Final Edition ESTABLISHED 1839 In 2 Sections—Section 2

The COMMERCIAL and FINANCIAL CHRONICLE

Reg. U. S. Pat. Office

Volume 164 Number 4508 New York, N. Y., Thursday, July 18, 1946 Price 60 Cents a Copy

Byrnes Reports Progress

In radio address, the Secretary of State analyzes problems of Big Four Foreign Ministers meeting at Paris. Points out accomplishments in drafting treaties with Nazi satellite nations and settlement of Trieste issue. Attacks isolation of German zones and decries Russia's opposition to pact for German disarmament. Proposes separate agreements among Allies occupying Germany and promises continued efforts to restore peace in Europe.

Secretary of State James F. Byrnes, who returned from the Conference of the Big Four Foreign Ministers on July 14, spoke over the radio to the people the following evening, during which he recounted the problems which beset the meeting and expressed some satisfaction with its accomplishments. He called attention to the success of the struggle to bring about a general peace conference, which meets in Paris on July 29, and berated the Soviet Delegation for its attitude of opposition, particularly in the matter of restoring economic and political unity to Germany.

James F. Byrnes

The text of the address follows:

After every great war the victors find the making of peace difficult and disappointing. It took the 13 American States more than five years after winning their independence to agree upon a Constitution which promised anything like a durable peace among themselves.

To build world peace, bridging differences in ideas, values, codes of conduct and deeply cherished aspirations, requires even greater tolerance, patience and understanding. It requires the will and ability to seek the best, to accept the best obtainable, and then to make the best obtainable work.

As war breeds war, so peace can be made to breed peace.

That is why President Truman and I were determined at Potsdam last summer, two months after VE-Day, to set up the Council of Foreign Ministers. We were eager to have the Council start the making of peace and to make peace as quickly as possible wherever possible.

It was obvious then that the making of peace with Germany would take time. There was no German Government to deal with, and no agreement as to how soon we should permit a German Government to function. It was equally obvious that a start could be made toward making peace with Italy and the states which were

(Continued on page 404)

No Veto On Peace—Vandenberg

Terming the East-West disagreement over a German settlement appalling, Senator Vandenberg on his return from Paris, insists no nation has moral right to veto peace. Warning of impending German catastrophe, he scores Russia's insistence—in defiance of Potsdam Agreement—on administering Germany in airtight compartments, rather than as economic unit. Criticizes "insatiable Soviet appetite for proselyting and propaganda."

Senator Arthur H. Vandenburg on his return from the conference of Foreign Ministers in Paris, where he acted as adviser to Secretary of State James F. Byrnes, on Tuesday, July 17 made an exhaustive report thereon to his Senate colleagues. While saying that peace has made substantial gains, and decrying war with Russia as "an unthinkable calamity," he solemnly warned of the East-West crisis ahead.

A. H. Vandenberg

Excerpts from Mr. Vandenberg's report, as reported by the United Press, and published in the New York "Times," follow:

Mr. President, the Senate of the United States has a direct responsibility in respect to the peace treaties which shall finally terminate World War II. The Senate will have to pass upon these treaties. The Senate and the country therefore should be fully informed with regard to the process from which these treaties will develop.

The treaties with Italy, Hungary, Bulgaria, Rumania and Finland now are approaching final form in the Council of Foreign Ministers, upon which America, Russia, Britain and France are represented. This Council has just concluded its fourth and most successful effort in this regard at Paris.

Secretary of State James F. Byrnes invited the senior Senator from Texas (Mr. Connally), who is chairman of the Committee on Foreign Relations, and the senior Senator from Michigan, now speaking, to join him in this Paris mission. I propose frankly to present my view of the net result and I shall deal with the significance of what was not accomplished just as freely as I shall deal with the significance of what was.

My task is greatly simplified by the able report to the nation which was made last night by radio by Secretary Byrnes. I en-

(Continued on page 402)

Urges Corporate Directors Based On Ability

Credit Association Executive favors selecting men of ability in corporate management, even though they have only nominal stockholding interest. Sees more men "who have come up through the shop" on boards of directors in years ahead.

As industry again takes up the contest for business under normal conditions, it is important to have well qualified and far-sighted men on corporate board of directors, declares Henry H. Heimann, Executive Manager of the National Association of Credit Men, in his Monthly Review of Business released on July 15. Corporation directors should be selected for their known ability in industrial management, as such capabilities are paramount to their having large stock interest in the company, he points out. Individuals, who by experience and special research have become outstanding leaders in corporate management, are valuable additions to a board of directors, as they bring an outside viewpoint based on the proven experiences of industry. If they meet these qualifications there can be no valid objection to their service on a board of directors, even though they possess only nominal holdings. He predicts that specialists in finance, distribution, produc-

Henry H. Heimann

(Continued on page 405)

GENERAL CONTENTS

Editorial

The Financial Situation

Politicians throughout the ages have been adept in making full use of the prejudices, the notions and the emotional attitudes of the days in which they operated. History has usually proved these popular fads to have little foundation in fact or understanding, but true or false, sound or silly, they have frequently turned the course of history for decades. We, of course, have our share of them at present. To those of us who must live with them — or perhaps better expressed, under them—it often appears that we have more than our share. We have on several occasions taken pains to pay our respects to several of them. "Liberty-loving," "peace-loving", "democratic", as adjectives applied to peoples and governments which know not the meaning of such terms, are cases in point. "Under-privileged," "over-privileged", "collective bargaining", "liberal", or "liberalism" are others in the same general category.

At the moment two "theme songs" seem to be particularly dangerous. One of them centers around such terms as "emergency", "crisis" or "calamity", and the other is usually symbolized by "inflation", "deflation", or "boom-and-bust." President Roosevelt may not have originated the "emergency technique" of politics, but he certainly adopted it early in his career and made wide and successful use of it. It enabled him to create a virtual dictatorship for himself here in the United States and to maintain it to the day of his death. There was every reason to expect him to continue to employ the technique when the war was over, to keep all the "gains" it had brought him both in the earlier days of the New Deal and during the war years. At any rate, his successor has proceeded in this way.

"Boom and Bust"

It was soon apparent, too, that the economic neophytes whom President Truman inherited — and the others he has

(Continued on page 400)

From Washington Ahead of the News

By CARLISLE BARGERON

By way of the man being confronted with the question: Well, what have you got to say? We have this to say:

Back there in 1944 at the Chicago National Convention, the man who is now President was running around like nobody's business working to be Vice-President, and the man who finally permitted him to be that, Sidney Hillman, is dead. On one occasion when Hillman was dealing them from the deck and saying this is this and that is that, he turned up one card and said, in effect, "Harry, I'll not take any of the rest of them, but I will take you." And Truman said, in effect, Thank you, Sidney.

Carlisle Bargeron

That was the relationship which existed between the Russian immigrant whom we have seen so much eulogized recently, and the President of the United States. A lot has been written about how Truman, ascending to the Presidency, never forgot his friends. By this token, he never forgot Sidney Hillman. It was Sidney Hillman's word that made him President.

Truman has stuck to his Missouri friends. He stuck to Sidney. The White House was open to Sidney and so was the long distance telephone.

Sidney is now dead. Sidney has passed along as the "Christian Science Monitor" would put it. At any rate, Sidney ain't here anymore. The question arises as to what this means to Mr. Truman.

He issued a very laudatory statement about Hillman, one of the best that has ever been written for him. He said that here was a great humanitarian who was really working at the processes of democracy, a man of Eastern European origin who had come over here and perceived the possibilities of these processes and he, Truman, couldn't imagine

(Continued on page 405)

Naivete—or Common Sense?

"I am not thinking of 79-cent lamb chops, or butter at $1 a pound, or the thousands of unwarranted rent increases and evictions. They certainly are bad enough — and the inflation that we've seen today has all of you aroused.

"I'm thinking ahead, to what may happen as a result of price increases that are being made in basic commodities and raw materials—which for one reason or another haven't yet made themselves felt in your stores—at least not to the full effect that they will be felt, if controls aren't restored promptly. . . .

Paul Porter

"There are people today who talk of 'prices finding their own level' soon. They'll tell you, with attempts at reassurance, that a runaway inflation is impossible here.

"Business and industry, they say — and the 40,000,000 housewives in this country — will see to it that prices and rents don't go too high.

"I confess I find it hard to understand the reasoning of people who sing this dangerous theme song. When I read their statements and hear their depreciation of your very natural fears about inflation — I don't know whether to be shocked at their callousness or stunned by their apparent naivete. In any case, I am alarmed."—Paul A. Porter.

We suggest, first, that Mr. Porter have some of his assistants obtain quotations more accurately reflecting the actual market; second, that he make allowances for subsidies which have been helping to pay for such necessaries; and, third, that he inquire what was actually being paid for these things at the end of June.

But, far more important, has Mr. Porter reached the point where he knowingly scoffs at the American competitive system? Does he really think that the American people are as helpless as he suggests?

Truman Urges Strict Economy And High Taxes

Acting Director of Budget, Paul H. Appleby, at President's behest, sends letter to heads of government departments urging strict economy. Says high taxes must remain, and "merely to balance the budget is not enough."

The Bureau of the Budget, on July 12, made public a circular letter sent at the request of the President to the heads of government departments and agencies by Paul H. Appleby, its Acting Director, urging strict economy in expenditures and stating that taxes will remain high as way to reduce the national debt, since "merely to balance the budget is not enough." The text of the letter follows:

EXECUTIVE OFFICE OF THE PRESIDENT
BUREAU OF THE BUDGET
Washington 25, D. C.

My dear Mr. Secretary:

The President has given me the general instruction that for fiscal year 1948 we must plan not only for a balanced budget, but for a substantial surplus to be used in the reduction of the national debt. This instruction is based on the view that we are on the eve of a period of high prosperity and substantially full employment. In these conditions, sizable debt reduction is nothing short of obligatory budget policy. Merely to balance the budget is not enough.

To achieve the President's objective, strict economy must be exercised in government expenditure programs and high taxes must be retained.

For the guidance of all agencies, the following principles will govern consideration of the 1948 Budget:

1. Requirements for existing activities should be carefully reviewed to eliminate work of low priority and to provide for more efficient performance of necessary work. This is necessary both in order to meet the President's economy objective and to carry out the congressional policy regarding civilian employment contained in the Federal Employees Pay Act of 1946.

2. Estimates should not contemplate expansion in activities, either by increases in existing activities or initiation of new ones, unless such expansion is required to meet a demonstrable public need of the highest priority, cannot be deferred, and cannot be avoided by more efficient and economical administration.

3. Consideration will not be given to estimates for new activities for which no basis exists in legislation.

4. Estimates for authorized civilian public construction and improvement programs should be limited to those for which the public need is so great, both from the standpoint of economic return and social benefit, that it is not in the national interest to postpone them. All other projects, especially those which would impede the flow of materials and manpower to the emergency housing program, should be deferred until a later year. Consideration will be given to estimates for planning and investigations of authorized public works projects for future initiation.

5. Construction for national defense purposes should be deferred in all cases where national security would not be impaired.

6. Necessary supplies and equipment should be acquired to the fullest extent possible from government surpluses. Any agency having supplies and equipment in excess of its needs will be expected promptly to declare them surplus.

7. A specific instruction as to the price assumptions that should be made will be issued when final congressional action on the Price Control Act is known.

I should also like to have included in your letters transmitting your budget estimates, statements which will outline and explain briefly the plans on which the estimates for your agency are based. These statements should cover the broad policies followed and explain why the estimates submitted are necessary to carry forward those policies. Such statements will give the bureau a general picture of the objectives you seek to achieve and how you expect to achieve them. They will not take the place of the detailed justification for each estimate. Should you believe that certain activities required by statute should not be carried on, that fact should be brought out and drafts of appropriate legislation should be submitted amending the provisions of law involved.

Very truly yours,
PAUL H. APPLEBY,
Acting Director.

Savings Bond Sales in June Exceeded Redemps.

Sales of Government Savings Bonds exceeded the total cashed in by more than $80,000,000 during June, the Treasury Department made known on July 2. Reporting this, Associated Press advices from Washington, said:

"Cash-ins of the E issue—the former war bond—ran ahead of new sales by more than $118,250,000. This was more than offset, however, in sales of the F and G series, which topped redemptions by $198,380,000.

"The Treasury noted that E bond cash-ins were 20.2% less than in March, the peak month for redemptions, and were continuing a downward trend which began in April. They amounted to $439,326,000 in June, while sales totaled $321,069,000. Treasury sales of F and G bonds combined totaled $250,156,000, against redempitons of $51,775,000.

"For the first half of 1946, combined E, F and G bond sales were $709,306,000 higher than redemptions, amounting to $4,041,666,000, while redemptions were $3,332,360,000."

Bank of America to Open Shanghai, Manila Branches

Bank of America National Trust & Savings Association of San Francisco, Calif., has been notified by the Board of Governors of the Federal Reserve System at Washington, that the bank's applications for permission to establish branches in Shanghai and Manila have been granted, according to L. M. Giannini, President. "There is general agreement," said Mr. Giannini, "that much of the future growth of our Pacific Coast rests upon the development of trade with the Far East. This contemplated extension of actual banking operations to the Orient is one further step in Bank of America's plans to foster such international trade." It is said that this will be the first extension by any Pacific Coast bank to the Far East. Announcements as to personnel and the nature of the Shanghai and Manila operations are deferred until a later date.

Loan To Great Britain Ratified And Signed

President Truman on July 15 put his signature to the $3,750,000,000 British loan agreement finally ratified by the House of Representatives on July 13, by a vote of 219 to 155, according to Washington Associated Press advices. Calling the pact a major step to carry out a program "for reviving and expanding international trade," the President reiterated his belief that the loan is a strong factor in efforts to restore normal world trade conditions.

The ceremony of signing the measure was witnessed by a number of notables, including the British Ambassador to the United States, Lord Inverchapel. Secretary of State Byrnes, Chief Justice Vinson, Secretary of the Treasury Snyder and several members of Congress were present. Twenty-six pens were used by the President in signing the document, after which he passed them out as souvenirs to his visitors.

The House's action in finally approving the loan, which the Senate had passed on May 10 by a vote of 46 to 34, completed four months of Congressional consideration of the joint resolution to ratify the agreement made Dec. 6. During this period proponents of the measure had innumerable occasions to fear that the plan to extend the huge credit to Great Britain would meet with failure. Administration leaders had to come forward repeatedly before the defeat of amendments which might have destroyed the effectiveness of the loan. The statement of President Truman, with the signing of the approved agreement, follows:

The approval by the Congress of the financial agreement with Great Britain is a major step in carrying out our program for reviving and expanding international trade.

The wide discussion of the measure which has taken place on both sides of the Atlantic emphasizes its importance. Full and frank debate is a basic principle of the democratic system, and I believe that the time and care given to the consideration of the agreement are insurance that our approval rests on full understanding.

The loan serves our immediate and long-range interests by helping to restore world trade. At the same time, it enables Great Britain to cooperate in creating a pattern of mutually beneficial economic relations among the nations of the world. It goes far to remove the danger of rival and antagonistic economic blocs. No one should think that this agreement between the United States and Great Britain is directed against any other country. It is not. The system of trade we seek is open on the same fair terms to all the United Nations.

While considerations of broad self-interests underlie our action, this does not mean that we have not forgotten the circumstances which gave rise to Britain's present problem. It is fortunate and gratifying that this action both serves our own interests and helps to solve the problems which Britain faces as the direct consequence of having devoted her human, spiritual and material resources so fully to the common cause.

As debate opened in the House July 8 on the proposal to extend the $3,750,000,000 credit to Great Britain, a note of urgency was sounded by President Truman who declared that the loan was "an integral part of the international economic policy of the United States." The President added, according to Associated Press Washington advices:

This program has had the whole-heated approval of Congress. It is the one way we can avoid the danger of a conflict in economic policy between the United States and the United Kingdom. Such a conflict would be disastrous to the economic well-being of both countries and to the peace and security of the entire world.

On such matters of international policy there must be no partisan division between Americans.

Secretary of State Byrnes cabled from Paris, "The British loan is the first essential economic step toward peace and security." Opposition to the loan was known to be strong in the House, and administration leaders voiced concern that the resolution to ratify might fail. Chairman Sabath (D.-Ill.) of the Rules Committee admitted that "for the first time in 13 years I am unable to support the administration." On the other hand, Representative Smith (D.-Va.), who often differs with the administration on domestic matters, took the offensive in behalf of the loan. Optimism as to the likelihood of favorable action for the loan was seen a little later when efforts to block consideration were defeated by a vote of 181 to 67 to approve the rule allowing 16 hours of general debate under which the bill went on the floor.

Labor Dept. Reports Hours And Earnings in April

An all-time high of $1.06 in gross average hourly earnings for production workers in manufacturing was reached in April, 1946, with a further rise to $1.07 indicated for May, the Bureau of Labor Statistics of the U. S. Department of Labor reported on June 26. The April average is 1 cent above the wartime peak in January, 1945, despite the relatively short work-week of 40.6 hours and comparatively few overtime hours at premium rates, said the Department, which further stated:

"Weekly earnings averaged $42.92 in April, about $4.50 below the peak in January, 1945, but considerably higher than at any time since V-J Day. The work-week in April was almost 5 hours below the January, 1945, average of 45.4 but approximately the same as at V-J Day. Weekly earnings in the non-durable goods group are $3.50 above the V-J Day level, while in the durable goods group they are at approximately the same level as in August, 1945.

"Gross average hourly earnings in the non-durable industries have been steadily increasing as a result of wage rate increases to the 98.8 cents level in April. Preliminary reports indicate that earnings in these industries will reach an average of $1 an hour in May.

"While the increases in earnings in the non-durable goods group are striking, even more significant is the average of $1.13 in the durable goods group, only 1 cent below the wartime peak when more than one-quarter of the durable goods workers were employed in the relatively high paying transportation equipment group. In April and May, 1946, less than 10% of the durable goods workers were employed in this highest paying of all durable goods groups.

"Increases in both hourly and weekly earnings between March and April were evident in all the major durable goods groups and in almost all of the non-durable. The shortage of coal and other materials was reflected in shorter work weeks in 17 of the 20 major groups."

Preliminary averages for May are presented below:

	W'kly Earns.	W'kly Hours	Hourly Earns. (cents)
All manufacturing	$42.67	39.8	107.2
Durable goods	45.46	39.5	115.0
Non-durable goods	39.91	40.0	99.7

Virgil Reed Believes Removal of Price Control Would Precipitate Danger of Runaway Inflation

In he view of Dr. Vergil D. Reed, instability, fostered by uncertainty over the future of price controls has invaded marketing in the United States, with the detrimental effect of a retarded and uneven flow of goods to consumers. The views of Dr. Reed, who is Associate Director of Research of the J. Walter Thompson Company, as given in the New York "Times" of July 15, were based on an interview with a reporter of that paper, who indicated that Dr. Reed at the same time said, that despite disadvantages deriving from the indeterminate fate of price regulations, the threat of their reimposition is salutory in keeping down prices of those who otherwise would not hesitate to raise them.

Removal of all price controls, Dr. Reed believes, would precipitate "very great danger" of inflation's getting beyond the control of even the most well-intentioned business leaders and their desire to prevent inflation. He regards rent control as the keystone in repressing a skyrocketing economy and calls its definite removal the leading invitation to inflation. His further views were reported as follows in the "Times":

While Congress ponders a price control bill which "looks quite unworkable," Dr. Reed said, in view of "its many amendments and evidently more to come in the House," industry continues to lack a basis for busines decisions. Practical price regulation, he continued, is vital if marketing's present groping course is to be given direction.

Dr. Reed explained his stand for price control as directed at those items in short supply in relation to the demand for them, either because of industry's inability to produce them fast enough or because of the unavailability of raw materials. He called this "the only excuse for controls, outside of war conditions," and would bar controls where supply can satisfy demand.

Well managed concerns with a knowledge of economics and the advantage of competent economists on their staffs realize the danger of inflation and won't encourage price rises, he said. The peril, therefore, derives from "short-time selfishness or a desire to clean up" on the part of less well managed concerns, he continued. Managements wanting to "hold the line" possess what he termed "enlightened selfishness, with the realization that what is best for consumers is best for them."

Excessive inflation, Dr. Reed pointed out, "merely prices more and more consumers out of your market." Any inflation, he explained, "besides hurting everybody to some degree, particularly hurts those with low purchasing power, which is the mass of the people."

Although partisan for price control on items in short supply, Dr. Reed would preclude subsidies from any possible renewal of price regulation. Subsidies should be relinquished, he advocates, to permit commodities to adjust themselves to a real price instead of a subsidy price, thereby establishing competition on a real commercial basis. Rollbacks, if introduced to future legislation, he declared, should fall short of subsidization as "one more step to a free price system as quickly as adequate production materializes." He contends that "subsidies and free enterprise are inconsistent."

Inflation is most apt to be troublesome in textiles, construction, automobiles and consumer durable goods as a general class, he foresees.

Relative to rapid inflation, Dr. Reed fears another round of strikes which would raise the cost of production and therefore prices. However, he does not look for any such eventuality, believing that the better labor union leaders would hesitate to start any far-reaching strikes unless prices "really do get out of reason." These leaders, he said, realize that the public's patience has been tried to "the breaking point."

Truman Hopes for Peace in United World

Hope for a united world pursuing the paths of eternal peace was voiced by President Truman on July 6 at Gettysburg, Pa. The President, said the Associated Press, filled with optimism over prospects for agreement on the European peace treaties, declared that conditions in the world as the aftermath of history's greatest war are much like those which beset this nation after the War Between the States, and this knowledge can be a tremendous help in guiding the forces of peace.

From the Associated Press, Gettysburg advices, we also quote:

The Chief Executive, looking solemnly at the Gettysburg peace monument dedicated by former President Franklin D. Roosevelt in 1938, read the inscription at the base:

"Peace Eternal in a Nation United."

If you changed "nation" to "world," he said, you would really have something.

As reporters met him at the monument during a brief vacation tour of this historic national shrine, the President expressed the wish he could make an announcement there that a peace treaty had been signed.

Newsmen asked him about his transatlantic telephone conversation yesterday with Secretary of State Byrnes in which he was told of the four-power foreign minister agreement to start a general treaty writing conference in Paris July 29.

It looks very much as if we are going to get a peace treaty one of these days, he said, and his whole countenance brightened.

Hobbs Bill Signed

In spite of widespread speculation as to a possible veto and intense opposition on the part of labor, the Hobbs Anti-Racketeering Act became law on July 3 when President Truman affixed his signature to the measure. In the opinion of several legislators, according to the Associated Press in its dispatch from Washington, the President's approval is considered likely to help restore friendly relations with Democratic Party members who were irritated by his earlier veto of the Case labor disputes bill which carried similar provisions.

The new legislation makes it a felony to interfere with movement of goods in interstate commerce by "robbery or extortion" or by threats of violence. Representative Hobbs (D.-Ala.), author of the bill, described it as the chief purpose of the bill to permit farmers to take their goods to market without interference by unions which, he declared, has not always been possible in the past. Provision is made in the new law for fines up to $10,000 and prison terms of up to 20 years for violators.

The message of Mr. Truman which accompanied his signing of the Hobbs bill, according to the Associated Press, emphasized his understanding of the advice of the Attorney General that it "does not in any way interfere with the rights of unions in carrying out their legitimate objectives."

In his message the President said in part:

This bill [the Hobbs bill] corresponds in terms to Section 7 of H. R. 4908, the Case bill, which I returned on June 11, 1946, without my approval. In my message of June 11, I stated that I was in full accord with the objectives of Section 7 of the Case bill.

The measure now comes before me as a separate enactment, rather than as one provision of the Case bill.

Section II of the Case bill seriously weakened the protection afforded to labor by the Norris-La Guardia act and correspondingly crippled the specific exceptions contained in section 7 of the Case bill. The present act, standing alone, is not subject to this objection.

The Attorney General advises me that the present bill does not in any way interfere with the rights of unions in carrying out their legitimate objectives. He bases this conclusion upon the language of the bill, as a separate measure, and upon the legislative history.

He makes reference, in particular, to Title II of the bill. That title provides that nothing in the bill shall be construed to repeal, modify, or affect the railway labor act, the Norris-La Guardia act, the Wagner act and specified sections of the Clayton act, i.e., the great legislative safeguards which the Congress has established for the protection of labor in the exercise of its fundamental rights.

The Attorney General also advises that the legislative history shows that the bill is not intended to deprive labor of any of its recognized rights, including the right to strike and the right to picket, and to take other legitimate and peaceful concerted action.

On this understanding, I am approving the bill.

Credits to Ethiopia by Export-Import Bank

Approval by the Board of Directors of the Export-Import Bank of a credit of $3 million to the Ethiopian Empire was announced on July 13 by William McC. Martin, Jr., Chairman of the Board. The advices from the Export-Import Bank state:

"The credit to Ethiopia is to be used for the purchase in the United States of capital equipment required for the rehabilitation of the Ethiopian economy. Ethiopia was at war and was the scene of actual hostilities for a longer period than any country except China. During that period heavy losses of life were sustained, and material damage was done to dwellings and to transportation and other productive facilities. The Ethiopian Government is now engaged in the difficult task of restoring essential transportation and other public services. It also faces the necessity of replacing worn-out equipment now in use in its mining and manufacturing enterprises. Since the end of the Italian occupation and of actual hostilities in Ethiopia, the government has successfully established a new currency, banking and tax system, has reestablished health and educational services, and has begun the task of developing Ethiopia's resources. This credit will help to carry forward that process."

