate of discount approximately 0.376% per annum.

(71% of the amount bid for at the low price was accepted.)

There was a maturity of a similar issue of bills on July 5 in the amount of $1,311,968,000.

Revenue Freight Car Loadings During Week Ended June 22, 1946 Decreased 9,481 Cars

Loading of revenue freight for the week ended June 22, 1946 totaled 658,437 cars the Association of American Railroads announced on June 27. This was a decrease below the corresponding week of 1945 of 18,266 cars, or 2.1%, and a decrease below the same week in 1944 of 21,874 cars or 2.5%.

Loading of revenue freight for the week of June 22, decreased 9,481 cars or 1.1% below the preceding week.

Miscellaneous freight loading totaled 369,678 cars, a decrease of 173 cars below the preceding week, and a decrease of 25,061 cars below the corresponding week in 1945.

Loading of merchandise less than carload lot freight totaled 128,331 cars an increase of 2,253 cars above the preceding week, and an increase of 21,403 cars above the corresponding week in 1945.

Coal loading amounted to 179,629 cars, a decrease of 7,658 cars below the preceding week but an increase of 8,017 cars above the corresponding week in 1945.

Grain and grain products loading totaled 45,328 cars, a decrease of 210 cars below the preceding week and a decrease of 11,545 cars below the corresponding week in 1945. In the Western Districts alone, grain and grain products loading for the week of June 22 totaled 32,136 cars, a decrease of nine cars below the preceding week and a decrease of 8,508 cars below the corresponding week in 1945.

Livestock loading amounted to 12,277 cars a decrease of 1,383 cars below the preceding week and a decrease of 1,245 cars below the corresponding week in 1945. In the Western Districts alone loading of Livestock for the week of June 22 totaled 9,046 cars a decrease of 1,018 cars below the preceding week, and a decrease of 730 cars below the corresponding week in 1945.

Forest products loading totaled 48,680 cars an increase of 858 cars above the preceding week and an increase of 3,556 cars above the corresponding week in 1945.

Ore loading amounted to 62,373 cars, a decrease of 4,002 cars below the preceding week and a decrease of 12,250 cars below the corresponding week in 1945.

Coke loading amounted to 12,141 cars an increase of 834 cars above the preceding week, but a decrease of 1,141 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 Eastern, Pocahontas and Southern.

	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	837,886	810,698
Week of June 8	830,126	884,658	873,174
Week of June 15	867,918	873,322	877,493
Week of June 22	858,437	876,703	880,311
Total	18,136,544	20,384,599	20,387,991

The following table is a summary of the freight carloadings for the separate railroads and systems for the week ended June 22, 1946. During this period 58 roads reported gains over the week ended June 23, 1945.

