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The McMahon Bill—Soviet for Scientists

By ALDEN A. POTTER

Mr. Potter reviews the debate on the atomic energy act. Sees law as "the road to serfdom" and affecting freedom of scientific research. Attacks discriminatory licensing (Sec. 7) as worse than compulsory licensing of patents (Sec. 11) and inimical to free enterprise under capitalism. Asserts that police power is not the basis of a peaceful society under government that is not authoritarian. Insists atomic energy is not presenting mankind with new and indeterminate economic and social problems. Upholds industrial organization based on system of "capitalistic incentives."

If all the world's a stage, it was set up in the well of the House of Representatives during the debate on the McMahon Bill, to present a new scenario by Clare Boothe Luce, entitled "The Men." Not all the women, to be sure, were off stage, certainly not the lady from Connecticut; and many of the men, mainly those of the majority, were not present and voting. But if as a gallery god, transmuted rather than transported by the scene before him, one could have confined himself to sensing only the argument and not the voice or figure of the thespian, he might have thought he was hearing Mark Antony damning Brutus with faint praise.


Alden A. Potter

Brutus it was who thrust cold steel in Caesar's back and was condemned for his pains by an ungrateful citizenry swayed by satire. Satired on the legislative stage was Dr. New Deal, returned in triumph from playing a part as Dr. Jekyl-Win-the-War, who strode upon the stage in the preamble to the Atomic Energy Bill. His lines were "to improve the public welfare" and "increase the standard of living" by "strengthening free competition in private enterprise"—with some cold steel in the back. Wherefor was the doctor damned by crippling amendments flung by enraged males egged on by clear and lucid but faint praise from the lips of the leading lady in the show boat on the Potomac.

There was, indeed, something reminiscent of Egypt about her as she claimed the last word from The Men of the House at this wake of the New Deal; for she forecast seven lean years of socialistic experimentation during which she proposed to allow the crippled Commission to control atomic energy before its demise. This The Men promptly rejected, thinking themselves immune to her wiles; but these were the words with which she bespoke support for the McMahon Bill as amended:

"Mr. Chairman, it seems to me that there is little confusion about the Character of the Senate bill before amendment. But many are confused about whether or not we should vote for it. We are torn between a distaste for the vast dictatorial domestic powers it confers on the five-man commission, and our fears that without it we shall endanger our national security in a troubled world.

"When scientists read the debate on this floor they will no doubt be appalled by our ignorance of the subject of nuclear energy, and the silly unscientific things we have said about it. But when we read some of the things scientists say about the purpose and effect of domestic legislation, they also sound a little silly to us. We are ignoramuses in their field, but they are not exactly Daniel Websters in ours. If the world were at peace we could each stick to our own last. But it is not, unhappily. The threat of war has combined in this bill the scientists' field and ours. I apologize to the scientists for any of my scientific errors or malapropisms in this debate, which natural ignorance of the subject occasioned. But none of us owes any apology to the scientists for telling them that this bill is pure socialism. Indeed, they should thank us for it, for of all men American scientists passionately love liberty. It is the liberty they have enjoyed in the past which has enabled us to grow great as a scientific nation. It is the business of a legislator to point out to them, and all the people, just what effect this law may have on their liberties, when peace comes.

"Moreover, I do not see why any Member should be criticized for

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Excellent Crop Outlook

By ROGER W. BABSON

Mr. Babson calls attention to prospect of record crops, particularly in grains, fruits and vegetables, and says that supplies in some cases may exceed demands, resulting in lower prices. Says we are now able to feed hungry and depressed peoples, for which we should be thankful.

I have just been appraising the 1946 domestic crop outlook, and I am amazed at America's continued good fortune. Although by the law of averages a crop failure is now due, prospects for the country, as a whole, are brighter than on any corresponding date in the past seven years, except in 1942. Barring unfavorable weather, aggregate production may even exceed the 1942 banner year.


Roger W. Babson

Changing Grain Picture

We have heard a lot about food and feed grain shortages in recent months. Now a dramatic change is under way; the wheat crop again will top a billion bushels, for the fourth time in the nation's history. This points to an early end of the flour shortage. A near-record rice crop should reach the market possibly by mid-August, but civilian supplies will depend largely upon the size of the government "take."

The nation's corn crib this fall may bulge with a record crop of more than 3.3 billion bushels. Weather will be the determining factor. The oats crop also should be well up toward the 1945 maximum. Despite a below-average barley crop, total feed grain supplies should prove ample for fall and winter requirements, which needs should be smaller than a year earlier. It is quite possible that supplies of corn this fall may exceed demand, at least for a time, with resultant price weakness.

A Good Fruit Year

The outlook for fruits—an essential in every diet—is generally favorable barring freezes. Here are a few highlights. The apple crop should more than double the low 1945 outturn, but may be well under the ten-year average. Peaches will set a new high record. Production of pears and grapes should be appreciably

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GENERAL CONTENTS

Editorial

The Financial Situation

In a statement issued late last week reviewing the budgetary outlook for the current fiscal year, the President gives encouraging evidence of a somewhat greater realization of the role governmental affairs play in the "inflationary pressures" about which public officials have of late grown so fond of talking. As a result of legislation taken to the statute books at the suggestion, or at the very least with the tacit approval of the President, some $4.4 billion have been added to expected expenditures for the current fiscal period. Another $3.1 billion have crept into the accounts by various but by no means unusual routes. Other categories of outlays are now expected to show an aggregate reduction of some $2.0 billion largely as a result, apparently, of exceptional Presidential pressures. The Chief Executive hopes for certain other savings in the course of the year, and says he has not altogether lost hope of a balanced budget for the twelve months ending June 30, 1947.

All this, however, leaves the situation not altogether satisfactory to the President, who reveals his deep concern over the outlook in the following sentences:

> Increased spending by consumers, expanded outlays by business, and a still high level of expenditures by Government are causing demand to outrun production. This characterizes the current inflationary threat.
>
> This situation requires that the Federal Government, as well as State and local Governments, reduce expenditures and keep taxes at a high level. All deferable expenditures, at all levels of Government, should be postponed until the backlog of demand for goods and services is satisfied.
>
> I said in my January message: "Today inflation is our greatest immediate domestic problem." This is as true

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From Washington Ahead of the News

By CARLISLE BARGERON

It was well that William Green, President of the American Federation of Labor, stated a few days ago that his crowd was also getting up a PAC crowd to match the CIO-PAC. His action, or rather his statement—it remains to be seen what his action will be—is subject to misinterpretation, as another example of Labor asserting itself. The plain facts are that the AFL must do something like this in self-defense. And the question still arises as to just how effective, in view of its conglomerative set-up, it can be.


Carlisle Bargeron

In the light of events, some Congressmen and Senators have been asking: "Just what does it mean that I have a 100% labor record when the CIO comes along and knocks me off?"

This has happened in recent weeks to two outstanding "friends of labor,"—Shipstead of Minnesota, and Burt Wheeler of Montana. It so happens that it is doubtful that if any one man had more to do with the passage of Labor's so-called Magna Charta, the Wagner Act, than Wheeler. It bears the name of the New York Senator, but he is so little informed about it, so ignorant about it, that he could not possibly defend it intelligently today. The bill was handed up to him as the Chairman of the Senate committee dealing with bill. He had little or nothing to do with the Senate committee investigations which produced the bill, and even when it came to the Senate floor, he was so unintelligible about it, that men like Wheeler and Bob LaFollette of Wisconsin, had really to handle it.

In spite of this, it was "organized labor" that knocked Wheeler off in the Montana primary. Supporting Wheeler, going to the bat for him, were the AFL and the so-called Railroad Brotherhoods. These latter have long been looked upon in Washington as powerful political influences. They publish a relatively intelligent weekly newspaper called "Labor," edited by a

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Poor Safeguards!

"To safeguard the basic standard of livelihood of the great masses of the American people, all members and units of the CIO, together with the broadest cooperating groups of consumers, veterans and other friendly forces, should take the following action:

"Prevent the purchase of extortionately priced products through buyers' strikes and selective buying by consumers.

"Organize in the communities the widest demonstration and mobilization of labor, consumer, veteran, church groups and other allies in this fight against profiteering and laxity by any officials in the application of price control law.

"Present the people's demand for a maximum price control under the law through letters, telegrams, petitions and personal representation to the President of the United States, to the Office of Price Administration, to the Secretary of Agriculture and to the Price Decontrol Board.

"Urge President Truman to call a conference of labor and management to deal with the urgent problem of rising living costs and existing wage levels.

"The American citizens' political action at the polls on the primaries and the November election must give major attention to the record of the candidate on the issue of fully effective price controls. The new Congress and Senate must be pledged to immediate, aggressive and effective action in January, 1947, to halt the progress of inflation."—Philip Murray

All this, and not a single word about the real causes of the "inflationary pressures" evidently so much feared!

All this, and not a single word about restoration (to say nothing of advancement) of productivity—and, of course nothing about competition throughout all segments of the economy, including labor!

Life Insurance Companies Urge Common Sense By People & Government in Combating Inflation

A statement calling for the exercise of common sense by the people, by management and labor and by the government in combating inflation, was released on July 25 by the Life Insurance Companies in America through the Institute of Life Insurance.

This statement, bearing the caption "Let's Beat Inflation With Common Sense," which is being inserted as an advertisement in more than 300 newspapers in cities throughout the country, says:

"There is just one way to combat inflation—the use of common sense by all of us, by consumers and producers, by management and labor, and by Government. Reciting "what we as individuals can do," it says:

"During the war the people of this country, in overwhelming majority, knew it was good common sense to set aside part of their big wartime earnings for the future. We bought War Bonds by the tens of billions. We purchased additional life insurance. We put money in savings accounts. We paid off debts. Many predicted that after the war the people would go on a spending spree. A few have, but most have used good common sense in handling their money. Today it is more important than ever that we continue to use our money wisely—refrain from bidding up prices . . . buy only what is needed until goods are plentiful again . . . hold on to War Bonds . . . continue to put money aside for the family's future in government securities, life insurance, and savings accounts."

As to "what management and labor can do," it states:

"Both management and labor need to put their best efforts into the job of bringing about increased production. Americans are well aware that this country has the greatest capacity to produce goods of any nation in the world. We can produce far more in the future than we ever did before the war. Things now scarce will then become plentiful. When things are plentiful they are reasonably priced. The productive genius, common sense and cooperation of the people are not by themselves enough to defeat inflation. These anti-inflationary efforts of the people must be backed up and encouraged by additional positive, practical steps on the part of those in authority in Government."

For as to "what Government can do," the statement has the following to say:

"The life insurance companies strongly urge their policyholders, and the public generally, to encourage and support the following definite action by Government:

"1. Balance the budget and continue debt reduction. Cut expenditures to less than income. Postpone projects that are not strictly essential in this critical period.

"2. Take further monetary and fiscal action not only to keep the excess supply of money from expanding further but also to reduce it to a level more consistent with peacetime needs. The volume of money and credit now outstanding is a major factor in our inflationary problem.

"3. Provide adequate incentives to individuals and investors, other than commercial banks, to use their savings and investment funds for the purchase of Government securities.

"The 71 million life insurance policyholders and their 27 million families have a stake in this country of ours. They want to see it financially sound because they have one common purpose — to provide financial security for themselves and families through their own sacrifice, saving and effort.

"No thinking man or woman in this country wants inflation. Through the exercise of good common sense, by the people, by management and labor, and by the Government, the forces of inflation will be checked."

Aldrich Chairman of Money Market Com.

Allen Sproul, President of the Federal Reserve Bank of New York, announced on Aug. 1 the appointment of Winthrop W. Aldrich as Chairman of the General Committee of the New York Money Market, and of Eugene W. Stetson as a member of the Committee. Mr. Aldrich succeeds William C. Potter as Chairman of the Committee, and Mr. Stetson takes Mr. Potter's place on the Committee. S. Sloan Colt has been appointed Vice-Chairman.

At the same time it was announced that Henry S. Morgan, who was absent from the Committee during the war period, when he served with the armed forces, has returned to membership in the Committee.

The announcement from the Reserve Bank added:

The General Committee of the New York Money Market was organized in Aug. 1939 to provide a ready means of bringing together representatives of the principal factors in the market for consultation among themselves and with the Federal Reserve and Treasury authorities. It has been necessary for the Committee to meet only infrequently since its organization because of the stability and strength of the financial markets of the country.

The present membership of the Committee is as follows:

General Committee

Representing Commercial Banks—Winthrop W. Aldrich, Chairman, Chase National Bank, Chairman; S. Sloan Colt, President, Bankers Trust Company, Vice-Chairman; Gordon S. Rentschler, Chairman, National City Bank; Eugene W. Stetson, Chairman, Guaranty Trust Company; J. C. Traphagen, President, Bank of New York.

Representing Investment Bankers: Henry S. Morgan of Morgan Stanley & Co.;

Representing Savings Banks — August Ihlefeld, President, Savings Banks Trust Company;

Representing Stock Exchanges and Stock Exchange Houses — Emil Schram, President, New York Stock Exchange;

Representing Insurance Companies — Frederick H. Ecker, Chairman, Metropolitan Life Insurance Company and George L. Harrison, President, New York Life Insurance Company.

Payments by Bank of Hawaii

The Bank of Hawaii, at Honolulu, Hawaii, has announced that effective August 1:

"1. This Bank will settle at par, checks drawn on its main office and all branches, that are sent to us for payment by all mainland banks.

"2. This Bank will settle at par, all checks drawn on other banks in Hawaii sent to us for collection by our correspondent banks.

"3. This Bank will make a collection charge of 10c per check, minimum of 25c on all checks drawn on banks in Hawaii other than this Bank and sent to us for collection by banks that are not our correspondents.

"By 'correspondent banks' we mean banks with whom we maintain a deposit relationship."

OPA Decontrol Board Named by President

The three-man decontrol board which, under the new Price Control Act, is to have the task of deciding what commodities and manufactured products shall be subject to Office of Price Administration ceilings was named by President Truman on July 27. Chosen to determine when supply and demand are in sufficient balance to leave prices uncontrolled are, according to Associated Press Washington advices:

Roy L. Thompson, Chairman. A former Economics Professor at Louisiana State University, he has been President of the Federal Land Bank of New Orleans since 1938.

George H. Mead, organizer and Board Chairman of the Mead Pulp and Paper Company, of Dayton, Ohio. Republican member of the three-man board, he has been on the advisory board of the Office of War Mobilization and Reconversion, and an industry member of the War Labor Board.

Daniel W. Bell, President of the American Security and Trust Co. of Washington, and formerly acting Director of the Budget and Under Secretary of the Treasury.