The specific materials and equipment which the Ethiopian Government intends to purchase under this credit include: Vehicles, tires, machinery, tools, and equipment. The Export-Import Bank also states that advances under the credit may be made until June 30, 1948. Notes issued by the Ethiopian Government in evidence of advances will mature in 12 equal semi-annual instalments beginning June 30, 1951, and will bear interest at the rate of 3% per annum.

The State of Trade

Up to the present, statements by governmental and other groups of what would happen to the nation's economy with the serving of government control of prices has not come to pass. Here and there prices have advanced above previously fixed ceilings, but this was to be expected with the elimination of government subsidies. No matter how one approaches the problem the consumer with or without these subsidies will be obliged to pay the bill.

Here in New York City reports state that while present day prices for staple foodstuffs have risen considerably above OPA ceilings in most instances, they are lower than the black market prices which were prevalent under the price control system.

Since the lifting of controls the public has had ample evidence of the application of the natural law of supply and demand by the increasing movement in the last few days of livestock into markets at fairly reasonable prices. Supplies of beef and pork in wholesale markets have increased and are above the 1941-45 norm, it is understood with local slaughtering of steers and hogs considerably higher.

According to C. E. House, market news analyst for the Department of Agriculture in New York, trading on the wholesale markets was slow and the amount of pork cuts that had accumulated brought about a decrease of 5 cents a pound or more in some of the large cutting houses.

On Thursday of last week the board of directors of the Cotton Textile Institute formulated for the industry a four-point policy giving emphasis to the need for maximum production at reasonable prices, prompt shipments, equitable distribution and avoidance of long-term contracts. The Institute appealed to processors and distributors of cotton goods, such as converters, garment manufacturers, knitters, wholesalers and retailers, to cooperate in the program as a means of facilitating a flow of merchandise from mills to the ultimate consumer.

Production totals leveled off in the week ended Wednesday as long Independence Day holidays curtailed output. Some factories were closed temporarily for summer vacations. Employment levels in most lines continued to increase and shipments of goods were moving from manufacturers more rapidly than in previous weeks.

Turning to the automotive industry, car and truck production the past week reached a postwar high of 72,995 units, according to Ward's automotive reports. The best previous postwar week's output was 71,335 cars and trucks in the period ending May 11. This week's output compares with 45,175 units last week and 114,318 in the comparable week of 1941.

Ward's said that due to shortages of pig iron and cushion springs July output volume may not reach the projected 50% increase over June and added that an increase of 25% may be achieved with "arduous" effort.

Steel Industry—Tightness in the supply of scrap, pig iron and coke, basic products in steelmaking, has temporarily blocked any sustained thinking on the matter of steel price increases, stated "The Iron Age," national metalworking paper, in its summary of the steel trade for last week. While most steel firms are absorbed in the price debate in Congress and news dispatches looking for the trend which the price control question will take, there is practically no chance of any major steel price change in the immediate future, says the magazine.

When uncertainties over the fate of price control are removed, steel firms will begin to take serious action on straightening out the unbalanced price structure under which many steel products are not carrying their economic responsibilities. It is almost certain, the above trade authority points out, that no general across-the-board advances in steel prices will be made until the latter part of this year if the entire price controls are permanently eliminated.

The steel industry and the scrap industry through their respective institutes engaged last week in a mild debate as to who was responsible for the present dearth of scrap. The accusation by an American Iron & Steel Institute official that some brokers and dealers were holding back scrap because higher prices might soon be effective was answered by the Institute of Scrap Iron & Steel which pointed out that the lack of small dealers who were a wartime casualty and the unrealistic attitude of the OPA in handling the scrap situation coupled with strikes at steel consumer plants were the major reasons for the present situation.

Steel producers have been insisting that new contracts on scrap should be written at the old OPA ceiling price, while many scrap brokers have insisted that new contracts should carry a retroactive feature. The amount of scrap being held back because of the price confusion is probably not a very large share of the total scrap movement. Many brokers while not obtaining a retroactive clause from steelmakers have nevertheless agreed with their suppliers, the dealers, to accept such a clause.

More basic than these surface arguments over the scrap supply situation, "The Iron Age" points out, are the facts that: First, large reservoirs of scrap accumulated over the past decade were used up in the war effort; second, manufacturing concerns which furnish scrap as a byproduct have not attained full reconversion production levels; third, thousands of small dealers known as "scrappies" or "junkies" have left the scrap collection business for better paying jobs; fourth, war supplies sent abroad represented a definite loss in return scrap; and fifth, the confusion surrounding free markets which have not existed for several years is no different in the scrap and steel trades than it is in other industries.

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 87.9% of capacity for the week beginning July 15, as against 87.8% one week ago, 84.2% one month ago and 89.8% one year ago. This week's operating rate is equivalent to 1,549,100 tons of steel ingots and castings compared with 1,547,400 tons one week ago, 1,483,900 tons one month ago and 1,644,800 tons one year ago.

Electrical Production—The Edison Electric Institute reports that the output of electricity decreased to 3,741,006,000 kwh. in the week ended July 6, 1946, from 4,132,680,000 kwh. in the preceding week. Output for the week ending July 6, 1946 was 6.0% below that for the corresponding weekly period one year ago.

Consolidated Edison Co. of New York reports system output of 158,100,000 kwh. in the week ended July 7, 1946, compared with 151,300,000 kwh. for the corresponding week of 1945, or an increase of 4.5%. Local distribution of electricity amounted to 152,600,000 kwh. compared with 150,-

(Continued from page 406)

The Financial Situation

(Continued from first page)

drawn unto himself—had impressed him with the political usefulness of the term "inflation", which is occasionally varied with the more colorful "boom - and - bust" terminology. At any rate, these notions have been called upon to work many more than forty hours a week for the Administration, and particularly for those elements in the Administration which can be termed strictly New Deal. The message by which the President vetoed the OPA continuation bill was saturated with these economic "old wives' tales," and the support that the Administration propagandists—and they are far more numerous and have seeped throughout government offices in far larger measure than most of us realize — have sought to give the President on this issue has depended heavily upon this technique.

It would be well, accordingly, if the American people were to take time to study and understand the nature of the "emergencies" that are said to exist and of the "calamities" which are alleged to be upon us or immediately threatening us. It will be quickly found, of course, that what is being said is mostly plain balderdash. No emergency, in any very real sense of that term, either exists or threatens, and the calamities by which we are threatened from Washington are wholly imaginary. To be sure, unusual circumstances are to be found both here and in every other part of the world. In some instances, they are in some respects at least unprecedented. Many of them hold unpleasant potentialities.

But—and this is the point which should never be lost to sight—"emergency" treatment rarely if ever brings such situations into line with the past or robs them of their danger. Many of the anomalous situations existing in the world today may well be more or less permanently fixed. Others will doubtless revert in time to a state more familiar to experience. To those situations which are unalterable, or but slowly alterable, we must adjust ourselves as quickly and as completely as may be. Those which are more amenable to change, must be permitted to adjust themselves naturally to the world by which they are surrounded. Neither of these transformations is encouraged or promoted by the type of "emergency" treatment so popular in the capitals of the world today.

Price "Calamity"

A degree of concreteness may be given to the generalized truths by citing certain illustrations much in the public eye at present. One of the most interesting of these is the struggle over price control. It had been much better, so we think, if Congress had simply permitted the law under which OPA operated to expire on June 30 last. Failing that, it was and is clear enough that some action had to be taken to curb the arrogant and destructive aggressiveness of the officials who had been directing the activities of that wartime body. Supplies of many necessaries or near-necessaries had about disappeared from the markets, and there seemed to be little or no likelihood that they would again be found on the shelves of the retailers in the early future. Prices actually paid for food and other items without which we could scarcely get along had long made a mockery of the cost-of-living indexes so freely employed by Washington braggarts to prove that prices were under control.

Yet for months past we have been told about the calamity which faces us should the OPA be either permitted to die or obliged to curtail its crippling and arbitrary interferences with business. The clever propagandists who have in such numbers made Washington (their base of operations of recent years, have done their utmost to create a sort of assumption, almost subconcious, in the minds of us all that some sort of calamity awaits us if nothing is done to revive this troublesome agency. Everywhere, or almost everywhere, we find the present moment denominated one of "crisis", as if the world would explode if Mr. Bowles or some other figure of a like sort were not called to Washington to prevent natural forces from operating.

We Seem To Get Along

But we have lived for several weeks now without all this—and are beginning to live better than we did before. Prices have risen here and there—that is, they have risen if we compare present rates with the amounts recorded in official quotations prior to June 30. If, however, we subtract from current prices the amounts formerly paid by us all in the form of subsidies on the goods purchased, the picture is sharply altered. The results are roughly the same if we compare current prices, not with the fictitious official quotations of the past, but with prices actually paid in what is usually termed the black market where so much of our current output reached the consumers. Evidently there is no real "emergency" at all—and if there were one it would remain with us until we permitted natural forces to remedy the situation. "Emergency" legislation or control regularly creates rather than cures real emergencies.

Similar techniques appear to have been rather more successful in the case of the British loan. In this instance "calamity" has long been treading upon our heels, waiting for us to refuse the loan. It is now put to flight, of course, and we can all breathe much easier. Well, events will provide the real answer to all this. Doubtless, the advance will for a time ease a situation which could be termed critical for the British. It may have prevented actions which are supposed to be inimical to our interests. It doubtless will enable the existing regime across the water to proceed with more dispatch to "socialize" business. But what will happen when these funds are gone, and the time has come for repayment? Will another emergency then call for further emergency action?

Dr. Stuart Named Ambassador To China

Dr. J. Leighton Stuart of New York was nominated by President Truman on July 9 to be United States Ambassador to China. Dr. Stuart, who was born in Hangchow 70 years ago, has been a missionary and teacher in China for more than 40 years and President of Yenching University at Peiping since 1919. As Ambassador he will take the post made vacant by the resignation of Major-General Patrick J. Hurley. In special advices from Washington on July 9, the New York "Times" said:

"The appointment of Dr. Stuart does not affect the mission of General George C. Marshall, who is in China temporarily as the President's special envoy entrusted with the task of facilitating a peaceful adjustment between the Nationalists and Communists that will put an end to civil war.

"Dr. Wellington Koo, the new Chinese Ambassador to the United States, called today on Dean Acheson, Acting Secretary of State, to arrange for the presentation of his letters of credence to President Truman.

"General Marshall was sent to China as a special envoy when Major-General Patrick J. Hurley resigned as Ambassador. Dr. Stuart, who succeeds General Hurley, was interned by the Japanese on Dec. 8, 1941, in a private residence in Peiping. Following the surrender of the Japanese he was released and immediately set about preparing for the reopening of Yenching University, an American-controlled and endowed institution.

"Dr. Stuart is well and favorably known in China, particularly in educational, religious and governmental circles and has enjoyed close relations with Generalissimo and Mme. Chiang Kai-Shek.

"A graduate of Hampden-Sydney College and of the Union Theological Seminary of Virginia, he holds several honorary degrees, including the degree of Doctor of Letters from Princeton. Ordained as a Presbyterian minister, Dr. Stuart went to China as a missionary in 1905. From 1908 to 1919 he was Professor of the New Testament at Nanking Theological Seminary."

Economic Data Exchange by U. S. and Britain Continues

Machinery set up during the war for the exchange of general economic information between the United States and Great Britain is to be continued under an arrangement announced on July 11 simultaneously in Washington by the Office of International Trade, Department of Commerce, and in London by the British Board of Trade. The announcement follows:

"Following an exchange of correspondence between Secretary of Commerce Henry A. Wallace, and Sir Stafford Cripps, President of the British Board of Trade, arrangements have been made to continue the machinery for the exchange of general economic information which was set up during the war under the authority of the Combined Production and Resources Board and the Combined Raw Materials Board, it was announced today [July 11] by the Office of International Trade, U. S. Department of Commerce, and the British Board of Trade.

"These arrangements will ensure the preservation of the procedure developed by the Allies by which statistical and economic information published by each country is canalized for mutual convenience. It is felt that there are many and that the proposed arrangements will pave the way for similar exchanges on an international scale under the auspices of the United Nations.

"The Department of Commerce and the Board of Trade have made arrangements for the work of the economic information exchange service to be carried out by their representatives in London and Washington.

"Arthur Paul, Assistant to the Secretary of Commerce and Director of the Office of International Trade, Department of Commerce, pointed out that the Department had already initiated discussions with other countries looking toward the establishment of similar arrangements for exchange of economic information. Mr. Paul and Dr. Philip M. Hauser, Assistant Director of the Bureau of the Census and Assistant to the Secretary of Commerce, concluded the negotiations with the Board of Trade on their recent trip to Europe. They also held preliminary discussions along similiar lines with officials concerned with trade statistics in France, Czechoslovakia, and Poland. It is planned to hold similar discussions with representatives of other countries at an early date."

World Production of Rayon Declines

World rayon production during 1945 amounted to 1,530,000,000 pounds, the lowest output since 1936, states the "Rayon Organon," published by the Textile Economics Bureau, Inc. The Bureau, under date of July 12 in indicating this said that "rayon production in 1945 was 46% under the record 1941 output of 2,834,000,000 pounds and 26½% below the 1944 level. Production in North and South American countries continued to increase in 1945 but serious declines in output occurred in Europe and Asia. For the first time in the history of the industry, rayon output in the Americas exceeded that of Europe; in fact, rayon production in the United States alone comprised 52% of the 1945 world total." Continuing the Bureau reported:

"World rayon filament yarn production in 1945 at 933,975,000 pounds was 26½% below the 1941 all-time high level and 9½% under 1944. This decline is attributed chiefly to the greatly reduced output in continental European countries and in Japan. Many of the European rayon producers incurred severe damages to plant installations during the latter months of the war. Those remaining in operating condition were unable to resume anywhere near full production after the cessation of hostilities because of raw material shortages, transportation difficulties and political and economic instability. The 1945 output of filament yarn in Europe was 59% below the peak 1941 level and less than in any year since 1928. Filament yarn production in Japan during 1945 was 98½% under the record 1937 figure.

"In contrast to these European and Asiatic declines, 1945 rayon filament yarn production in North and South American countries reached new record levels, but these were insufficient to prevent the over-all world production decline noted. Rayon filament yarn production in North and South American countries during 1945 accounted for 73% of world output.

"World rayon staple fiber production in 1945 amounted to 595,905,000 pounds, a decrease of 62% from the record level of 1941 and 43% below 1944 output. The decline in staple fiber output was more drastic than in filament yarn because of the heavy losses sustained by Germany, Italy, and Japan.

"Total 1945 staple fiber production in Europe was 65% below the record 1942 level and 49% under 1944 production. Japan's staple fiber output last year was 93% below the 1938 record and 74% below the 1944 level. The United States' staple fiber production in 1945 was essentially at the 1944 level but, despite this stability, the United States accounted for 28% of the world output and was only second to Germany in volume of production.

"The 1945 world production of rayon, cotton, wool, and silk aggregated 14,905,000,000 pounds, the lowest total since 1934. This 1945 figure is 11% under 1944 production and 32% under the 1937 record high output. The 1945 world output of these four fibers declined below their 1944 levels by the following percentages: Rayon 26%, silk 16½%, cotton 10%, and wood 4%.

"Based on preliminary reports received from various foreign rayon producers covering their rates of operation during the first quarter of 1946, it is indicated that total world rayon output this year may approximate 1,700,000,000 pounds, a figure about 10% above the 1945 level. Raw material shortages, slow rates of plant rehabilitation, and generally unsettled economic conditions are retarding a return to normal operations in many foreign countries."

Noting a decline in June rayon deliveries, the Bureau stated:

"Total domestic shipments of rayon in June amounted to 65,800,000 pounds, or 10% below May. Of this total, filament yarn shipments aggregated 51,800,000 pounds, a decrease of 9% from the May level, while staple fiber shipments at 14,000,000 pounds were 12% below the previous month. Total domestic deliveries of rayon for the first six months of this year aggregated 418,300,000 pounds, an increase of 10% over the same period last year. Filament yarn shipments for the first half of this year were 10% over the same period last year, while staple fiber deliveries were up 8% in the same comparison. Total filament rayon stocks in producers' hands at the end of June amounted to 7,100,000 pounds and staple fiber stocks were 1,900,000 pounds.

ABA Urges Congress Not To Place Private And Public Housing Under Control of One Agency

The American Bankers Association, representing 97% of all banks in the United States, has officially voiced opposition to Part V of the Reorganization Plan No. 1, which would make the National Housing Agency a permanent agency of the government and consolidate therein both the agencies dealing with privately financed housing and those dealing with publicly financed housing. The Reorganization Plan, now pending before Congress, is one of three reorganization plans which the President submitted to Congress under the authority given him in the Reorganization Act of 1945. Under the Act, unless Congress adopts a concurrent resolution disfavoring the Plan within 60 days after it is submitted, such Plan will automatically go into effect. The statement of the Association's position was prepared by its Committee on Federal Legislation and filed by its Chairman, F. G. Addison, Jr., with the House Committee on Expenditures in the Executive Departments. It was also filed with the Senate Judiciary Committee.

The A. B. A. statement points out that the Reorganization Plan proposes a permanent government agency which threatens to expand government control over both the construction and financing of housing. Furthermore, this plan, it says, fails in its purpose of coordinating all government activities in the housing field, because it leaves out the Veteran's administration, "which will have more to do with privately financed housing in the next ten years than any other government agency." There are also many other government agencies that deal with housing as a part of their function that are left out of the plan.

In part the A. B. A. statement says:

"In conclusion, we believe that there is no need for the permanent establishment of this National Housing Agency. It will not promote efficiency and economy, as it merely adds another level of administration at the top. It does not eliminate any functions but instead creates new positions and can only lead to a further development of government bureaucracy. It will not meet the objectives given as the reasons for the reorganization and will instead endanger the sound operations of the agencies dealing with private enterprise that would be consolidated in one paramount agency. It carries the threat of continued and extended government control over all housing both private and public, and both the financing and construction thereof. The goal of a decent home for every American is one which has the support of everyone, but such goal will not be reached by bringing together agencies operating in such diverse fields and placing them under a single 'czar.'

"The responsibility of reaching this goal rests primarily on the citizens of each community and the Federal Government at most should only supplement the activities conducted at the local level. We believe that this can best be accomplished by restoring the Federal Housing Administration and the Federal Home Loan Bank Board to their former independent status, thereby enabling them to continue to develop and encourage a sound privately financed housing program. In no event should these agencies be consolidated with an agency concerned exclusively with public housing to make a permanent agency with a single individual at its head, who would have the power to manage and control both private and public housing activities and subordinate one to the other."

Warns of Stock Buying on Tips and Hunches

Winthrop H. Smith, Managing Partner of Merrill Lynch, Pierce, Fenner and Beane, in addressing a luncheon group of 50 leading Dallas financial and industrial leaders on April 27, warned that thousands of Americans with unprecedented surplus savings, are rushing into the stock market to buy on tips and hunches and many will lose, through ignorance of basic values and then blame Wall Street.

The Dallas "Times Herald," of April 28, from which the above is taken, reported Mr. Smith as adding in the injunction that leaders advise with the citizenship of their respective communities to minimize speculation, warning that it was doubtful "that the country can stand another panic like the last one." From the same advices we quote:

Mr. Smith also warned that many who are destined to lose their savings in haphazard investment practices would later be "fit subjects for subversive elements." He suggested that "it is up to community leaders to advise people with savings to invest first of all in homes, insurance and other primary needs," then if they still have surplus funds "these should be invested in sound corporations, where the danger of loss is reduced to a minimum."

"Unfortunately most of those who speculate or buy stocks without knowledge of stability of the concerns behind them, have the idea that the Securities and Exchange Commission guarantees their investments. All the SEC does is to guarantee the truth of the statements made in the prospectus and nothing more, and people do not read the statements," he said.

Retired Reserve Pay

Officers in the National Guard and Army reserves would receive retirement pay benefits under a plan which is said to be favored by President Truman, but has been opposed by the Budget Bureau. Brigadier-General E. A. Evans, Executive Director of the Reserve Officers Association, told a Senate Military Affairs Sub-Committee, according to Washington advices (United Press) July 5, that he had been informed of the President's stand by Major-General Harry A. Vaughan, Presidential Military Aide. These press advices said:

"Representatives of the War Department and Reserve Officers Associations presented a revised retirement bill, framed after conferences with General of the Army Dwight D. Eisenhower, Chief of Staff, and other Army leaders.

"Under the program, officers with 20 years' reserve service would be eligible for retirement pay after at least three years of active service. Payment would be 2½% of pay in the highest rank held during active duty. In addition, payment would be received at the rate of one-half of 1% for years spent on inactive duty. Officers would be retired at 60.

"Major-General E. A. Walsh, President of the National Guard Association, said that although reserve enlisted men are not covered by the bill, nearly all Guard officers come up through the ranks and the pay plan would act as an incentive to them."

Senate Plan for Furlough Pay

A plan to reduce the inflationary action of terminal pay for enlisted men by making partial payment in bonds was approved by the Senate Military Affairs Committee on July 9, Washington Associated Press advices stated. President Truman is reported to be in favor of the plan which is a substitute for immediate cash payment as already approved by the House.

Under the recommended Senate program payment of about $3,000,000,000 to some 15,000,000 veterans would be made partly in cash and the bulk in Treasury bonds, payable five years after the veteran's discharge and bearing 2½% interest. Associated Press advices said:

"All commissioned officers who served during the recent war received cash terminal leave payments on release at the rate of 2½ days for each month of service less time actually spent on leaves.

"The substitute is intended to grant all enlisted men and women these same payments, except that cash would be paid only on claims of less than $50, with some exceptions, while the five-year bonds would be issued for payments above $50.

"The bond payment would be made to all enlisted men and women already discharged and to those still in service who are discharged before July 1, 1947.

"Payment by bonds also would be made to officers discharged between the time the law is enacted and July 1, 1947, replacing the cash payments they now receive.

"No provision is made to pay for unused leave accumulated after July 1, 1947, either by officers or men. The plan stipulates that the armed services 'are to provide for the taking of leave in the future annually as it accrues to the extent consistent with military requirements and other exigencies.'

"The leave to be paid for under the plan is all that has accrued since Sept. 8, 1939, the date when the first Naval reservists were called up.

"In addition to equalizing terminal leave benefits between officers and enlisted personnel during the war, the bill also continues this same treatment into the future. However, after Sept. 1 of this year, future leave could not be accumulated above 90 days, compared with a top of 120 days before that date.

"In addition to cash payments on claims of less than $50, cash would go also to all who were discharged before Jan. 1, 1943; to survivors of those who died after discharge, and to enlisted men or survivors who are under 17 years or mentally disabled.

"For men and women discharged after Jan. 1, 1943, the bonds would be dated back to the quarter nearest discharge. Thus if discharged on March 15, 1943, the bonds would be dated April 1, 1943, and mature in 1948.

"All claims must be submitted within one year after the proposal becomes law. The sworn statement of the veteran would be accepted as to the terminal pay due him less time he received for furloughs and passes.

"Men who served both as enlisted men and officers would be eligible for the payments because they were discharged as enlisted men at the time they received commissions and were reinducted as officers.

"Loans could not be made against the bond and they could not be transferred or assigned. Even a claim by the Government against them would not be valid and they are tax free except for the interest.

"Survivors of men who died in combat or service would not be eligible to claim terminal leave because they received a half year of pay and allowances."

Atomic Energy May Lead to New Monetary System, With Uranium the Basis: Prof. Daniels

The possibility of the development of atomic energy leading to a new and more stable monetary system based on uranium instead of gold, is visioned by Prof. Farrington Daniels of the University of Chicago, according to United Press advices from Chicago July 11, published in the Toledo "Blade," which went on to say:

"Prof. Daniels, Director of the University's metallurgical laboratory, says that a given quantity of uranium or plutonium, obtained from uranium, is equivalent to a definite number of kilowatt hours of energy having a potential value in the world's economy comparatively free from price fluctuations.

"On that basis," he says, "a new monetary standard might be substituted for gold."

"Although available statistics indicate that the amount of high-grade uranium in the world is limited, new deposits are likely to be found and it will be sought more intensively than in the past," Prof. Daniels says.

Prof. Daniels, on leave from the University of Wisconsin Chemistry department to work at Chicago, says that valuable deposits are known to exist in northern Canada and the Belgian Congo, Africa, and lower-grade deposits in Colorado, Czechoslovakia and other scattered regions.

Despite the possibilities offered by the harnessing of nuclear energy, Prof. Daniels cautions against expecting revolutionary changes overnight.

"It seems safe to say that no obsolescence of any existing power units through the introduction of atomic power will take place in the next 10 years. Atomic power will not replace ordinary fuels under existing conditions where fuel is nearby and abundant."