REVENUE FREIGHT LOADED AND RECEIVED FROM CONNECTIONS (NUMBER OF CARS) WEEK ENDED JUNE 22

Railroads	Total Revenue Freight Loaded 1946	1945	1944	Total Loads Received from Connections 1946	1945
Eastern District—					
Ann Arbor	369	282	220	1,575	1,455
Bangor & Aroostook	1,439	1,428	978	409	315
Boston & Maine	8,040	6,656	7,108	12,572	13,420
Chicago, Indianapolis & Louisville	1,220	1,056	1,240	1,821	1,994
Central Indiana	32	33	24	47	44
Central Vermont	1,057	1,119	1,066	2,392	2,123
Delaware & Hudson	4,900	4,987	4,919	11,102	11,501
Delaware, Lackawanna & Western	8,479	7,711	7,884	8,821	10,858
Detroit & Mackinac	498	285	274	191	144
Detroit, Toledo & Ironton	2,034	1,626	1,861	1,124	1,387
Detroit & Toledo Shore Line	329	407	316	3,899	2,664
Erie	12,169	13,064	13,692	16,076	17,010
Grand Trunk Western	4,614	4,016	3,871	7,857	8,049
Lehigh & Hudson River	63	148	211	2,724	3,023
Lehigh & New England	2,238	2,286	1,711	1,612	1,537
Lehigh Valley	9,502	9,516	9,066	7,624	12,000
Maine Central	2,936	2,259	2,375	2,762	2,668
Monongahela	5,429	5,554	6,377	273	297
Montour	2,374	2,800	2,531	27	28
New York Central Lines	52,979	50,862	49,404	49,185	52,823
N. Y., N. H. & Hartford	10,814	10,144	9,221	15,434	17,774
New York, Ontario & Western	1,093	1,207	1,322	2,426	3,251
New York, Chicago & St. Louis	6,505	6,436	6,975	13,341	14,749
N. Y., Susquehanna & Western	294	437	512	1,980	2,236
Pittsburgh & Lake Erie	6,495	7,787	7,799	8,631	9,123
Pere Marquette	6,117	5,190	5,007	7,353	8,599
Pittsburgh & Shawmut	1,007	935	919	33	26
Pittsburg, Shawmut & North	363	328	334	95	244
Pittsburgh & West Virginia	1,058	1,085	1,396	2,033	2,803
Rutland	396	363	372	1,375	1,360
Wabash	6,290	5,781	6,054	11,805	12,031
Wheeling & Lake Erie	5,845	5,391	6,085	3,419	4,349
Total	166,878	161,179	161,124	200,018	219,885
Allegheny District—					
Akron, Canton & Youngstown	493	632	654	1,259	1,088
Baltimore & Ohio	39,719	48,338	46,392	24,239	28,652
Bessemer & Lake Erie	4,445	6,655	6,103	2,040	2,012
Cambria & Indiana	1,486	1,464	1,610	12	4
Central R. R. of New Jersey	6,589	6,853	6,770	15,950	19,293
Cornwall	427	509	555	62	53
Cumberland & Pennsylvania	248	180	256	8	12
Ligonier Valley	46	89	132	6	37
Long Island	1,482	1,690	1,664	4,543	4,625
Penn-Reading Seashore Lines	1,642	1,831	1,774	1,867	2,042
Pennsylvania System	87,869	87,258	89,690	64,809	64,343
Reading Co.	15,388	15,455	14,668	24,290	26,688
Union (Pittsburgh)	16,341	16,440	19,408	5,270	7,291
Western Maryland	4,465	4,011	4,146	10,278	12,970
Total	180,640	191,405	193,822	154,633	169,110
Pocahontas District—					
Chesapeake & Ohio	34,295	27,238	28,808	14,666	14,159
Norfolk & Western	25,830	21,242	21,090	6,918	7,263
Virginian	4,880	4,179	4,603	1,692	2,606
Total	65,005	52,659	65,501	23,276	24,028