Following the approval on July 29 by the Senate Banking and Currency Committee of the Nominations, the Senate the same day confirmed the appointments. Associated Press Washington advices on that day said:

The Senate acted quickly because the new Board has only three weeks in which to determine whether meat and dairy products shall be placed under price controls again on Aug. 21. It also must rule later whether there is need for price ceilings on eggs, poultry, tobacco and petroleum products.

The members of the Board were sworn in on July 30 by Justice Hugo L. Black of the Supreme Court. From Washington, July 30, the New York "Times" reported:

"In undertaking our duties," said Chairman Thompson, "Mr. Mead, Mr. Bell and I are keenly aware of the dangers of inflation. We feel a grave responsibility to the people of the United States to do everything in our power to help hold down the rising cost of living.

"The Congress has made it clear that our job is twofold:

"First, to remove controls speedily from commodities which are produced in such quantities that normal competition can keep prices stable. Second, to make sure that all commodities which are important to living costs or business costs are kept under price control as long as necessary. This Board intends to reach its decisions after full and impartial consideration of the facts."

The appointments carry salaries of $12,000 a year.

The Board is scheduled to start hearings on Aug. 12 to determine whether grain, livestock, dairy products, cottonseed and soy beans shall remain free from price control after Aug. 20.

These commodities are among other specifically decontrolled under the new price control law, the enactment of which was referred to in our July 31 issue, page 609. In a statement issued July 31, Chairman Thompson said in part:

"The Board is directed to order that these commodities shall not be controlled after Aug. 20 unless it finds that:

"(a) Their prices have risen unreasonably above a price level equal to the lawful maximum price in effect on June 30, 1946, plus the amount per unit of any subsidy payable as of June 29, 1946.

"(b) They are in short supply and their regulation is practicable and enforceable; and

"(c) The public interest will be served by regulation."

President Truman, in his message to Congress after signing the bill, promised that the board members would be "men in whose judgment and fairness the Congress and the country will have complete confidence." He told his news conference, too, that he aimed at an unpacked jury.

Pinero Named as Gov. of Puerto Rico

Jesus T. Pinero was nominated on July 25 by President Truman to succeed Rexford Guy Tugwell as Governor of Puerto Rico, who resigned to become a Professor of Political Science at the University of Chicago. The nomination of Mr. Pinero was confirmed by the U. S. Senate on July 31. Mr. Pinero has been Puerto Rico's Resident Commissioner in Washington since January, 1945, and Associated Press advices from Washington noted, is the first Islander selected as Governor since United States troops landed in Puerto Rico in 1898 at the time of the Spanish-American War. Previous Governors have all been residents of the United States mainland. From the Associated Press, Washington advices, July 25, we also quote:

"Mr. Pinero is a leader of the Popular Democratic Party, which controls 54 of the 58 seats in the Island's Legislature. Meeting in special session last week, the Legislature asked President Truman to appoint Mr. Pinero. He is a farmer. Prior to becoming Puerto Rico's Resident Commissioner in Washington, Mr. Pinero was a member of the insular House of Representatives. He also participated in several important Island missions to Washington."

Secretary of the Interior J. A. Krug, under whose administration territorial affairs are handled, said in a statment: ""This appointment is concrete evidence of President Truman's belief that the Puerto Rican people are fully capable of administering their own governmental responsibilities."

Savs. Bank Life Insur. Sales in N. Y. Up 100%

Savings bank life insurance purchased in New York State in the first six months of 1946 amounted to $15,090,000, or 10,614 policies, representing a 100% gain over the same period a year ago when $7,500,000, or 5,408 policies were sold, it was reported by C. B. Plantz, Executive Vice-President of the Savings Banks Life Insurance Fund. Total savings bank life insurance in force June 30 was $76,292,000. Regarding the increase Mr. Plantz said:

"As was predicted, the public endorsement of 'over the counter' life insurance is evidenced by the fact that the first six months of this year showed an increase of 25% over all savings bank life insurance in force. The increasing sales are also due to the new package plans combining the purchase of savings bonds, savings account and life insurance. Entering the second half of 1946, we have every reason to believe that this type of life insurance will continue to have substantial popular appeal and will be available to more and more people as additional savings banks establish their life insurance departments."

Truman Vetoes Tidelands Bill—Sustained By House

Following the veto by President Truman on Aug. 1 of the tidelands oil bill, the House on Aug. 2 sustained the veto, thus killing the legislation. In his veto message the President declared that the measure was an infringement on the jurisdiction of the Supreme Court inasmuch as the Court had before it the question as to whether ownership of the disputed land rests with the Federal Government or with the States. The President's veto was in line with the recommendation of his Secretary of the Interior, J. A. Krug, who, like his predecessor, Harold L. Ickes, strongly opposed the legislation which gave the States clear title to tideland areas often rich in oil deposits. In Associated Press accounts from Washington Aug. 2 it was stated:

The vote was 139 for overriding the veto and 95 against, but this fell 17 ballots short of the two-thirds majority required to enact a measure into law over the President's objection.

The action thus gave Mr. Truman a victory in a last-minute flareup of discord with the Seventy-ninth Congress. Previously, the House had sustained his vetoes on the Case labor disputes bill and the first OPA continuation measure. In each case a majority, but not two-thirds, voted to override.

The bill which the House passed on July 27, by a roll call vote of 188 to 67, and which had already received Senate approval, renounced Federal claims, raised in recent years, to the submerged lands along the coasts and inland navigable waterways. There had been considerable doubt that the President would approve the measure, and the Senate Democratic leader himself, Alben W. Barkley of Kentucky, declared when the Senate passed the bill by a vote of 44 to 34 that he hoped it would be rejected by the President, according to Associated Press dispatches from Washington.

The bill's opponents, the Associated Press continued, have consistently argued that its passage would mean "giving away" oil reserves needed for the nation's defense, while its supporters contended that by tradition through the years the states and individuals living in them have had undisputed title to the properties.

The text of the President's veto message was given as follows in the press accounts:

"To the House of Representatives:

"I return herewith, without my signature, House Joint Resolution 225, entitled 'A joint resoluiton to quiet the titles of the respective States, and others, to lands beneath tidewaters and lands beneath navigable waters within the boundaries of such States and to prevent further clouding of such titles.'

"The purpose of this measure is to renounce and disclaim all right, title, interest, claim or demand of the United States in 'lands beneath tidewaters,' as defined in the joint resolution, and in lands beneath all navigable waters within the boundaries of the respective States, and to the minerals in such lands.

"The phrase 'lands beneath tidewater' is defined so broadly as to include all lands, either submerged or reclaimed, situated under the ocean beneath the low water mark and extending out to a line three geographical miles distant from the coastline or to the boundary line of any State whose boundary, at the time of the admission of the State to the Union, extended oceanward beyond three geographical miles.

"Lands acquired by the United States from any State, or its successors in interest, or through conveyance or condemnation, would be excluded from the operation of the measure.

"There would also be excluded the interest of the United States in that part of the continental shelf (lands under the ocean contiguous to and forming part of the land mass of our coast) which lies more than three miles beyond the low water mark or the boundary of any particular State.

"On May 29, 1945, at my direction, the then Attorney General filed a suit in the United States District Court at Los Angeles, in the name of the United States, to determine the rights in the land and minerals situated in the bed of the Pacific Ocean adjacent to the coast of California and within the three-mile limit above described.

"Thereafter, in order to secure a more expeditious determination of the matter, the present Attorney General brought suit in the Supreme Court of the United States. The case in the district court was dismissed.

"I am advised by the Attorney General that the case will be heard in the Supreme Court and will probably be decided during the next term of the court.

"The Supreme Court's decision in the pending case will determine rights in lands lying beyond ordinary low water mark along the coast extending seaward for a distance of three miles.

"Contrary to widespread misunderstandings, the case does not involve any tidelands, which are lands covered and uncovered by the daily ebb and flow of the tides; nor does it involve any lands under bays, harbors, ports, lakes, rivers or other inland waters. Consequently, the case does not constitute any threat to or cloud upon the titles of the several States to such lands, or the improvements thereon.

"When the joint resolution was being debated in the Senate, an amendment was offered which would have resulted in giving an outright acquittance to the respective States of all tidelands and all lands under bays, harbors, ports, lakes, rivers and other inland waters. Proponents of the present measure, however, defeated this amendment.

"This clearly emphasized that the primary purpose of the legislation was to give to the States and their lessees any right, title or interest of the United States in the lands and minerals under the waters within the three-mile limit.

"The ownership of the land and resources underlying this three-mile belt has been a subject of genuine controversy for a number of years. It should be resolved appropriately and promptly. The ownership of the vast quantity of oil in such areas presents a vital problem for the nation from the standpoint of national defense and conservation.

"If the United States owns these areas, they should not be given away. If the Supreme Court decides that the United States has no title to or interest in the lands, a quit-claim from the Congress is unnecessary.

"The Attorney General advises me that the issue now before the Supreme Court has not been heretofore determined. It thus presents a legal question of great importance to the nation, and one which should be decided by the court.

"The Congress is not an appropriate forum to determine the legal issue now before the court. The jurisdiction of the Supreme Court should not be interfered with while it is arriving at its decision in the pending case.

"For the foregoing reasons I am constrained to withhold my approval of the joint resolution.

"HARRY S. TRUMAN,

"The White House, Aug. 1, 1946."

Congressional action on the tidelands bill was noted in the "Chronicle" of Aug. 1, page 665.

Hourly Earnings at New High, Says Board

Average hourly earnings of manufacturing workers were at a new peak level during May, according to The Conference Board's monthly survey of 25 manufacturing industries. Employment figures have risen for the third consecutive month, the Conference Board reported on July 25 and it added:

Due mainly to the coal strike, with its total or partial paralysis of dependent industries, declines were noted in actual and real weekly earnings, average hours worked, man hours, and payrolls. Reported wage rate increases averaged 1% for all workers, slightly less than the two previous months.

The Board's summary of labor statistics further reports:

Hourly Earnings: Up 1% from April. The average of $1.177 was 7% above the level of the previous May (month of V-E Day). May, 1946 was nearly 100% above the average for 1929 (actually 99.5%).

Weekly Earnings: Weekly earnings (average for May, $45.65) 2.7% lower than April. 8% less than in May, 1945. However, weekly earnings during May of this year were nearly 60% (actually 59.9%) greater than the 1929 average.

Real Weekly Earnings: Real earnings or value in goods and services of actual dollar earnings, declined 3.2% from April to May. They were 9.3% less than the year before, but have risen nearly 50% (actually 48.6%) since 1929.

Hours Per Week: A decrease of 1.4 hours or 3.5% over the month. This represents a decrease of 13.3% from May, 1945. Since 1929, hours-per-week have been cut nearly 20% (actually 19.3% or 9.3 hours).

Employment: A rise for the third consecutive month (1.4% over April). Eleven and three-tenths per cent less than May, 1945, but 15% greater than the 1929 average.

Man Hours: A drop of 2% from the April level. Since last May they have declined 23.1%, and since 1929, 7.2%.

Payrolls: Payrolls were curtailed 1.3% from April to May, and were 18.4% lower than in May, 1945. May, 1946 was 83.8% above the 1929 average.

Chicago "Sun" Up

Associated Press advices from Chicago on July 30 stated that the Chicago "Sun" announced that day, that effective Aug. 1 the price of the paper would be raised from three cents to five cents. From the press advices we also quote:

The "Sun" said "mounting costs including an increase of almost 50% in newsprint prices since 1942, have forced the 'Sun' to make this increase."

Two Chicago afternoon papers, the "Daily News" and the "Herald-American," now are five cents. The "Daily Times" (afternoon) is four cents and the "Tribune" (morning) is three. The "Sun" is a morning paper.

The State of Trade

Business and industry clamoring so long for a breathing spell to chart a direct course to greater production once again finds itself bogged down by official restrictions, which will impose an additional delay in the nation's return to a more normal economy.

At present considerable uncertainty exists over price ceilings and with the new price control law now in effect, OPA will be permitted to decide upon price adjustments within 60 days following applications for increased prices. The new law at best seems more in the nature of a face-saving device for the Administration, since it appears that the agency is prepared to grant higher prices in many instances. However, notwithstanding this fact, business must suffer costly delay before price increases are granted as a result of the expense and trouble it is confronted with in prosecuting its claims.

Then, too, under the old OPA law, numerous subsidies were paid manufacturers and producers and they are now marking time to see whether these payments will be resumed in full or in part. The canning industry as a case in point.

It is understood that approximately 60% of all capital goods, according to a Washington estimate, are now free from government imposed ceilings, but states "Business Week" in its weekly article on business activity, "these manufacturers aren't out of the woods," adding, "they contract now for products which, in many cases, won't be delivered for many months. Unless they have all the materials and parts on hand, they can't tell what they will have to pay for them." As for the retailer, the magazine aptly notes that the wholesaler in reselling to the retailer at open prices, the goods either have to go into the back room or the store must sell over ceilings to protect itself.

Total production for the past week gave evidence of a slight rise above that of the preceding week. It is also worthy to note that initial unemployment insurance claims covering the week ended July 20 declined 27% below the level of the previous week, being at the lowest point since mid-August a year ago.

A postwar high for the third consecutive week was established in automobile and truck production last week and output covering the week ended July 27 was placed at about 80,439 vehicles, or 6% more than in the previous week. The backlog of orders for automobile repair parts was five times greater than that of a year ago.

Meat production last week was about three times that of a month ago and creamery butter output for the week ended July 25 totaled 27,600,000 pounds, a drop of 2% from that of the week preceding and 19% under that of the corresponding week a year ago.

Dollar volume of retail trade displayed a slight increase last week as the usual seasonal decline was counteracted by increases in prices of many commodities. Retail volume continued to exceed that of the corresponding week a year ago by a considerable amount. Clearance sales of summer goods continue to be held during the week and stores began to display Fall apparel.

Wholesale volume also showed moderate gains over the preceding week and the like week a year ago. Quality goods were in demand as buyers reflected the increased selectivity of consumers. Stocks in many lines increased as deliveries improved and dollar volume of wholesale food trade was well above that of a year ago.

Steel Industry—The increase of $2 a ton in pig iron is just about 66% of what the industry sought before the old OPA ceased and had the OPA not been revived, the increase would probably have been in the neighborhood of $3.50 a ton, states "The Iron Age," national metalworking paper, in its review of the steel trade for last week.

The $2 a ton increase does not seem to be attractive enough to bring into blast very many of the furnaces now out of operation. However, only time—and coke availability—will tell, the magazine observed.