He suggests that nuclear power might first be put to work on a large scale in remote places where other sources of power are not available. In such isolated regions, he points out, the high cost of producing atomic energy would be relatively unimportant.

"If one chooses to build a city at the South Pole, one must have heat and power regardless of price," he says. "Certain remote mining operations and irrigation developments could well afford to pay abnormally high prices for atomic power."

Senate Votes for Science Bill

A National Science Foundation for the promotion of scientific achievement, which would have power to spend funds for research and for scholarships to promising science students, would be created under legislation which was passed by the Senate on July 3, by a vote of 48 to 18, according to advices from Washington from the Associated Press. The Senate Military Affairs Committee had recommended the movement as "basic to the national defense and the national health and welfare." The legislation, carrying no definite amount but simply authorizing appropriation of "such sums as may be necessary" to carry out the purposes of the foundation, would establish the science body as an independent Government agency with an administrator paid $15,000 a year. Senator Warren G. Magnuson, Democrat, of Washington, one of the sponsors, according to the Associated Press, estimated the cost at $40,000,000 the first year, but Senator Styles Bridges, Republican, of New Hampshire, declared it would rise to $200,000,000 to $300,000,000 a year. The Associated Press also said:

"The Foundation, if created, would make grants to the States, based on population, for scientific scholarships and also could enter into contracts with universities and other institutions for conduct of research.

"It would have seven divisions: Mathematical and physical sciences, biological sciences, health and medical sciences, national defense, engineering and technology, scientific personnel and education, and publications and information."

The bill passed by the Senate on July 3 was described in advices from Washington to the New York "Times" on that date as the compromise Kilgore - Magnuson measure. Prior to the Senate adoption of the latter, a proposal for a Science Foundation was presented on July 1 by a coalition of Republicans and Southern Democrats in substitution for the compromise bill; the substitute, however, failed of adoption in the Senate on July 2 by a vote of 39 to 24. The "Times" advices, July 2, also said:

"The substitute coalition bill, drafted by Senators Smith of New Jersey, Byrd of Virginia, Walsh of Massachusetts, Willis of Indiana, Hart of Connecticut and McClellan of Arkansas, and urged today also by Senators Taft of Ohio and Revercomb of West Virginia, followed closely the recommendations of Dr. Vannevar Bush who, as Director of the Office of Scientific Research and Development, first presented the proposal for the Foundation in his report of July 5, 1945, to the President.

"The substitute also, according to its proponents, reflected far more accurately than does the compromise Kilgore - Magnuson bill the views of the majority of the scientists of the country."

Before the adoption by the Senate on July 3 of the compromise bill, the Senate struck from the measure, by a vote of 46 to 28, aid for social sciences.

ABA Advises Banks on Results of Analysis of Operating Efficiency

More than 4,000 country banks participating in the cost analysis program of the Commission on Country Bank Operations of the American Bankers Association are receiving from the Commission comparative schedules on 12 most important results obtained from the analysis of the operations of these banks. This is the second year of the cost analysis service of the Commission to country banks. Its benefits are already seen, according to S. N. Schafer, Chairman of the Cost Analysis Committee of the Country Bank Operations Commission, who states in a covering letter that the average operating efficiency rating of the banks of 104% for 1944 had increased to an average of 117% for 1945. These cost schedules are broken down in their application to four size groups of banks: under $1 million, between $1 and $3 millions, between $3 and $5 millions, and between $5 millions and $7½ millions. The Association also says:

"The schedules cover the cost of handling 'on us' checks, pay-as-you-go checks, cashier's checks and 'on us' money orders, making and handling of unsecured loans, cost per minute for employees, cost per minute for officers, analysis of exchange and service charges on checking accounts, net earnings per checking account per year, the average size of checking accounts, distribution of checking accounts by size groups, distribution of gross income, and bank staff operating efficiency."

No Veto On Peace—Vandenberg

(Continued from first page)

dorse that report. Further, I present my compliments to the Secretary upon his splendid performance at Paris, which was in the finest American tradition. I also present my compliments to my able friend, the Senator from Texas, who, as usual, was a tower of strength to the American position.

Cites Peace Gains

Mr. President, I believe that peace has made substantial gains; but it is still far from total achievement.

At the outset, Mr. President, I wish to say that I was reluctant to accept this latest important international assignment, the fourth peace mission which has taken me from my domestic duties in the Senate in the last 15 months. . . .

One overriding consideration, however, has governed my decision. Peace with justice is the supreme necessity for America and for the world. Peace is indivisible in this atomic age. The pursuit of effective, dependable peace with justice takes priority over every other human need.

It is not for an instant to be denied that our internal problems are of utterly vital concern. A sound, sane, solvent, free America is indispensable to peace itself. A weak, a broken America would cheat the world, ourselves included, of the peace leadership which is the dearest hope of humankind.

The labors in which Congress is currently engaged are of incalculable importance. I regret my temporary absence.

On the other hand, Mr. President, every aspiration we pursue in behalf of life, liberty and happiness in our own United States is finally at the mercy of another war—and what a cruel, ironical mercy it would be in the aftermath of Nagasaki and Hiroshima. . . .

So it was, Mr. President, that I made my choice between these obligations. Indeed, I felt I had no choice. I have responded to the urgent request of two Presidents and two Secretaries of State to participate in this spade work for peace. Regardless of politics, which have no place in such considerations, I shall continue to make every contribution within my power to the effective organization of security, of peace with justice for us and for the world. I know of no land on earth which has a larger measure of intimate self-interest in that objective than our own. . . .

Now, Mr. President, in a preliminary way I submit a few general observations about all peace negotiations where inevitable national rivalries collide with peace ideas. The end product can never be perfection. What may be desired is limited by what may be attainable. The end result must be common ground or there is no peace. Failure is preferable to a pretense of success at the price of unsound compromise or appeasement. Munich forever personifies this warning, but the measure of failure is not the presence of compromise. Rather the measure of success is the preservation of essential principles in spite of compromise.

No Compromise With Principle

Before we went to Paris I said we could compromise within principles, but that the dignity and honor of the United States of America and the world's hope of peace with justice could no longer compromise with principles themselves, as was too often done under pressure of war exigency upon too many previous occasions. I believe the American delegation at Paris did not compromise with principle in the compositions which made possible this continuing forward march toward peace. I repeat that no free international negotiation ever permits anyone to have things all his own way. We did not have things all our own way at Paris by any stretch of the imagination. But that is not the test. The test is whether we sustained the American ideals, and whether the result put us closer to peace with justice in this war-torn world.

Despite our disappointments, I believe that Paris meets this test. . . .

Ah, yes, Mr. President, there are serious disappointments here and there in the Paris record. I shall take care not to disguise them. The people are entitled to the truth. But I say again that the true test must be objective and must assess the whole. . . . A peace conference cannot allow itself the luxury of breaking down each time some favorite passion, no mater how nobly meditated, fails of total conquest. Peace itself is too desperately important.

And so, Mr. President, now let us look at the Paris record. The greatest fundamental controversy at the Paris conference arose over the convocation of a general peace conference in which the twenty-one nations which fought the war together should have full opportunity to work together on the terms of peace with five exenemy states, namely, Italy, Hungary, Romania, Bulgaria and Finland. This has been the dearest dream of the Government of the United States ever since the Moscow Conference of December, 1945, when such a peace conference was promised not later than May 1, 1946. It has been the American idea of developing a people's peace.

Mr. President, it is now accomplished. To be sure, the Moscow pledge was not as broad as the American Secretary wished and sought. In the face of Soviet opposition it was impossible to lodge final plenary power in the ultimate peace conference. I have always regretted this stricture. After the peace conference the last word again reverts to the four great powers in the Council of Foreign Ministers. But the conscience of the Allied world will have spoken in the interim, and it speaks with superlative authority.

Smaller Nations Ignored

The promised date of May 1, 1946, came and went without the promised peace conference. The trouble was that the Moscow Agreement had also said that the four great powers, Russia, Britain, France and America, must agree upon fundamentals in the preliminary peace draft before the peace conference should be called. From start to finish the Soviets construed this requirement with microscopic literalism. In support of their contention it is fair to say that they were building upon the accepted theory that big-power unity is indispensable to world peace in the San Francisco pattern. In opposition to their contention, however, it is equally fair to say that their interpretation would carry this so-called unity to the point of monopoly and dictatorship in the big powers, to the utter derogation of the status of the smaller nations of this earth which stood shoulder to shoulder with us in the trenches of this late war, now victoriously concluded.

It was upon this rock that both recent Paris Councils nearly split. From the first hour that the Council reconvened in April, Secretary Byrnes began demanding a new date for the peace conference. At the April sessions he asked for June 15. At the start of the June session he asked for July 15. In both instances the Soviet delegation was adamant. By the end of June, however, the fundamentals were sufficiently agreed to, so that at long last, and at the end of enormous travail, we were able to celebrate the Fourth of July by a unanimous agreement to call the peace conference for July 29. I confess that I felt that it was not unlike a second Declaration of Independence. * * *

I may add parenthetically to my colleagues that unlimited debate in the Senate is quite painless when compared with unlimited debate in three languages in the Council of Foreign Ministers.

Thus the 21 United Nations get the peace conference they long have sought; the peace conference which America has long insisted they should have; and they will enter it as free agents. Thus the world takes another long step down the thorny paths toward peace with liberty and justice.

To the citizens at a distance the points that were in controversy may seem relatively trivial; yet in the final analysis nothing is trivial which can disorganize the friendly relations of the earth. We know to our sorrow that little matches light big fires. The truth is that Paris was to stand or fall upon this one basic composition. There was a powerful lesson in it, too. Given patience, fair play, tenacity, and firmness in the American attitudes, it is possible for Eastern Communism and Western democracy to find friendly common ground.

Now I wish to speak of the problem of Trieste, because on the one hand it was the most dangerously delicate problem which the Council of Foreign Ministers confronted, and on the other hand it best typifies the extreme difficulties which are faced in mapping any sort of peace for Europe and the world. . . .

Trieste a "Tinder Box"

Unfortunately the Council of Foreign Ministers operates on the principle of unanimity. There could be no settlement except by mutual agreement. The Soviets clung to their (proposed ethnic) line in behalf of Yugoslavia. We clung to ours in behalf of Italy. If we both were still clinging to those lines there would be no agreement and no peace. There would be no peace conference under such circumstances. Trieste is a tinder box under any circumstances. It would become sheer dynamite if the present status of uncertainty were to continue indefintely. Therefore the choice lay between a stalemate, which spelled inevitable disaster on the one hand, and a decent composition within the ethnic principle offering reasonable elements of hope upon the other hand. . . .

It was under these circumstances that the plan for the Free Territory of Trieste was born and ultimately accepted by all concerned. It includes the city of Trieste as a free international port and its immediate environs up and down the Adriatic Coast. . . .

The settlement does not cheat Italians of their ethnic rights, because if Italians predominate in this Free Territory, as we know they do, they can predominate in their own free elections, which are under their own free control. Certainly they would be just as free as they would be under Italian sovereignty, and certainly they will be just as safe and probably much safer under the wing of the United Nations. Meanwhile, since 86% of the area of Venezia Giuglia goes to Yugoslavia, there will be no real basis of Yugoslav complaint.

Solution Not Ideal

Let me be entirely clear about my own view of this situation. It is far from ideal. It is my personal view that Trieste should have gone to Italy. As recently as June 30 I filed a memorandum with the Secretary of State from which I wish to quote partially for the record:

"Trieste has now become a cause celebre. It involves so many entrenched rivalries, it is freighted with so much potential hazard to the peace of Europe and the world that the only hope for a pacific acceptance of any decision respecting it is to have the greatest and the widest possible authority behind any decision respecting it, no matter what it may be.

"Four men sitting in this Council have no business making any decisions in the first instance. They should seek the unprejudiced recommendation of an immediate peace conference of the 21 Allies who have fought the war together and who have a right to make the peace together—either this or the advice of the General Assembly of the United Nations."

But when the Secretary of State found his valiant efforts unsuccessful, either in keeping Trieste in Italy or in referring the issue to the peace conference, and when he found that this hopeful composition was the only way to get a peace conference at all or peace itself, I think he was well justified in his approval of this design for the Free Territory of Trieste, under which human rights and fundamental freedoms are preserved beneath the seal of the United Nations.

I agree that such devices are not historically encouraging. I have no illusions that this experiment is any sort of a self-succeeding panacea. On the other hand I have no illusions as to what would happen if we could not go on with the business of at least initiating peace in Europe, and particularly in its cockpits.

Furthermore, there are no true precedents for the Free Territory of Tries e because there are no precedents for the kind of United Nations which will take the responsibility. Therefore, melancholy prohets might well curb their gloom and give peace a chance. This plan is the best answer currently available to those who are charged with the awful responsibility of finding common ground for peace wi h justice and getting on with the job.

Mr. President, the Italian treaty presents very formidable problems. Not the least of them was the disposition of Italian colonies in North Africa, namely, Cyrenaica and Tripolitania, which ogether comprise Libya. . . . The final agreement permanently separates the colonies from Italy, gives the Council of Foreign Ministers one year in which to agree upon a formula, and in the absence of any such agreement transfers the colonies automatically to the Trusteeship Council of he United Nations.

Thus, from our viewpoint, human rights and fundamental freedoms in these colonies are amply safeguarded. . . . Thus, again, a great principle is preserved.

A third major perplexity had to do with Soviet demands for reparations from Italy. . . . There was never any serious question in the Council of Foreign Ministers concerning the global sum of $100,000,000 [the amount asked by Russia], nor was here any dispute that it should come, as far as possible, from surplus war plants in Italy, from external Italian assets in Hungary, Rumania, and Bulgaria, and a few incidental sources. We figured these assets at around $60,000,000. Moscow figured them at around $22,000,000. In either event, the controversial ques ion was, whence comes the balance?

Disagree on Reparations

The Soviets demanded this balance out of Italian commodities in current production. We and the British insisted that Italy's current economy must not be burdened in any fashion which in erferes with her economic recovery, particularly since there is now a new, free, democratic Italy which is struggling back to independent life.

We and the British happen to be the forces in the military occupation of these points until these peace treaties are concluded. . . . We are footing the bills. Under such circumstances, to take Russian reparations out of current production in Italy would be virtually equivalent to taking them, by proxy, out of Britain and out of he United States.

There were collateral questions—as, for example, whether this Russian balance might come from surplus Italian warships. But the issue which tied the Council in a knot for many days was this question of "current production." It was finally settled by an agreement which spreads this balance of reparations over seven years, which creates a moratorium for the first two years, and which subsequently provides that Russia shall furnish Italy the raw materials for the commodities ultimately to be made and paid upon this deficit in the reparations accounts. In other words, it will not be paid from "current production." . . . Again, our principle has been preserved.

Mr. President, I have lingered in some detail upon a few of these major disputes. There were, of course, many other important decisions before the drafts of these five trea ies could be concluded. Indeed, there were literally hundreds of such decisions which involved vast research and labor. The world might take some encouragement from the fact that most of them resulted in prompt and harmonious agreement, without benefit of headlines which never bother about such accords. . . .

"Least Defensible"

The South Tyrol area remains in Italy. This is the least defensible of all these decisions on ethnic grounds because the area is predominantly Austrian. The decision, however, actually was made a year ago at the London conference and Paris had no jurisdiction except over permissable "minor rec ifications." Defense of the decision rests upon the fact that the area has been in Italian sovereignty for 25 years, and that Italy became our ally while Austria remained our enemy to the bitter end. . . .

Let it be cons antly remembered that all decisions are subject to review, and to new recommendations at the hands of the peace conference, where the judgment of 21 nations, rather than only four, will be taken. Let it be fur her remembered that the forum of the United Nations is ever available, in years to come, to deal with untoward eventualities. If they threa en peace and security, or if they prove to undermine the purposes of the United Nations, any such situations, regardless of origin, fall within the jurisdiction of the General Assembly under Article 14 of the Charter.

In other words, we are not building a static world in which only force can rectify the errors of yesterday. I may be permitted to speak with deep feeling on this matter because it was my privilege at San Francisco to initiate and develop Article 14. I was happy to note that Secretary Byrnes, responding to an inquiry along these lines, confirmed this thesis when on July 5, 1946, he wrote in part as follows:

"We all know that the world does move and that, if the use of force is to be avoided, ways must be found of facilitating changes by peaceful means."

"Reflect Facts of Life"

The Secretary warned that methods of such review must not be "too readily available" lest they invite confusion, but he specifically pointed to the forum of the General Assembly as a means "of facilitating needed changes by peaceful means."

Mr. President, I come to the final chapters of the conference. They are not encouraging, but they reflect the facts of life as we find them and not as we would wish them to be if ours were an exclusive power of direction. But they deal with our most vital peace conundrum and they emphasize both the difficulty and the need for the most earnest and impartial efforts that can possibly be made to bridge the great gap between Soviet thinking and the rest of us respecting Germany and Austria, and French thinking and the rest of us respecting the Rhineland and the Ruhr.

The lesser treaties while indispensable in a preliminary way, are on the perimeter of the problem. Germany and Austria are at the core. Fortunately there is one simple theme upon which all four of the major powers relentlessly agree, namely, that Germany must be denazified and demilitarized, this time for keeps, so she can never rise again as an aggressor to pillage and to plague the earth. We must cling tenaciously to this common purpose because, at this point, it is our only bond.

Unfortunately the pattern to achieve this result, involving as it inevitably does the social, economic and political future of Germany, is a matter of appalling disagreement. The actual military suppression of reborn aggression is now inextricably interwoven with these other complex considerations. For example, the American offer of a long-term military contract, under the final auspices of the United Nations, to come immediately to Allied military aid against any new German aggression now seems to attract relatively little interest, although it is the maximum proof of our good faith and the maximum assurance of the earliest feasible termination of the mass occupation of Germany by alien troops, including our own.

Opposition of Russia

While tentatively approved by Britain and France it has been openly condemned by the Soviets. I shall always think, however, that if this proposal could have been actively pressed by us when it was first proposed in my Senate speech of Jan. 10, 1945, if it, instead of power politics, could have been the Yalta inspiration, we and the world might have avoided many of our subsequent tragic errors and anxieties. . . .

It was the short range, the immediate problem in Germany which disclosed the true depth of cleavage between the great powers upon this subject. Here the differences were not only acute; they were often acrimonious. The basis of trouble is the fact that the Potsdam Agreement ordered Germany to be handled, during the occupation, as an economic unit, but it also divided Germany into four zones of military occupation. . . . The result is that Germany is being administered in four air-tight compartments. . . . Worse, the zones are separated by intense suspicions. . . .

Everybody wanted an investigation. Nobody could agree as to what kind of an investigation. . . . The upshot was that there will be no investigation.

I do not mean, Mr. President, to overemphasize these disagreements. I am simply reporting frankly upon the perplexities of one series of episodes to indicate that not even the Senate, wrestling with OPA, treads a more troublesome path than does an international council on the trail of international consent. I am simply suggesting to those who may be impatient with diplomatic delays and futilities that it is much easier to be critical than to be correct. . . .

So far as this meeting of the Paris Ministers is concerned, no progress was made [toward economic unity of Germany and reciprocity between the four zones] unless it is voluntary evolution in the direction of voluntary reciprocity. But by no stretch of the imagination can the blame, present or future, be laid at our door. We have pointed the way to a practical and immediate answer. Without an answer, the German problem may approach catastrophe this winter. There is nothing in the Potsdam Agreement, or any other agreement, which requires us to accept catastrophes by default. Nobody has the moral right to veto peace.

Cannot Veto Peace

Mr. President, I regret to say that the situation regarding an Austrian treaty is no more stimulating at the moment. Austria, like Germany, is in the cockpit of Europe, where the most important and most dangerous peace factors are to be resolved. The Government of the United States has been demanding a peace treaty with Austria for many weary months. . . . Secretary Byrnes asked the Paris conference to initiate this desperately important undertaking. He presented a tentative draft and asked that it be referred to the Ministers' deputies for study and recommendation. France and Britain agreed. The Soviets declined.

Mr. President, those who hear me will understand that my report is confined to the nations and the treaties immediately involved in the Paris conference. This does not mean that there are not other irksome problems. There are plenty of them. One of the most glaring, in my view, was the failure of Poland to carry out the democratic pledges which were made in the Yalta and the Potsdam Agreements.

Mikhailovitch Tragedy

I have made vigorous and repeated protests on this score in respect to the situation and I shall continue to do so, despite the bitter personal attacks upon me which have emanated not only from official Warsaw but from official Moscow and from the integrated Comunist press all around the world. I have heard infinitely much in all these international conferences from other governments about the sanctity of the Yalta and Moscow and Potsdam Agreements. Suffice it to say upon this score that it is long past time for those who were responsible for these agreements to make them effective in behalf of a truly free Poland.

I make this comment in connection with this discussion only because the Poles were brought into the Paris debates by Mr. Molotov in the consideration of displaced persons [in Austria].

The final major disagreement of the Council came when Secretary Byrnes unsuccessfully sought a treaty guarantee from Yugoslavia that Italians left in ceded territory should be protected in their "human rights and fundamental freedom." . . . Mr. Molotov replied that Yugoslavia is not an enemy state; that it has its own constitution and laws and requires no external advice in respect to domestic matters. Mr. Byrnes gave notice that the United States will seek these protections at the peace conference a few days hence.

The need for them will not be lessened in enlightened world opinion by the bitter tragedy of the current order for the legalistic assassination of General Mikhailovitch.

Must Face Realities

Now Mr. President, let me briefly sum up. The major powers have agreed upon five treaties to end the war with Italy, Hungary, Rumania, Bulgaria and Finland. . . . The major powers have not agreed upon any phase of the two other treaties to end the war with Germany and Austria. Some of the implications in this failure to even start the treaty process are unpleasant to contemplate. But the prospect is no darker than it was, upon past occasions, with the other five. I prefer to believe that if we could agree upon the five, we should be able to agree upon the two. But it would be self-delusion to refuse to face realities.

Someone said at Paris that if this recent Council had been confined to America, France and Britain, it would have achieved total agreement, including preliminary plans for the German and Austrian treaties, in ten days. This is simply another way of saying that Eastern communism and Western democracy are the forces which confront each other in planning for a new and better world. They differ in ideas, ideals and ideologies. For example, they certainly could not agree upon a definition of "democracy," although this is the objective to which both profess to subscribe.

The great trouble is mutual distrust and suspicion which the "iron curtain" between us, and which the insatiable Soviet appetite for proselyting and propaganda do not help dispel. Yet these things must be dispelled—not in pretense, but in fact—if we are to get on with the vital business of peace on earth. Particularly there must be dependably dispelled any attempt to organize the world against the Soviets; on the other hand, that the Soviets are attempting to organize the world against our Western civilization. War between us would be an unthinkable calamity, which I am certain they, as well as we, abhor. But good-will and good faith between us will continue to be difficult until we reorganize our mutual attitudes.

Peace Factors

It is in this spirit that I would suggest just a few simple truths to Moscow.

First, you should understand, with complete conviction, that we deeply respect the great Russian people and their inalienable right to rule themselves to suit themselves, precisely as we insist this right for ourselves and others.

Second, you should understand, with complete conviction, that we are just as determined as you are that military aggression—from any source and no matter what its guise shall never curse the earth again; and we are enlisted in this cause for keeps. And you should understand there is no thought of conquest in our souls.

Third, you should understand, with complete conviction, that we are prepared for enlightened, progressive cooperation with every land which invites and deserves our mutual good-will.

Fourth, you should also understand, with equally complete conviction, that we can not be driven, coerced, or pressured into positions which we decline voluntarily to assume; and that we will not "bargain" in human rights and fundamental liberties anywhere on earth.

Mr. President, in my view, peace hangs chiefly upon three factors which are inextricably interwoven.

(1) The dependable and effective operation of the United Nations in behalf of justice courageously sustained by collective security.

(2) The successful outlawry of atomic bombs and kindred instruments of sudden, overwhelming mass destruction, under a tight system of total discipline which makes bad faith impossible.

(3) The development of dependable and warranted friendship between big and little nations; and particularly between the great Union of Soviet Socialistic Republics and the great United States of America.

Business Failures in June

Business failures in June were lower in number and in number of liabilities involved than in May. When compared with June a year ago, business failures in June were higher in number but lower in amount of liabilities involved. Business failures in June, according to Dun & Bradstreet, Inc., totaled 69 and involved $3,006,000 liabilities, as compared with 92 in May, involving $3,656,000 liabilities and 61 involving $3,198,000 liabilities in June a year ago.

All groups into which the report is divided, with the exception of the wholesale group, and the construction group had fewer failures in June than in May. When the amount of liabilities is considered only the wholesale and construction groups had more liabilities involved in June than in May.

Manufacturing failures in June fell to 25 from 41 in May and liabilities were down to $1,996,000 in June from $2,036,000 in May. Wholesale failures in June numbered 4, the same as in May, but liabilities were up to $80,000 in June from $16,000 in May. Retail failures in June numbered 24 with $661,000 liabilities as against 26 with $1,323,000 liabilities in May. Construction insolvencies in June were up to 13 with liabilities of $262,000 from eight in May with liabilites of $191,000. Commercal service failures in June were down to three from 13 in May and liabilities dropped from $60,000 in May to $7,000 in June.