Railroads	Total Revenue Freight Loaded 1946	1945	1944	Total Loads Received from Connections 1946	1945
Southern District—					
Alabama, Tennessee & Northern	403	416	315	183	286
Atl. & W. P.—W. R. R. of Ala.	756	685	870	1,945	2,311
Atlanta, Birmingham & Coast	†	†	892	†	†
Atlantic Coast Line	14,053	12,672	12,076	8,784	10,940
Central of Georgia	4,442	4,084	3,573	4,592	4,847
Charleston & Western Carolina	533	561	350	1,659	1,541
Clinchfield	1,810	1,605	1,735	3,620	3,124
Columbus & Greenville	381	261	224	346	253
Durham & Southern	102	119	112	747	543
Florida East Coast	1,077	955	1,004	1,302	1,150
Gainesville Midland	94	44	42	78	110
Georgia	1,226	1,265	1,250	2,469	2,509
Georgia & Florida	504	459	445	887	792
Gulf, Mobile & Ohio	4,964	4,604	4,336	3,684	4,509
Illinois Central System	25,822	27,403	29,292	14,281	16,882
Louisville & Nashville	26,064	26,090	24,891	9,743	12,302
Macon, Dublin & Savannah	298	219	160	1,002	1,040
Mississippi Central	492	445	253	366	557
Nashville, Chattanooga & St. L.	3,607	3,303	3,098	3,699	4,462
Norfolk Southern	2,050	2,025	1,505	1,434	1,459
Piedmont Northern	397	412	401	1,503	1,242
Richmond, Fred. & Potomac	448	509	491	9,791	10,624
Seaboard Air Line	11,674	10,217	9,615	8,193	8,862
Southern System	26,728	24,995	23,385	24,736	25,419
Tennessee Central	737	582	645	761	757
Winston-Salem Southbound	139	125	123	1,061	985
Total	128,801	124,055	121,083	106,866	117,506
Northwestern District—					
Chicago & North Western	20,058	19,283	19,150	12,855	15,406
Chicago Great Western	2,137	2,514	2,274	3,062	3,501
Chicago, Milw., St. P. & Pac.	19,585	22,682	22,114	10,494	11,064
Chicago, St. Paul, Minn. & Omaha	3,347	3,833	3,389	3,803	3,960
Duluth, Missabe & Iron Range	21,110	25,034	26,454	332	417
Duluth, South Shore & Atlantic	576	1,495	731	587	632
Elgin, Joliet & Eastern	7,419	8,585	8,985	8,489	9,790
Ft. Dodge, Des Moines & South	462	364	426	125	99
Great Northern	19,074	21,926	23,881	6,415	8,664
Green Bay & Western	*488	422	449	*843	1,139
Lake Superior & Ishpeming	2,311	2,669	3,180	136	91
Minneapolis & St. Louis	1,660	1,966	2,371	2,459	2,679
Minn., St. Paul & S. S. M.	7,220	7,480	7,447	3,516	3,489
Northern Pacific	10,279	11,868	11,014	5,229	6,805
Spokane International	113	325	189	522	590
Spokane, Portland & Seattle	2,591	2,725	2,893	2,510	4,484
Total	118,430	133,171	134,947	61,377	72,810
Central Western District—					
Atch., Top. & Santa Fe System	28,457	30,851	29,657	10,162	14,815
Alton	2,442	3,586	3,693	3,566	4,121
Bingham & Garfield	4	494	415	9	83
Chicago, Burlington & Quincy	18,078	19,391	18,629	10,107	13,688
Chicago & Illinois Midland	6,343	3,168	3,142	758	909
Chicago, Rock Island & Pacific	14,276	13,865	14,799	13,632	14,963
Chicago & Eastern Illinois	2,934	2,844	2,790	3,182	5,234
Colorado & Southern	489	607	573	1,801	2,939
Denver & Rio Grande Western	2,463	3,429	3,668	4,143	8,338
Denver & Salt Lake	608	469	730	71	44
Fort Worth & Denver City	1,759	1,494	1,523	1,326	2,053
Illinois Terminal	1,977	2,299	2,375	1,809	2,004
Missouri-Illinois	1,345	1,176	933	473	616
Nevada Northern	1,458	1,458	1,833	123	98
North Western Pacific	646	869	897	563	737
Peoria & Pekin Union	6	0	1	0	0
Southern Pacific (Pacific)	34,470	35,862	35,005	9,911	15,379
Toledo, Peoria & Western	17	403	293	3	2,357
Union Pacific System	13,545	16,044	15,284	14,324	21,320
Utah	733	585	528	6	2
Western Pacific	1,943	2,028	2,300	3,140	5,070
Total	131,293	140,922	139,068	79,109	114,776
Southwestern District—					
Burlington-Rock Island	284	403	574	783	946
Gulf Coast Lines	3,884	4,965	5,001	2,754	2,334
International-Great Northern	2,205	3,181	3,611	4,706	3,945
‡K. O. & G., M. V. & O. C.-A.-A.	1,290	1,167	951	1,715	1,765
Kansas City Southern	3,466	5,305	5,956	3,092	3,265
Louisiana & Arkansas	2,413	3,604	3,888	2,070	2,894
Litchfield & Madison	401	318	315	1,339	1,629
Missouri & Arkansas	162	202	141	359	454
Missouri-Kansas-Texas Lines	6,067	6,680	7,620	4,748	5,290
Missouri Pacific	18,429	17,101	16,631	14,319	19,644
Quanah Acme & Pacific	259	191	184	191	397
St. Louis-San Francisco	11,089	10,559	10,090	7,322	8,887
St. Louis-Southwestern	3,025	3,689	3,186	4,956	6,658
Texas & New Orleans	8,891	9,968	17,730	5,448	5,645
Texas & Pacific	5,264	5,758	4,732	7,366	8,604
Wichita Falls & Southern	227	183	111	65	81
Weatherford M. W. & N. W.	34	38	34	16	21
Total	67,390	73,312	75,766	61,249	72,459