The rebirth of OPA has quieted down the consistent rumors that steel prices were about to be increased and has successfully rolled back the prices of those items that were advanced on producer levels rather than industry levels. Enjoying a brief price advance were track bolts and screw spikes, advanced beyond the 12% by one producer, and sheet bars, advanced $7 a ton by one producer. These prices, with the new OPA, must be rolled back to OPA ceilings and application through established channels made for price relief.

That the steel industry will seek higher steel prices is nearly a foregone conclusion, despite recent statements to the contrary, and many industry and individual requests for increased prices sought before the old OPA ceased will be renewed. Price increase requests will most likely be on a product basis rather than on a general basis and an overhauling of the extra system to bring it out of obsolescence is likely, "The Iron Age" points out.

The worst shortage of box cars ever experienced was the prediction for last week. Various districts of the country have already reported actual curtailment of steelmaking operations because of this shortage. Mills have both steel and scrap piled up awaiting cars and the extended use of truck deliveries are running up delivery costs. With the loss of about 75,000 box cars during the war, with about a third of the present 665,000 in operation in need of repairs, the shortage is expected to exist for some time. The same pattern follows with types of rolling stock other than box cars.

Scrap, likewise, is taking its toll in steel ingot output, states the above trade authority with open-hearths in at least two major producing areas taken out of production because of the scrap shortage. Dealers are now actively trying to move scrap since it is felt that any quantities of scrap held in speculation may start to be dumped. Further production scrap is coming out in ever-increasing volume and another month should see an end to the present scrap crisis. Along with the scrap shortage and ranking a close second is the coal and coke shortage. Blowing in of blast furnaces has been held up because of the fuel shortage, but it is expected that the situation will reverse itself by late fall.

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 89.0% of capacity for the week beginning Aug. 5 as against 89.6% one week ago, 87.8% one month ago and 87.9% one year ago. This represents a decrease of 0.6 point or 0.7% from the preceding week. This week's

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The Financial Situation

(Continued from first page)

now as it was six months ago. The traditional forces of private enterprise and self-reliance are at work in transforming a war economy into a peace economy of high production and full employment. It is our duty to prevent this transformation from degenerating into a speculative boom and subsequent collapse such as we had after the last war. Budgetary policy has a great responsibility in that respect. Its responsibility increases as direct controls are lifted.

"For this much, Mr. President, many thanks!" This, in substance, is, we believe, the response of the vast majority of thoughtful American citizens, whose relief must be definitely tempered by full realization that what the President has now done is hardly more than a proverbial "drop in the bucket." Indeed it would scarcely be going too far to say that if this is the "be-all and end-all" of the President's anti-inflationary action, its significance is of a small order of importance. The encouragement it stimulates in breasts of informed observers is, therefore, in proportion to their belief or hope that it portends further and progressively more effective action toward the same end.

Hardly a Beginning

In the first place, the President has made no more than a beginning in reducing Federal outlays. If defense expenditures and interest on debt are wholly eliminated, as they must be for any instructive comparisons, it is found that the other planned expenditures of the Federal Government during this fiscal year, even after the $2 billion pruning has been given effect, are substantially more than double what they were at the peak of New Deal profligacy in 1935! And these increases pervade virtually all departments of government, and all categories of spending. It is to be expected, of course, that certain types of outlays—as, for example, expenditures on behalf of veterans—would be much larger than even the scandalously swollen figures of the prewar period, but let no one claim that such increases are solely responsible for the present budgetary situation. The facts will not bear him out.

The President—and all the others jointly responsible for such things—should lose no time in getting the remaining water squeezed out of Federal expenditures.

But this, too, would leave a great deal to be done if the President is to contribute all that he can to a return to sound conditions in business. Numerous government officials have long been in the habit of talking a good deal about "accumulated war savings," large holdings on the part of individuals of what have become known as "liquid assets," and other related current phenomena. The almost universal hue and cry is to the effect that these conditions or circumstances present a serious inflationary threat, or to use the current vernacular of Washington, "inflationary pressures." In many, if not most of them, the assumption seems to be that there is little or nothing that the authorities in Washington can do about the situation — or that what they could or ought to do are lines of action no sensible man could well recommend or condone.

What Could Be Done

The facts do not support any such conclusion. Indeed they cry to heaven that precisely the opposite is true. The record is worth examining. One of the major items in estimates of "liquid savings" is "money" (defined to include both bank deposits and currency). The origin of the enormously swollen "money supply" is well known. The larger part of it is as truly an outgrowth of war finance as would be the case if fiat money had been printed to meet a very large part of the cost of the war—and for that matter of the New Deal experimentation preceding the war. It came about, of course, largely through the enormous increases in the government holdings of the banks. This over-supply of "money" can, practically speaking, be drawn off only by a reversal of the processes by which it came into being, various rather silly proposals to the contrary notwithstanding.

Now definite and determined effort to balance the Federal budget, and, indeed, to replace current deficits with substantial surpluses to be employed in reducing debt, is one, but only one, essential step in the correction of this situation. Indeed it is not going too far to say that mere balancing of the budget, or even establishment of a surplus and of debt retirement alone, would not of necessity be of great assistance. Banks with excess reserves by reason of retirement of public debt would be under enormous pressure to find other employment for their funds—with the result that money supply, or what is known as inflationary pressures, would remain but little reduced, if reduced at all.

Federal Reserve Action Needed

The Federal government must reduce its debt as rapidly as it can, and it must do so not by increasing taxes, as some would have it do, but by contracting expenditures; but it must reconcile itself at the same time to a higher rate of interest on the funds it borrows, and the Treasury, along with the Federal Reserve authorities, must summon the courage to act accordingly. There are more than 24 billion dollars in Federal Reserve credit outstanding at present, of which around $23.5 billion are represented by the government bond portfolios of the twelve Reserve banks. The system is still committed to buy any all certificates offered at a rate of ⅞ of one per cent. A firm policy on the part of the Reserve system — a policy which would steadily reduce its holdings of governments —would, of course, do two things which would be most salutary in this "inflationary" situation about which so much is said.

It would reduce the excess reserves of member banks and thus place them under an incentive, if not necessity, to reduce their holdings of governments. It would at the same time raise the yield on Government obligations, thus encouraging individual investors with excess cash to buy them. Whatever is necessary to protect holders of existing Government obligations, particularly the banks, from disastrous loss on holdings acquired under artificial conditions would of course have to be done, but this problem need not be insuperable. Such action would, along with really persistent pressure to make substantial reductions in current governmental outlays, mark a real beginning in an attempt on the part of the authorities to get "inflationary pressures" under control.

Much else needs to be done, of course, to restore real soundness to the economy, but an immensely promising start would thus have been made.

Carroll Quits SEC

The resignation on July 30 of James M. Carroll, principal attorney in the Public Utilities Division of the Securities and Exchange Commission, to enter private practice of law in his home city, Springfield, Mass., was reported in special advices July 30 from Philadelphia appearing in the New York "Herald Tribune" which also had the following to say:

Before joining the staff of the commission, Mr. Carroll served for four years as City Solicitor of Springfield. He was also special counsel to the Commission's Trading and Exchange Division before transferring to the Public Utilities Division.

June Class I RR. Gross Earnings $208,006,176 Below 1945 — Net Income $52,754,740 Lower

The Class I railroads of the United States in June, 1946, had an estimated net income, after interest and rentals of $13,000,000 compared with a net income of $65,754,740, in June, 1945, according to reports filed by the carriers with the Bureau of Railway Economics of the Association of American Railroads and made public on Aug. 1. Net railway operating income, before interest and rentals totaled $38,080,305 compared with a net railway operating income of $99,916,182 in June, 1945. The Association further reported as follows:

In the first six months, these roads, which represent a total of 227,770 miles, had an estimated deficit, after interest and rentals of $27,000,000 compared with a net income of $326,801,745 in the corresponding period of 1945. Net railway operating income, before interest and rentals amounted to $152,791,410 compared with $548,339,201 in the same period of 1945.

In the 12 months ended June 30, 1946, the rate of return on property investment averaged 1.65% compared with a rate of return of 3.95% for the 12 months ended June 30, 1945.

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

Total operating revenues in the first six months of 1946 totaled $3,577,307,662 compared with $4,697,322,658 in the same period of 1945, or a decrease of 23.8%. Operating expenses in the first six months of 1946, amounted to $3,085,325,344 compared with $3,194,524,027 in the corresponding period of 1945, or a decrease of 3.4%.

Sixty-eight Class I railroads failed to earn interest and rentals in the first six months of 1946, of which 31 were in the Eastern District, ten in the Southern Region, and 27 in the Western District.

Eastern District

Class I railroads in the Eastern District in the first six monts of 1946 had an estimated deficit, after interest and rentals of $60,000,000 compared with a net income of $130,231,269 in the same period of 1945. For the month of June alone, their estimated deficit, after interest and rentals, was $900,000 compared with a net income of $23,218,267 in June, 1945.

The same roads in the first six months of 1946 had a net railway operating income, before interest and rentals of $21,685,366 compared with $235,422,769 in the same period of 1945. Their net railway operating income before interest and rentals, in June amounted to $12,656,996 compared with a net railway operating income of $43,692,076 in June, 1945.

Operating revenues of the Class I railroads in the Eastern District in the first six months of 1946 totaled $1,565,188,466, a decrease of 21.9% compared with the same period of 1945, while operating expenses totaled $1,403,430,577, or a decrease of 4.1% below 1945.

Southern Region

Class I railroads in the Southern Region in the first six months of 1946, had an estimated net income, after interest and rentals, of $3,600,000 compared with a net income of $48,830,400 in the same period of 1945. For the month of June alone, they had an estimated deficit, after interest and rentals, of $500,000 compared with a net income of $7,431,116 in June, 1945.

Those same roads in the first six months of 1946 had a net railway operating income, before interest and rentals, of $32,002,301 compared with $80,450,968 in the same period of 1945. Their net railway operating income before interest and rentals, in June amounted to $4,117,558 compared with a net railway operating income of $11,975,523 in June, 1945.

Operating revenues of the Class I railroads in the Southern Region in the first six months of 1946, totaled $521,667,618, a decrease of 22.3% compared with the same period of 1945, while operating expenses totaled $438,273,526 or an increase of 1.5% above 1945.

Western District

Class I railroads in the Western District in the first six months of 1946 had an estimated net income, after interest and rentals, of $29,400,000 compared with $147,740,076 in the same period of 1945. For the month of June alone they had an estimated net income after interest and rentals, of $14,400,000 compared with a net income of $35,105,357 in June, 1945.

Those same roads in the first six months of 1946 had a net railway operating income, before interest and rentals, of $99,103,743 compared with $232,465,464 in the same period of 1945. Their net railway operating income, before interest and rentals, in June, amounted to $21,305,751 compared with a net railway operating income of $44,248,583 in June, 1945.

Operating revenues of the Class I railroads in the Western District in the first six months of 1946 totaled $1,490,451,578, a decrease of 26.3% compared with the same period of 1945, while operating expenses totaled $1,243,621,241, a decrease of 4.3% below 1945.

CLASS I RAILROADS—UNITED STATES

Period Ended June 30—	1946—Month	1945	1946—6 Months	1945
Total operating revenues	$611,939,411	$819,945,587	$3,577,307,662	$4,697,322,658
Total operating expenses	516,856,142	541,490,416	3,085,325,344	3,194,524,027
Operating ratio—per cent	84.46	66.04	86.25	68.02
Taxes	44,773,082	161,583,073	267,758,052	861,907,050
Net railway operating income (before charges)	38,080,305	99,916,182	152,791,410	548,339,201
Net income after charges (estimated)	13,000,000	65,754,740	*27,000,000	326,801,745

*Deficit.

Holders of Securities of Jap. Business Enterprises

The State Department on Aug. 1 urged American holders of securities or obligations of Japanese business enterprises to file statements immediately with the Division of Foreign Service Administration of the State Department, in quadruplicate, containing information which they believe will serve to protect their interests in the program of monopoly dissolution being inaugurated by the Allied Powers in Japan. The advices from the State Department added:

"The Supreme Commander for the Allied Powers in Japan already has data concerning American holdings of Japanese corporate securities which were filed during the war with the Treasury Department. In view, however, of the imminent reorganization of many Japanese combines and other economic concentrations, it is believed that United States citizens should be given an opportunity to furnish General MacArthur, through the State Department, with any additional information and data which they believe would help him in protecting their property interests. No form is necessary for filing."

Surplus War Property Abroad Sold for $1 Billion

Surplus war property overseas which cost when new approximately $3,600,000,000 has been sold by the Foreign Liquidation Commissioner on terms that will return to the U. S. Treasury more than $1,000,000,000, Acting Secretary of State Acheson informed Congress on July 30 in a quarterly report on FLC operations. In a letter of transmittal, Mr. Acheson praised the work of FLC under Foreign Liquidation Commissioner Thomas B. McCabe as "an outstanding achievement" because it has accomplished "the rapid disposal of property which was often battle-worn, badly-deteriorated and nearly inaccessible, under arrangements which call for the return of more than a billion dollars to the United States Treasury. "The results obtained by the Foreign Liquidation Commissioner and his staff represent a real return for American taxpayers, as well as furnishing a substantial contribution to the rehabilitation of a war-torn world," Mr. Acheson stated. Advices regarding the report from the Office of FLC also said:

The letter of transmittal pointed out that "according to the best available estimates" the 3.6 billions, which includes $148 millions in non-remunerative transfers to UNRRA, represents "almost half of the salable overseas surplus and approximately two-thirds of the amount which has been declared to the Foreign Liquidation Commissioner up to the present time."

The report estimated that the overall total of property already declared and still to be declared surplus will amount to above $9,500,000,000 of which somewhere between $7 and $8 billions will be salable. "Disposals completed, plus those now being negotiated, will account for about two-thirds of the salable portion. Of the remainder, much is still to be declared, and a large part has not yet become excess to the needs of American occupation forces and the supply lines which serve them."

Pointing out that this remainder will include all kinds of "odd lots," the report emphasizes that FLC is thus trying to dispose of this type of material through bulk "clean-out" sales, which will minimize the residue of unsalable property. When disposal costs become greater than the realization from such disposals "the overseas disposal program in any one area will be terminated" and necessary steps will be taken to protect U. S. interests during the closing out period, the report said.

"In the end, the problem of donating, abandoning or destroying residue property having a substantial original cost must be faced squarely," the report explained. "No interest of the United States can be served by expending current funds in excess of any possible realization to dispose of property which has no real peacetime utility."