When the country is divided into Federal Reserve Districts, it is found that only the Boston, Richmond, Chicago and Minneapolis Reserve Districts had more failures in June than in May. The Kansas City and Dallas Reserve Districts were noted in that they did not have any failures in June. When the amount of liabilities involved is considered it is seen that the New York, Richmond, Chicago, Minneapolis and San Francisco Reserve Districts had more liabilities involved in June than in May.

Credit to France by Export-Import Bank

The signing of the agreement, embodying terms and conditions of a credit of $650 million from the Export-Import Bank to the Republic of France, was announced on July 13 by William McC. Martin, Jr., Chairman of the Board of Directors of the Bank; the approval of the credit by the Board of Directors was announced at the end of May in connection with the settlement of war accounts between France and the United States. Mr. Martin recalled that the Export-Import Bank had last year extended to France a credit of $550 million for the purpose of purchasing products and services which had been requisitioned, but not contracted for, under lend-lease. The new credit it is announced "is for reconstruction purposes and is on terms and conditions similar to those of other reconstruction credits of the Export-Import Bank. The credit is available up to June 30, 1948. It bears interest at the rate of 3% per annum, and the principal is repayable in 20 years in semi-annual installments, beginning on Jan. 1, 1952."

The advices from the Export-Import Bank further state: "The new credit will enable the Republic of France to finance purchases of United States products and services for the reconstruction of Metropolitan France and French Overseas Territories.

"The major part of the credit, or approximately $470 million, is to be devoted to financing the purchase of American equipment. A sum of about $300 million will be used by the French to pay for various equipment orders already placed. These include some $180 million for transportation equipment of all sorts, $40 million for agricultural implements and machinery, $25 million for machine tools, $15 million for mining equipment, $10 million for construction equipment, $10 million for electrical equipment, and another $10 million for equipment for metallurgical and chemical industries. Of the $170 million for new equipment orders, roughly $60 million will be for various transport equipment, $70 million for machine tools, construction, power and other mechanical industrial machinery, and $25 million for agricultural implements.

"An additional $100 million is to be devoted to financing the purchase of industrial raw materials, $50 million of which will be for solid and liquid fuels, $30 million for steel, and the remaining $20 million will be used for the purchase of other industrial raw materials such as cotton, synthetic rubber, and chemicals.

"The remainder of the new credit, or roughly $90 million, will be used for the payment of United States services, including engineering and other technical services and ocean freight which may be rendered in connection with the foregoing items of equipment and industrial raw materials.

"Purchases financed by advances under the new credit will be made through French private importers, except for purchases of such essential items which for the time being have still to be handled through governmental channels. The Agreement provides that the Export-Import Bank will underwrite letters of credit issued by commercial banks if requested by the French. Privately purchased equipment and materials financed under the new credit will be insured against marine and transit hazards under contracts of insurance providing for the payment of indemnities in dollars."

Exporters and others may obtain information regarding French orders to be financed under the new credit from the French economic representative at 1800 Massachusetts Avenue, N. W., Washington, D. C.

Senate Votes Vocation Fund

Annual Federal outlays for vocational training and education were boosted by the Senate from $14,200,000 to $30,500,000 under a measure, sponsored by Senator Walter F. George (D., Ga.), according to Associated Press advices of July 5 from Washington. The legislation, which was sent to the House for consideration, would seek to help war workers and former service men and women adjust to a peacetime job or trade. The plan would be for States to put up 50 cents for each Federal dollar the first year, increasing this 10 cents each year until the amount is dollar for dollar at the end of five years. From the Associated Press we also quote:

"Regardless of population, each State would be assured at least $40,000 each year for three programs: Agricultural education, home economics, and trade and industrial education; and $15,000 annually for vocational guidance and for the new training and distributive trades.

"The annual Federal outlays would be $10,000,000 for agricultural education, with testimony that most of this would go to training adult farmers; $8,000,000 each for home economics and industrial education; $1,500,000 for vocational guidance, and $2,500,000 for distributive occupational training."

Byrnes Reports Progress

(Continued from first page)

satellites of the Axis. They had governments. So we started there.

The whole world knows how great the struggle has been during the last ten months to harmonize the views of the great powers so as to make possible the presentation of tentative drafts of treaties to a peace conference. That struggle has now been brought to a successful conclusion and the peace conference has been called to meet in Paris on July 29.

In addition to the Soviet Union, the United Kingdom, France, China and the United States, the states which are represented on the Council of Foreign Ministers, the sixteen other states which took an active part in the fighting against the European Axis, will be represented at the Conference.

While the Council of Foreign Ministers has made some suggestions as to the organization and procedure of the Conference, the Conference will be free to determine its own organization and procedure.

It was proposed that the meetings of sub-committees should be secret. But on our objection this provision was eliminated. I gave notice that so far as the United States is concerned, it will use its influence to open to the press the meetings of the Conference and of its committees.

The Conference will make only recommendations. But the members of the Council are committed, in drafting the final texts of the treaties, to consider the recommendations of the Conference and not to reject any of them arbitrarily.

It is my hope that the Council of Foreign Ministers will consider the recommendations and agree upon the final texts so that the treaties may be signed by the delegates before the conference adjourns.

The Treaty Drafts

The drafts of treaties agreed upon are not the best which human wit could devise. But they are the best which human wit could get the four principal Allies to agree upon. They represent as satisfactory an approach to the return of peace as we could hope for in this imperfect and war-weary world.

The attitude of the United States in these matters represented not only the judgment of the President and the Secretary of State, but also the judgment of Senator Connally and Senator Vandenberg, whose long experience in our foreign relations and intimate knowledge of the specific issues made their counsel invaluable.

The greatest struggle was over the Italian treaty, and the greatest issue involved in that treaty was the fate of Trieste and adjacent territory along the western shore of the Istrian Peninsula. The American delegation, supported by the British and French, urged that Trieste and adjacent territory, which are predominantly Italian, should remain with Italy, and the predominantly Slavic hinterland should go to Yugoslavia.

The Trieste Controversy

The Soviet Union argued strongly that Trieste and adjacent territory should not be cut off from its immediate hinterland. While it admitted that a few cities and towns along the coast were predominantly Italian, it urged that the Istrian Peninsula should be regarded as a whole and that so regarded it was predominantly Yugoslav. This view was also urged by Czechoslovakia.

The Soviet Union further urged that greater consideration should be given to the Yugoslav claims than to the Italian claims because, while Italy as one of the Axis partners was responsible for bringing on the war against the Allies and for the loss of thousands of Allied lives, Yugoslavia had fought on the Allied side throughout the war and suffered from the attacks of Italy.

As neither the Soviets nor ourselves were prepared to yield, we then proposed that the issue be left to the peace conference, but the Soviets would not agree.

This left us in a more serious dilemma than most people realize. We could make a separate peace with Italy, leaving her Trieste, but the Soviet and Yugoslav Governments and possibly others would not accept that treaty.

If we made a separate peace, the Soviet and Yugoslav Governments would undoubtedly demand that Italy make a separate peace with them, ceding Trieste to Yugoslavia. If Italy refused, it is not difficult to foresee the difficulties which would arise.

Even if no one of us presented a treaty to Italy, a disarmed Italy could hold Trieste against the army of Yugoslavia only so long as our troops held it for her.

The French Proposal

In an effort to break this deadlock the French informally suggested that Trieste and adjacent territory be separated from Italy, but not ceded to Yugoslavia, and that its security and integrity be internationally guaranteed.

At first no one liked this proposal. But the more it was studied the more it seemed to offer a reasonable basis for agreement. It was recalled that before Italy entered World War I she had proposed that the Trieste area should become an autonomous state.

Our delegation insisted that the area should be protected by the United Nations and not by joint agreement between Italy and Yugoslavia as the Soviets proposed, and not by the four principal Allied powers as suggested by the French. Our proposals were accepted.

The proposal as finally agreed upon leaves Gorizia and Monfalcone with Italy in the north and includes within the Free Territory of Trieste the rest of the area west of the agreed ethnic line.

It is true that the Free Territory of Trieste is predominantly Italian in the city and predominantly Slav outside of the city. But neither the Italians nor the Slavs in this territory are placed under alien rule. They are given home rule. The people will elect their own Assembly and the Assembly will elect the officials to administer the laws. They will be subject to supervision only by the United Nations Security Council and by an impartial governor appointed by the Security Council.

The prosperity and welfare of Trieste are linked not only with Italy but with Yugoslavia and the countries of Central Europe. It is the natural outlet of Central Europe to the Mediterranean. The only railroads entering Trieste come through Yugoslavia and are controlled by Yugoslavia. Representatives of that Government asserted that if Trieste were given to Italy they would divert traffic to Fiume or some other port in Yugoslavia.

Best Means of Preventing Conflict

Because of the bad feeling between the two peoples in that area, the control by the United Nations may prove to be the best means of preventing armed conflict and relieving tension.

If the area were joined either with Italy or Yugoslavia, its political and economic relations with the other would suffer. Its industries might be unable to attract the necessary capital and labor might have difficulty finding employment.

If friendly relations are maintained between the Free Territory of Trieste and her neighbors, this little territory may enjoy greater prosperity and be a source of greater prosperity to its neighbors than would be the case if it were joined either with Italy or Yugoslavia.

I am convinced that the agreed solution of the problem of Trieste is fair and workable if the peoples most concerned work together to make it so. Unless they work together, there can be no solution.

Italian Colonies

No final decision was reached on the disposition of the Italian colonies.

It will be recalled that originally the Soviets had requested the trusteeship of Tripolitania. They stated they wanted a base in the Mediterranean for their merchant ships. The French favored Italy as trustee for all the colonies, and at the April session the Soviets expressed their willingness to accept the French proposal.

Except for certain reservations in respect of Cyrenaica, the British were willing to accept our proposal to have all the colonies placed under the trusteeship of the United Nations.

In view of the difficulty the Foreign Ministers were having in reaching agreement and the danger of the colonial question becoming a pawn in the settlement of other issues, I suggested that we defer a final decision.

It was finally agreed that the ultimate disposition of the colonies should be made by the four principal Allied powers in light of the wishes and welfare of the inhabitants and world peace and security, taking into account the views of other interested Governments.

If the four principal Allied powers do not agree upon the disposition to be made of the colonies within a year after the coming into force of the treaty, they have bound themselves to make such disposition of them as may be recommended by the General Assembly of the United Nations.

The four powers have further agreed to send commissions to the colonies to ascertain the wishes of the local population.

Pending the final disposition of the colonies, they will remain under the existing British military administration.

The thing I like about the agreement on the colonies is that the ultimate decision does not require unanimity. Failing agreement among the four powers, the decision rests with the United Nations.

The Soviets finally withdrew their objection to the cession of the Dodecanese to Greece and to the permanent demilitarization of the islands.

Reparations

It was, however, extremely difficult for us to reach agreement on reparations. The Soviets insisted that they were entitled to at least $100,000,000 reparations for the devastation of their territory by the Italian armies.

Moreover, under the armistice agreements with Hungary, Rumania and Finland reparations payments of $300,000,000 from each had been imposed. The Soviets found it difficult to reconcile themselves to a more lenient reparations policy in the case of Italy.

We, on the other hand, were more deeply conscious of the help that Italy gave us in the last months of the war, and opposed putting on her a reparations burden which would delay her economic recovery.

We had previously agreed that reparations could be taken in war plants not needed for Italian peacetime economy and could be paid out of Italian assets in Hungary, Rumania and Bulgaria. But the Soviets insisted that part of the reparations should come from current or future production of Italian factories and shipyards.

We reluctantly agreed that the Soviets could receive reparations up to $100,000,000. But we required them to agree that in so far as reparations were taken from Italian production, the deliveries must be arranged so as to avoid interference with economic reconstruction.

We further required the Soviets to agree that such deliveries should not commence for two years. In order to avoid our having to finance Italy's purchase of raw materials to furnish manufactured products to the Soviets, we also required agreement that the imported materials needed by Italy to make these deliveries should be supplied by the Soviets.

There remain some questions in the Italian treaty and other treaties on which we were unable to reach final agreement. As the Soviet delegation took the position that they would not agree to the calling of the peace conference until the four Governments had harmonized their views on fundamental questions, we assume that the Soviets do not regard these issues as fundamental and will accept the decisions of the peace conference.

Rising Hopes of Agreement

I admit that prior to our meeting in April I had little hope we would ever reach agreement. After the April meeting I had less hope. Now the prospect for peace treaties with five countries is bright. Ninety days after ratification of those treaties occupation armies must be withdrawn, except where they protect a line of communications. Then the people of the occupied states can live and breathe as free people. We are on the road back to peace.

I have no desire to conceal from the American people the great struggle and tremendous difficulties the four Governments had in harmonizing their views to the extent they did on these treaties. In the long run we shall have a much better chance to work out our problems if we and our Allies recognize the basic differences in our ideas, standards and methods, instead of trying to make ourselves believe that they do not exist or that they are less important than they really are.

While the Council made real progress toward peace with Italy and the ex-satellite states, it made no progress at all on the German and Austrian questions. Perhaps the time taken in discussion was not wholly lost, because our experience suggests that understandings, particularly with our Soviet friends, cannot be reached until we have gone through rounds of verbal combat, in which old complaints are repeated, past positions reaffirmed, differences accentuated and crises provoked.

Soviet Attitude

I am ready to believe it is difficult for them to understand us, just as it is dificult for us to understand them. But I sometimes think our Soviet friends fear we would think them weak and soft if they agreed without a struggle on anything we wanted, even though they wanted it too. Constant struggle, however, is not always helpful in a world longing for peace.

The Soviets started the German discussion with a prepared statement on the draft treaty we had proposed to guarantee the continued demilitarization and disarmament of Germany for at least a quarter of a century. The Soviet statement reveals how hard-pressed the Soviets were to find real objection to a treaty which gives them the assurance that Germany should never again become a threat to their security or to the security of Europe.

I do not believe that the Soviets realize the doubts and suspicions which they have raised in the minds of those in other countries who want to be their friends by the aloofness, coolness and hostility with which they have received America's offer to guarantee jointly the continued disarmament of Germany.

Had America been a party to such a guarantee after World War I, World War II would never have occurred, and the Soviet Union would never have been attacked and devastated.

German Disarmament

Is German militarism going to be used as a pawn in a struggle between the East and the West and is German militarism again to be given the chance to divide and conquer?

To that question there must be an unequivocal answer, for equivocation will increase unbearably the tensions and strains which men of good-will everywhere are striving to relieve.

The Soviets stated that our proposed treaty was inadequate; that it did not assure the denazification and democratization of Germany; that it did not assure them reparations. But these are political matters which are already dealt with in the Potsdam Agreement.

Our military agreement of June 5, 1945, provided for the prompt disarmament of armed forces and demilitarization of war plants. By our 25-year treaty we propose that when Germany is once disarmed, we shall see that she stays disarmed. We cannot understand Soviet opposition, especially as Generalissimo Stalin on last Dec. 24 agreed with me in principle on this subject.

The Soviet representative stated he had reports that in the British zone the disarming of military forces was not being carried out. The British representative stated he had reports that in the Soviet zone German war plants were being operated.

We asked that the Control Commission investigate the accuracy of both reports. The British and the French agreed. But the Soviet Government would not agree to the investigation unless we limited it to the disarmament of armed forces.

Wants a German Settlement

I certainly made clear in our earlier meeting in Paris that the proposed guaranty of German demilitarization was only a part of the German settlement. I proposed then and I proposed again at our recent meeting that deputies be appointed to start work on the whole settlement which the Allies expect the Germans to accept. The British and French accepted this proposal. The Soviets rejected it.

The Soviets suggested that we have a special session of the Council on the German problem. I agreed and insisted on setting a date. But from my experience with the Italian and Balkan settlements I fear that until the Soviets are willing to have responsible deputies who are in close touch with the Foreign Ministers sit together continuously over a period of time and find out just what is the area of our agreement and our disagreement, the exchange of views between the Ministers on the complicated problems of the German settlement will not be sufficient.

It is no secret that the four-power control of Germany on a zonal basis is not working well from the point of view of any of the four powers. Under the Potsdam Agreement, Germany was to be administered as an economic unit and central administrative departments were to be established for this purpose.

But in fact Germany is being administered in four closed compartments, with the movement of people, trade and ideas between the zones more narrowly restricted than between most independent countries.

No Zone Self Supporting

In consequence none of the zones is self-supporting. Our zone costs our taxpayers $200,000,000 a year. And despite the heavy financial burden being borne by ourselves and other occupying powers, the country is threatened with inflation and economic paralysis.

This condition must not continue. At Paris we proposed that the Control Commission be instructed to establish the central administrative agencies necessary to administer Germany as an economic unit, and to arrange for the exchange of products between the zones and for a balanced program of imports and exports.

The French Government, which had previously opposed the establishment of central administrative agencies, indicated their willingness to accept our proposal when we suggested that the Saar be excluded from the jurisdiction of these agencies. The British agreed.

But the Soviets said that they could not agree to the exclusion of the Saar without further study, and therefore no immediate progress was possible.

I made clear that we were unwilling to share responsibility for the economic paralysis and suffering we felt certain would follow a continuance of present conditions in Germany.

U. S. Proposal

I then announced that as a last resort we were prepared to administer our zone in conjunction with any one or more of the other zones as an economic unit. I indicated that recently we had secured cooperation of the Soviet zone in one matter and with the British on another. I explained that our offer was made not in an effort to divide Germany but to bring it together.

I stated that whatever arrangements were made with one Government would be open on equal terms to the Governments of the other zones at any time they were prepared to participate.

The British stated that they would consider our proposal and indicated they hoped to agree. Neither the Soviets nor the French expressed any view.

Our military representative in Germany will this week be instructed to cooperate with any one or all of the three Governments in essential administrative matters like finance, transportation, communication, trade and industry. We will either secure economic cooperation between the zones or place the responsibility for the violation of the Potsdam Agreement.

Austrian Problem

Finally, we came to a discussion of the Austrian problem. On June 1, I had circulated a proposed draft treaty recognizing the independence of Austria and providing for the withdrawal of the occupying troops. The British also had submitted a draft for consideration. I asked that the deputies be directed to prepare the treaty.

The Soviets submitted a counter-proposal calling first for further action to ensure the denazification of Austria and the removal of a large number of displaced persons from Austria whom they regard as unfriendly to them.

The British and French were willing to join us in submitting to the deputies the consideration of the treaty and in requesting the Control Council to investigate and report on the progress of denazification, and on the problem of the displaced persons. But the Soviets were unwilling to agree to the deputies taking up the Austrian treaty until more tangible action was taken on these other two problems.

We recognize the seriousness of these problems and have been grappling with them. The problem of displaced persons is particularly difficult to solve. Where they are willing, we help them to return to their homes. But many refuse to return to their own countries because they fear death or imprisonment for their political views. Our tradition of protecting political refugees is too precious for us to consent to the mass expulsion of these people from our zone. The United Nations has a committee studying the problem and we shall continue to do our part to try to find a solution, but it cannot be a cruel solution that will reflect discredit upon the American people.

It would be a tragedy to hold up the peace treaty with Austria because she is obliged to afford temporary refuge to these people until homes can be found for them in other countries.

Will Press to Restore Peace

We shall press on, in session and out of session, to restore conditions of peace to this warsick world, to bring soldiers back to their homes and to their families, to beat our swords into plowshares. The war has left wounds, but we must work to heal those wounds.

We do not believe in a peace based on a desire for vengeance. We believe in justice, charity and mercy. If we act with charity and mercy, those we fear as enemies may become our friends. We must trust to the healing processes of peace and pray that God in His mercy will give peace to the world.

Silver Price Established by Handy & Harman

Pointing out that the issue over release of Treasury silver is still in the hands of the Senate-House Conference Committee and no agreement has been reached as yet, Handy & Harman, dealers in precious metals, announced on July 11 that meanwhile, in the absence of any OPA ceiling, silver had been offered in the market that day, and that they had established a New York official quotation of 90⅛ cents. The bullion dealers added:

"It has been possible for us to buy silver today, so we will sell to customers as we always have, on the basis of the current day's quotation."

The New York "Times" of July 12, referring to the above official quotation said:

"The previous level of 70¾ cents an ounce was based on the ceiling of 71.11 cents an ounce by the Office of Price Administration. With the expiration of the OPA, that price was suspended.

"The firm said a substantial quantity of foreign silver was sold at the new price, which is equivalent to 90.3 cents an ounce, the level at which the United States Treasury would be authorized in a bill now before Congress to sell its unpledged silver to industry."

Payment on Copenhagen Loan Bonds

Guaranty Trust Company of New York it was announced on July 12 has completed arrangements under which it will pay coupons and called bonds of the City of Copenhagen 4% loan of 1901.

Urges Corporate Directors Based On Ability

(Continued from first page)

tion, or labor relations, will be sought out in the future as corporate directors.

"Directors having considerable holdings in a company may be personally dependent on the income from their holdings," Mr. Heimann continues. "Since immediate self-preservation is a strong influence in their decision, a short-sighted policy might be adopted as to dividends because of pressing financial need. However, when the corporation's financial position is considered, such dividend action might be detrimental to its long-range interests. Our credit files show that many instance of this kind occurred in the early days of the depression and that a number of companies got into financial difficulty because of an injudicious dividend policy.

"Another argument in favor of a director who is not a substantial stockholder is that he is more apt to bring an objective, and therefore, in a sense, a broader view to the company. It is my belief that, in the future, directors are more and more going to be chosen rather for their capacity than their stockholdings. This, of course, would not be true of smaller and family-controlled corporations. I find industrialists of vision appreciate that a board of directors composed largely of people not working for the company, and perhaps not having a substantial interest in it, often bring to the organization new vision, assuming they are men of capacity and integrity. Their directors' meeting agenda is usually based upon recommendations made by officials of the company who, instead of serving on the board, form advisory committees. These advisory committees place before the directors suggestions and recommendations upon which they desire the board to act. They sit in at the board meetings and participate in all discussions. Competent men in your company can and do make available to the company the best of their thoughts and ideas, and they can do this just as readily if they are members of an advisory committee as if they were actually on the board. If this policy be pursued, it may give a company an opportunity to get well-qualified men of broad vision to serve as directors and the net result is more and better-balanced minds planning the company's future.

"In the years ahead, many more men who have come up through the shop will be placed on boards of directors of the company for which they work. This is due to the importance of human relationship. It is quite logical to expect that men who made a study of labor-capital relationship, and who are expertly qualified in this field, will be in demand for service as quasi-public directors in our larger organizations.

"There are, of course, instances we have known where a considerable ownership of stock by a director has inured to the benefit of the company. I have in mind two or three occasions where directors who owned substantial blocks came into the breach when the company needed finances, and personally aided the company in getting these finances. The company could not, on its own balance sheet, have procured them. It is, therefore, impossible to lay down any hard and fast rule, but the point is that there can be no condemnation per se of a company that elects to its board of directors men with only limited stockholdings."

From Washington Ahead of the News

(Continued from first page)

anyone who had ever done more to keep these processes greased.

Some writers have been so irreverent as to dig up what Truman said when he was chairman of the Senate War Investigating Committee which bore his name, now has the name of the Mead Committee. At that time, Truman, running into the fact that the humanitarian Hillman was permitting the union to charge carpenters $50 before they could go to work on a cantonment project, and also getting a rake-off for the garment manufacturers which he represented, exclaimed that if Hillman was not American enough to do his job, then in the War Production Board as co-adviser with Bill Knudsen, then, he Truman, thought that the American people should act.

Under the circumstances, there is a wide feeling among Washington observers, not general, that Truman's remarks upon the demise of Sidney were of exuberance rather than a feeling of loss.

The facts are that Truman has no love for Phil Murray, R. J. Thomas, Walter Reuther *et al.* They have all spoken unkindly of him, spoken of him as a small man, not anything like the bigness of the Messiah, Franklin Delano Roosevelt. Sidney never spoke so intemperately, not in a personal vein. And Truman, being widely advertised as a man who stuck by his friends—he even stuck to the last for Boss Pendergast—felt an attachment for Sidney, the immigrant boy who came over here and Made Democracy Work.

Now Sidney has gone, and as one looks around it can't be seen that Truman has any attachments in the CIO or the CIO-PAC throng. Look over the list and there are none of them whom he likes personally to chat with. The more they threatened, which Sidney never did, the more he dislikes them.

In short, Sidney was his last personal tie with the crowd. Bob Hannegan will still be insisting to him that the crowd is necessary to win in '46 and in '48, and Truman, unless this writer is mistaken, will be thinking about what an awful lot of people they are whom he would rather not associate with.

The rest of them are not congenial to him. He knows they don't have any respect for him, and if there is one thing sure and certain, it is that he is determined not to be made a "tool" of "any group."

Having age and lack of ambition with him, he is perhaps one of the most independent Presidents we have ever had. He has liked to think he was independent of Labor. He has done things to express that. But in his philosophy that Sidney had been a friend of his, Sidney had his ear.

Unless we miss our bet, he feels relieved now that he doesn't have to pick up the telephone and listen to Sidney's hard accent. Sidney is an obligation discharged. Unless we are mistaken, Sidney's creation, the CIO-PAC, will get short shrift from Truman from now on. We may be mistaken.