*Previous week's figures.

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

NOTE—Previous year's figures revised.

Weekly Statistics of Paperboard Industry

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

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

STATISTICAL REPORTS—ORDERS, PRODUCTION, MILL ACTIVITY

Period 1946—Week Ended	Orders Received Tons	Production Tons	Unfilled Orders Remaining Tons	Percent of Activity Current	Cumulative
Mar. 2	198,985	161,122	533,794	98	93
Mar. 9	178,443	158,229	551,081	99	94
Mar. 16	157,237	167,243	538,572	100	94
Mar. 23	169,355	164,267	539,100	99	95
Mar. 30	133,509	167,541	549,928	100	95
April 6	225,192	164,562	607,799	99	95
April 13	154,235	169,627	591,661	101	96
April 20	143,946	167,627	566,152	101	96
Apr. 27	148,161	156,291	553,274	95	96
May 4	229,120	174,501	605,288	101	96
May 11	155,747	165,911	591,206	97	96
May 18	159,370	162,563	595,427	92	96
May 25	131,133	152,203	565,225	93	96
June 1	142,001	139,693	567,068	85	96
June 8	186,073	160,607	591,496	96	96
June 15	136,211	161,240	567,087	98	96
June 22	157,746	163,148	560,916	97	96

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

Excess Profits Tax Council Operations

Joseph D. Nunan, Jr., Commissioner of Internal Revenue, and Charles D. Hamel, Chairman of the Excess Profits Tax Council, announced on June 21 that the Council expects to begin active operations within the next few weeks. The Council is the agency which has been set up within the Bureau of Internal Revenue to administer claims filed by corporations for reduction of their excess profits taxes under Section 722 of the Internal Revenue Code. Reference to the creation of the Council appeared in our issue of June 13, page 3262. The advices June 21 from the Internal Revenue Bureau said:

With a view to such an early start, an announcement will be made shortly of the full membership of the Council, which will be composed of fifteen individuals selected for outstanding experience in law, accounting and economics.

Meanwhile, administrative and procedural plans are being developed for early consideration of the Council. Foremost of these is a proposal for the Council to reexamine and attempt settlements without Court trial in the approximately 600 cases which are pending in the Tax Court of the United States.

Among other facilities, the Council is expected to have a Conference Group to attempt settlement of disputed cases, and also a Review Group to examine cases in which taxpayers and field agents of the Bureau have reached agreements.

Field offices of the Bureau will continue to handle Section 722 cases as in the past in an effort to reach agreements with taxpayers in as many instances as possible. Each field office has organized a Committee on Section 722 claims and each corporation having such a claim pending in a field office is requested to expedite its case by fully informing the Committee of all relevant facts regarding the case.

As soon as the Council begins operations, there will be transferred to its jurisdiction all Section 722 cases now being handled by the Audit Review Division of the Income Tax Unit in Washington.

The Council members already appointed are: Mr. Hamel, a prominent Washington attorney and former Chairman of the United States Board of Tax Appeals; Charles P. Smith, recently retired from the Tax Court; and Morton P. Fisher, prominent Baltimore attorney and former Chief of the Public Finance Branch of the Office of Military Government in Germany.