The report pointed out that the United States Government, in addition to selling surplus for cash dollars, foreign currencies, foreign buildings, and under credit arrangements, has negotiated with foreign buyers of war surplus overseas a number of trade concessions, commercial and civil aviation agreements including landing rights, the cancellation of claims against the U. S. by foreign governments or their nationals, and agreements providing for scholarships and other cultural exchanges among the nations concerned.

The report showed that through June, 1946, cumulative sales have liquidated surplus property which cost $3,612,000,000, when new, for a realization of $1,009,000,000 to be secured either in dollars, for local currencies of foreign governments for exchange of buildings or on credit terms extended to foreign governments. "More than twice as much property was sold in April-June as in the entire period from the beginning of operations through March 31," the report said.

In the April-June quarter, negotiations were completed for the sale of property having an aggregate original or procurement cost of $2,300,000,000, which was sold for $485,000,000. The sharp rise in sales, with a marked decrease in per cent of return, was due largely to bulk sales to France and India, the report stated. Total original cost of the property sold under these two agreements was more than $1,850,000,000 with a realization of approximately $650,000,000. Sales for the quarter on an individual basis "also continued their upward trend." Original cost of the property included in these individual sales was in excess of 400 millions, sold at prices which resulted in a realization of 120 millions. Increased sales to the following were reported: U. S. servicemen and veterans, foreign nationals, charitable agencies, and sales of specific items at catalog prices to foreign governments.

The report gave the following breakdown of total disposals to date: foreign governments, 78% of purchases; UNRRA, 12%, foreign nationals, 5%; U. S. Government Agencies and to veterans and service personnel, 3%; and all other sales, including those to charitable organizations, 2%. Of the realization from sales through May 31, 1946, (latest date from which detailed information is available), $221,000,000 was for cash dollars; $78,000,000 for foreign currencies (based on conversion to dollars at the prevailing rate of exchange); and $576,000,000 on a credit basis, with interest, in most instances at 2⅜%. Of the $576,000,000 credit, $23,000,000 is to be repaid in local currencies. A list of countries to which dollar credits have been extended was contained in the report. The report pointed out that surplus property is declared to FLC in every theatre of war, in more than 80 countries and on 30 island groups. "Political, economic, climatic and geographic conditions are so diversified that each area, country and depot presents special problems," it said, summarizing disposal operations by areas.

A chapter on operations under the Philippine Rehabilitation Act pointed out that the Central Field Commissioner in Manila is negotiating with the Philippine Government an agreement for the transfer of surplus property of a "fair value" up to $100,000,000, the limit set by section 205 of the Act. It was estimated that as of July 1, 1946, physical transfer would be complete on more than $16 million of supplies, plus part of $13 million issued by the Army on memorandum receipt. In addition, the U. S. Army Base at Cebu has been accepted by the Philippine Government at a value of $1,500,000.

Frank Named Exec. Dir. Of U. S. Associates

Philip D. Reed, Chairman of the United States Associates, International Chamber of Commerce, announced on Aug. 2 the appointment of Arvid L. Frank as Executive Director of the United States Associates, succeeding John P. Gregg, who has been appointed a member of the United States Tariff Commission. Mr. Frank has had an extensive experience in the field of foreign trade, chiefly as President of the Studebaker Export Corp., of South Bend, Ind., and as Chairman of the Studebaker Corp. of Canada. In addition to directing the foreign business of the Studebaker Corp., he has been active in committee work of large national organizations which has brought him into close contact with international trade and governmental affairs. He has served as a member of the Foreign Commerce Committee of the United States Chamber of Commerce and as Chairman of the Trade Agreements Committee of the Automobile Manufacturers Association.

Following his graduation from Kansas University, he became Vice-President in charge of sales of the Dewey Portland Cement Co. of Kansas City, prior to his association with the Studebaker Corp. He has served as a director of banks in Kansas City and South Bend and was a member of the American delegation which attended the meeting of the Council of the International Chamber of Commerce in Paris this summer.

Salary Stabilization Regulations Restored

Joseph D. Nunan, Jr., Commissioner of Internal Revenue, on Aug. 2 reminded employers that Salary Stabilization Regulations were automatically restored to full effect by the recent act of Congress extending OPA and other anti-inflation activities. The advices from the Internal Revenue Bureau further said:

"However, the Commissioner announced that the Regulations will be so administered as to avoid penalties for salary raises made between June 30 and July 25, when the extension Act was pending.

"In line with this policy, the Commissioner has obtained authority from the Director of Economic Stabilization and will hereafter waive the former requirement that employers file formal notices within 30 days after increasing salaries as a preliminary to seeking higher OPA price ceilings. Although these salary increases must nevertheless receive formal approval from the Commissioner before OPA will consider them as a basis for higher price ceilings, today's action will enable the employer to apply for approval of the salaries at his own convenience and without prior notice.

"In general, the present Salary Stabilization regulations require no application or formality of any kind when making salary increases which will **not** be the basis for seeking higher OPA ceilings.

"The exceptions to this rule are that no employer may, without prior approval, (a) reduce salaries below $5,000, or (b) establish in a new plant (or in a new department of an existing plant) salary rates in excess of the minimum of those prevailing in his industry or locality. In these cases, no penalties will be invoked for the payment of improper salaries since June 30 if by Aug. 15 the salaries are restored to June 30 levels, or if in the meantime formal approval is obtained for payment of such salaries. Otherwise, these salaries are unlawful and may be disallowed as deductions on the employer's income tax returns.

"Employers having specific questions as to these Regulations are invited to consult the nearest regional office of the Salary Stabilization Unit of the Bureau of Internal Revenue."

Agricultural Department General Crop Report As of July 1

The Department of Agriculture at Washington on July 10 issued its crop report as of July 1, 1946, which we give in part below:

General Crop Report as of July 1, 1946

The current outlook for total crop production has seldom been surpassed. A record corn crop and near-record crops of wheat, oats, potatoes and rice appear in prospect. The cotton acreage shows a slight upturn, after successive declines had brought it in 1945 to the lowest point in 60 years. Except for 1942, the reported condition of all crops is the best in seven years. Milk and eggs were being produced at near-record levels. The combined acreage of all crops for harvest in 1946 has been exceeded since 1932 only in the past three years. Indicated yields of most crops are above average. These are some of the signs pointing to another big crop year in 1946.

The relatively large aggregate crop production in prospect for 1946 is all the more desirable because of the heavy contribution to the total made by vitally needed food and feed crops. The third consecutive billion-bushel wheat crop will be the second largest of record. Rye production will be the smallest since the drought years, but rice will be at a near-record level. The combined output of feed grains may be the largest ever produced, with prospective production of all corn setting a new high mark and a second 1½-billion bushel oats crop nearly up to that of 1945, though barley is the shortest crop since 1937. The expected tonnage of hay is below the level of the past four years, but the carryover of old hay is large. Oilseed crops are receding from the high wartime levels with the production of soybeans and flaxseed down sharply and a small decline in the acreage of peanuts. Large crops of tobacco potatoes, vegetables, citrus and most other fruits are expected but dry beans and sweet potatoes will be below average. Pastures and ranges, except in the Southwestern drought area, are providing abundant feed despite heavy grazing which began earlier than usual this spring.

The aggregate acreage of 52 crops for harvest is indicated on July 1 at nearly 346 million acres. This total is about 700,000 acres (0.2%) less than that harvested in 1945. Of the years since the 1928-1932 period, when harvested acreages ranged between 351 and 362 million acres, the 1946 acreage exceeds that of any except the past three years. From the aggregate acreage of 52 crops planted or grown in 1946—nearly 358 million acres—the acreage loss is indicated at about 12 million acres which would be a smaller loss than in any of the past 15 years except 1942 and 1945.

The acreage now indicated as planted or grown in 1946, for the 17 crops covered by the March Prospective Acreage Report, exceeds by 0.1%, or 300,000 acres the total prospective planting reported in March. Numerous shifts between crops occurred. One of the more significant shifts is a decline of over a half million acres in tame hay for harvest, probably because of anticipated heavy yields on the acreage to be cut. In attaining an aggregate acreage of crops other than tame hay which exceeds the total intended in March, farmers had to take full advantage of every opportunity offered by the weather. Spring grains were planted at optimum dates generally, this factor contributing to much larger acreage of spring wheat and oats than those originally intended in the Northern States. When the time for sewing flax arrived, fields were too dry in North Dakota and Montana; furthermore the acreage bonus was no longer in effect, though a higher support price for flaxseed had been announced. The result was a reduction in flax of nearly 700,000 acres below intentions. Not quite all the planned areage of corn was planted. In several western Corn Belt States this was because less winter wheat than usual was abandoned in time to be replanted to corn, and in the Southeast because of heavy intermittent rains at planting time. But this was nearly offset by increases in Missouri and eastern Corn Belt States, where weather permitted planting by usual dates in most sections. In some cases the shift to corn was at the expense of soybean acreage, which also fell below intentions. More tobacco, peanuts, beans, peas, potatoes and sweet potatoes than planned in March and nearly as much barley and sugar beets were planted. Too much rain interferred with plans to plant rice in the South. The acreage of cowpeas is the smallest in 16 years. Current information indicates a sorghum acreage of 450,000 acres above that intended, with some shift from cotton, despite less than usual abandoned wheat land being available for replanting to sorghums.

Many factors, in addition to weather, have affected 1946 crop acreages. The opportunity to get into fields earlier than usual, in March and April, permitted farmers in northern areas to use their labor and machinery to the best advantage. This was fortunate, for when breakdowns occurred in fields, the shortage of repair parts often caused considerable delays. Shortages and high prices of food grains ordinarily obtained from other areas occasioned shifts from cash crops to food grains in deficit areas. Farmers had to weigh the demands upon them to help feed a hungry world against depleted farm stocks, comparative returns from competitive crops and their own needs to preserve livestock balances. Thus they increased spring wheat acreage in answer to the food demands, increased oats acreage because the crop involves less labor in producing barley and sorghum acreages and barley and sorghum acceages and reduced the size of the Nation's hay acreage, compared with last year. An improvement in the supply of itinerant labor utilized for sugar beets, fruits and beans, and the local labor required for tobacco, peanuts and truck crops, made acreage increases feasible for those crops which offer high returns per acre. Flaxseed in high-risk areas was replaced by surer food crops. Most of the better lands are being closely utilized with less bottom lands idle as a result of floods and wet weather than last year.

Growing conditions to July 1 have been favorable for the country as a whole. They have varied from nearly ideal in the Pacific Northwest to severe drought in the Southwest and were unfavorable because of too much rain in several Southeastern States. June weather has tended to bring the situation into better balance. Outside of two small local sections, the only area of really poor crop prospects remaining on July 1 is the drought area of New Mexico and Arizona, where irrigation water is becoming exhausted. A large area in northwestern Montana, North Dakota and northeastern South Dakota will need rain to maintain their present fair prospects.

Spring work was started earlier than usual in most of the country. A generally dry April permitted early preparation of

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The McMahon Bill —Soviet for Scientists

(Continued from first page)

stating a fact which the able Senator from Connecticut, a man of intellectual integrity, stated himself several times—that this bill is unprecedented, unique, and that it should never set a precedent for any other legislation. So, in saying that its unique and unprecedented aspect is precisely its totalitarian aspect, I am only repeating what Senator McMahon and his committee developed in their hearings, and in the few hours of debate the Senate had on the matter.

"Is it wrong for a legislator to be honest with the people? I have been honest, in any case, about what I thought this bill signified for the Nation's future, if it stays on the books when the long international crisis that brought it into being is past. I have been equally honest in saying that I agree with the Senators, and I agree with our Members who think that although this is very bad medicine—socialistic medicine — indeed, the strongest dose of it that this Congress has ever been asked to take, for the world's ills and our own sins, we must nevertheless take it"—and hate it I do, she added, but deleted that from the Record!

"This legislation," she added, "is the result of atomic energy having first been released before the public in the form of a decisive weapon and because, until our relations with Soviet Russia are free of mutual suspicion, we must take every precaution to safeguard that weapon, and, if need be, develop it. . . . We would not need to worry over the destructive potentialities of nuclear fission if we all worried a little more over the destructive and evil ideas released by the minds and hearts of men."

Scientism and Socialism

Even in this brief article it seems well worth while to dwell somewhat on the clear evidence that the scientists deserved all and more than she handed them for the "liberalism" with which they are damning liberty in this law. Of course, there are all degrees of illusion involved. But the gentlelady from Connecticut is as wrong as is her potential opponent for the Senate in this fall's election, the Hon. Chester Bowles, about inflation control, if she thinks that leading scientists need to be told atomic energy control via the McMahon Bill is socialistic—yes, communistic—or that they excuse this aspect, as she does, as "bad medicine" to be taken as a war measure. To them it is a peace measure, and is definitely good medicine to take in the interest of harmony.

There is little in the social "sciences" today that is not deservedly called "scientism" by the Thomists of Mrs. Luce's recently adopted religious sponsors. There is, however, some rare and rarified realization among scientists of the confusion of thought that prevails in the political and economic aspects of modern society. Director Condon of the Bureau of Standards, for example, recently remarked that "we must push forward with all possible speed in order to find out where we stand in the world today so that it is no longer possible for different groups and different nations to base their thinking, their planning upon different hypotheses."

But where do we stand as scientists? On what social hypotheses do scientists base their thinking and their planning in such legislation as the Atomic Energy Act? Is it just an accident that a bill evolved by scientists is socialistic—a random result of an ignorance that is bliss? Why do scientists, despite their love of laissez faire for science, believe it to be the antithesis of wisdom in the field of politics and economics? As a scientist of long though not high standing, this writer has attempted to correct some of the fallacies traceable to the scientist and his social errors, in the article printed by the "Chronicle" on July 5 last year, "When and How Do Figures Lie?" Here we shall try to show only briefly where these fallacies are leading the scientific mentality, by reviewing the current number of "The Scientific Monthly," the organ of the American Association for the Advancement of Science which is supposed to "broadly interpret to the thoughtful public the progress of science and its relation to the problems confronting civilization."

Just how "broad" that interpretation is may be inferred from the editorial opinion surreptitiously inserted in "The Brownstone Tower" column (the tower is the site of the editor's office in the Smithsonian Building on the Mall) that "if the McMahon Bill becomes law we shall be in a position to negotiate for world control of the greatest menace to civilization that has ever arisen."

Is it communism that the editor is calling a menace to civilization? Far from it! Rather is the radicalism of the bill recommended as a panacea for war by way of the leading article in this (July) issue, "Toward the World State," emanating from the most radical of our several radical American Colleges, Williams. Of this article the editor says it is "the best we have read since the fateful sixth of August, 1945." It "dissects the problem with admirable clarity. Here is no wishful thinking but a lucid analysis of the present situation based realistically on what is politically possible. He (Prof. Schuman, who "has few peers as a historian-critic-oracle") urges continuous effort to promote concord among the Great Powers so that world control of atomic energy can be established within the UN. If that can be brought about as recommended in the Lilienthal-Acheson Report, the first and most important step toward a federated world government by law will have been accomplished. Perhaps the first small beginning was made when the Senate at last passed the McMahon Bill."