May Portland Cement Output Increased 51%

Production of 12,172,000 barrels of cement in May 1946, reported to the Bureau of Mines, United States Department of the Interior, was 51% greater than that reported for May 1945. Shipments of 16,083,000 barrels were 73% greater than those reported for the corresponding month of 1945. These figures indicate a continued strong recovery in both output and shipments. Mill stocks on May 31 were 24% lower than at the end of April 1946, and 38% lower than a year ago. Clinker production of 11,456,000 barrels in May 1946 was 43% above that reported for the corresponding month of 1945. The industry operated at 59% of capacity in May 1946, compared with 40% a year earlier. Cumulative figures for the first five months of 1946 show a gain of 65% in production, 77% in shipments, and 66% in clinker production, compared with the corresponding period of 1945.

Demand for cement, as indicated by mill shipments, was higher than in May 1945 in all districts. In nine districts and Hawaii shipments were more than double those of May 1945.

PORTLAND CEMENT IN THE UNITED STATES, PUERTO RICO AND HAWAII

Period Ended May 31—	—1945—Month	—1946—	—1945—5 Mos.	—1946—
Finished cement—				
Production	8,086,000	12,172,000	33,318,000	55,012,000
Shipments	9,272,000	16,083,000	33,599,000	59,414,000
Stocks (May 31)	19,599,000	12,061,000	------	------
Capacity used	40%	59%	33%	55%
Clinker—				
Production	*7,988,000	11,456,000	33,943,000	56,330,000
Stocks (May 31)	5,834,000	5,095,000	------	------

*Revised figure.

Bank Debits for Month of June

Tthe Board of Governors of the Federal Reserve System issued on July 10 its usual monthly summary of "bank debits" which we give below:

SUMMARY BY FEDERAL RESERVE DISTRICTS
(In millions of dollars)

			—3 Months Ended—	
Federal Reserve District—	June 1946	June 1945	June 1946	June 1945
Boston	3,768	4,805	11,493	12,031
New York	37,818	44,952	115,803	113,283
Philadelphia	4,000	4,524	11,727	11,378
Cleveland	5,241	6,092	15,455	16,021
Richmond	3,185	3,406	9,337	8,774
Atlanta	3,018	2,913	9,051	8,030
Chicago	11,913	13,679	35,402	36,436
St. Louis	2,439	2,564	7,219	7,001
Minneapolis	1,693	1,726	4,829	4,477
Kansas City	2,831	2,920	8,084	7,974
Dallas	2,688	2,544	7,832	6,911
San Francisco	8,070	7,900	23,862	21,570
Total, 334 centers	86,663	98,024	260,093	253,887
*New York City	34,972	41,725	107,265	104,816
*140 other centers	43,219	47,716	127,774	126,204
193 other centers	8,472	8,583	25,054	22,866

*Included in the national series covering 141 centers, available beginning in 1919.

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

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

Company and Class of Stock—	Shares Previously Reported	Shares Per Latest Report
The American Rolling Mill Co., 4½% cum. conv. pfd.	15,195	17,810
Atlas Corporation	46,316	46,345
The Borden Co., common	187,758	188,658
Electric Boat Co., common	104,215	104,276
General Motors Corp., common	82,571	*7,950
Gimbel Brothers, common	28,050	None
International Minerals and Chemical Corp., common	32,359	26,459
Jewel Tea Co., Inc., common	1,635	1,605
Johnson & Johnson, common ($12.50 par)	23,709	23,569
2nd preferred, series A, 4%	1,081	†1,075
The Mead Corp., $5.50 cum. pfd., series B	2,996	129
National Cylinder Gas Co.	‡	‡
National Distillers Products Corp., common	None	23
National Steel Corp., common ($25 par)	130	105
Outboard, Marine and Manufacturing Co., common	44	45
Plymouth Oil Co., common	5,384	7,184
Purity Bakers Corp., common	12,019	11,550
Reliable Stores Corp., common	52,030	None
W. A. Sheaffer Pen Co., common	3,909	2,824
Franklin Simon, 7% cum. preferred	None	735
Sinclair Oil Corp., common	954,151	§954,155
U. S. Rubber Corp., common	None	5
Virginia Iron Coal and Coke Co., 5% preferred	6,377	6,477
The S. S. White Dental Mfg. Co., capital	1,282	1,262

*Decrease of 74,621 resulting from operations of Employees' Bonus Plan.

†Decrease represents shares delivered under the Employees' Extra Compensation Plan.

‡In January, 1946, 27,869 shares were exchanged for all capital stock of Seattle Oxygen Co. During the month of April 700 shares were purchased and during the month of May 3,000 shares were purchased, making a total of 3,700 shares held in the treasury May 31, 1946.

§During the month of April 2 shares were acquired and 1 share was acquired during May, 1946.

The New York Curb Exchange made available on June 17 the following list of issuers of fully listed securities which have reported changes in their holdings of reacquired stock:

Company and Class of Stock—	Shares Previously Reported	Shares Per Latest Report
American Cities Pwr. & Lt. Corp., A opt. div. ser. 1936	2,250	2,350
American Cities Pwr. & Lt. Corp., cv. A opt. div. series	1,750	2,100
American General Corp., common	494,035	None
American General Corp., $2.00 dividend series preferred	10,381	None
American General Corp., $2.50 dividend series preferred	384	None
Automatic Products Corp., capital	1,400	2,505
Bridgeport Oil Co., Inc., common	4,800	4,300
Crown Central Petroleum Corp., common	625	629
Dennison Manufacturing Co., A common	9,936	9,521
Derby Oil Co., common	70,830	65,830
Gilbert (The A. C.) Co., preference	2,496	1,735
Gilbert (The A. C.) Co., common	1,000	600
Grocery Store Products Co., capital	None	76
International Utilities Corp., common	968	981
Kleinert (I. B.) Rubber Co., common	27,637	27,737
Kobacker Stores, Inc., common	5,609	None
Morris Plan Corp. of America, common	155	156
New York Merchandise Co., Inc., common	133,631	134,131
Niagara Share Corp., B common	250,167	251,268
Noma Electric Corp., common	3,468	None
Starrett Corp., v.t.c. common	30	31
Sun Ray Drug Co., common	150	54,150
Tung Sol Lamp Works, Inc., common	30,533	16,933
Utility Equities Corp., $5.50 div. prior stock	13,275	13,325

Hotel Sales in February

Horwath and Horwath, New York public accountants, in their April "Hotel Bulletin" announced that "even though 1946 is the seventh year in which sales increases over the year before have been the rule in the hotel industry, February shows very substantial gains on all points. The total sales were up 17% over the same month of 1945 compared with 12% in January, and the other country-wide improvements were: rooms, 11%; total restaurant, 23%; food, 24%; and beverages, 22%." From the advices we also quote:

"And even without examining the figures for all the various cities and sections included in our table, we can see that the improvement is general if we glance at the group, All Others, which consists of miscellaneous hotels scattered all over the country and is therefore indicative of the over-all trend. Indeed all the gains for that group exceed the total averages, which is of course quite unusual. Its pickup of 19% in total sales is the most marked in two years, and so also are those of 25% each in total restaurant sales, food, and beverages. Furthermore an occupancy of 93% for this group is eloquent of the situation throughout the country.

"By far the largest increases in total sales, rooms, total restaurant and food are recorded by Chicago, one reason for this being found in the fact that there was room for improvement since in February, 1945, that city had a whole row of decreases from the year before.

"Of course the soaring occupancies continue to be the principal point of interest, and it is not surprising to find that none of our cities or sections had an average below 90% in February of this year. Indeed, only one — Detroit — was as low as 90%, while Cleveland scored the month's high of 95% and three averaged 94%—New York, Chicago, and Washington.

"The sharpest rise in room rate was that of 10% for Chicago, followed by 9% for Cleveland."

FEBRUARY, 1946, COMPARED WITH FEBRUARY, 1945

	Sales, Increase or Decrease					Occupancy		†Room Rate Increase or Decrease
	*Total	Rooms	Total Restaurant	Food	Beverages	Feb. 1946	Feb. 1945	
New York City	+16%	+ 8%	+27%	+27%	+28%	94%	92%	+ 6%
Chicago	+27	+22	+32	+33	+30	94	85	+10
Philadelphia	+16	+ 9	+25	+21	+32	92	88	+ 5
Washington	+ 2	+ 2	+ 1	+ 4	— 6	94	93	+ 1
Cleveland	+19	+14	+23	+25	+20	95	91	+ 9
Detroit	+ 7	+ 7	+ 7	+ 5	+10	90	85	+ 1
Pacific Coast	+ 8	+ 6	+12	+16	+ 5	91	88	+ 2
Texas	+ 9	+ 4	+16	+19	— 7	92	90	+ 2
All others	+19	+12	+25	+25	+25	93	87	+ 5
Total	+17%	+11%	+23%	+24%	+22%	93%	88%	+ 5%
Year to date	+15%	+10%	+20%	+20%	+20%	93%	89%	+ 5%
MONTHLY TOTALS FOR LAST SIX MONTHS								
February, 1946	+17%	+11%	+23%	+24%	+22%	93%	88%	+ 5%
January	+12	+ 8	+17	+16	+17	92	90	+ 5
December, 1945	+13	+10	+14	+13	+16	88	83	+ 4
November	+13	+11	+16	+14	+19	94	88	+ 4
October	+11	+ 9	+12	+11	+14	95	90	+ 3
September	+ 8	+ 8	+ 9	+10	+ 7	93	89	+ 3

*Rooms and restaurant only. †The term "rates" wherever used refers to the average daily rent per occupied room and not to scheduled rates.

The State of Trade

(Continued from page 399)

100,000 kwh. for the corresponding week of last year, an increase of 1.6%.

Railroad Freight Loadings—Car loadings of revenue freight for the week ended July 6, 1946, totaled 679,785 cars, the Association of American Railroads announced. This was a decrease of 199,760 cars or (22.7%) below the preceding week and 46,878 cars, or 6.5% below the corresponding week for 1945. Compared with the similar period of 1944, a decrease of 64,562 cars, or 8.7%, is shown.

Railroad Earnings In May — Class I railroads of the United States in May, 1946, had an estimated deficit, after interest and rentals of $36,000,000 compared with a net income of $64,648,791 in May, 1945, according to the Association of American Railroads. Operating results in May were affected by the coal and railroad strikes.

In the first five months of 1946 estimated deficit, after interest and rentals of $40,000,000 compared with a net income of $261,414,342 in the like period of 1945. For May, 1946, the carriers had a net railway operating deficit, before interest and rentals of $4,779,574 compared with a net railway operating income of $103,633,697 in May, 1945.

In the first five months of this year net railway operating income, before interest and rentals, amounted to $114,603,468 as compared with $448,579,005 in the same period of 1945.

For the 12 months ended May 31, 1946, the rate of return on property investment averaged 1.88%. For the corresponding period of 1945 the rate of return was 3.95%.

Total operating revenues in the first five months of 1946 amounted to $2,965,368,250 compared with $3,877,377,074 in the same period of 1945, or a decrease of 23.5%. Operating expenses in the like period of 1946, were $2,568,469,201 as against $2,653,033,611 in the corresponding period of 1945, or a decrease of 3.2%.

Sixty-nine class I railroads failed to earn interest and rentals in the first five months of 1946, of which 30 were in the Eastern District, 12 in the Southern Region, and 27 in the Western District.

Paper and Paperboard Production—Paper production in the United States for the week ended July 6 was 61.1% of mill capacity, as against 105.5% for the preceding week and 47.9% in the like 1945 week, according to the American Paper & Pulp Association. Paperboard output for the current week was 70% against 98% in the preceding week and 62% for the corresponding week a year ago.

Business Failures a Little Higher—Commercial and industrial failures turned slightly upward in the week ended July 11, but they did not reach the 1945 level, reports Dun & Bradstreet, Inc. Concerns failing this week numbered 15 against 13 for the previous week and 25 last year.

Large failures involving liabilities of $5,000 or more were three times as numerous as small failures. Numbering 11 in the week just ended, these large failures remained the same as last week but showed a drop from the 18 reported a year ago. Concerns failing with losses under $5,000 increased to 4, twice as many as in the prior week but fell short of the 7 reported last year.

Failures were most numerous in manufacturing and retailing, with these two lines accounting for all but 2 failures of the week's total. Manufacturers failing, at 7, turned downward from the 11 reported for the preceding week but remained the same as a year ago. In retailing, on the other hand, failures rose from 1 last week to 6 this week. However, compared with last year, retail failures were only half as numerous this week. Construction, with 2 failures, was the only other trade or industry to report any failures.

Six Canadian failures were reported as compared with 2 in the previous week and 3 in the corresponding week of 1945.

Sharp Gain In Food Price Index—Although grains were generally lower than a week ago, advances in other foodstuffs carried the Dun & Bradstreet wholesale food price index for this week to a further new 26-year high. From last week's $4.54, the index advanced 34 cents, or 7.5%, to $4.88 on July 9, making a total gain of 12.2% during the past two weeks. The current level represents a new high since June 10, 1920, when it registered $4.89, and marks an increase of 19.3% over last year's index of $4.09.

Butter accounted for almost half of the week's rise. Other commodities moving upward were barley, hams, bellies, lard, butter, cottonseed oil, cocoa, eggs, hogs, sheep and lambs, while declines occurred in flour, wheat, corn and oats. The index represents the sum total of the price per pound of 31 foods in general use.

Wholesale Commodity Price Index—Signs of a leveling off movement were visible in the past few days following the initial sharp advance recorded during the first half of last week, due to the termination of the OPA. From 200.12 on June 29, the daily wholesale commodity price index, compiled by Dun & Bradstreet, Inc., rose 10.5% to 221.19 on July 5. There were moderate recessions on the two succeeding days but a renewed upturn carried the July 9 figure to a new high of 221.60. This was a gain of 25.3% over a year ago when it stood at 176.89.

All grains were considerably higher than the recent OPA maximums but comparisons for the week, July 8 with July 1, the first day of free trading, showed moderate declines in most cash markets. Fears that price controls may be reinstated brought considerable liquidation in corn and oats futures, resulting in sharp declines for those grains. Also acting as a brake on prices was the excellent new crop outlook for the wheat, corn, and oats crops. Present prospects indicate a corn crop much in excess of the record yield of 3,203,000,000 bushels harvested in 1944. Flour mills were able to secure more wheat last week but millers showed extreme caution in making flour commitments owing to future price uncertainties.

There was little activity reported in the cocoa market with prices holding steady following the recent sharp advance. Hog values moved sharply upward on the elimination of ceiling restrictions but prices later reacted downward as the result of heavy receipts which flooded the stockyards. Lard production spurted upward due to the increased hog supply and output was reported the largest in many months. Cattle were in good supply but heavy demands maintained prices at the highs established early last week. Lambs moved up with other livestock but sold off slightly at the close of the week.

Cotton prices lagged during most of the week but turned upward at the close. Spot values at New York registered a gain of 51 points for the period, while futures prices broke through the 32c level for the first time since the 1923-1924 season. Expectations of large demands for cotton during the coming year from both domestic and foreign sources, coupled with the indicated short supply of the staple, were the principal factors in the rise. A sharp rise in the mid-June parity price to 23.19c per pound was likewise a factor. The Department of Agriculture in its report issued on July 8 estimated that 18,316,000 acres of cotton were under cultivation on July 1. Although 3.2% more than a year ago, this was 28.0% below the 10-year average of 25,608,000 acres for the seasons 1935-1944. Carded gray cotton cloth markets continued to lag as mills hesitated in establishing new price levels.

Activity in the Boston wool market was very quiet during the week, reflecting the closing of practically all textile mills due to the annual vacation period. Foreign wools continued to arrive at Eastern ports in large quantities during the week.

Retail and Wholesale Trade—Somewhat higher prices and slightly larger supplies of previously scarce items held the dollar volume of retail trade in the past week at virtually the same level as the previous week, despite holiday closings, it was reported today by Dun & Bradstreet, Inc.

Wholesale volume declined, however, because of the long week end closing for Independence Day. In spite of this, wholesale volume was above that in the same week a year ago. Increased shipments were reported from many localities, particularly plumbing supplies, building materials and furniture.

Dollar food volume last week held considerably above that of the corresponding week a year ago, with meat more plentiful but selling at higher prices than in recent weeks. Food prices were up in most sections of the country.

The Grocery Manufacturers of America stated on Friday last that actually food prices, in the aggregate, are below what many families were paying before the OPA expired on July 1, because so much food was being bought by housewifes in the black market.

Retail volume for the country as a whole, in all lines, for the week was estimated to be between 22 and 25% higher than the corresponding week last year.

Regional percentage increases were: New England, 16 to 20; East, 23 to 27; Middle West, 18 to 22; Northwest, 26 to 30; South, 20 to 24; Southwest, 22 to 26, and Pacific Coast, 19 to 23.

Department store sales on a country-wide basis, as taken from the Federal Reserve Board's index for the week ended July 6, 1946, increased by 26% above the same period of last year. This compared with an increase of 38% in the preceding week. For the four weeks ended July 6, 1946, sales increased by 35% and for the year to date by 28%.

According to the Federal Reserve Bank's index, department store sales in New York City for the weekly period to July 6, 1946, increased 33% above the same period last year. This compared with an increase of 43% in the preceding week. For the four weeks ended July 6, 1946, sales rose by 39%, and for the year to date 34%.

Isleib Named By Truman

President Truman on July 9 nominated James R. Isleib of Texas to be Land Bank Commissioner in the Farm Credit Administration, according to the Washington, D. C., "Post," which added:

Mr. Isleib, a native of Rosebud, Tex., would succeed William E. Rhea, who died recently. Mr. Isleib has been on the Farm Credit Administration staff since 1933, and is now serving as Deputy Land Bank Commissioner.

Electric Output for Week Ended July 13, 1946 3.2% 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 elecric light and power industry of the United States for the week ended July 13, 1946, was 4,156,386,000 kwh., which compares with 4,295,254,000 kwh. in the corresponding week a year ago, and 3,741,006,000 kwh. in the week ended July 6, 1946. The output for the week ended July 13, 1946, was 3.2% below that of the same week in 1945.

PERCENTAGE DECREASE UNDER SAME WEEK LAST YEAR

Major Geographical Divisions—	July 13	July 6	June 29	June 22
	Week Ended			
New England	§1.0	4.7	0.4	1.2
Middle Atlantic	1.8	4.0	2.1	3.9
Central Industrial	5.5	8.7	6.2	6.0
West Central	§2.5	§0.6	§1.5	§2.0
Southern States	3.6	8.0	8.0	7.4
Rocky Mountain	§2.3	§5.8	§1.8	§4.9
Pacific Coast	5.0	5.6	7.6	7.2
Total United States	3.2	6.0	5.1	5.3

§Increase.

DATA FOR RECENT WEEKS (Thousands of Kilowatt-Hours)

Week Ended—	1946	1945	% Change under 1945	1944	1932	1929
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
July 6	3,741,006	3,978,426	— 6.0	3,940,854	1,415,704	1,711,625
July 13	4,156,386	4,295,254	— 3.2	4,377,152	1,453,903	1,727,225
July 20		4,384,547		4,380,930	1,440,386	1,732,031
July 27		4,434,841		4,390,762	1,426,986	1,724,728

Steel Operations Again Show Slight Gain—Many Duplicate Orders Believed in Backlogs

"The current situation in steel markets and in the iron and scrap field is that of a pseudo free market," states "The Iron Age," national metalworking paper, in its issue of today (July 18). "While price controls have been off for two weeks, steelmakers and most scrap brokers and dealers have refrained from taking any important price action," says the same publication, which further reports as follows:

"This attitude was based on the fact that it was unknown what trend price control legislation would take and the possibility that any unseemly rises might have contributed to the passage of strict price control. Practically all steelmakers have been and are against the return of rigid price control and they favor a free market where proper costs can be balanced out with price increases which they claim would be based on a fair profit pattern.

"So far in the steel and scrap industries the 'hold the line' tactics have been substantially successful. To think that this state of suspended animation in price action will continue if OPA dies permanently and price legislation is abandoned, is completely to ignore the past history of steel and scrap prices.

"The basic fear in the steel industry which firmly believes higher prices are warranted to take care of past increased costs is that once price controls are eliminated iron and steel scrap will reflect the full play of a free market and soar to much higher price levels. In the period before price controls were slapped on price quotations, the price of No. 1 heavy melting steel at Pittsburgh rose rapidly to $26 or more a ton and would have advanced farther had it not been for the freezing action.

"Now steel firms are fearful that history will repeat itself and that scrap prices may soar much higher than before the war in view of the dissipation of scrap supplies during wartime operations. A sharp rise in the price of scrap, coupled with certain advances in other raw materials, would put steel companies far behind in the relationship of their prices to costs. To compensate for such a situation, steel firms would be forced to make substantial advances on practically all steel products.

"Steel scrap movements today are primarily shipments on old contracts and few new orders have been taken during the past few weeks. Some large scrap brokers and dealers have sold tonnages at old OPA ceilings in an effort to retain trade relationships with their customers. Steel companies, on the other hand, have not only been reluctant but have refused to place new business at any price level above the old OPA ceiling.

"Steel consumers whose operations generate scrap as a byproduct have been just as anxious to know the future of the price control trend as have been dealers and brokers in the scrap trade. These sources have felt that if they let their scrap supplies go at the old ceiling prices only to see price controls eliminated, they would face definitely higher prices for steel products which they purchased. Some scrap on hand should controls be eliminated permanently would serve as a good bargaining point or at least a compensation for higher steel prices.

"If OPA is resurrected this week there should be a substantial movement of scrap through trade channels, but there is a good probability that the amount uncovered will fall short of tonnages now being mentioned in the trade as representing 'hold-back' scrap. If price controls are definitely eliminated from the country's economy this week the pressure for holding the line against scrap price advances may be dissipated by the action of some companies whose need for scrap is so great that higher prices would be offered rather than to reduce operations—at least this has been the normal trend in free markets before the war."

The American Iron and Steel Institute on July 15, 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 87.9% of capacity for the week beginning July 15, compared with 87.8% one week ago, 84.2% one month ago and 89.8% one year ago. This represents an increase of 0.1 point or 0.1% from the preceding week. The operating rate for the week beginning July 15 is equivalent to 1,549,100 tons of steel ingots and castings, compared to 1,547,400 tons one week ago, 1,483,900 tons one month ago, and 1,644,800 tons one year ago.

"Steel" of Cleveland in its summary of latest news developments in the metalworking industry, on July 15 stated in part as follows:

"Industry is not increasing prices substantially despite removal of OPA ceilings. Covering several hundred plants from coast to coast which make everything from bolts and nuts to electric toasters, automobiles and locomotives, a study shows that 55% of all the companies checked plan no increases in prices within the next 60 days. Of the remaining 45%, about two-thirds plan increases of less than 10% while no plant indicates an increase of more than 25%.

"The consensus among manufacturers is that supply in almost all lines will be in balance with demand by mid-1947. The metalworking executives who participated in this study voted 71% against any forms of price control and indicated that the death of OPA was one of the greatest stimulants to production since the war.

"Material shortages are still worrying some plants, particularly in fractional horsepower electric motors and steel. The steel situation is still clouded, and certification tonnage on housing and agricultural implement manufacture has begun to interfere with third quarter commitments already made.

"There is a growing feeling that considerable duplicate buying was done in fourth and first quarters, especially in flatrolled steel, and that much tonnage of this sort is in present backlogs and will not be brought out until steel supply becomes more ample. Most of this tonnage probably would be taken in unless production and deliveries catch up sooner than is now apparent.

"Pig iron supply shows little sign of improving, though the number of active stacks is being enlarged from time to time. In face of a tremendous demand from foundries and a heavy drain from open hearths to make up for scrap shortage there is not enough to go around. Producers are allotting tonnage to regular customers in an effort to serve all equally but foundries in general are far short of requirements and have curtailed operations or closed for vacations in the effort to build some inventory. Price advance by two makers in the South has not been followed by similar action in other areas. Some melters are accepting off-grade from furnaces and little insistence is placed on exact analyses.

"Steel ingot production in first half this year showed a loss of 15,778,368 net tons from the corresponding period last year, output being 27,364,714 net tons, at an average rate of 60%, compared with 43,143,082 tons at 91% in first half, 1945. June production was 5,660,386 tons, compared with 4,072,452 tons in May, and with 6,840,522 tons in June, 1945.

"Because of higher price on southern pig iron the average composite price of steelmaking pig iron has risen 25 cents, to $25.75 per ton. Other composites are unchanged, finished steel at $64.45, semifinished steel at $40.60 and steelmaking scrap at $19.17."