Lumber Movement—Week Ended June 22, 1946

According to the National Lumber Manufacturers Association, lumber shipments of 420 mills reporting to the National Lumber Trade Barometer were 8.8% below production for the week ending June 22, 1946. In the same week new orders of these mills were 9.3% below production. Unfilled order files of the reporting mills amounted to 81% of stocks. For reporting softwood mills, unfilled orders are equivalent to 29 days' production at the current rate, and gross stocks are equivalent to 34 days' production.

For the year-to-date, shipments of reporting identical mills exceeded production by 4.5%; orders by 3.1%.

Compared to the average corresponding week of 1935-1939, production of reporting mills was 19.3% above; shipments were 15.3% above; orders were 14.8% above.

Items About Banks and Trust Companies

(Continued from page 133)

Brooklyn, N. Y., as of June 28, made public July 1, showed total deposits of $263,835,049, comparing with $270,113,996 on March 31, last, and $247,094,849 on June 30, 1945. Total resources were $281,480,702, comparing with $287,271,979 on March 31 and $263,825,353 a year ago. Cash on hand and due from the Federal Reserve Bank and other banks was $58,517,415, against $48,218,634 on March 31 and $54,435,485 on the corresponding date in 1945, while holdings of U. S. Government securities were carried at $176,812,865, against $190,996,504 and $153,970,978, respectively. The company reported total loans and bills purchased of $32,630,826, against $31,250,903 on March 31 last and $37,461,770 a year ago. The statement showed that the book value of bank buildings had been reduced to $2,500,000 from the previous figure of $3,000,000, at which they had been carried for the past year. Undivided profits of $1,614,287 were shown, comparing with $1,667,075 on March 31 and $1,466,976 on June 30, 1945. Capital and surplus were unchanged at $8,200,000 and $5,600,000, respectively.

The statement of the Philadelphia National Bank, of Philadelphia, Pa., for the period ended June 29, 1946, shows deposits on that date of $705,692,003, consisting of $87,633,595 of U. S. Treasury deposits and $618,058,408 representing all other deposits. This compares with deposits of $764,124,700—$159,904,981 of U. S. Treasury deposits and $604,219,719 covering all other deposits—reported on March 30, 1946. Total resources amounted to $769,186,398, compared with $827,720,601; cash and due from banks aggregated $186,161,160, compared with $186,950,970; U. S. Government securities, $440,099,408, compared with $483,054,501; State, county and municipal securities were $13,097,392, against $13,862,392; other securities, $34,147,926, against $38,788,378; loans and discounts, $91,069,670, compared with $98,566,888. The capital stock of the bank and the surplus at the end of June both remained unchanged at $14,000,000 and $28,000,000, respectively. Undivided profits were $13,611,690, compared with $12,986,136 at the end of March.

An increase of $7,548,522 in deposits other than U. S. Government deposits during the first six months of 1946 is shown in the statement of condition as of June 29, 1946, issued by the Corn Exchange National Bank and Trust Company, Philadelphia. Loans and bills discounted totaled $59,971,435, an increase of $3,591,846. Total deposits as of June 29, 1946, were $274,996,870, compared to $298,358,865 as of Dec. 31, 1945, with U. S. Government deposits declining $30,910,516. Total resources of $298,678,921 included $60,956,569 cash and due from banks and $159,932,516 in U. S. Government securities. Total capital funds of $18,384,651 on June 29, 1946, included capital stock $5,687,500; surplus $10,000,000 and undivided profits $2,697,151. Reserves totaled $1,783,224.

Four members of the staff of the National City Bank of New York retired on June 28, having accumulated a total of 206 years, four months active service. They are: Frederick B. Beach, Halsey G. Bechtel, Charles H. Clark and Charles H. Mills. Mr. Beach is a veteran with the longest service—52 years, nine months. Mr. Bechtel and Mr. Clark, Assistant Cashiers, have each been with the bank 51 years, six months. Mr. Mills, Head Receiving Teller, has a service record of 50 years, seven months.