In order to learn the basis for the coincidence of this editorial opinion with that of the "Daily Worker," let us quote a bit of the "lucid analysis" of "what is politically possible" as a basis for "a federated world government." After regaling his "thoughtful public" with a bit of admirable clarity (?) from the author of "The Decline of the West," Prof. Schuman becomes the harbinger of that decline today by stating that in seeking "a new harmony and a common resolve to serve shared purposes, there is little that Moscow can do save to practice forbearance, patience, and restraint," because "its rulers know that any specific program they may urge will be met by many in the West with suspicion and contempt." Accordingly, says the professor, "those who have unleashed the whirlwind have the duty of proposing the means of turning it to the ends of life rather than to the service of death. Responsibility lies with Britain and the United States"—to seek a new harmony and common resolve to serve shared purposes with Moscow? And is not this exactly what the McMahon Act is set to do?

A Pax Muscovita

Does America hope to promote world peace by other than a Pax Muscovita? If so, then let us read the bill itself, and not its preamble, before concluding that it will pave the way to removing the "greatest menace to civilization that has ever arisen." However lofty the aims allegedly served, the makers of law cannot serve such ends by false pretenses. "Woe unto you also, ye lawyers! For ye have taken away the key of knowledge: ye entered not in yourselves, and them that were entering in ye hindered!" Any American citizen who wants to enter into an understanding of the Atomic Energy Act will find himself hindered if he reads its "declaration of policy" or preamble. For here is the road to serfdom bearing the label of liberty and security!

Camouflaged by the excuse that the effect of atomic energy on our peacetime economy—"upon the social, economic, and political structures of today"—"cannot now be determined," those structures are nonetheless determined in this very law in the interest, not of "strengthening free competition in private enterprise" as alleged, but in the interest of Soviet fellow-traveling. Here is red communism with the red herring of military domination over scientific research drawn across its trail and used to denature the prime and "paramount objective of assuring the common defense and security" of our own nation in a world of military truces between nations still engaged in power politics.

Can it be true that our social, economic, and political structures—these are the words of the act—are to be determined by a mere technological development such as nuclear fission? Are the problems of sociology material, or are they moral in character? If they are, indeed, moral, then they can find their solution in physical terms only in the luridly utopian imaginings of those communistic souls who seem to think that only as science is frustrated by private enterprise (by "monopoly") can it fail to bring freedom from want to everyone, everywhere. Said Senator McMahon himself not long since in the New York "Times," speaking of the "peacetime use" of atomic energy, "there is not one chance in a million that the American people would be willing to throw away the perhaps truly fabulous increase in our standard of living that may result."

This is, indeed, the evangel of freedom from want for everyone all over the world that was so aptly called "globaloney" by Mrs. Luce when it was first broached as one of the "four freedoms." These "promises of an abundant life and freedom from want for all peoples of all nations seem to be made with no consideration of agricultural production or population pressure" said Dr. Karl Sax of Harvard in a recent (Jan., 1944) article on "Population Problems of a New World Order." "The universe may be expanding, but this world is not, and already many parts of the world cannot support the existing populations at much more than a subsistence level." The plain truth is that the "fabulous increase" that has resulted from the industrial revolution thus far has been, not in living standards, but in population! When I asked one of the speakers at the Institute on World Control of Atomic Energy held in Washington, as the debate in the House began, whether this could be altered by the development of atomic energy, he passed the slip along to Dr. Shapley of Harvard, who is a critic of Prof. Sax and sides with the author of "Enough and to Spare," one of the Harvard Mathers. But though Dr. Shapley announced that the answer is "yes, and no," and promised to enlarge on this as a speaker at the evening banquet, he talked about ant societies instead. Why the evasion?

No invocation of "forbearance, patience, and restraint" can avert the sinister implications of failure to realize that any organization "toward the world state" presents moral problems that cannot be dismissed so summarily as does the preamble to this Act with its plain implication that they must wait upon trial and error for their solution and cannot now be determined by human intelligence in action. Heaven help humanity if our legislators fail, not by lack of good will, but by lack of good sense, in the purpose, stated in this law, of "promoting world peace." It is, however, not even promoting our own defense and security against war, let alone world peace, to suppose that government control of a mechanistic technique can be "civilian" in character and in harmony with free enterprise. To call a board of dictators "civilians" does not make their methods any less bureaucratic and arbitrary. The Soviet Politburo is "civilian." The "civilian" purposes of the Atomic Energy Act, which the Secretary of War, seduced no doubt by the charm of the lady Member, said he would favor even though war were actually outlawed, should have been stricken from the bill, or else radically revised so that they would at least not be in conflict with industrial freedom and justice under such democratic processes as America has known.

The Strategy of Peace

In considering these issues it should not be taken for granted that the Report of the Secretary of State's Committee on Atomic Energy (the Acheson Report) was correct in what was assumed as its "point of departure." There is, indeed, no departure at all in this report from the thoroughly discredited idea of disarmament as the path to peace. Disarmament must fail, if for no other reason, then because it can only be set up in terms of techniques already developed and about to become obsolete. Relative to the paramount objective of military preparedness upon which this legislation is plainly predicated, it can never be feasible for this nation to agree either not to use atomic bombs or to submit to an enforced (?) international control which another nation, believing that its ends justify any means for attaining them, can and will evade at the first opportunity offered. As the United States Strategic Bombing Survey has put it in its latest report released by the President on July 20, "those who contemplate evil and aggression find encouragement in such (armament) neglect. Hitler relied heavily on it. The Japanese never would have attacked Pearl Harbor if they had not correctly assessed the weakness of our defenses in the Pacific. The threat of immediate retaliation with a striking force of our own should deter any aggressor from attacking."

It is simply not true that any *inter*national control can ever be as "genuine" as suggested by Prof. Oppenheimer in the Bulletin of Atomic Scientists for June 1; i.e., that it can become "an outfit which has the security of the world at heart." While national governments exist as entities which hold a monopoly of coercion in all the earth's territories separately and make only such arrangements as they can at any time discard as "scraps of paper," they must perforce have national interests at heart. Under such circumstances any nation which, in good faith, submits to disarmament, can have no retaliatory defense against a sneak attack such as it might have were there no agreement to try to suppress the use of modern armament. Dr. Oppenheimer frankly admits that such suppression must extend beyond the control of atomic energy to every possible field of armament for aggression; that is, to complete disarmament.

He also acknowledges that "the questions of what this authority might look like" which is to be set up to assure such disarmament, are "extremely complicated"—so much so that, to him alas, "it is meaningless at the present time, to lay down a schedule which would fully protect the United States and be ideally suited to the securing of our national interest." He cheerlessly describes the trial-and-error procedure that is "so worth trying," as a "terrible game of poker." We must, he says, "attempt to find some workable compromise between the conflicting national interests." But national interests are not, as Dr. Oppenheimer says they must be for such negotiation, "trivial compared to the overwhelming common interest in getting the security we are after." Promoting world peace is specifically asserted, in the Act, to be subordinate to the paramount objective of national defense!

Here is a first class dilemma which is not at all resolved by the equivocations of the Act or the evasions of the Committee which drew up the Acheson Report as their thought has thus been interpreted by Dr. Oppenheimer as a member of the committee. Such plans for carrying water on both shoulders were almost too much even for the legalistic House to stomach. Yet they did not finally remove any of its numerous contraventions of professed objectives from the Act.

Discriminatory Licensing

"It is not commonly appreciated," says a letter from the New York Patent Law Association to the Chairman of the House Patents Committee, Mr. Lanham of Texas, that this legislation goes "far beyond the military and international aspects of atomic energy and includes the entire industrial field—Section 1 on policy includes all industrial and commercial phases of improving the public welfare and increasing the standard of living; Section 7, giving the government licensing power, covers all uses of atomic energy whether for military or for industrial purposes; the bill throughout refers not only to fissionable material such as used for the atomic bomb but also to atomic energy broadly, even though usable solely for industrial purposes."

This warning went unheeded because of various misrepresentations (intentional or otherwise) in the House debate, chiefly the repeated assertion that the law as written sets up controls only over fissionable material and its military use, with the result of complete abandonment of the House fight against the patent provisions of the Senate Bill (Sec. 11). However, the alleged objective of strengthening free competition in private enterprise is riddled far more by the licensing provisions of Section 7, than by the compulsory licensing provisions for patents for which the rejected Lanham Amendment was offered as an antidote. Here (Sec. 7c) discriminatory licensing is established as a way of evading, not only competitive enterprise, but even court action in enforcing the Commission's judgment as to what enterprises are "useful," which are "monopolies" or "unlawful competition," what technical information must be surrendered by licensees to competing industry (without even a Soviet award!), and what persons are politically loyal enough and may be licensed without developments "inimical to the common defense and security."

The original Senate version contained no protection at all from the wholly arbitrary action of the Commission on these scores—not even such a hollow mockery of appeal as was contained in Section 5 on control of materials, a paragraph which was struck out by the Conference Report and which had provided for a "board of appeal" appointed by the Commission whose decisions were subject to review by the Commission itself! It is a sad commentary on the bureaucratic depths into which Washington has sunk that the remedy provided by the Conferees for such tyranny should have been the insertion of a new Section 14, on which the Senate conferees receded, which places the whole procedure of the Atomic Energy Commission under the Administrative Procedure Act (Public Law 404, approved June 11, 1946).

One wonders did not the able Senators (McMahon, Johnson, Russell, Vandenberg, Millikin) know of this law when they railroaded the McMahon Bill, with the "board of appeal" provision, through the Senate? Perhaps they did; and perhaps they knew that it says that "nothing in this Act shall be construed to repeal delegations of authority as provided by law," that judicial review is provided for "except so far as . . . agency action is by law committed to agency discretion," and that no revocation of any license shall be lawful "except in cases of willfulness" and a few other offensive positions within agency discretion, unless the licensee shall have had opportunity to achieve compliance, etc. Imagine a small business applicant (say, one of the scientists who advocated this law!) attempting an appeal from rejection on grounds of questionable loyalty, or from a revocation because some more "useful" project has been discovered by the Commission, or because he objects to disclosing some developments he has worked out so the Commission may hand them on "to encourage similar activities by as many licensees as possible"! In his attempt to "strengthen free competition in private enterprise" he must face the powers of a politically appointed and confirmed Commission with headquarters in Washington whose members may be politically removed for "inefficiency," etc. Under the Administrative Procedure Act he cannot approach the courts until a "final" action has been taken by the "agency," and then cannot upset delegated, discretionary authority except by an appeal to the Constitution such as he presumably has without such a law.

In the matter of unconstitutionality, the words of Congressman Elston of Ohio are more applicable to this licensing than to patents when he said in debate that the taking away from owners of "the rights they possess in the field of research and development and giving them to private enterprise, even to competitive enterprises, is not the government's exercise of eminent domain. . . . On the contrary, it is depriving a person of his property without due process of law." This, explained Mr. Martin of Iowa, is because these ideas (and patents) are property, "and any provision for compulsory sharing of that property with others, such as by compulsory licensing, is inimical to our system of private enterprise." The violation of that system is not warranted by the adoption of an "award" system akin to the practice in Russia, said Mr. Elston. "Such award would not be as satisfactory an incentive as the present patent grant and all too frequently would result in an award given where it is not deserved and being withheld where it is actually due."

It is true that Section 7 provides that "nothing in this section shall be deemed to require a license for the conduct of research or development activities relating to the manufacture of . . . devices or the utilization of . . . atomic energy. . . ." But, no commercially profitable activity may proceed, from which useful developments may evolve, without a commitment to disclose anything the Commission may seek by way of promoting "new, freely competitive enterprises in the field." So we find business in a straitjacket with "science" supposedly not only free to do as it pleases, but as heavily subsidized as the Commission, in each individual case, sees fit to agree to, this under Section 3. It is hardly surprising that one hears rumors of huge projects for research under these "arrangements" (which include contracts, agreements, and loans; the House removed "grants in aid" from the list!). "Big business" should find itself all set for the licensing requirement that profitable operations must be "useful" and must be equipped against hazards, and should be little troubled by the encouragement of "as many licensees as possible" among applicants who have not been favored by the Commission's largesse under Section 3; but it will be big government not big private business!

"Preserving" the "Secret"

Not even the proponents of the bill made any pretense in the final House debate that there is anything but monopoly involved in the set up. The government monopoly was excused as the way to preserve military secrets on the one hand, and as the path to peace by revealing them finally on the other hand! But Section 3 provides that in research and development "such arrangements . . . shall not contain any provisions or conditions which prevent the dissemination of scientific or technical information." If all these licenses and "arrangements" contain no threat to our "secret" of the atomic bomb or other secrets to be developed, then why did the Senate conferees recede on the House provision that no license may issue if the citizen be suspect as to loyalty? Is it not plain that the pleas for government cartelization of all atomic industry have been either disingenuous or ill informed?

The pleas for the law as a way of revealing military secrets on a perpetual basis seem equally disingenuous when it is considered that judicial review, so piously provided for in Section 14, might upset the whole thing as unconstitutional. Or is Section 8, providing for "international arrangements," all set as a way to repeal any provisions of domestic law, perhaps even of the Constitution but certainly for judicial review, which might interfere with control of domestic legislation by treaty? "Any provision of this Act . . . to the extent that it conflicts with the provisions of any international arrangement made after the date of enactment of this Act shall be deemed to be of no further force or effect." If the treaties now in process show appeasement of Russia, what will they show when the Senate, which voted unanimously for business to be tyrannized by government in the McMahon Bill, votes for treaty provisions that can nullify any of the slender guarantees in the Act as passed? Will Germany be "unified" by a treaty of peace which sets up patent laws such as those provided for in this Act, laws which are almost precise replicas of those of the Soviet as shown so conclusively by the testimony given in the House hearings on the bill? What will then become of the assurance given by the administration floor leader in the final House debate that "Congress is going to be in session after this law goes into effect and after we have, perhaps, an international atomic commission of some sort that will put this thing to peaceful purposes rather than to destructive purposes, so then there will be time to make changes if necessary" after a "peace" treaty has made contrary changes?