Moodys Daily Commodity Index

Tuesday, July 9, 1946	313.9
Wednesday, July 10	317.2
Thursday, July 11	320.8
Friday, July 12	321.5
Saturday, July 13	328.7
Monday, July 15	337.8
Tuesday, July 16	342.5
Two weeks ago, July 2	305.1
Month ago, June 15	286.1
Year ago, July 16, 18945	255.8
1945 High, Dec. 27	265.0
Low, Jan. 24	252.1
1946 High, July 16	342.5
Low, Jan. 2	264.7

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 16	123.99	118.80	123.34	121.25	118.60	112.37	115.63	119.20	121.46
15	123.95	118.80	123.34	121.25	118.60	112.56	115.82	119.41	121.46
13	Stock Exchange Closed								
12	124.14	118.80	123.56	121.25	118.60	112.56	116.02	119.20	121.46
11	124.20	119.00	123.56	121.46	118.80	112.56	116.02	119.41	121.67
10	124.27	119.00	123.56	121.25	118.80	112.56	116.02	119.41	121.67
9	124.24	119.00	123.56	121.46	118.80	112.56	116.02	119.41	121.67
8	124.24	119.00	123.56	121.46	118.60	112.56	115.82	119.20	121.67
6	Stock Exchange Closed								
5	124.24	118.80	123.34	121.25	118.60	112.37	115.82	119.20	121.46
4	Stock Exchange Closed								
3	124.17	118.80	123.34	121.25	118.60	112.56	115.82	119.20	121.46
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 28	124.11	118.80	123.34	121.25	118.40	112.56	116.02	119.20	121.46
21	124.17	118.80	123.34	121.25	118.40	112.56	116.02	119.20	121.46
14	124.17	118.80	123.34	121.25	118.40	112.56	116.02	119.20	121.46
7	124.02	118.80	123.13	121.25	118.40	112.56	116.02	119.00	121.25
May 31	123.99	118.80	122.92	121.46	118.40	112.56	116.02	119.00	121.25
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	116.22	119.00	121.04
10	123.83	118.80	122.92	121.46	118.60	112.75	116.20	119.00	121.04
3	124.49	119.00	122.92	121.67	118.60	113.12	116.41	119.20	121.04
Apr. 26	124.33	119.00	123.34	121.25	118.40	113.12	116.61	119.41	121.04
18	125.30	119.61	123.99	121.88	119.20	113.89	116.41	119.41	121.04
12	125.77	120.02	123.99	122.29	119.61	114.27	117.20	120.22	121.67
5	125.92	120.02	123.99	122.29	119.61	114.46	117.60	120.22	121.88
Mar. 29	125.61	119.82	123.99	122.29	119.41	114.27	117.60	120.22	122.09
Feb. 21	126.02	120.22	123.34	121.88	119.00	114.27	117.40	120.22	122.09
Jan. 25	126.28	119.00	123.12	121.25	119.00	113.31	116.41	120.22	122.09
High 1946	126.28	120.02	124.20	122.50	119.61	114.46	115.63	119.41	122.09
Low 1946	123.45	117.60	121.46	119.82	117.40	112.19	117.60	120.43	122.50
1 Year Ago July 16, 1945	122.94	116.22	121.04	119.61	116.22	108.34	114.46	117.80	120.63
2 Years Ago July 15, 1944	120.19	112.56	118.60	117.20	112.19	102.96	113.12	115.63	119.61

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 16	1.48	2.71	2.49	2.59	2.72	3.04	2.87	2.69	2.58
15	1.48	2.71	2.49	2.59	2.72	3.03	2.86	2.68	2.58
13	Stock Exchange Closed								
12	1.47	2.71	2.48	2.59	2.72	3.03	2.85	2.69	2.58
11	1.46	2.70	2.48	2.58	2.71	3.03	2.85	2.68	2.57
10	1.46	2.70	2.48	2.59	2.71	3.03	2.85	2.68	2.57
9	1.46	2.70	2.48	2.58	2.71	3.03	2.85	2.68	2.57
8	1.46	2.70	2.48	2.58	2.72	3.03	2.86	2.69	2.57
6	Stock Exchange Closed								
5	1.46	2.71	2.49	2.59	2.72	3.04	2.86	2.69	2.58
4	Stock Exchange Closed								
3	1.46	2.71	2.49	2.59	2.72	3.03	2.86	2.69	2.58
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 28	1.47	2.71	2.49	2.59	2.73	3.03	2.85	2.69	2.58
21	1.46	2.71	2.49	2.59	2.73	3.03	2.85	2.69	2.58
14	1.46	2.71	2.49	2.59	2.73	3.03	2.85	2.69	2.58
7	1.47	2.71	2.50	2.59	2.73	3.03	2.85	2.70	2.59
May 31	1.48	2.71	2.51	2.58	2.73	3.03	2.85	2.70	2.59
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	2.84	2.70	2.60
3	1.44	2.70	2.51	2.57	2.72	3.00	2.83	2.69	2.60
Apr. 26	1.45	2.70	2.49	2.59	2.73	3.00	2.82	2.68	2.60
18	1.38	2.67	2.46	2.56	2.69	2.96	2.83	2.68	2.60
12	1.35	2.65	2.46	2.54	2.67	2.94	2.79	2.64	2.57
5	1.34	2.65	2.46	2.54	2.67	2.93	2.77	2.64	2.56
Mar. 29	1.36	2.66	2.46	2.54	2.68	2.94	2.77	2.64	2.55
Feb. 21	1.33	2.67	2.49	2.56	2.70	2.94	2.78	2.64	2.55
Jan. 25	1.31	2.70	2.50	2.59	2.70	2.99	2.83	2.64	2.55
High 1946	1.51	2.77	2.58	2.66	2.78	3.05	2 87	2.68	2.55
Low 1946	1.31	2.65	2.45	2.53	2.67	2.93	2.93	2.76	2.62
1 Year Ago July 16, 1945	1.59	2.84	2.60	2.67	2.84	3.26	2.77	2.63	2.53
2 Years Ago July 15, 1944	1.78	3.03	2.72	2.79	3.05	3.57	3.00	2.87	2.67
							3.37	2.95	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.

Moody's Common Stock Yields

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

MOODY'S WEIGHTED AVERAGE YIELD OF 200 COMMON STOCKS

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

Butler Named First Ambassador to Australia

The nomination of Robert Butler of Minnesota to be Ambassador Extraordinary and Plenipotentiary of the United States to Australia was sent to the Senate by President Truman on July 9. Mr. Butler, a St. Paul shipbuilder and banker, is the first American Ambassador to Australia, said Associated Press advices from Washington July 9, which stated that Nelson T. Johnston, career diplomat, who has been Minister to Australia, will become Secretary-General of the Far Eastern Commission, policy making body for conquered Japan.

From the Associated Press we also quote:

"Norman Makin, Minister of State for the Australian Navy, will be his country's first Ambassador to Washington.

"The Legations in Canberra and Washington are being raised to Embassies, a joint announcement said, in line with the 'added importance of the Pacific area in the eyes of both Governments.'

"The White House also said that the change was a 'natural consequence of the increasingly close and cordial relations between Australia and the United States.'"

Civil Engineering Construction Totals $150,593,000 for Week

Civil engineering construction volume in continental United States totals $150,593,000 for the week ending July 11, 1946 as reported to "Engineering News-Record." This volume is 22% above the previous three-day week, 207% above the corresponding week of last year and 18% above the previous four-week moving average. The report made public on July 11, added:

Private construction this week $73,064,000, is 31% above last week and 613% above the week last year. Public construction, $77,529,000, is 14% above last week and 100% greater than the week last year. State and municipal construction, $37,371,000, 20% above last week, is 298% above the 1945 week. Federal construction, $40,158,000, is 9% above last week and 37% above the week last year.

Total engineering construction for the 28-week period of 1946 records a cumulative total of $2,906,291,000, which is 204% above the total for a like period of 1945. On a cumulative basis, private construction in 1946 totals $1,807,459,000, which is 546% above that for 1945. Public construction, $1,098,832,000, is 63% greater than the cumulative total for the corresponding period of 1945, whereas State and municipal construction, $708,137,000, to date, is 379% above 1945. Federal construction, $390,695,000, dropped 26% below the 28-week total of 1945.

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

	July 11,1946 (five days)	July 4, 1946 (three days)	July 12,1945 (five days)
Total U. S. Construction	$150,593,000	$123,512,000	$49,009,000
Private Construction	73,064,000	55,656,000	10,250,000
Public Construction	77,529,000	67,856,000	38,759,000
State and Municipal	37,371,000	31,021,000	9,390,000
Federal	40,158,000	36,835,000	29,369,000

In the classified construction groups, waterworks, sewerage, bridges, public buildings, commercial buildings, and unclassified construction recorded gains this week over the previous week. All 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, commercial buildings, and unclassified construction.

New Capital

New capital for construction purposes this week totals $17,154,000, and is made up of state and municipal bond sales. New capital for the 28-week period of 1946 totals $724,017,000, 51% less than the $1,471,513,000, reported for the corresponding period of 1945.

Commercial Paper Outstanding in May

Reports received by the Federal Reserve Bank of New York from commercial paper dealers show a total of $126,000,000 of open market paper outstanding on May 31, 1946, compared with $148,700,000 on April 30, 1946, and $102,800,000 on May 31, 1945, the bank reported on June 11.

The following are the totals for the last two years:

	$		$
1946—		1945—	
May 30	126,000,000	May 31	102,800,000
Apr. 30	148,700,000	Apr 30	118,500,000
Mar. 29	171,500,000	Mar 30	146,700,000
Feb. 28	178,200,000	Feb 28	157,300,000
Jan 31	173,700,000	Jan 31	162,400,000
		1944—	
1945—		Dec 30	166,000,000
Dec 31	158,900,000	Nov 30	166.900.000
Nov 30	156,100,000	Oct 31	141,700,000
Oct 31	127,100,000	Sep 29	140,800,000
Sep 28	111,100,000	Aug 31	140,900,000
Aug 31	110,200,000	July 31	142,900,000
July 31	106,800,000	Jun 30	136,500,000
Jun 29	100,800,000	May 31	150,700,000

Wholesale Prices Increased 4% in Week Ended July 6, Labor Department Reports

"Primary market prices advanced 4% during the week ended July 6, 1946, following the suspension of OPA controls," it was stated on July 11 by the Bureau of Labor Statistics, U. S. Department of Labor, which added that "prices of agricultural commodities rose sharply and there were also increases for a number of industrial products. The index of commodity prices in primary markets prepared by the Bureau reached 117.2% of the 1926 average, the highest level since December 1920 and more than 11% higher than at the end of the war. This is the most rapid rise since September 1939," said the Bureau, which further reported:

Farm Products and Foods — Average prices of farm products jumped 9% during the first week of uncontrolled prices. Grain quotations averaged 23% higher with corn showing the largest rise (50%). Prices of livestock and poultry rose 14% with the biggest rise in prices of hogs (nearly 20%). Prices for fresh fruits and vegetables were generally higher, although potato prices declined in some markets with weak demand, and prices of apples were lower in New York. The group index for farm products was 9.7% higher than a month ago and 18.2% above the first week of July 1945.

Average primary market prices of foods rose 6.8% in part because of termination of subsidies. Prices of some meats were up sharply but markets were confused and some quotations regularly collected by the Bureau were not available. Fresh beef quotations in some markets were nearly double the previous week. Butter quotations averaged 17% higher and prices of edible tallow and cottonseed oil advanced substantially. Reflecting the increases in grain markets, prices of cornmeal increased 50%. Poorer quality eggs declined in price. On the average food prices were 8.2% above a month ago and 13% above the corresponding week of last year.

Other Commodities — Average prices of all commodities other than farm products and foods increased 0.9% during the week. For most industrial commodities manufacturers held prices at ceiling levels, awaiting final action on OPA. However, there were price increases for certain chemicals in tight supply, such as inedible tallow, phenol and anilin oil, and the price of vanillin, for which manufacturers had been seeking ceiling adjustment, jumped 73%. Copper sulphate prices increased to the level of new ceilings previously allowed. Prices of anthracite, bituminous coal and coke rose substantially, reflecting earlier increases in OPA ceilings to cover recent wage adjustments, as well as higher freight costs effective July 1. Prices of a few metal products, paint materials, building materials and clothing rose to higher ceilings allowed before July 1. Delivered prices of cement were up 1½% with the July 1 freight rate increase.

The Labor Department included the following notation in the report:

Based on the BLS weekly index of prices of approximately 900 commodities which measures changes in the general level of primary market commodity prices. This index should be distinguished from the daily index of 28 basic materials. For the most part, the prices are those charged by manufacturers or producers or are those prevailing on commodity exchanges. The weekly index is calculated from one-day-a-week prices. It is designed as an indicator of week to week changes and should not be compared directly with the monthly index.

The following tables show (1) indexes for the past three weeks, for June 8, 1946 and July 7, 1945 and (2) percentage changes in subgroup indexes from June 29, 1946 to July 6, 1946.

CHANGES IN WHOLESALE PRICES BY COMMODITY GROUPS
FOR WEEK ENDED JULY 6, 1946
(1926=100)

Commodity group—	7-6 1946	6-29 1946	6-22 1946	6-8 1946	7-7 1945	Percentage changes to July 6, 1946 from— 6-29 1946	6-8 1946	7-7 1945
All commodities	117.2	112.7	112.4	111.5	105.8	+4.0	+5.1	+10.8
Farm products	152.9	140.3	140.0	139.4	129.4	+9.0	+9.7	+18.2
Foods	121.1	113.4	113.7	111.9	107.2	+6.8	+8.2	+13.0
Hides and leather products	124.0	123.8	123.5	120.9	118.5	+0.2	+2.6	+ 4.6
Textile products	108.8	108.5	108.3	108.3	99.1	+0.3	+0.5	+ 9.8
Fuel and lighting materials	89.5	87.5	87.1	86.9	84.8	+2.3	+3.0	+ 5.5
Metal and metal products	112.6	111.6	111.0	110.5	104.8	+0.9	+1.9	+ 7.4
Building materials	130.7	130.3	129.7	128.2	117.3	+0.3	+2.0	+11.4
Chemicals and allied products	98.2	96.9	96.9	96.8	95.4	+1.3	+1.4	+ 2.9
Housefurnishings goods	110.7	110.7	110.4	110.2	106.2	0	+0.5	+ 4.2
Miscellaneous commodities	98.0	97.9	97.9	97.9	94.6	+0.1	+0.1	+ 3.6
Raw materials	135.2	126.7	126.0	125.5	118.3	+6.7	+7.7	+14.3
Semi-manufactured articles	106.1	104.4	104.4	103.4	95.2	+1.6	+2.6	+11.4
Finished products	110.9	107.8	107.7	106.6	102.0	+2.9	+4.0	+ 8.7
All commodities other than farm products	109.4	106.6	106.3	105.4	100.6	+2.6	+3.8	+ 8.7
All commodities other than farm products and foods	106.3	105.4	105.1	104.6	99.8	+0.9	+1.6	+ 6.5

PERCENTAGE CHANGES IN SUBGROUP INDEXES FROM
JUNE 29, 1946 TO JULY 6, 1946

Increases

Grains	23.0	Cement	1.5
Meats	17.7	Paint and paint materials	1.5
Livestock and poultry	13.7	Cereal products	0.9
Coke	10.5	Hosiery and underwear	0.7
Oils and fats	9.4	Clothing	0.6
Dairy products	6.7	Other foods	0.5
Anthracite	5.0	Nonferrous metals	0.4
Bituminous coal	3.7	Shoes	0.4
Fruits and vegetables	2.5	Leather	0.3
Other farm products	2.0	Chemicals	0.2
Iron and steel	1.7	Other miscellaneous	0.1

Nat'l Fertilizer Ass'n Advance in Commodity Prices Broadens Out—Index Rises 4.7%

The wholesale commodity price index compiled by The National Fertilizer Association and made public on July 15, rose substantially to 165.3, advancing 4.7% in the week ended July 13, 1946, from 157.9 in the preceding week. This aggregates a 9% rise during the two weeks since the termination of OPA. A month ago the index stood at 149.0, and a year ago at 141.2, all based on the 1935-1939 average as 100. The Association's report continued as follows:

The rise in the general index during the latest week was due to a broadening out of price advances, with 6 of the 11 composite groups of the index showing advances. The foods index rose 3.8%, only about half as much as in the preceding week. There were 15 price series in the foods group that were higher, including butter, flour, dressed meats, sugar, lard, evaporated milk, canned tomatoes, dressed fowl, and cottonseed oil. The farm products group advanced 5.4%. The cotton index soared to new high peaks. The grains index reflected higher prices for wheat at Minneapolis, rye, and barley, which more than offset lower prices for corn, wheat at Kansas City, and oats. The livestock index advanced with higher prices for cattle, hogs, lambs, and eggs, but lower prices for poultry. The textiles index rose sharply with extremely high quotations for Japanese silk mainly responsible for the rise. The metals index was up, due to advances in pig iron, lead, zinc, and silver. The building materials index advanced with higher prices for white lead and linseed oil. The miscellaneous commodities group reflected higher prices for linseed meal, bran, middlings and newsroll paper.

During the week 36 price series in the index advanced and 4 declined; in the preceding week 26 advanced and 1 declined; in the second preceding week 5 advanced and 6 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 July 13, 1946	Preceding Week July 6, 1946	Month Ago June 15, 1946	Year Ago July 14, 1945
25.3	Foods	167.2	161.1	147.6	142.4
	Fats and Oils	183.7	176.4	147.4	145.2
	Cottonseed Oil	202.3	197.3	163.1	163.1
23.0	Farm Products	207.5	196.9	181.1	167.1
	Cotton	322.1	294.5	276.2	216.4
	Grains	237.2	231.3	190.3	163.7
	Livestock	182.4	172.9	163.5	160.6
17.3	Fuels	138.6	138.6	131.4	133.3
10.8	Miscellaneous commodities	147.1	140.7	138.6	133.7
8.2	Textiles	207.8	172.4	169.6	157.3
7.1	Metals	125.3	123.5	122.2	108.9
6.1	Building materials	169.4	168.3	168.1	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	109.9	105.8	104.8
100.0	All groups combined	165.3	157.9	149.0	141.2

*Indexes on 1926-1928 base were: July 13, 1946, 128.8; July 6, 1946, 123.0 and July 14, 1945, 110.0.

Plan Nationalization Of Netherlands Bank

Advices from The Hague, credited to Aneta, appeared as follows in the "Wall Street Journal" of July 6:

The new Netherlands Government will promote the nationalization of the Netherlands Bank and will propose the socialization of other industries "if investigation shows the latter is desirable," Premier Louis J. M. Beel told the lower house of the States General in an address outlining his government's proposed policy.

Nationalization of the Netherlands Bank, he said, would be favored because of its central position in the credit sphere.

His government, he continued, acknowledges the principle that every citizen is entitled to a job and to "reasonable material security, not only as a demand of social justice but also as a condition for the maintenance of the democratic form of government."

It also will give full attention to the problem of public health which, he explained, is still seriously undermined as a result of the long years of German occupation.

Mr. Beel declared his cabinet would continue the strong support of the organization and development of the United Nations which the previous government had given.

In the purely domestic spheres, he explained, his government believes that government controls, which were vastly increased during wartime, will have to give way gradually to private enterprise and bodies vested with special powers.

Senate Confirms Nominations for World Fund & Bk Posts

The Senate on July 3 confirmed the nomination by President Truman of John W. Snyder as United States Governor of the International Monetary Fund and United States Governor of the International Bank for Reconstruction and Development for a term of five years.

The Senate Banking and Currency Committee approved the nomination on July 2, and on the same date approved the nomination of John S. Hooker to be United States Alternate Executive Director of the International Bank for a term of two years and until his successor has been appointed. Also at the same time (July 2) the committee approved the nomination of George F. Luthringer to be U. S. Alternate to the Executive Director of the International Monetary Fund for a term of two years and until his successor has been appointed. The appointments of Messrs. Hooker and Luthringer were confirmed by the Senate on July 3.

Mr. Snyder recently became Secretary of the Treasury succeeding Fred M. Vinson, as noted in our June 27 issue, page 3484. Mr. Vinson is now Chief Justice of the United States.

Parcels To Syria, Lebanon

Postmaster Albert Goldman made known on July 8 that Form No. 2967, Declaration for the French Customs, is no longer required in connection with parcel post packages addressed for delivery in Syria and the Republic of Lebanon. Each parcel post package for Syria and the Republic of Lebanon, said the announcement, must be accompanied by two copies of customs declaration, Form 2966, one dispatch note, Form 2972, and one parcel post sticker, Form 2922.

Daily Average Crude Oil Production for Week Ended July 6, 1946 Decreased 51,600 Bbls.

The American Petroleum Institute estimates that the daily average gross crude oil production for the week ended July 6, 1946 was 4,905,450 barrels, a decrease of 51,600 barrels per day from the preceding week. The current figure exceeded output for the corresponding week of 1945 by 19,250 barrels per day and was 157,450 barrels in excess of the daily average figure estimated by the United States Bureau of Mines as the requirement for the month of July, 1946. Daily production for the four weeks ended July 6, 1946 averaged 4,943,150 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 4,875,000 barrels of crude oil daily and produced 14,295,000 barrels of gasoline; 1,919,000 barrels of kerosene; 5,576,000 barrels of distillate fuel, and 8,366,000 barrels of residual fuel oil during the week ended July 6, 1946; and had in storage at the end of the week 91,712,000 barrels of finished and unfinished gasoline; 14,348,000 barrels of kerosene; 39,394,000 barrels of distillate fuel, and 47,743,000 barrels of residual fuel oil.

DAILY AVERAGE CRUDE OIL PRODUCTION (FIGURES IN BARRELS)

	*B. of M. Calculated Requirements July	State Allowables Begin. July 1	Actual Production Week Ended July 6, 1946	Change from Previous Week	4 Weeks Ended July 6, 1946	Week Ended July 7, 1945
**New York-Penna.	48,000		41,250	—22,800	51,600	45,600
Florida	----		350	+ 100	300	250
**West Virginia	8,400		8,400	— 4,250	9,750	7,050
**Ohio—Southeast }	7,600		6,000	— 300	5,800	5,050
Ohio—Other }			2,650	— 500	2,700	2,600
Indiana	19,000		19,750	+ 100	19,700	11,050
Illinois	210,000		211,600	+ 4,700	208,600	209,250
Kentucky	31,000		31,400	+ 700	30,800	30,000
Michigan	47,000		45,000	— 3,150	47,100	49,100
Nebraska	800		†800	+ 50	750	900
Kansas	260,000	170,000	254,800	— 5,500	268,850	242,300
Oklahoma	384,000	385,545	†383,350	— 3,900	385,550	388,750
Texas—						
District I			19,500	— 150	19,600	----
District II			158,100	+ 2,450	156,250	----
District III			511,350	— 4,050	514,400	----
District IV			228,000	— 1,600	229,200	----
District V			44,150	+ 200	44,000	----
East Texas			315,000	—11,000	323,250	----
Other Dist. VI			107,800	— 450	107,450	----
District VII-B			32,000	— 400	32,300	----
District VII-C			27,950	— 500	28,350	----
District VIII			569,150	+ 2,700	570,650	----
District IX			129,300	— 3,100	131,650	----
District X			85,150	— 1,300	86,100	----
Total Texas	2,110,000	‡2,386,381	2,227,450	—16,300	2,243,200	2,209,400
North Louisiana			82,500	+ 950	81,900	69,750
Coastal Louisiana			300,650	+ 4,550	297,250	296,900
Total Louisiana	380,000	427,000	383,150	+ 5,500	379,150	366,650
Arkansas	78,000	78,969	73,800	+ 750	73,650	80,000
Mississippi	60,000		63,350	— 250	63,400	52,000
Alabama	1,200		1,200	+ 100	1,150	750
New Mexico—So. East }	97,000	106,000	98,150	+ 550	97,750	102,850
New Mexico—Other }			450	— 50	500	450
Wyoming	112,000		111,250	— 400	111,750	110,300
Montana	22,000		25,500	+ 200	25,800	20,800
Colorado	28,000		36,300	+ 650	34,150	10,900
California	844,000	§839,700	879,500	— 7,600	881,150	940,200
Total United States	4,748,000		4,905,450	—51,600	4,943,150	4,886,200
**Pennsylvania Grade included above			55,650	—27,350	67,150	57,700

*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 July. 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. July 3, 1946.