Guaranty Trust Company of New York opened on July 2 a branch offic in Rockefeller Center at 40 Rockefeller Plaza, northwest corner of 50th Street. It brings to three the branches of Guaranty in New York City; the others are at Fifth Avenue and 44th Street, established in 1898, and at Madison Avenue and 60th Street, opened in 1918. The bank's main office is at 140 Broadway and foreign branches are in London, Paris and Brussels. J. Luther Cleveland, President, said that the complete services of the banking, trust and foreign departments are available at the branch, including safe deposit vaults of the affiliated Guaranty Safe Deposit Company. The office, he said, has been established to provide more convenient service for the bank's many customers in this section and extends its facilities to others who may find the location advantageous in meeting personal and business banking requirements. The office is under the general supervision of Alfred C. Howell, Vice-President, as are the other New York City branches. Other officers of the new branch are: Robert W. Stephens, Second Vice-President; John R. Currier, John F. Gately, Reidar E. Gundersen and Lawrence M. Pritchard, Assistant Treasurers; Kenneth S. Stocker, Assistant Trust Officer, and Alfred W. C. Spindler, Assistant Secretary. William M. Stevenson, Assistant Treasurer, will be in charge of the branch of Guaranty Safe Deposit Company.

A luncheon was tendered on June 25 by a group of 11 officers and associates to Hiram G. Disbrow, Vault Custodian, on the occasion of his retirement from the New York Trust Company on July 1 after 39 years of service. The combined length of service of those attending the luncheon was over 390 years. Later, a reception was given in his honor by his associates of the 40th Street and Madison Avenue office. Mr. Disbrow joined the trust company in November, 1907, and served as Assistant Manager, Foreign Department. Later he was Vault Custodian in the main office and 40th Street and Madison Avenue offices.

Frank K. Houston, Chairman of the board of the Chemical Bank & Trust Company of New York, announces the appointment of George E. Post as Assistant Comptroller. Mr. Post joined the Auditing Department of the Chemical Bank in August, 1922. In July, 1942, he volunteered as a private in the U. S. Army and entered OCS in October, 1942. He was commissioned a Second Lieutenant in the Field Artillery in January, 1943, and a First Lieutenant in December of that year. He returned to the bank in August, 1945.

Following the regular meeting of the Board of Directors of the Bank of the Manhattan Company held on June 27, F. Abbot Goodhue, President, announced that William Driver, Jr., formerly Assistant Vice-President, was appointed Vice-President. J. B. Reboul, formerly Assistant Treasurer, was appointed Assistant Vice-President. Patrick N. Calhoun, Jr., was appointed Assistant Treasurer and A. M. Egolf was appointed Assistant Auditor. Prior to joining the Bank of the Manhattan Company Mr. Driver was with the Colorado National Bank of Denver, Colo., and the Central Hanover Bank & Trust Co., N. Y. He joined the Bank of the Manhattan Company in March, 1936, and in December, 1938, was elected Assistant Cashier. In April of 1944 he entered the Military Service as a private and was discharged as a Captain in October, 1945. When he rejoined the bank on Oct. 15, 1945, he was elected an Assistant Vice-President. Mr. Driver is attached to the bank's New England division.

DeCoursey Fales, President of the Bank for Savings in the City of New York, announces that a new branch office of the bank was opened at the northeast corner of Broadway and 86th Street on July 3. J. Milton Cartmell, Assistant Vice-President, is in charge. The Bank for Savings is the oldest savings bank in the State and July 3 is the 127th anniversary of the day in 1819 when the bank pioneered savings banking in New York. The original office was a basement room in a public building in City Hall Park. The main office is now at Fourth Avenue and 22nd Street with another branch at Third Avenue and 70th Street. The bank serves over 200,000 depositors and has resources of a quarter of a billion dollars.