The clear fact, internationally, is that this Act plus the Baruch Plan is essentially a disarmament scheme which finds its validation in a balance of power to be established by a perpetual disclosure of all techniques of military value now or to be developed. Such "international arrangements" are to establish "peaceful purposes" in the use of atomic energy by controls such as are established in "this legislation, which provides domestic controls of the same nature as those proposed internationally," according to the lady from Connecticut in her final support of the Act; and she should know! Or does she? Does she really think that this law can be domestically repealed for the sake of preserving free enterprise under our Constitution *after* the consummation of international arrangements which its passage was intended to facilitate and which are, by the law itself, put in a position of authority so great as to repeal the domestic law even in its entirety?

Even the Acheson - Lilienthal Report warned against "such an overall grant of exclusive right to develop, operate and utilize," for it "would change many of the industrial and economic practices of this country . . . and would change them quite disadvantageously." It "would be hard to live under. Its restrictive limitations would chafe" if "conferred upon an *inter*national agency." Since Kravchenko and many others are testifying to the chafing of the Russians by the seizure of such powers by a national agency, could we not chafe in "a new harmony and a common resolve to serve shared purposes" with the Russian tyrants? Hardly! "The Road to Serfdom" made the irrefutable observation that socialistic "planners" have been unable to cooperate but characteristically split up into warring factions continually "purging" each other!

Can Peace Be Policed?

On our side, however, we find all too closely parallel a philosophy of government, as primarily coercive. The sophistry of the Baruch Report is all too obvious, when it is said that "the matter of punishment lies at the very heart of our present security system," in the very insecurity which the movement is seeking to remedy in modern life. The insecurity of civilization arises precisely because our social system relies too much on punishment rather than on reward as an incentive. What we need to develop is our system, not of punishments, but of rewards. The peace of the world can never be established by force, even by that of a world-wide government. It is quite false to think of peace as a product of police power, anywhere or at any time among free peoples. Policing is a measure of the failure, not the basis of success, in our social organization. As long as our reliance for peace is conceived in terms of a sovereignty of compulsion, it can never be feasible for any nation to rely on a so-called surrender of "sovereignty" in the name of an international disarmament which can be upset not only by technical evasions but also by technological innovations.

It is not true, then, that atomic energy is presenting mankind with new and indeterminate economic and social problems. That which is still seriously unresolved is the social problem that was presented by modern technology long ago, before nuclear physics was even conceived. This is the problem that is involved in trying to finance capital investments in such a way as to avoid the periods of boom and depression—of inflation and deflation—that are plainly at the bottom of the quarrel between big labor and big business today. It is in the effort to solve this problem of capitalism that the Soviet has developed a false alternative against which Hayek has warned us in "The Road to Serfdom."

It is not true, as averred by one of the Vice-Presidents of the University of Chicago in a recent address before the New York Bar Association urging UNO "control" of atomic energy (reported in full by the "Chronicle"), that "everything we have ever been able to achieve has come as a result of our willingness to share," a notion plainly associated with the parallel illusion that "a whole new world is open to man provided he can resist the temptation to destroy." As if destruction were a perversion of human nature and not essentially incidental to competitive conflicts! As if achievement would become effortless once the dog-in-the-manger is displaced by charity in human nature!

Even Russia has discarded the doctrine of "production according to ability, consumption according to need"—temporarily. She finds that sharing is not the answer, at least not until this "whole new world *is* open to man." Even though she finds it impossible to get anywhere with the cart before the horse, she has not yet learned, and neither have we, that the ideal society is not a publicly financed utopia of abundance. The correct organization of an industrial society is by a system of capitalistic incentives implemented by the investibility of monetary savings, that is, by property rights and property incomes rather than by the Soviet system of bureaucratically determined wages and awards. Thus organized our world can become, not free from want, but economically and competitively automatic in incentive and so politically—and selfishly!—free.

From Washington Ahead of the News

(Continued from first page)

former Congressman from Colorado, Ed Keating. The paper was established back in 1920 to further the Plumb plan of railroad management, under which as we recall, the public, employees and managers were to share in the operation of the railroads. Raymond Gramm Swing was one of its first reporters and it had at least a couple of cartoonists who went onto fame.

Anyway, Keating has always been highly respected in Washington and his newspaper looked upon as something to be courted by members of Congress. And not only looked upon as that—he was really courted. In his first venture into the business of supporting or opposing friends of labor back in 1922, out of the 22 Senators whom he okayed, 19 were elected.

There has always been the question among Washington political observers as to just how much support the AFL wielded. Its custom was to send out at election time, the voting record of Congressmen and Senators on this and that piece of labor legislation. It did this without comment. It had no authority to do anything else. Green could not direct the Federation's constituent organizations as to what to do. They are quite jealous of their autonomy. It was not unusual at all that a Congressman or Senator did not assay well in Green's report, but he had done something for a constituent union or maybe a local leader of that union. The Federation never got unified support or opposition to any candidate.

The Brotherhoods were different. Long looked upon as influential citizens, and substantial in their community, there is a question today as to whether the political parade has not moved by these railroad men. Their newspaper "Labor" did not simply pass on a man's record, or content itself with approving or disapproving a candidate. Special issues of the newspaper were run off and circulated in the districts of its friends. It sought to flood these districts. It really gave support to a friend. It did this for Wheeler in Montana and Shipstead in Minnesota. Editor Keating has suffered losses before, of course, but for the first time he has suffered them at the hands of a rival labor organization.

Brother A. F. Whitney, President of the Trainmen, has long been uncooperative with the other brotherhoods. But it was only recently that he really got obstreperous. He went the limit when he joined up with the CIO in Montana to defeat Wheeler. He even permitted the story to be spread that Wheeler was unfriendly to the railroad workers. When Truman, seeking to help Friend Wheeler, said that was certainly not the truth, he was expressing it mildly. The last thing that Wheeler's worst enemies could bring up against him is that he was unfriendly to labor. His record was 100% in favor.

It is debatable as to what Whitney's motive was. But there was none about that great labor organization known as the CIO. The Leftists despise Wheeler. He was an isolationist. The CIO is following that line regardless of a man's labor record. They followed it in the case of Shipstead, a Labor 100 percenter. In 1944, the CIO crowd knocked off another of Labor's 100% advocates, a man who had voted against the Smith-Connally bill, Danaher of Connecticut.

You can imagine, in view of this, what help is it to a man to devote his public career to helping or voting with organized labor. An aggressive crew, disguised as a labor outfit, comes along and knocks him off on ideological lines. In the situation it behooves Bill Green to try to do something, not that the CIO has shown anything except in scattered places, but what, one might ask, have the AFL or the Brotherhoods shown?

Health Bill Out

Confirming the earlier fears of proponents of the National Health Insurance Bill that efforts to obtain enactment at this session of Congress would be abandoned by the Senate Committee on Education and Labor, the Committee Chairman, Senator James E. Murray (D.-Mont.) announced on July 16 that hearings on the measure had been postponed until after the recess, the Associated Press reported from Washington. A substitute bill sponsored by Senators Robert A. Taft (R.-Ohio), H. Alexander Smith (R.-N. J.) and Joseph H. Ball (R.-Minn.) is to receive consideration when the hearings are resumed.

Moody's Daily Commodity Index

Tuesday, July 30, 1946	347.8
Wednesday, July 31	354.3
Thursday, Aug. 1	356.3
Friday, Aug. 2	350.5
Saturday, Aug. 3	350.7
Monday, Aug 5	352.5
Tuesday, Aug. 6	349.0
Two weeks ago, July 23	348.3
Month ago, July 6	308.4
Year ago, Aug. 6, 1945	255.2
1945 High, Dec. 27	265.0
Low, Jan. 24	252.1
1946 High, Aug. 1	356.3
Low, Jan. 2	264.7

Agricultural Department General Crop Report As of July 1

(Continued from page 809)

seed beds for row crops. In May, however, wet cool weather slowed progress and freezing weather in a large West North Central area cut down and froze back some spring-sown crops. They ultimately made good recovery, except that stands of grains were thinned and some flax and sugar beets had to be replanted. But losing the advantage of early planting, they were set back to about normal seasonal progress. Many alfalfa fields were frosted severely enough to lose most of the first cutting. Good June weather has brought spring-sown crops generally to a normal or better stage for July 1.

Unfavorable early weather conditions, whether too wet, too dry or too cool, for the most part changed for the better before the situation became too serious. Cool, wet weather in the Northeast, which slowed spring planting, gave way in late June to a warmer, drier period which permitted completion of spring work. Planting of corn and soybeans in the Ohio Valley was delayed by wet fields, but was completed in early June. A dry area in Wisconsin and adjacent sections was well watered by June rains. Timely rains fell in a large Dakota-Minnesota area in mid-June to improve spring grains on the verge of deterioration. More rain fell in this area about July 1. Drier weather has enabled southern farmers to complete planting their corn, cotton, rice, peanuts and sorghums; to clean grassy fields, and to harvest small grains and hay. Rains fell in the Texas and Oklahoma Panhandles and nearby areas in time to help wheat yields and germination of grain sorghums. Sorghum was planted in fields intended for cotton when it became too late for planting cotton. Conditions continued favorable for harvesting wheat in the Great Plains as far north as Nebraska and for growth of all grains in the West.

Crop prospects for the country as a whole appear brighter than on July 1 of any of the past seven years, except in 1942. That banner year is closely approximated in all areas this year. In every geographical region, current crop conditions excel the average of the past seven years. This is true despite relatively poor to fair prospects in parts of North Dakota, South Dakota and Montana, the Southwestern drought area and in the earlier waterlogged fields of the South Central and Southeastern States. Aggregate production 24% larger than the 1923-32 average is indicated in 1946, 3.6 points higher than in 1945. If attained, this will exceed even the previous high level of 1942. The outlook for grain crops, both food and feed grains is for the largest aggregate production in all history. Contributing to this are the record prospects for corn coming in the same year that wheat and oats are also near maximum production levels. Winter wheat and oats made good early progress and had the advantage of cool weather and moisture at filling time, with little serious handicap from hot winds and pests. Harvest has progressed at about a normal rate, but earlier than usual. The 223 million-bushel wheat crop in Kansas is posing a transportation problem which, however, is likely to be solved before a spring wheat crop of only average size is ready for harvest. Feed-grain supplies, in spite of relatively small carry-over stocks, are likely to be ample for the livestock and poultry to be fed. The number of grain-consuming units on farms Jan. 1, 1947, is expected to be significantly lower than on Jan. 1 of this year; consequently, the prospective feed-grain supply per unit is likely to equal the liberal quantities available since 1940.

An adequate supply of hay, made up of a fairly large crop and a large carry-over, assures a supply per animal unit seldom exceeded, though 6% less than a year ago. Some of the crop suffered in quality because of freeze damage, disease, rains at harvest time and overmaturity while awaiting a supply of bale-ties. Pastures are above average, though not as good as a year ago, and are providing abundant succulent feed, despite heavy grazing which began earlier than usual. This has been an important factor in maintaining record milk production per cow during each of the past four months.

Total milk production, however, was lower than in June, 1945, because of fewer cows milked. Because of the tight feed situation poultry flocks were culled somewhat more than usual in June, but not as heavily as in May. Egg production continued at a high level and in spite of a decreased number of layers, the six-months total in 1946 equalled that of the first six months of 1945.

Sugar production in this country, basing the estimate upon indicated production of sugar beets and sugar cane and a normal factory recovery, should approximate 2.2 million tons (raw value equivalent) — about one-fourth more than in 1945. While no estimate of sirup production is made at this time, average yields from the indicated acreages of sugar cane and sorghum for sirup would result in about 85% of the 1945 production. Earlier estimates of the 1946 maple sirup crop were 37% above last year's record low outturn.

Prospects for the major deciduous fruits improved slightly during June. Aggregate production for 1946 is now indicated at 13% above last year and 7% above average. Peach production is at a new high record; cherries, plums and apricots are larger crops than either last year or average, while pears, grapes and prunes are below last year, but above average.

Prospective fruit production is larger than average in South Atlantic and Western States, larger than the short production last year in the North Atlantic States and slightly below average in the North Central area. Prospects for the 1946-47 citrus crop are favorable in all States—excellent in nearly all Florida citrus areas. Record crops of filberts and California almonds and a near-record crop of walnuts are now in prospect.

Aggregate tonnage of commercial truck crops for the first three quarters of the year is indicated to be 7% larger than last year and 34% above average—a new record high for this period. The total acreage for winter, spring and summer harvest this year is about 12% greater than in 1945 and 16% above average. A supply of commercial truck crops for harvest this summer about 14% larger than production last summer is indicated by the prospective aggregate tonnage of 20 crops on July 1. This is a new record high for the summer season, exceeding the 1935-44 average by 29%. It now appears that during the next three months comparatively large supplies of most truck crops will be available, with only lima beans, cabbage, sweetcorn and green peas expected to fall short of both last year and average. Cabbage and sweetcorn supplies, however, are expected to be only slightly below average.

More than 2 million acres have been planted to 11 important processing vegetables in 1946, maintaining the relatively high acreage level established in 1942. The aggregate of 2,061,100 acres planted last year may be exceeded by as much as 5% this season. The acreage planted to green peas is the largest acreage on record, while sweetcorn and tomato acreages for this year have been exceeded only once. Previous acreage records of lima beans for canning and freezing and cucumbers for pickles have also been broken. A total production of 492,900 tons of green peas for processing is indicated for 1946 on the basis of July 1 reports, which is slightly less than the 1945 production. A total of 207,900 tons of snap beans for processing is in prospect for this year, or 6% less than the 1945 production.

Wheat

The indicated production of 1,090,092 bushels of all wheat is second only to the record 1945 production of 1,123,143,000 bushels and is the Nation's fourth billion-bushel wheat crop. Winter wheat contributes the major part of the large crop—857,163,000 bushels—with a record production practically assured. Both harvested acreages and yield in the southwest exceeded pre-harvest expectations.

The relatively low spring-wheat production, estimated at 232,929,000 bushels, reflects the effects of insufficient rains and late freezes in some of the principal spring-wheat producing States. Although durum-wheat acreage is up from last year, yields are expected to return to the level of some of the earlier dry years. Indicated durum production of 26,089,000 bushels is 26% below the good crop produced last year and 18% below average. Other spring-wheat production of 206,840,000 bushels is down 22% from the 265 million bushels produced last year, due primarily to moisture deficiency in the northern Plains States and reduced acreage in some areas of the Pacific northwest. The addition of approximately 57 million bushels, or 5.5% to total wheat production since the special mid-June estimate of 1,033 million bushels is attributable mainly to larger harvested acreage and higher yields of winter wheat than were estimated earlier, and improvement due to timely though insufficient rains after mid-June in the spring-wheat belt.