‡This is the net basic allowable as of July 1 cauculated on a 31-day basis and includes shutdowns and exemptions for the entire month. With the exception of those fields which were exempted entirely the entire state was ordered shut down for 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 JULY 6, 1046

(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.	% Operated	§Gasoline Produc'n at Ref. Inc. Nat. Blended	‡Finish'd and Unfin. Gasoline Stocks	‡Stocks of Kerosine	‡Stks. of Gas Oil & Dist. Fuel Oil	‡Stks. of Resid. Fuel Oil
East Coast	99.5	808	102.1	1,713	22,873	5,920	12,161	9,191
Appalachian—								
District No. 1	76.3	83	58.0	231	2,362	315	422	216
District No. 2	84.7	59	95.2	200	1,045	63	147	174
Ind., Ill., Ky.	87.4	768	89.6	2,686	17,925	2,252	5,562	4,037
Okla., Kan., Mo.	78.3	377	80.4	1,037	8,000	1,016	2,433	1,367
Inland Texas	59.8	230	69.7	933	2,945	376	410	701
Texas Gulf Coast	89.2	1,206	97.5	3,651	14,457	2,120	6,400	5,034
Louisiana Gulf Coast	97.4	353	135.8	939	4,093	1,172	2,059	1,428
No. La. & Arkansas	55.9	55.9	46.8	148	1,822	245	392	163
Rocky Mountain—								
District No. 3	19.0	11	84.6	37	94	20	44	39
District No. 4	70.9	134	81.2	374	1,918	158	486	748
California	85.5	787	81.4	2,076	14,178	691	8,878	24,645
Total U. S. B. of M. basis July 6, 1946	85.8	4,875	90.2	14,295	*91,712	14,348	39,394	47,743
Total U. S. B. of M. basis June 29, 1946	85.8	4,854	87.3	14,500	92,333	13,881	37,762	46,447
U. S. B. of M. basis July 7, 1945		5,036	---	15,417	†86,141	9,834	33,657	40,965

*Includes unfinished gasoline stocks of 8,374,000 barrels. †Includes unfinished gasoline stocks of 12,220,000 barrels. ‡Stocks at refineries, at bulk terminals, in transit and in pipe lines. §In addition, there were produced 1,918,000 barrels of kerosine, 5,576,000 barrels of gas oil and distillate fuel oil and 8,366,000 barrels of residual fuel oil during the week ended July 6, 1946, which compares with 2,056,000 barrels, 5,325,000 barrels (revised figure) and 8,828,000 barrels, respectively, in the preceding week and 1,545,000 barrels, 4,968,000 barrels and 9,418,000 barrels, respectively, in the week ended July 7, 1945.

Weekly Coal and Coke Production Statistics

The total production of soft coal in the week ended July 6, 1946, as estimated by the United States Bureau of Mines, was 6,570,000 net tons, which compares with 12,380,000 tons in the preceding week and 8,050,000 tons in the corresponding week of 1945. The decrease in output was largely due to the four-day vacation granted miners this year, and to the universal observance of Independence Day. From Jan. 1 to July 6, 1946, soft coal output was estimated at 241,540,000 net tons, a decrease of 20.9% when compared with the 305,475,000 tons produced during the period from Jan. 1 to July 7, 1945.

Miners in the hard coal fields of Pennsylvania had the same four-day vacation period, and anthracite production for the week ended July 6, 1946, approximated 666,000 tons, compared with 1,261,000 tons mined in the preceding week and with an output of 913,000 tons in the comparable week of 1945, ending July 7. The calendar year to date shows an increase of 8.5% when compared with the corresponding period of 1945.

The Bureau also reported that the estimated production of beehive coke in the United States for the week ended July 6, 1946, showed a decrease of 30,900 tons when compared with the output for the week ended June 29, 1946; and was 35,000 tons less than for the corresponding week of 1945.

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

Bituminous coal & lignite—	Week Ended July 6, 1946	*June 29, 1946	July 7, 1945	Jan. 1 to Date †July 6, 1946	July 7, 1945
Total, including mine fuel	6,570,000	12,380,000	8,050,000	241,540,000	305,475,000
Daily average	‡1,877,000	2,063,000	1,610,000	1,552,000	1,918,000

*Revised. †Subject to current adjustment. ‡Average based on 3.5 working days.

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

Penn. Anthracite—	Week Ended ‡July 6, 1946	§June 29, 1946	July 7, 1945	Calendar Year to Date July 6, 1946	July 7, 1945	July 10, 1937
*Total incl. coll. fuel	666,000	1,261,000	913,000	30,117,000	27,746,000	29,513,000
†Commercial produc.	640,000	1,212,000	878,000	28,955,000	26,678,000	28,037,000
Beehive coke—						
United States total	73,800	104,700	108,800	1,674,100	3,138,400	1,924,400

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

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

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

State—	Week Ended June 29, 1946	June 22, 1946	June 30, 1945
Alabama	400,000	416,000	368,000
Alaska	7,000	7,000	4,000
Arkansas and Oklahoma	65,000	75,000	94,000
Colorado	118,000	107,000	120,000
Georgia and North Carolina	1,000	1,000	*
Illinois	1,419,000	1,372,000	1,355,000
Indiana	536,000	478,000	562,000
Iowa	34,000	29,000	36,000
Kansas and Missouri	118,000	98,000	127,000
Kentucky—Eastern	1,146,000	1,077,000	958,000
Kentucky—Western	342,000	405,000	410,000
Maryland	53,000	47,000	36,000
Michigan	5,000	4,000	2,000
Montana (bitum. & lignite)	79,000	62,000	84,000
New Mexico	28,000	29,000	29,000
North & South Dakoa (lignite)	39,000	31,000	38,000
Ohio	834,000	774,000	715,000
Pennsylvania (bituminous)	3,151,000	2,960,000	2,885,000
Tennessee	146,000	150,000	124,000
Texas (bituminous & lignite)	1,000	1,000	1,000
Utah	111,000	115,000	118,000
Virginia	421,000	402,000	363,000
Washington	23,000	20,000	24,000
†West Virginia—Southern	2,304,000	2,350,000	2,008,000
‡West Virginia—Northern	854,000	820,000	1,117,000
Wyoming	144,000	89,000	184,000
§Other Western States	1,000	1,000	*
Total bituminous & lignite	12,380,000	11,920,000	11,762,000

†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.

Latest Summary of Copper Statistics

The Copper Institute on July 11 released the following statistics pertaining to production, deliveries and stocks of duty-free copper.

SUMMARY OF COPPER STATISTICS REPORTED BY MEMBERS OF THE COPPER INSTITUTE

(In Tons of 2,000 Pounds)

U. S. Duty Free Copper	Production *Crude	Refined	Deliveries to Customers †Domestic	Export	‡Refined Stocks End of Period	Stock Increase (+) or Decreases (—) §Blister	Refined
Year 1939	836,074	818,289	814,407	134,152	159,485	+17,785	—130,270
Year 1940	992,293	1,033,710	1,001,886	48,537	142,772	—41,417	— 16,713
Year 1941	1,016,996	1,065,667	1,545,541	307	75,564	—48,671	— 67,208
Year 1942	1,152,344	1,135,708	1,635,236	----	65,309	+16,636	— 10,255
Year 1943	1,194,699	1,206,871	1,643,677	----	52,121	—12,172	— 13,188
Year 1944	1,056,180	1,098,788	1,636,295	----	66,780	—42,608	+ 14,659
Year 1945	841,667	843.113	1,517,842	----	76,512	— 1,446	+ 9,732
6 Mos., 1946	235,625	202,480	524,950	909	79,145	+33,145	+ 2,633
Jan., 1945	73,754	67,726	145,904	----	59,715	+ 6,028	— 7,065
Feb., 1945	67,496	69,950	172,585	----	57,142	— 2,454	— 2,573
Mar., 1945	76,537	76,395	218,488	----	51,861	+ 142	— 5,281
Apr., 1945	74,392	75,436	161,111	----	55,453	— 1,044	+ 3,592
May, 1945	74,469	85,319	139,203	----	63,841	—10,850	+ 8,388
June, 1945	72,271	74,377	94,031	----	70,738	— 2,106	+ 6,897
July, 1945	72,855	72,995	88,661	----	76,166	— 140	+ 5,428
Aug., 1945	68,253	69,127	86,840	----	80,316	— 874	+ 4,150
Sept., 1945	64,091	45,145	83,478	----	68,675	+18,946	— 11,641
Oct., 1945	69,322	70,363	104,104	----	73,913	— 1,041	+ 5,238
Nov., 1945	65,586	70,218	119,973	----	74,425	— 4,632	+ 512
Dec., 1945	62,641	66,062	103,464	----	76,512	— 3,421	+ 2,087
Jan., 1946	58,178	69,008	115,601	----	72,799	—10,830	— 3,713
Feb., 1946	41,667	49,923	86,089	909	74,339	— 8,256	+ 1,540
Mar., 1946	41,832	20,139	58,590	----	70,249	+21,693	— 4,090
Apr., 1946	29,280	18,989	75,756	----	65,448	+10,291	— 4,801
May, 1946	31,897	20,551	93,647	----	75,754	+11,346	+ 10,306
June, 1946	32,771	23,870	95,267	----	79,145	+ 8,901	+ 3,391

*Mine or smelter production or shipments, and custom intake including scrap.

†Beginning March, 1941, includes deliveries of duty paid foreign copper for domestic consumption.

‡At refineries on consignment and in exchange warehouses, but not including consumers' stocks at their plants or warehouses.

§Computed by difference between mine and refined production.

NOTE—Statistics for the month of May, 1946, have been revised.

School of Banking Graduates Class of 168

The Graduate School of Banking, conducted by the American Bankers Association, brought to a close its 12th annual summer resident session at Rutgers University at New Brunswick, N. J., on June 28 with commencement exercises for a graduating class of 168 bank officers. While the commencement brought to an end the 11th year in the Graduate School's life, it also marked the beginning of the 12th year. The school was established in 1935 and graduated its first class in 1937. It began in 1935 with a class of 220. By 1937 the number had grown to 591, but receded during the war years. This year more men sought admission than at any previous time. As a result, the G. S. B. had the largest freshman class on record. 276 applicants were accepted for the new class which came to the Rutgers campus for the first time on June 17. The freshman class of last year, which was the junior class this year, was the second largest class in the history of the school. It consisted of 238 men. Adding to these groups the 168 in the graduating class, the total number of students on the Rutgers campus the past two weeks was 682. 41 states and the territory of Puerto Rico were represented in the student body. 28 states and 83 communities were represented in the graduating class. The class which was graduated on June 28 brings the total number of bank officers who have gone through the arduous two-year course of the school and received its diploma up to a total of 1,505.

The commencement exercises included the presentation of the class gift to Rutgers University; presentation of the diplomas by Loring L. Gelbach, Chairman of the Board of Regents of The Graduate School of Banking, who is President of the Central National Bank of Cleveland; awarding of the Richard W. Hill award to the oldest man in the class to successfully complete the course; and a charge to the class by Dr. Harold Stonier, director of the school. The Richard W. Hill award was bestowed on Edwin Howard Jones, Assistant Treasurer of the Waterbury Savings Bank, Waterbury, Conn., in recognition of his continued interest in education and progressiveness of thought.

Sav. Loan Ass'ns Report Record Loans For Fourth Time in Year

For the fourth time since the beginning of 1946 a new record was set for mortgage loans made by savings and loan associations in the State of New York, according to figures released July 5 by Zebulon V. Woodard, Executive Vice-President of the New York State League of Savings and Loan Associations. The advices state:

"Based on reports received from associations throughout the state, savings and loan associations loaned an estimated $24,280,775 on all types of mortgages during the month of May, 1946. This is an increase of 2.5% or $695,363 over the record established in April. It is also estimated that mortgage loans made by these associations for the year thus far are running more than 150% ahead of mortgage loans made during the year 1945, or a total of $91,523,694.

"Loans for the purchase of homes amounted to $19,516,293 during the month of May. For the construction of homes an aggregate of $2,044,289 was loaned and refinanced loans amounted to $1,296,701. Loans for repairs and all other purposes amounted to $1,423,492."

Trading on New York Exchanges

The Securities and Exchange Commission made public on July 10, 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 22, continuing a series of current figures being published weekly by the Commission. Short sales are shown separately from other sales in these figures.

Trading on the Stock Exchange for the account of members (except odd-lot dealers) during the week ended June 22 (in round-lot transactions) totaled 2,150,149 shares, which amount was 16.71% of the total transactions on the Exchange of 6,428,890 shares. This compares with member trading during the week ended June 15 of 1,824,149 shares or 16.04% of the total trading of 5,688,490 shares.

On the New York Curb Exchange, member trading during the week ended June 22 amounted to 644,875 shares, or 16.38% of the total volume on that exchange of 1,968,045 shares. During the week ended June 15, trading for the account of Curb members of 594,205 shares was 14.19% of the total trading of 2,093,730 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 22, 1946

	Total for Week	†%
A. Total Round-Lot Sales:		
Short sales	153,850	
‡Other sales	6,275,040	
Total sales	6,428,890	
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	677,990	
Short sales	99,450	
‡Other sales	556,490	
Total sales	655,940	10.37
2. Other transactions initiated on the floor—		
Total purchases	91,880	
Short sales	10,930	
‡Other sales	149,620	
Total sales	160,550	1.96
3. Other transactions initiated off the floor—		
Total purchases	182,816	
Short sales	28,220	
‡Other sales	352,753	
Total sales	380,973	4.38
4. Total—		
Total purchases	952,686	
Short sales	138,600	
‡Other sales	1,058,863	
Total sales	1,197,463	16.71

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

WEEK ENDED JUNE 22, 1946

	Total for Week	†%
A. Total Round-Lot Sales:		
Short sales	25,930	
‡Other sales	1,942,115	
Total sales	1,968,045	
B. Round-Lot Transactions for Account of Members:		
1. Transactions of specialists in stocks in which they are registered—		
Total purchases	194,315	
Short sales	11,755	
‡Other sales	184,920	
Total sales	196,675	9.93
2. Other transactions initiated on the floor—		
Total purchases	40,510	
Short sales	3,300	
‡Other sales	32,650	
Total sales	35,950	1.94
3. Other transactions initiated off the floor—		
Total purchases	52,050	
Short sales	6,450	
‡Other sales	118,925	
Total sales	125,375	4.51
4. Total—		
Total purchases	286,875	
Short sales	21,505	
‡Other sales	336,495	
Total sales	358,000	16.38
C. Odd-Lot Transactions for Account of Specialists—		
Customers' short sales	0	
§Customers' other sales	108,774	
Total purchases	108,774	
Total sales	115,564	

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

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

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

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

Non-Ferrous Metals — Government Instructs Agents to Release Copper at 14 3/8 c., Valley

"E. & M. J. Metal and Mineral Markets," in its issue of July 11, stated: "The week's developments in Washington shed little light on whether OPA can be put together again, and producers of non-ferrous metals experienced great difficulty in doing business under prevailing uncertain conditions. The price of lead and zinc became firmly established at the higher levels announced in the preceding week, and copper again was quotable on the 14⅜c basis, following release of a substantial tonnage of July metal by the government. Cadmium, bismuth, and arsenic advanced in price. Sellers withdrew quotations for antimony. The platinum metals remained unchanged. The industry was interested in a report from Washington to the effect that Senator Murray, Montana, has asked OWMR Director Steelman to issue a directive to permit premium payments for the period June 30 to whenever one of the bills on the subject now pending before Congress becomes law." The publication further went on to say in part as follows:

Copper

Metals Reserve copper became available at the old ceiling price of 14⅜c, Valley, and the market again was quotable at that level, beginning with July 8. About 25,000 tons of July copper was released to take care of urgent needs of consumers. The trade believes that total shipments for July out of the government's holdings may approach 75,000 tons or more. In other words, the government will be the principal seller until supplies from domestic sources increase as production returns to a normal rate after the long period of inactivity forced on the industry by labor disputes.

Refiners have adjusted their charges for copper cast in forms other than ordinary shapes upward, to absorb higher costs. This matter has been studied by OPA officials and approved before the pricing body collapsed at the end of June. On slabs the premium now in effect is 0.125c and up; cakes 0.25c and up; and billets 0.95c and up.

Lead

There was no question as to where lead stood pricewise during the last week. Leading sellers reported an excellent demand on the 9½c, New York basis, but sales were limited to nearby metal, owing to the dearth in supplies and the voluntary restrictions that have been in force for some time to cope with the situation.

Metals Reserve has released about one-third of the tonnage of foreign lead originally allocated for July. The settlement basis is to be the price in effect on date of shipment. There were no new developments in regard to purchases of foreign lead for the third quarter.

Sales of lead during the last week amounted to 2,433 tons.

Zinc

Business was placed in Prime Western zinc on the basis of 9½c, East St. Louis, in more than one direction, beginning with July 5, with the result that price uncertainty in the metal vanished and the price became firmly established at the higher level. Nervousness still exists on whether, in the event that OPA is revived, the price can be rolled back to the ceiling that obtained prior to June 30.

The June slab zinc statistics showed stocks on hand at the end of the month of 239,928 tons, against 241,633 tons (revised) a month previous. Total shipments in June amounted to 60,517 tons, against 69,489 tons (revised) in May. Production amounted to 58,812 tons in June, against 62,416 tons in May.

Cadmium

Effective July 8, cadmium advanced to $1.25 per pound on commercial sticks, wholesale quantities, with the usual premium on special shapes, etc. It was a matter of common knowledge in the trade that OPA intended to free cadmium, bismuth, and arsenic from price control.

Antimony

Pending clarification of the price situation in antimony, sellers withdrew from the market on Monday, July 8. There was no quotation on July 8, 9, and 10.

Tin

The Civilian Production Administration announced during the week that consumers of pig tin will obtain 10% more metal in the third quarter than they received in the second quarter. The supply situation has not changed, it was stated, and the larger allotment will come out of stocks owned by the government. In market circles it was felt that the action taken by CPA points to an improved supply outlook for late this year or early next year and the need to maintain large stocks is no longer necessary.

The Office of Metals Reserve has arranged to release July tin to consumers from its stockpile at the price that prevailed on June 30, which would be the old ceiling established by OPA, or 52c per pound.

Straits quality tin for shipment was nominally as follows:

	July	August	Sept.
July 4	—Holiday—		
July 5	—No Market—		
July 6	—No Market—		
July 8	52.000	52.000	52.000
July 9	52.000	52.000	52.000
July 10	52.000	52.000	52.000

Chinese, or 99% tin, was nominal at 51.125c.

Quicksilver

Trading in quicksilver was on the slow side throughout the last week. The OPA muddle has not disturbed the market for the metal one way or the other. The metal has been in ample supply and was freed from price control some time ago. In fact, the price situation remains unsettled because of continued uncertainty in reference to the sales policy of important foreign producers. Quotations in New York continued at $99 to $101 per flask, spot. On forward business $98 per flask was named.

Silver

On a roll call vote, 266 to 23, the House rejected the Senate proposal for 90.3c silver, effective immediately, and $1.29 after two years. The House insisted that the price at which Treasury "free" silver is released to industry be maintained at 71.11c.

In view of the fact that the price situation in silver has not changed in the week that ended July 10, Handy & Harman were unable to issue a New York Official quotation for foreign silver on July 5, 8, 9, and 10. July 4 was a holiday and July 6 a Saturday (no quotation).

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
July 4	Holiday	14.550	Holiday	Holiday	Holiday	Holiday
July 5	*	14.550	*	9.50	9.35	9.50
July 6	*	14.550	*	9.50	9.35	9.50
July 8	14.150	14.600	52.000	9.50	9.35	9.50
July 9	14.150	14.600	52.000	9.50	9.35	9.50
July 10	14.150	14.550	52.000	9.50	9.35	9.50
Average	14.150	14.567	52.000	9.50	9.35	9.50

*No market.

Average prices of calendar week ended July 6 are: Domestic copper f.o.b. refinery, 14.50c; export copper f.o.b. refinery 14.521c; Straits tin, 52,000c; New York lead, 8.250c; St. Louis lead, 8.100c; St Louis zinc, 8.250c, and silver, 70.750c.

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

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

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

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

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

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

Quotations for lead reflect prices obtained for common lead only.

Poland Signs Pacts To Bolster Trade

Poland has concluded commercial agreements with nine countries, according to Associated Press advices from Warsaw, appearing in the "Wall Street Journal" of July 6, which added:

They are Soviet Russia, Sweden, Norway, Denmark, Romania, Hungary, Yugoslavia, Bulgaria and Switzerland. In addition, there is an agreement to ship 100,000 tons of coal monthly to France and another with the Soviet zone of occupation in Germany.

Commercial negotiations now are under way with France and Finland, and for the expansion of the agreement with Hungary.

Dr. Stefan Jedrychowski, Minister of Navigation and Foreign Trade, said in an address that "the Polish Government is also anxious to initiate the widest possible commercial relations with the Anglo-Saxon powers but the government is, however, aware that trade with these countries could only attain a very large volume if based on large credits granted by them."

He said transactions already had been concluded with Great Britain for the export of furniture and cement from Poland, and "we shall soon export to the U. S. A., china, cut glass, peasant cloth, et cetera. We are also anxious to resume direct commercial relations with Latin America and the Near East."

Thus far coal has accounted for 80% of Poland's exports, he said.

House Votes Increased RR. Employe Benefits

A bill introduced by Representative Crosser (D., Ohio), to expand the Railroad Retirement and Unemployment Acts to increase the benefits and number of employees covered, was passed by the House by a roll call of 234 to 49, according to Associated Press Washington advices of July 4, which added that proposals to change the original measure were defeated. The House Interstate and Foreign Commerce Committee had favored a more conservative bill.

NYSE Odd-Lot Trading

The Securities and Exchange Commission made public on July 10, a summary for the week ended June 29, 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 29, 1946

	Total Per Week
Odd-Lot Sales by Dealers— (Customers' purchases)	
Number of orders	29,509
Number of shares	852,420
Dollar value	$39,761,278
Odd-Lot Purchases by Dealers— (Customers' sales)	
Number of Orders:	
Customers' short sales	78
*Customers' other sales	22,681
Customers' total sales	22,759
Number of Shares:	
Customers' short sales	2,932
*Customers' other sales	631,640
Customers' total sales	634,572
Dollar value	$29,402,498
Round-Lot Sales by Dealers—	
Number of Shares:	
Short sales	70
†Other sales	112,270
Total sales	112,340
Round-Lot Purchases by Dealers—	
Number of shares	338,690

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

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

Revenue Freight Car Loadings During Week Ended July 6, 1946 Decreased 199,760 Cars

Loading of revenue freight for the week ended July 6, 1946 totaled 679,785 cars the Association of American Railroads announced on July 11. This was a decrease below the corresponding week of 1945 of 46,878 cars, or 6.5% and a decrease below the same week in 1944 of 64,562 cars or 8.7%.

Loading of revenue freight for the week of July 6 decreased 199,760 cars or 22.7% below the preceding week due to July 4th holiday.

Miscellaneous freight loading totaled 303,885 cars a decrease of 79,983 cars below the preceding week, and a decrease of 30,894 cars below the corresponding week in 1945.

Loading of merchandise less than carload lot freight totaled 108,350 cars a decrease of 21,495 cars below the preceding week, but an increase of 14,869 cars above the corresponding week in 1945.

Coal loading amounted to 99,828 cars, a decrease of 84,859 cars below the preceding week and a decrease of 18,162 cars below the corresponding week in 1945.

Grain and grain products loading totaled 46,472 cars, a decrease of 1,927 cars below the preceding week and a decrease of 8,460 cars below the corresponding week in 1945. In the Western Districts alone, grain and grain products loading for the week of July 6 totaled 35,384 cars, a decrease of 512 cars below the preceding week and a decrease of 5,459 cars below the corresponding week in 1945.

Livestock loading amounted to 13,736 cars an increase of 1,153 cars above the preceding week and an increase of 2,841 cars above the corresponding week in 1945. In the Western Districts alone loading of livestock for the week of July 5 totaled 9,205 cars, an increase of 155 cars above the preceding week, and an increase of 1,707 cars above the corresponding week in 1945.

Forest products loading totaled 32,784 cars a decrease of 16,152 cars below the preceding week but an increase of 1,196 cars above the corresponding week in 1945.

Ore loading amounted to 63,024 cars, an increase of 4,529 cars above the preceding week but a decrease of 6,719 cars below the corresponding week in 1945.

Coke loading amounted to 11,706 cars a decrease of 1,026 cars below the preceding week, and a decrease of 1,549 cars below the corresponding week in 1945.

All districts reported decreases compared with the corresponding week in 1945 and all reported decreases compared with 1944 except the 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
5 weeks of June	4,062,911	4,366,516	4,338,886
Week of July 6	679,785	726,663	744,347
Total	19,695,874	22,005,209	22,029,548

The following table is a summary of the freight carloadings for the separate railroads and systems for the week ended July 6, 1946. During this period only 41 roads reported gains over the week ended July 7, 1945.