Dudley Olcott 2d, banker and financier and former Vice-President of the old Central Trust Company of New York which became the Central Hanover Bank & Trust Company, died on June 28. He was 72 years old and had been retired since 1937, it was stated in the New York "Sun," from which the following is also taken.

He was born in Albany, the son of Frederick Pepoon Olcott. His father was instrumental in building up the Central Trust Company was was President of that bank for many years. Dudley Olcott was educted privately and became Vice-President of the bank in 1907, serving in that capacity until 1920. After resigning as Vice-President of the bank, he became a partner in the banking firm of Billings, Olcott & Co.

On June 25 the stockholders of the Lafayette National Bank of Brooklyn approved the recommendation of the directors to increase the capital from $850,000 to $1,000,000 through the issuance of additional shares of stock at the par value of $20 per share. A previous item in the matter appeared in our issue of June 13, page 3265.

George C. Johnson has been elected to the newly created office of Executive Vice-President of the Dime Savings Bank of Brooklyn, Philip A. Benson, President of the bank, announced on June 26, it is learned from the Brooklyn "Eagle," which further reported:

Mr. Johnson has been associated with "The Dime" since 1917 and has held the office of Treasurer since 1932. Other promotions announced include: Austin C. Cheshire, Vice-President and Secretary; A. Edward Scherr, Jr., Vice-President and Treasurer; Alfred R. Marcks, Assistant Vice-President; Robert D. Barker, Assistant Vice-President; Clinton L. Miller, Assistant Vice-President; Ray C. Shepherd, Assistant Vice-President; Thomas S. Sites, Assistant Vice-President; Gustave T. Andren, Mortgage officer; Gerald J. Peffert, Assistant Comptroller.

The Albany, N. Y., "Times-Union" of June 29 reports that the stockholders of the Peoples Bank of Johnstown, N. Y., voted on June 28 to merge with the State Bank of Albany and later stockholders of the latter institution approved the merger. The "Times-Union" further said:

Under the terms of the merger, it will become effective upon the filing of the necessary documents with the State Banking Department today. Thereafter the State bank will open a branch in Johnstown under the name, "State Bank of Albany, Peoples Branch."

At the same time, stockholders of the State bank voted to increase their capital stock from $2,000,000 to $2,034,500; to reduce the par value of the stock from $100 a share to $10 a share and to exchange the old $100 par value stock for the new $10 par value stock on the basis of 10 shares of the new for one share of the old.

The United States Savings Bank, of Newark, N. J., celebrated its 75th anniversary on June 24. The institution began business on June 24, 1871, a few years after the close of the Civil War. The Newark "News," reporting the jubilee of the bank, said:

A mutual institution, the bank now has 30,000 depositors and assets of approximately $24,000,000.

The bank originally was called the German Savings Bank, but changed its name in February, 1918.

Christopher Wiedenmayer was the first President of the bank. After him came Gottfried Krueger, who served for more than quarter of a century. He was succeeded by John Fischer, who served for many years. Mr. Fischer was succeeded by William F. Hoffmann in October, 1930, and Mr. Hoffmann, in turn, was succeeded by the present President, Benjamin Fairbanks, in 1933.

Land Title Bank and Trust Company, of Philadelphia, announces the retirement, under its pension plan, of four employes with a total of 179 years of service with the bank. They are: Frank G. Treston, Assistant Treasurer; Aaron L. Deeter, Trust Officer; Frederick Habicht, Mortgage Department, and T. Sparks Bishop, teller. Mr. Habicht, who is President of the bank's Pioneer Club, is the longest in point of service, having been with the bank for 55 years. Messrs. Treston and Bishop both have 44 years of service and Mr. Deeter 36 years.

Land Title Bank and Trust Company reports net operating earnings of $2.58 per share for the first six months of 1946, after allowing for taxes and other charges. Net profits from all sources equalled $4.17 per share. Two dividends of 40 cents per share totaling $120,000 were paid during that period and, after writedowns and transfers to reserves, $327,000 was added to undivided profits.