The estimated 65,680,000 acres of *all* wheat for harvest in 1946 is the third largest in the Nation's wheat history, being about 2% larger than the 64,740,000 acres harvested last year and the largest since 1938. The highest on record was 73,700,000 acres in 1919, a year of large plantings and very low abandonment of winter wheat together with the largest spring wheat plantings on record.

Winter wheat for harvest is estimated at 47,277,000 acres, 1.3% higher than last year's 46,678,000 acres. The expanded acreage of winter wheat seeded last fall in the Great Plains and Pacific Northwest States where moisture conditions were unusually favorable came through with moderate abandonment and resulted in an increased acreage for harvest in all States of that area except Kansas and New Mexico. In practically all States in the eastern half of the Nation the acreage for harvest is below last year. Wheat gave way to the competition from corn and other feed grains in the North Central and Eastern States. Wet weather at seeding time last fall was responsible for reduced acreage generally throughout the south and east. Owing to the favorable moisture situation in the Pacific Northwest last fall there was a substantial shift from spring to winter wheat, particularly in Washington. Even with the reduction in spring wheat the acreage of all wheat in Washington is the largest on record and indicated production is a fourth larger than the previous record crop of 1944.

The acreage of all spring wheat for harvest is estimated at 18,403,000 acres, 2% larger than the 18,062,000 acres harvested last year. A substantial increase in the acreage of durum wheat more than offset a slight reduction in acreage of other spring wheat. The 2,414,000 acres of durum wheat estimated for harvest is 23% larger than last year. Ninety percent of this acreage is in North Dakota. Other spring wheat acreage for harvest, estimated at 15,989,000 acres, is barely below last year's 16,092,000 acres. A substantial increase is indicated for Minnesota and South Dakota, but dry weather in North Dakota holds present expectations of acreage for harvest a little under last year in spite of increased plantings. In the Pacific Northwest the increase in spring wheat acreage in Oregon and Idaho is more than offset by decreases in Montana and Washington.

The situation with respect to harvested yields is markedly different as between winter wheat and spring wheat. The winter wheat yield of 18.1 bushels per harvested acre is half a bushel higher than last year and a little more than 2 bushels above average. The prospective yield of all spring wheat of 12.7 bushels per harvested acre is 4 bushels below last year's relatively high yield, but only 1.2 bushels below average. June weather was very favorable for winter wheat in the Southern Great Plains States. Here the crop matured earlier than usual with harvest completed in some areas. Practically no damage or loss has occurred when harvest has been completed. Harvard yields in the southern Plains area were above earlier expectations. In the fields where wheat headed short, seemingly geared to dry weather, the heads were well filled and test weights are high. This resulted in close harvesting in the driest sections of the southwest where straw was very short. Oklahoma's production is the largest on record.

Excepting for localized Hessian Fly damage in sections of Illinois, Missouri and eastern Kansas conditions were favorable in the central and eastern wheat sections. Washington has a record crop of winter wheat, and the good season is shared by the rest of the northwest excepting Montana, which is still quite dry. Rains after mid-June were general in the spring wheat belt, but insufficient in the Dakotas and Montana to make up for the setback given spring wheat by the accumulated moisture deficiency and mid-May freezes. Much of the crop is heading short in those States, but the improvement in moisture conditions after mid-June were of material help.

The indicated winter wheat abandonment of 8.8 percent, is below earlier expectations because of improved conditions and close harvesting, but still above the abandonment last year of 6.9%. Spring wheat abandonment is expected to be rather high—7.1%—due to dry weather in the main spring wheat belt. Last year it was 3.2%. The abandonment of durum wheat — 9.7% — is higher than the 6.6% expected for other spring wheat due to the concentration of the durum acreage in drier sections of North Dakota.

Production of wheat by classes in 1946, with last year in parenthesis for comparison, is as follows: Hard red winter 555,242,000 (519,421,000), soft red winter 206,215,000 (234,025,000), hard red spring 174,374,000 (232,852,000), durum 26,493,000 (35,731,000) and white wheat 127,768,000 (101,114,000) bushels.

Production of hard red winter and white wheat is the highest of record beginning in 1925. Decreases from last year are indicated in production of soft red winter, hard red spring and durum wheat.

Wheat Stocks

Spurred by the government purchase program to secure wheat for relief purposes, and by prospects for another bumper crop this year, stocks of old wheat on farms July 1, 1946 were reduced to 42,703,000 bushels—less than half of reserves on farms a year ago and the smallest since 1937. Farm stocks on July 1 this year represent only 3.8% of production in the preceding year compared with 8.3% on July 1, 1945, and an average of 10.6%. Disappearance from farms of 161 million bushels since April 1 is 12 million bushels greater than the previous record of 149 million bushels in 1945, and compares with average disappearance of about 85 million bushels. By July 1, farm stocks had reached an abnormally low level in a majority of the States. In the eastern deficit-wheat producing States, stocks were about as large as at this time a year ago, but in most other States farmers held much smaller quantities.

In Oklahoma and Texas, where harvest of the new crop was well advanced by July 1, the carryover of old crop wheat was only 1.5 and 1.0% respectively of last year's production. Kansas and Nebraska farmers were holding about 2% of their production, while in other States of the Great Plains area stocks on July 1 represented from 4½ to 6½% of 1945 production. Stocks were very low in the Pacific Northwest.

Corn

The Nation's corn crib will have more corn in it this year than ever before if the all-time high production of 3.3 billion bushels indicated by July 1 prospects materializes. The expected yield per acre of 36.5 bushels on the 91.5 million acres for harvest which is practically the same as last year, would also be an all-time high. Measured by the 1935-44 average, the 1946 acreage for harvest is only a trifle less but the prospective yield per acre is 8.0 bushels more and the production over a fourth larger. Acreage and yield per acre changes from last year fall into simple patterns. A big wedge of States extending from Kansas and Oklahoma northeast to the New England States shows either increased acreage or no change while almost all States outside the "wedge" show decreases. Another broad wedge of States extending from South Dakota, Nebraska and Kansas southeast to Virginia and North Carolina shows good to excellent yield prospects. Outside this "wedge" prospective yields show wider variation.

While the season to date cannot be rated as entirely favorable, neither has adverse weather damaged the crop beyond recovery over any wide area. Almost without exception corn looked better on July 1 than at any time earlier in the season. The crop should be able to maintain current prospects because in almost every State there is an increase in hybrids which are better able "to take it" should the going get tough.

In the North Central States the Mississippi River appears to be the dividing line between a uniformly good outlook and one more variable. The States in this group west of the River are enjoying the best season in years. Stands are good, fields are clean, the crop is early and moisture is ample. East of the River conditions are spotted and particularly so in southern Illinois, Indiana and Ohio where the crop got off to a slow start because of frequent rain interruptions during the planting season. On July 1, however, corn was on the way toward overcoming that handicap. For the North Central States as a group the present outlook is for the biggest corn crop on record.

In the North Atlantic States corn got a big boost from the warmer and dryer days of late June and a big crop is indicated for this area. The South Atlantic and South Central States also benefited from warmer and dryer weather in late June but because of reduced acreage in these two regions below average production is expected. Colorado, the principal corn State in the West, has above average yields in prospect. New Mexico is suffering from a severe and prolonged drought. Good prospects prevail in the Pacific Coast States. The Minnesota crop is 3 weeks ahead of usual. In the southern part of the Corn Belt and over much of the East and South there is much variation in stage of growth because of the extended planting season.

The 93 million acres of corn planted in 1946 is slightly under the acreage farmers had planned in March and about equal to that planted for the 1945 crop but 2% less than average. Faced by a tight food situation and an expected heavy export demand, encouraged by increased ceiling prices and favored by a planting season which gave ample opportunity to carry out intentions or even exceed them, farmers in the mid-west States of Illinois, Indiana and Ohio exceeded intentions by 2, 2 and 3%, respectively, to give each of these States the biggest corn acreage since 1937. These gains were made largely at the expense of soybeans and hay.

Wisconsin planted 5% less than last year. In the mid-west States west of the Mississippi River, Iowa planted the same acreage as intended and the same as last year but expects to harvest more because of smaller abandonment. Favored by the best planting season in several years, Missouri exceeded intentions and planted 18% more acres than in 1945. Minnesota and Nebraska fell short of intentions and the acreage planted in each State is 7% less than last year. States in this area showing declines seeded more small grains this spring and also had less than usual abandonment of winter wheat. For the North Central States as a group the acreage planted this year is 0.7% greater than that of 1945 and 7% above the average.

In the North Atlantic States farmers are trying to produce more of their own feed supply by planting a 2% larger corn acreage than last year and, this gives the area the largest corn acreage since 1935 with the exception of 1944. Hampered by wet weather at planting time farmers in the South Atlantic States planted even less than planned to give the smallest acreage since 1883. Wet weather also hampered planting operations over much of the South Central area but with an extended planting season an acreage slightly more than intended was finally planted. In this group of States only Kentucky, Arkansas and Oklahoma planted a larger acreage than last year. For the region the 1946 acreage is the smallest since 1897. The 6% decline in the Western States is a continuation of the downward trend. In colorado, which grows over half of the corn acreage in this area, the 1946 acreage is the smallest since 1916.

Because of the smaller abandonment, 1.5% in prospect at this time, indications are that 91,487,000 acres of corn, a trifle more than last year, will be harvested. Such an acreage would be only slightly less than the 1935-44 average. Abandonment last year was 1.8% and the average is 3.2%.

Stocks of corn on farms July 1, 1946 are the smallest for this date in the last 9 years. Estimated at 515,341,000 bushels for the country as a whole, stocks are 30% less than a year ago and 14% less than average. Stocks in the North Central States are only ⅔ as large as last year and 20% less than average, although in Ohio and Indiana they are somewhat larger than a year ago and the average. Stocks are larger than last year in the North Atlantic and South Atlantic States, but only 55% as large as last year in the Western States.

The disappearance of corn from farms since April 1 amounts to 556,649,000 bushels, compared with 586,561,000 bushels in the same period of 1945 and the average of 421,357,000 bushels. Included in this year's April 1 to July 1 disappearance from farms is the 34,000,000 bushels bought by the government under the 30-cent bonus plan for foreign food relief.

Oats

The near record oats crop of 1,471,026,000 bushels now in prospect compares with the record 1,547,663,000 bushels produced in 1945 and is about 342 million bushels or 30% above the 10-year average production of 1,129,441,000 bushels. Prospective yield of 34.2 bushels per acre compares with 37.3 bushels in 1945 and the average of 30.7 bushels. Because of an early and favorable spring season for seeding and the tight feed situation, farmers seeded a larger acreage than in 1945. The estimated 43,012,000 acres for harvest is almost 4% above 1945 and has been exceeded in only two years—1921 and 1925 when 45,539,000 and 44,240,000 acres, respectively, were harvested. The 1946 estimated acreage is about 17% above the average of 36,711,000 acres.

Estimated oats production of 491 million bushels in the East North Central States is about 1% above the 1945 production of 488 million bushels. The acreage for harvest in this region was increased about 9% above 1945, but indicated yield per acre averages 3.5 bushels below the record 1945 yield of 45.6 bushels per acre. All States of the region have prospects for good yields. Drought and May freezes injured the oats crop in the West North Central States. Prospective production in these States of 725 million bushels is 85 million bushels, or about 10% below the all-time record crop of 810 million bushels in 1945.

Indicated production of 55 million bushels of oats in the North Atlantic States compares with 51 million bushels harvested in 1945. All principal States of this region show a larger crop than in 1945. The largest increase is shown for New York where an early season was favorable for the sowing and growth of a relatively large acreage. The South Atlantic crop estimated at 49 million bushels, is the largest of record even though the acreage for harvest was reduced about 4%. Above average yields per acre are indicated in every State of the region with greatest increases in Virginia, the Carolinas and Georgia. Production of about 94 million bushels is indicated in the South Central States, about 6% below the 1945 crop. The reduction was caused largely by an 8% drop in acreage, drought injury in Texas and excessive May rainfall in Louisiana. Above average yields are expected in all other States of the region.

Estimated production of 47 million bushels of oats in the Western States is 4 million bushels below last year. The reduction is a result of a reduction in acreage and slightly lower estimated yield per acre. California and Oregon are the only States with oats crops exceeding 1945.

The all-time record high oats acreage of 46,879,000 acres seeded for 1946 harvest is nearly 4% above the 1945 acreage and about 14% above the 10-year average of 41,191,000 acres. This is the seventh consecutive year in which the oats acreage shows an increase for the country as a whole. The July estimate is slightly larger than farmers' early spring intentions.

The largest acreage increases occurred in the North Central and North Atlantic States where an early spring season was favorable for sowing the crop. On the other hand in the South Atlantic and South Central States an unfavorable fall season resulted in a reduced acreage for 1946. A slight shift to wheat and barley in Washington, Idaho and Wyoming was a primary cause of a decline of about 2% in the Western States.

Factors contributing to the increased acreage in the North Central States, where 76% of the total acreage for the Nation is grown, are: a very tight feed situation, an early spring and good weather for sowing, increased use of improved and rust-resistant varieties, and the comparatively light labor requirements for producing oats. The 35,756,000 acres sown in the North Central States is an increase of 6% over 1945 plantings. Substantial increases are shown in 8 States of the region with no change in Minnesota. Declines are shown for Wisconsin, North Dakota and South Dakota.

Farm Stocks of Oats on July 1 are the largest on record for this date. They are estimated at 277,973,000 bushels, or 18.0% of the 1945 bumper crop. This is 33% more than the 209,400,000 bushels on hand on July 1 last year and 56% above the 10-year average of 177,771,000 bushels. Disappearance of oats from farms during the past quarter (April 1 to July 1) at 300,595,000 bushels was a record high. In terms of percent of the prevoius year's production, the July 1 stocks at 18.0% compares with 18.1% on July 1 last year and the July 1 average of 16.2%.

Barley

Barley production now indicated at 230,278,000 bushels is 13% below last year's 263,961,000 bushel crop, and 20% below average. The prospective yield of 22.9 bushels per acre is about average, but is 3 bushels less than last year, largely because of May freezes this year in the North Central States.

The total acreage seeded to barley for harvest this year is estimated at 11,513,000, nearly 1% greater than last year but 23% less than average. The seeded acreage in the North Central group of States as a whole is 40% below average, while in North Dakota, the leading barley State, the acreage is 9% greater than average. In the western States the seeded acreage is a fourth above average.

The largest acreage ever seeded was the 19,536,000 for the 1942 crop. Since 1942, other crops have offered better income possibilities and more food and feed with about the same amount of labor.