REVENUE FREIGHT LOADED AND RECEIVED FROM CONNECTIONS (NUMBER OF CARS) WEEK ENDED JULY 6

Railroads	Total Revenue Freight Loaded			Total Loads Received from Connections	
	1946	1945	1944	1946	1945
Eastern District—					
Ann Arbor	256	216	229	1,361	1,269
Bangor & Aroostook	876	1,274	801	464	421
Boston & Maine	5,369	5,625	5,225	10,723	12,544
Chicago, Indianapolis & Louisville	1,181	973	1,125	1,971	1,999
Central Indiana	19	36	22	41	29
Central Vermont	918	843	*870	1,912	1,945
Delaware & Hudson	3,129	3,972	3,917	9,493	10,804
Delaware, Lackawanna & Western	6,029	6,478	6,300	8,879	9,980
Detroit & Mackinac	308	248	190	218	144
Detroit, Toledo & Ironton	1,562	1,417	1,716	1,031	1,160
Detroit & Toledo Shore Line	256	323	269	3,137	2,156
Erie	9,852	10,665	10,992	14,777	16,028
Grand Trunk Western	3,379	3,299	2,888	7,175	7,346
Lehigh & Hudson River	54	131	161	2,702	2,536
Lehigh & New England	1,686	1,691	1,726	1,415	1,436
Lehigh Valley	6,578	6,570	7,236	7,133	10,129
Maine Central	2,261	2,357	1,768	2,439	2,798
Monongahela	4,125	4,897	4,707	250	363
Montour	1,521	2,052	1,842	28	26
New York Central Lines	39,924	42,226	41,943	44,744	45,151
N. Y., N. H. & Hartford	7,540	7,683	6,389	14,919	16,375
New York, Ontario & Western	881	1,006	1,254	2,889	3,187
New York, Chicago & St. Louis	5,487	6,028	5,985	12,335	14,214
N. Y., Susquehanna & Western	243	314	311	1,615	2,107
Pittsburgh & Lake Erie	5,851	6,056	6,414	8,535	8,628
Pere Marquette	5,263	4,092	4,233	6,461	7,293
Pittsburgh & Shawmut	750	680	720	23	18
Pittsburg, Shawmut & North	320	224	295	117	196
Pittsburgh & West Virginia	667	842	1,076	2,344	2,652
Rutland	311	289	264	1,072	1,151
Wabash	6,066	5,021	5,586	10,663	10,961
Wheeling & Lake Erie	4,409	4,758	5,095	3,611	3,881
Total	127,071	132,286	131,549	184,477	198,927
Allegheny District—					
Akron, Canton & Youngstown	436	475	703	1,166	916
Baltimore & Ohio	33,909	38,074	39,293	24,851	25,940
Bessemer & Lake Erie	4,440	5,820	6,264	1,676	1,814
Cambria & Indiana	874	916	1,117	5	9
Central R. R. of New Jersey	4,419	5,143	5,661	14,481	17,138
Cornwall	265	386	403	45	40
Cumberland & Pennsylvania	251	118	156	6	5
Ligonier Valley	68	100	92	7	33
Long Island	1,238	1,629	1,332	5,211	4,531
Penn-Reading Seashore Lines	1,354	1,544	1,555	1,862	2,169
Pennsylvania System	69,356	72,724	77,564	55,318	54,866
Reading Co.	10,519	12,775	11,531	21,570	25,158
Union (Pittsburgh)	15,988	17,149	18,524	5,734	7,277
Western Maryland	2,852	3,002	3,265	9,772	12,013
Total	145,969	159,855	167,460	141,704	151,909
Pocahontas District—					
Chesapeake & Ohio	17,986	19,101	21,025	12,769	11,839
Norfolk & Western	12,294	14,255	15,573	6,069	6,220
Virginian	1,520	2,596	3,010	1,570	2,066
Total	31,800	35,952	39,608	20,408	20,125

Railroads	Total Revenue Freight Loaded			Total Loads Received from Connections	
	1946	1945	1944	1946	1945
Southern District—					
Alabama, Tennessee & Northern	349	395	306	310	285
Atl. & W. P.—W. R. R. of Ala.	602	704	717	1,830	2,167
Atlanta, Birmingham & Coast	†	†	876	†	†
Atlantic Coast Line	11,307	10,619	9,245	8,387	9,700
Central of Georgia	3,710	3,454	3,324	4,056	4,149
Charleston & Western Carolina	864	713	619	1,347	1,593
Clinchfield	1,184	1,328	1,123	2,989	2,387
Columbus & Greenville	280	214	182	349	242
Durham & Southern	49	71	101	529	381
Florida East Coast	862	796	733	1,245	1,052
Gainesville Midland	66	43	41	104	128
Georgia	1,150	1,063	1,080	2,423	2,419
Georgia & Florida	404	390	409	635	631
Gulf, Mobile & Ohio	4,071	4,049	3,790	3,558	4,338
Illinois Central System	19,205	23,220	23,959	11,334	15,608
Louisville & Nashville	19,674	19,627	20,433	10,010	11,901
Macon, Dublin & Savannah	270	280	135	698	815
Mississippi Central	332	425	231	325	451
Nashville, Chattanooga & St. L.	3,054	3,076	2,809	3,893	4,487
Norfolk Southern	1,194	1,091	1,436	1,165	1,416
Piedmont Northern	239	314	312	1,569	1,277
Richmond, Fred. & Potomac	327	419	327	8,977	9,556
Seaboard Air Line	9,559	8,838	8,011	7,556	7,416
Southern System	22,930	21,755	19,944	23,744	22,405
Tennessee Central	618	510	559	681	703
Winston-Salem Southbound	86	115	109	815	980
Total	102,386	103,509	100,811	98,529	106,487
Northwestern District—					
Chicago & North Western	17,279	16,041	15,737	13,382	14,409
Chicago Great Western	1,770	2,293	1,910	3,019	3,399
Chicago, Milw., St. P. & Pac.	15,686	17,086	15,925	9,757	10,093
Chicago, St. Paul, Minn. & Omaha	2,922	3,279	2,565	3,068	3,722
Duluth, Missabe & Iron Range	23,055	24,730	27,094	204	364
Duluth, South Shore & Atlantic	1,097	643	521	488	550
Elgin, Joliet & Eastern	7,159	7,804	8,320	7,137	8,980
Ft. Dodge, Des Moines & South	449	387	359	115	92
Great Northern	17,642	18,385	20,777	6,491	8,560
Green Bay & Western	381	299	326	752	897
Lake Superior & Ishpeming	2,050	2,026	2,607	95	66
Minneapolis & St. Louis	1,622	1,779	1,721	2,288	2,648
Minn., St. Paul & S. S. M.	4,562	5,981	5,504	3,201	3,237
Northern Pacific	7,197	8,035	7,901	4,498	6,207
Spokane International	74	144	135	551	483
Spokane, Portland & Seattle	1,508	1,243	1,013	1,936	4,220
Total	104,453	110,155	112,415	56,982	67,927
Central Western District—					
Atch., Top. & Santa Fe System	26,925	27,286	28,512	10,265	14,293
Alton	2,305	3,093	3,085	3,350	3,832
Bingham & Garfield	121	149	226	32	86
Chicago, Burlington & Quincy	15,709	15,793	16,234	9,951	13,074
Chicago & Illinois Midland	1,850	2,258	2,172	819	901
Chicago, Rock Island & Pacific	12,634	13,047	13,130	12,455	14,783
Chicago & Eastern Illinois	1,871	2,482	2,186	3,322	4,891
Colorado & Southern	408	580	461	1,658	2,921
Denver & Rio Grande Western	1,971	2,648	2,907	3,846	7,285
Denver & Salt Lake	333	376	551	84	116
Fort Worth & Denver City	1,360	966	1,487	1,220	2,016
Illinois Terminal	1,486	1,686	2,230	1,848	2,282
Missouri-Illinois	1,219	1,141	1,162	474	614
Nevada Northern	336	249	20	91	42
North Western Pacific	438	414	590	599	691
Peoria & Pekin Union	0	30	9	0	0
Southern Pacific (Pacific)	26,732	28,367	29,005	8,673	14,659
Toledo, Peoria & Western	0	299	272	1	2,233
Union Pacific System	12,330	13,944	15,256	14,246	21,092
Utah	293	439	289	6	3
Western Pacific	1,212	1,980	1,898	2,658	4,832
Total	109,533	117,227	121,682	75,598	110,646
Southwestern District—					
Burlington-Rock Island	383	292	637	894	896
Gulf Coast Lines	4,737	4,690	5,438	2,655	2,491
International-Great Northern	1,974	2,480	2,520	4,945	3,772
‡K. O. & G., M. V. & O. C.-A.-A.	1,197	1,350	874	1,516	1,643
Kansas City Southern	2,818	3,964	5,688	2,846	2,937
Louisiana & Arkansas	1,922	3,396	3,565	1,925	2,720
Litchfield & Madison	160	200	224	1,347	1,321
Missouri & Arkansas	196	174	112	375	360
Missouri-Kansas-Texas Lines	5,042	6,614	6,629	4,548	4,383
Missouri Pacific	16,468	17,099	17,458	14,183	19,370
Quanah Acme & Pacific	149	84	93	243	351
St. Louis-San Francisco	7,936	9,413	9,004	6,544	8,043
St. Louis-Southwestern	2,638	3,299	2,948	4,891	6,532
Texas & New Orleans	7,769	9,357	10,938	5,958	6,102
Texas & Pacific	5,038	5,099	4,624	6,623	8,200
Wichita Falls & Southern	118	134	50	55	59
Weatherford & W. & N. W.	28	34	20	12	29
Total	58,573	67,679	70,822	59,560	69,209

†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	Percent of Activity Cumulative
April 6	225,192	164,562	607,799	99	95
April 13	154,235	169,627	591,661	101	95
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
June 29	166,050	166,841	558,129	98	96
July 6	180,587	118,542	596,425	70	95

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.

Pac. Coast & Rocky Mt. States Tr. Conference

The advance program for the American Bankers Association's 20th Regional Trust Conference of the Pacific Coast and Rocky Mountain States, which will be held in Los Angeles on Aug. 7, 8, and 9, 1946, was announced at Wilmington, Del., on June 27 by James W. Allison, President of the A. B. A. Trust Division, who is Vice-President of the Equitable Trust Company, Wilmington, Del. The Southern California Trust Officers' Ass'n will act as host to the conference. Harry M. Bardt, Vice-President and Trust Officer in charge of the Southern Division, The Bank of America N. T. & S. A., Los Angeles, California, is General Chairman of the conference. L. H. Roseberry, Vice-President and Manager of the trust department, Security-First National Bank of Los Angeles, is Chairman of the program committee. A trust problems forum will be a special feature of the conference, under the leadership of Walter E. Bruns, Vice-President and Trust Officer, The Bank of America N. T. & S. A., San Francisco, Calif. Thursday afternoon, August 8, will be devoted to entertainment planned by the local committee and will include golf and sightseeing, with a banquet that evening.

Result of Treasury Bill Offering

The Secretary of the Treasury announced on July 15 that the tenders for $1,300,000,000 or thereabout of 91-day Treasury bills to be dated July 18 and to mature Oct. 17, which were offered on July 12, were opened at the Federal Reserve Banks on July 15.

Total applied for, $1,894,854,000.

Total accepted, $1,310,517,000 (includes $40,356,000 entered on a fixed price basis of 99.905 and accepted in full).

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

Range of accepted competitive bids:

High, 99.907; equivalent rate of discount approximately 0.368% per annum.

Low, 99.905; equivalent rate of discount approximately 0.376% per annum.

(61% of the amount bid for at the low price was accepted.)

There was a maturity of a similar issue of bills on July 18 in the amount of $1,310,259,000.

Lumber Movement - Week Ended July 6, 1946

According to the National Lumber Manufacturers Association, lumber shipments of 398 mills reporting to the National Lumber Trade Barometer were 31.9% above production for the week ending July 6, 1946. In the same week new orders of these mills were 59.0% above production. Unfilled order files of the reporting mills amounted to 85% of stocks. For reporting softwood mills, unfilled orders are equivalent to 29 days' production at the current rate, and gross stocks are equivalent to 32 days' production.

For the year-to-date, shipments of reporting identical mills exceeded production by 5.3%; orders by 4.3%.

Compared to the average corresponding week of 1935-1939, production of reporting mills was 48.9% below; shipments were 34.9% below; orders were 26.2% below.

Items About Banks, Trust Companies

The First National Bank of the City of New York, in its report of condition at the close of business on June 28, 1946, shows total resources of $872,351,240 and total deposits of $728,809,624, compared with $893,707,426, and $750,-673,227, respectively, on March 30, 1946. Cash on hand and due from Federal Reserve banks and other banks, including exchanges, was $142,221,510 on June 28, against $139,816,046 at the end of March, while holdings of U. S. Government obligations are listed now at $529,241,400, as compared with $537,250,805, and loans and discounts are now shown as $114,-790,529, while in the March 30 report they were shown to be $119,-893,375. Capital and surplus have remained unchanged during the three months at $10,000,000 and $100,000,000, respectively, while undivided profits increased from $23,973,094 on March 30, to $24,-923,862 on June 28 after making provision for the July 1 dividend of $2,000,000.

The New York Trust Co. of New York City announced in its statement of condition as of June 30, 1946, that total deposits were $733,975,150, against $881,263,465 on Dec. 31, 1945; total resources for the same two periods were $806,725,368 and $951,445,924, respectively. Cash on hand and due from banks on June 30 was $190,-693,891, against $239,235,257 on Dec. 31, 1945; holdings of U. S. Government obligations are now shown as $388,025,635, compared with $455,939,526, and loans and discounts amounted to $204,197,-750, against $233,991,371 at the end of 1945. Capital and surplus remain unchanged at $15,000,000 and $35,000,000, respectively. Undivided profits rose to $11,865,314 on June 30 from $9,895,343 on Dec. 31, 1945.

The Continental Illinois National Bank and Trust Company of Chicago announced total resources for the period ending June 29, 1946, of $2,371,676,665 and total deposits of $2,188,364,732 compared with $2,826,963,072 and $2,646,721,524 on Dec. 31, 1945. U. S. Government obligations held by the bank on June 30, 1946 amounted to $1,446,728,735 against $1,821,033,425 Dec. 31; cash on hand and due from banks is now shown as $487,556,251 compared with $532,083,248; loans and discounts in the recent report were announced at $375,459,066 against $398,352,051 a year ago. Capital and surplus remain unchanged at $60,000,000 each, while undivided profits are now $32,057,-397 as compared with $27,471,417 on Dec. 31, 1945.

The Harris Trust and Savings Bank of Chicago, Ill., announced in its statement of condition as of June 29, 1946 that total deposits and total resources were respectively $487,965,756 and $524,102,-490, compared with $550,006,336 and $584,618,588 Dec. 31. Holdings of U. S. Government obligations by the bank amounted on June 29 to $120,576,382 against $134,090,272 on Dec. 31, 1945; cash and due from banks was $120,-085,466 at the latest date compared with $153,504,384; loans and discounts June 29 are shown as $144,877,108 against $134,662,096 on Dec. 31. Capital and surplus remained unchanged at $8,000,000 and $12,000,000, respectively, and undivided profits advanced from $2,373,977 a year ago to $4,807,785 at the present time.

The Mercantile-Commerce Bank and Trust Company of St. Louis, Mo., announced total assets to be $378,346,614 and total deposits of $343,364,479 in its statement of condition as of June 29, 1946. Cash and due from banks is shown as $83,319,191 and holdings of U. S. Government obligations by the bank amounted to $194,-517,128. Demand and time loans June 29 were $66,700,806. Capital stock is reported as $12,500,000 and surplus, $5,000,000. Undivided profits on June 29, 1946 amounted to $5,460,271.

A record-breaking increase in loans and discounts handled by the United States National Bank of Portland, Ore., was shown in that institution's June 29, 1946, report to the Comptroller of the Currency. Loans and discounts amounting to $82,988,257 were reported. This figure represents a gain of $36,092,899 over the corresponding call date in 1945 and a gain of $14,047,370 over the Dec. 31, 1945, call. Resources as of June 29, 1946, amounting to $570,-921,113, indicate an increase of $40,856,190 within the 12-month period. Deposits now stand at $543,773,775, an increase of $34,-184,211 in the same period. The United States National Bank leads the State in loans and discounts reported as well as in deposits and resources. E. C. Sammons is President of the United States National.

The statement of Barclays Bank Ltd., London, as of June 30, 1946, received by the representatives of the bank in New York, shows a new all time high in resources and deposits, namely, £1,106,602,-661 and £1,056,087,193 respectively. Compared with a year ago, deposits have increased by £90,000,000 and total resources by £100,000,000. Reflecting a return to more normal conditions, over the past year bills discounted have increased from £17,620,882 to £135,391,525. This amount is approximately 13% of deposit liabilities whereas the percentage a year ago was approximately 2%. Similarly, advances are now shown as £185,413,128 which is 17½% of the deposit liabilities as compared with £162,354,089 a year ago, namely, 16¾% of deposit liabilities. Acceptances, guarantees, indemnities, etc. undertaken for customers in connection with commercial transactions have more than doubled from the figure £11,154,275 to the present total of £23,407,251. These increases all indicate a constructive trend in the direction of the normal functions of the bank. For the first six months of this year the directors of Barclays Bank have declared dividends at the rates of 10% per annum on the A stock and 14% per annum on the B and C stock, which rates are the same as have been paid for many years.

Frank K. Houston, Chairman of the Board of the Chemical Bank & Trust Company of New York, announced the appointment of Philip D. Holden and John J. Cunliffe as Assistant Vice-Presidents of the bank at the July 11 meeting of the board of directors. Mr. Holden has been an Assistant Secretary since 1940. He returned to the bank earlier this year after four years service in the United States Navy, where he attained the rank of Lieutenant Commander. He is the son of the late Hale Holden, who was Chairman of the Southern Pacific Railroad and a Director of the bank. Mr. Cunliffe is in charge of the Times Square office of the bank, where he has been Manager since 1936.

At a meeting of the board of directors of the Corn Exchange Bank Trust Company of New York, held on July 10, Donald Anderson was appointed Assistant Secretary of the bank.

John T. Madden, President of the Emigrant Industrial Savings Bank of New York announced on July 15 that at a meeting of the Board of Trustees, Miss Florence F. Hayes was elected Assistant Branch Manager. Miss Hayes entered the employ of the bank on March 29, 1937. In making the announcement, Mr. Madden pointed out that this is the first time in the 96 years history of the bank that a woman had been given an official title. Miss Hayes will be actively identified with the management of the 42nd Street Branch. At the same meeting of the Board of Trustees, John F. O'Conner was elected Assistant Secretary. Mr. O'Connor has been identified with the bank since April 8, 1904. He has worked in various departments of the bank, and for the past several years has been head Teller at the Main Office at 51 Chambers Street.

Stockholders of the Lafayette National Bank of Brooklyn in New York have approved an increase in the capital from $850,000 to $1,000,000, and purchase warrants callnig for 3/17th of a share for each share held have been mailed to stockholders, Walter Jeffreys Carlin, Chairman of the Board, announced on July 11. Purchase warrants, which expire at noon, Aug. 27, have been sent to all shareholders on record at the close of business June 25.

The Peoples National Bank of Brooklyn, N. Y., has declared a semi-annual dividend of $1.25 per share and an extra dividend of 25c per share, payable Aug. 1, 1946, to stockholders of record July 9, 1946.

The Comptroller of the Currency under date of July 1 announced that the Bensonhurst National Bank of Brooklyn in New York increased its capital on June 27 from $250,000 to $275,000 by a stock dividend.

E. Alfred Plitt, President of the College Point Savings Bank of College Point since 1935, died on July 4 in Flushing Hospital, at the age of 70 years. In the Brooklyn "Eagle" of July 6, it was stated:

"A life-long resident of College Point and a grandson of George B. Plitt, a pioneer settler in that section, he was graduated from the School of Social Economics and entered the College Point Savings Bank as a clerk in 1902. He became Assistant Secretary in 1917 and a Trustee in 1926. He was active in both World Wars in the Red Cross and in war loans. During the recent war he was Chairman of Selective Service Board 258. He was Treasurer of the College Point Chapter, American Red Cross, for 30 years.

The voluntary liquidation of the Merchants National Bank of Dunkirk, N. Y. (capital $200,000) effective as of the close of business June 29, 1946, was reported on July 1 by the Comptroller of the Currency. The bank was absorbed by the Manufacturere & Traders Trust Co. of Buffalo, N. Y. Lewis N. Murray is Liquidating Agent.

With its absorption by the Oneida National Bank and Trust Company of Utica, N. Y., the First National Bank of New Hartford, N. Y. (capital $75,000) was placed in voluntary liquidation effective July 1, 1946. The Liquidating Agent is C. K. Clark.

At a meeting of the Executive Committee of the Directors of the State Street Trust Company of Boston, held July 12, Howard B. Phillips of the Corporate Trust Department was elected an Assistant Secretary. Mr. Phillips has been with the bank since 1925.

Supplementing the information given in our issue of July 11, page 257, regarding the merger (under the name of the Mellon National Bank and Trust Company) of the Union Trust Company of Pittsburgh and Mellon National Bank, we are advised that the enlarged institution, a national banking association, which will have a capital of $60,100,000, represented by 601,000 shares with a par value of $100 each, a surplus of $90,000,-000 and undivided profits of not less than $10,000,000. The board of directors of Mellon National Bank and Trust Company will include the four principal officers named below, and 21 other members to be elected from the present boards of the merging institutions. The principal officers of the bank will be: Chairman of the board, Richard K. Mellon; Vice-Chairman of the board, Frank R. Denton; Chairman of Executive Committee, Clarance Stanley, and President, Lawrence N. Murray.

The Dauphin National Bank of Dauphin, Pa., reduced its capital on June 29 from $28,500 to $25,000, and at the same time increased its common capital stock from $25,000 to $35,000 by the sale of new stock, according to advices in the weekly bulletin of the Comptroller of the Currency.

The Commerce Guardian Bank of Toledo, Ohio, announces with regret the death of its Vice-President, Mr. Edward G. Kirby, on June 14.

Mills B. Lane, Jr., on July 9 became President of the Citizens & Southern National Bank of Atlanta, Ga., the fifth President of this institution. The Atlanta "Constitution" states that he succeeds H. Lane Young, who becomes Vice-Chairman of the board of directors. William Murphey remains as Chairman. From the same paper we also quote:

"Mills B. Lane, Jr., is a son of the late Mills B. Lane, Sr., who until his death last year helped to make the Citizens & Southern National Bank one of the country's great financial institutions. At the age of 34, Mr. Lane is one of the nation's youngest bank Presidents.

"After leaving Yale in 1934, young Lane became Assistant Cashier of the Valdosta office of the bank. Two years later, he moved to Savannah. Then in 1941, he became First Vice President and moved to Atlanta. Here he will continue to make his office.

"In 1941, Mr. Lane became President of the Georgia Bankers' Association. Three years later, he became Treasurer and is now Vice-President of the National Association of Bank Auditors and Comptrollers. He is now a director of the Bibb Manufacturing Company, of Macon; director of the Chattahoochee & Gulf Railroad, and Chairman of the board of directors of the Citizens & Southern Bank of Dublin.

"Mr. Young, the new Vice-Chairman, is a veteran of 47 years' experience in Southern banking. As President of the bank, he saw its deposits grow from $89,000,000 to $309,000,000."

Thomas K. Glenn has retired as Chairman of the board of directors of the Trust Company of Georgia, at Atlanta, after 44 years of service with that institution. He becomes Honorary Chairman. The Atlanta "Constitution" of July 10, from which this is learned, further reported in part:

"To fill his place, the board of directors has elected John A. Sibley as Chairman. Mr. Sibley, one of Atlanta's most prominent citizens, is a member of the law firm of Spalding, Sibley & Troutman.

"These changes, according to Robert Strickland, President, took place yesterday at a meeting of the board of directors.

"Mr. Glenn has long been one of the business leaders of the South. He took part in the organization of the Atlanta Consolidated Street Railway Company, which later became a part of the Georgia Power Company. Other concerns with which he is identified are: Coca Cola Company, Atlantic Steel Company, Continental Gin Company, and Atlantic Company.

"Mr. Sibley, the new Chairman, is a member of the law firm which for years has acted as counsel for the Trust Company of Georgia. As a result, he is familiar with its affairs."

According to the Atlanta "Constitution" of July 12 the Fulton National Bank of Atlanta, Ga., is to change its capitalization, increasing its surplus by $500,000, it was announced by Erle Cocke, President.

The "Constitution" added:

"At the regular meeting of the bank's board of directors yesterday (July 11), the change was voted, giving the bank a capital structure of $1,500,000, a surplus of $2,000,000 and undivided profits of $1,138,987.21, Mr. Cocke stated."

George K. Wood, 28 years in the banking business, on July 10, was promoted from Assistant Cashier to Assistant Vice-President of the First National Bank of Dallas, Tex., E. L. Flippen, President, announced. Reporting this, the Dallas "Times-Herald" also said:

Mr. Wood's promotion was approved at the monthly meeting of the board of directors Tuesday afternoon. He is assigned to the new business department.

A native of Dallas, Mr. Wood entered the banking business as a collector for the American Exchange National Bank in 1918. The American Exchange was later merged with the City National Bank to form the present First National Bank.

The West Side National Bank of Yakima, Wash., has increased its capital from $100,000 to $150,000 by a stock dividend, and from $150,000 to $200,000 by the sale of new stock. The Bulletin issued by the Office of the Comptroller of the currency reports that the increase became effective on June 18.

The Midland Bank Executor & Trustee Company Limited of London announced on July 1 that G. E. Baldry, General Manager, has retired after 36 years of service to the Bank. P. D. Willcock, hitherto Manager of the Poultry Office, has been appointed General Manager of the Company, and D. G. MacArthur, hitherto a General Manager's Assistant of the Midland Bank Limited, has been appointed Deputy General Manager.

Farmers Union Leaving Washington

With the announcement that the National Farmers Union was reducing its 15-man Washington staff to one man, James Patton, President of the organization, stated that it had broken with the Truman Administration and was starting a "grass roots" mobilization for "the economic M-Day we feel is coming." The union intends to sell its $75,000 Washington building, and Russell Smith, legislative Secretary, will be sole representative at the capital. The union, which claims 400,000 members in 32 states, according to the dispatch of July 11 from the Associated Press in Washington, is not moving toward affiliation with the Republican party, Mr. Patton declared, but he added that its "loss of confidence" in the administration extended to the membership of Congress as a whole.