A Vice-President, an Assistant Vice-President and four Assistant Cashiers were elected on July 2 by the Directors of the Corn Exchange National Bank and Trust Company of Philadelphia. The promotions were effective July 1. Richard A. Delaney was advanced to Vice-President. He had been an Assistant Vice-President since January, 1944, and has been with the bank since 1911. Charles B. Brown was advanced to Assistant Vice-President from Assistant Cashier. He has been with the bank since 1931. The newly elected Assistant Cashiers are: Edwin H. Krall, Kermit L. Benfer, J. Randall Cusworth, and James O. Whitall.

The Board of Directors of the Real Estate Trust Company of Philadelphia at its regular meeting June 21 elected Joseph E. Greene Vice-President of the company. Mr. Greene has been employed by the company for 18 years, recently in the capacity of Assistant Vice-President and Assistant Trust Officer.

With respect to plans for increasing the capital of the Capital Bank & Trust Co., of Harrisburg, Pa., proposed by the directors on March 7, the stockholders were asked, through President W. E. Burns, to approve a share dividend at the rate of one share for each three shares owned. The company's advices to the shareholders also said:

This will result in an increase of capital from $300,000 to $400,000 and necessitate an amendment to our articles of incorporation to permit the issuance of 10,000 additional shares with par value of $10 each.

The directors also propose to increase the suplus account from $300,000 to $500,000 and continue an undivided profits account of at least $120,000, thus creating a capital structure of $1,020,000. These funds are all obtainable from earnings of the company.

There are two underlying reasons for this proposal:

1. It provides an increase in the basic common capital which is warranted by the growth of the institution from $2,000,000 total resources in 1935 to $12,500,000 (both approximate) in 1946;

2. Lending limits, under State statutes, are restricted by the aggregate amount of capital and surplus only (10% of the total). The increase from the present total of $600,000 to the proposed $900,000 will better enable your company to service the sound credit needs of our community.

Putting the foregoing proposals into effect includes the following:

(a) Certificates for full shares and scrip certificates for fractional shares will be mailed or delivered to those entitled to receive them under the plan;

(b) Certificates for full shares will be issued in the name of the shareholder;

(c) Scrip certificates for fractional shares will be issued to "bearer";

(d) Scrip certificates will bear no dividend nor have any voting power. They may be exchanged for full shares when presented in equivalent amounts—i.e., three bearer certificates each representing a one-third right of conversion into a full share, but this privilege will expire and become void after 3 o'clock p.m., July 22, 1946;

(e) The number of shares of said common stock represented by the total scrip outstanding at 3 o'clock p.m., July 22, 1946, will be sold at public or private sale. The proceeds of such sale, after deduction of any expenses, will be distributed proportionately to the holders of said outstanding scrip certificates, upon surrender thereof.

The consolidation, effective at the close of business on June 15, of the First National Bank of Peoria, Ill. (capital, $660,000), and the First Trust and Savings Bank of Peoria (capital, $200,000), under the charter and title of The First National Bank of Peoria is announced by the comptroller of the currency. The enlarged institution has common capital stock of $660,000, divided into 33,000 shares of the par value of $20 each, and a surplus of $1,200,000.

Liverpool Cotton Exchange Not to Reopen

Incident to the Government announcement that the Liverpool Cotton Exch., which closed during the war, will not be reopened, W. S. Hannay, a former President of the Liverpool Cotton Association, said on June 26 that closing of the Exchange will mean an annual loss to the city of £3,000,000 ($12,000,000). Associated Press advices from Liverpool (June 26), in the New York "Journal of Commerce," from which we quote, also stated:

Mr. Hannay cited Association figures showing annual overhead expenses of 500 members and 184 firms, and salaries and wages.

"If the market never opens again it is a definite loss, not only to members and Liverpool," he declared in a speech. "I believe that it will eventually be the means of bringing down the cotton trade of Lancashire and making it a secondary business in the export trade of the country."