The estimated acreage for harvest as grain this year is 10,061,000 or 1% less than last year but a fifth below average. About 13% of the seeded acreage will be abandoned or diverted to uses other than for grain which is about the same as for recent years.

Farm stocks of old crop barley on July 1 are estimated to have dwindled to 38,700,000 bushels compared with 45,594,000 bushels on June 1. These reserves are the lowest since July 1, 1938.

Rye

Production of rye in 1946 is estimated at 20,897,000 bushels, 21% less than last year's crop of 26,354,000 bushels, and a little less than half of the 10-year average production of 42,356,000 bushels. The decrease in production is due to both the smaller acreage for harvest and lower yields per acre.

Rye acreage for harvest as grain this year is estimated at 1,775,000 acres, a decrease of 10% from the 1,981,000 acres in 1945 and about 48% from the 10-year average of 3,410,000 acres. Decreases from last year are general in all regions except the Western States where a 5% increase is indicated. The acreage of rye for harvest in the North Central States in 1946 is estimated at 1,246,000 acres, 9% less than last year and 55% less than average; however, Minnesota and North Dakota, major producing States, having a larger acreage for harvest than last year. The rank of States according to acreage places Nebraska first with South Dakota and North Dakota close behind.

Of the total acreage planted to rye for all purposes last fall, 53% will not be harvested for grain, compared with 56% in 1945, and the 10-year average of 45%. Most of the acreage not harvested for grain is used for hay, pasture or plowed under as a green manure crop.

The indicated yield of 11.8 bushels per acre compares with 13.3 bushels in 1945 and an average yield of 12.2 bushels. The crop is being harvested under generally favorable weather conditions, but in many fields in the North Central States heads are light and the straw heavy. Freezing weather during May and dry weather during the first three weeks of June adversely affected the development of heads in Nebraska, North Dakota, and South Dakota. Yield per acre prospects improved from a month earlier in the tier of States just East of the Rocky Mountains, but in most other areas there was little change.

Potatoes

The July 1 prospective potato crop is 431,672,000 bushels. This is 1.5% larger than the 425,131,000 bushels harvested in 1945 and is exceeded only by the 464,999,000 bushel crop harvested in 1943. Average production for the 1935-44 period was 372,756,000 bushels. The acreage planted this year is placed at 2,785,900 acres which is 2% more than the 2,738,300 acres indicated in March by growers' intentions-to-plant reports. The percentage of abandonment is indicated at about the same as in recent years, with the acreage for harvest at 2,725,600 acres. This acreage is 3.5% below the 1945 harvested acreage and 8% below average. The indicated yield of 158.4 bushels per acre is a record high, exceeding the previous high yield that was realized in 1945 by 7.8 bushels. Growing conditions to date have been favorable throughout practically all potato producing areas.

Production in the 18 surplus late States is placed at 285,238,000 bushels. This quantity is only 4% below the 1945 production despite an indicated reduction of 7% in the acreage for harvest.

A record-high acreage has been planted in Maine and the condition of the crop in Aroostook County is very good, even though some growers delayed planting awaiting the arrival of fertilizer. The rate of fertilizer application per acre is believed to equal the high rate applied in recent years. Potato growers on Long Island have experienced a favorable season to date. However, in upstate New York, rains delayed planting and extended this operation over a longer period than usual. Planting of the late crop was delayed in Pennsylvania, but early planted potatoes are in very good condition.

Acreage for harvest in each of the 5 central surplus States (Michigan, Wisconsin, Minnesota, North Dakota and South Dakota) is about 10% less than the 1945 acreage. Prospective yields for these States are considerably above average but yields indicated for Minnesota, North Dakota and South Dakota are somewhat lower than the 1945 yields. In the northern part of the Red River Valley the moisture supply is low and rain will be needed during the remainder of the growing season.

Compared with last year, a reduction of 7% is indicated in the potato acreage in the 10 western surplus late States. Yield prospects in each of these States are generally very favorable. However, in Nebraska there is a wide variation in the development of potatoes as some fields were killed or damaged by May freezes. The early crop in northern Colorado is making good progress and potatoes in the San Luis Valley are in fair condition. Soil and weather conditions in Idaho have been unusually favorable and stands are excellent. There is a very good crop of Bliss and Long Whites in the southwestern part of Idaho.

In Utah and Nevada, potatoes are making good growth. There is an increased acreage in Washington with the biggest rise in the Moses Lake district of Grant County. Digging began in this district the last week in June and peak shipments are expected the last week in July. In Oregon, condition of irrigated and non-irrigated potatoes is uniformly good. A good crop of early potatoes is in prospect in Malheur County.

In the New England States, outside of Maine, growers have planted about the same acreage that was planted last year. In these States, condition of the crop is good and prospective yields for each State exceed the 1945 and average yields. Acreage for harvest in the 5 central States of West Virginia, Ohio, Indiana, Illinois, and Iowa is slightly lower than the 1945 acreage but only about two-thrds of average. July 1 condition indicates a yield for this group of States about in line with 1945 but above average. In Arizona, there is a small increase in acreage and good yields are being harvested from the early crop which comprises the bulk of the acreage.

Acreage for harvest in the intermediate potato States is about equal to the 1945 acreage, but somewhat lower than average. Yield prospects are quite favorable. Harvest of an excellent commercial early crop nears completion in Kansas and Missouri and is active in Kentucky, Maryland and Virginia. Harvest of the New Jersey crop is getting started.

Potato acreages were increased in most of the early potato States. Yields in the commercial early areas of most of these States have been good. However, commercial early yields in Louisiana were unusually low as the crop was hit hard by excessive rains at harvest time. The early crop in California is more than one-third larger than the previous record-high crop.

Parsons Assistant to Secretary of Treasury

Secretary Snyder announced on July 30 the appointment of William W. Parsons as his Administrative Assistant. Mr. Parsons succeeds Paul L. Kelley, who leaves the Treasury to become Administrative Assistant to Chief Justice Vinson. During Mr. Kelley's tenure as Administrative Assistant to the Secretary of the Treasury, Mr. Parsons served under him as Technical Assistant. The new Administrative Assistant graduated from the University of Southern California in 1935 with the degree of bachelor of science in business administration, and received a master's degree in public administration in 1937 from the Maxwell School of Citizenship of Syracuse University in New York.

He was a staff member of the Public Administration Service of Chicago, as a consultant to public officials for four years. Following this he was identified for a time with the Department of Education of the State of New York, handling matters of administration and finance. He joined the Bureau of the Budget in Washington in May, 1941, being assigned as Principal Budget Examiner with responsibility for handling estimates and related matters of the Treasury and the General Accounting Office. He remained at the Budget Bureau until December, 1944, when he became Executive Officer of the Treasury Department's Procurement Division. In June, 1945, he was transferred to the Office of the Secretary of the Treasury, as an aide to the Secretary's Administrative Assistant.

Moody's Bond Prices and Bond Yield Averages

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

MOODY'S BOND PRICES
(Based on Average Yields)

1946— Daily Averages	U. S. Govt. Bonds	Avge. Corpo-rate*	Corporate by Ratings* Aaa	Aa	A	Baa	Corporate by Groups* R. R.	P. U.	Indus
Aug. 6	123.45	118.60	123.13	120.84	118.20	112.56	115.43	119.00	121.25
5	123.45	118.60	123.13	120.84	118.20	112.56	115.43	119.00	121.46
3	Stock Exchange Closed								
2	123.45	118.60	123.13	120.84	118.20	112.56	115.43	119.00	121.25
1	123.49	118.60	123.13	120.84	118.20	112.56	115.43	119.00	121.25
July 31	123.49	118.60	123.13	120.84	118.20	112.56	115.43	119.00	121.25
30	123.45	118.60	123.13	120.84	118.20	112.56	115.43	119.00	121.25
29	123.64	118.60	123.13	121.04	118.40	112.56	115.63	119.20	121.46
27	Stock Exchange Closed								
26	123.77	118.60	123.13	121.04	118.40	112.56	115.63	119.20	121.46
25	123.80	118.80	123.13	121.04	118.60	112.56	115.63	119.20	121.46
24	123.86	118.80	123.34	121.25	118.60	112.56	115.63	119.20	121.46
23	123.86	118.80	123.34	121.25	118.60	112.37	115.63	119.20	121.46
22	123.92	118.80	123.34	121.25	118.40	112.37	115.63	119.20	121.46
20	Stock Exchange Closed								
19	123.83	118.80	123.34	121.25	118.40	112.37	115.63	119.20	121.46
18	123.86	118.80	123.34	121.25	118.60	112.37	115.63	119.20	121.46
17	123.89	118.80	123.34	121.25	118.60	112.37	115.63	119.20	121.46
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	119.00	121.25
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	116.22	119.00	121.04
24	123.99	118.80	123.13	121.46	118.40	112.56	116.22	119.00	121.04
17	124.14	118.60	122.71	121.46	118.20	112.56	116.20	119.00	121.04
10	123.83	118.80	122.92	121.46	118.60	112.75	116.41	119.20	121.04
3	124.49	119.00	122.92	121.67	118.60	113.12	116.61	119.41	121.04
Apr. 26	124.33	119.00	123.34	121.25	118.40	113.12	116.41	119.41	121.04
18	125.30	119.61	123.99	121.88	119.20	113.89	117.20	120.22	121.67
12	125.77	120.02	123.99	122.29	119.61	114.27	117.60	120.22	121.88
5	125.92	120.02	123.99	122.29	119.61	114.46	117.60	120.22	122.09
Mar. 29	125.61	119.82	123.99	122.29	119.41	114.27	117.40	120.22	122.09
Feb. 21	126.02	120.22	123.34	121.88	119.00	114.27	116.41	120.22	122.09
Jan. 25	126.28	119.00	123.12	121.25	119.00	113.31	115.63	119.41	122.09
High 1946	126.28	120.02	124.20	122.50	119.61	114.46	117.60	120.43	122.50
Low 1946	123.45	117.60	121.46	119.82	117.40	112.19	114.46	118.40	120.63
1 Year Ago Aug. 6, 1945	122.33	116.02	120.84	119.20	116.02	108.34	113.12	115.82	119.00
2 Years Ago Aug. 5, 1944	120.05	112.56	118.80	117.00	112.19	103.30	106.92	114.27	117.00

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

1946— Daily Averages	U. S. Govt. Bonds	Avge. Corpo-rate*	Corporate by Ratings* Aaa	Aa	A	Baa	Corporate by Groups* R. R.	P. U.	Indus.
Aug. 6	1.51	2.72	2.50	2.61	2.74	3.03	2.88	2.70	2.59
5	1.51	2.72	2.50	2.61	2.74	3.03	2.88	2.70	2.58
3	Stock Exchange Closed								
2	1.51	2.72	2.50	2.61	2.74	3.03	2.88	2.70	2.59
1	1.51	2.72	2.50	2.61	2.74	3.03	2.88	2.70	2.59
July 31	1.51	2.72	2.50	2.61	2.74	3.03	2.88	2.70	2.59
30	1.51	2.72	2.50	2.61	2.74	3.43	2.88	2.70	2.59
29	1.50	2.72	2.50	2.60	2.73	3.03	2.87	2.69	2.58
27	Stock Exchange Closed								
26	1.49	2.73	2.50	2.60	2.73	3.03	2.87	2.69	2.58
25	1.49	2.71	2.50	2.60	2.72	3.03	2.87	2.69	2.58
24	1.48	2.71	2.49	2.59	2.72	3.03	2.87	2.69	2.58
23	1.48	2.71	2.49	2.59	2.72	3.04	2.87	2.69	2.58
22	1.48	2.71	2.49	2.59	2.73	3.04	2.87	2.69	2.58
20	Stock Exchange Closed								
19	1.49	2.71	2.49	2.59	2.73	3.04	2.87	2.69	2.58
18	1.48	2.71	2.49	2.59	2.72	3.04	2.87	2.69	2.58
17	1.48	2.71	2.49	2.59	2.72	3.04	2.87	2.69	2.58
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	2.70	2.59
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	2.84	2.70	2.60
24	1.48	2.71	2.50	2.58	2.73	3.03	2.84	2.70	2.60
17	1.47	2.72	2.52	2.58	2.74	3.03	2.84	2.70	2.60
10	1.49	2.71	2.51	2.58	2.72	3.02	2.83	2.69	2.60
3	1.44	2.70	2.51	2.57	2.72	3.00	2.82	2.68	2.60
Apr. 26	1.45	2.70	2.49	2.59	2.73	3.00	2.83	2.68	2.60
18	1.38	2.67	2.46	2.56	2.69	2.96	2.79	2.64	2.57
12	1.35	2.65	2.46	2.54	2.67	2.94	2.77	2.64	2.56
5	1.34	2.65	2.46	2.54	2.67	2.93	2.77	2.64	2.55
Mar. 29	1.36	2.66	2.46	2.54	2.68	2.94	2.78	2.64	2.55
Feb. 21	1.33	2.67	2.49	2.56	2.70	2.94	2.83	2.64	2.55
Jan. 25	1.31	2.70	2.50	2.59	2.70	2.99	2 87	2.68	2.55
High 1946	1.51	2.77	2.58	2.66	2.78	3.05	2.93	2.76	2.62
Low 1946	1.31	2.65	2.45	2.53	2.67	2.93	2.77	2.63	2.53
1 Year Ago Aug. 6, 1945	1.64	2.85	2.61	2.69	2.85	3.26	3.00	2.86	2.70
2 Years Ago Aug. 5, 1944	1.79	3.03	2.71	2.80	3.05	3.55	3.34	2.94	2.80

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

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

Weekly Coal and Coke Production Statistics

The production of bituminous coal during the week ended July 27, as estimated by the United States Bureau of Mines, was 12,450,000 tons, which compares with a revised estimate of 12,500,00 tons mined in the preceding week and with 11,928,000 tons in the corresponding week of 1945. During the calendar year through July 27 the cumulative production of soft coal was approximately 279,270,000 net tons, which was a decrease of 18.0% below the 340,748,000 tons mined in the comparable period of 1945 through July 28.

Production of Pennsylvania anthracite for the week ended July 27, 1946, as estimated by the Bureau of Mines, was 1,305,000 tons, a decrease of 35,000 tons (2.6%) from the preceding week. When compared with the output in the corresponding week of 1945, there was an increase of 109,000 tons, or 9.1%. The calendar year to date shows an increase of 8.6% 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 27, 1946 showed an increase of 2,900 tons when compared with the output for the week ended July 20, 1946; but was 9,500 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 27, 1946	*July 20, 1946	July 28, 1945	Jan. 1 to Date— ‡July 27, 1946	July 28, 1945
Total, including mine fuel	12,450,000	12,500,000	11,928,000	279,270,000	340,748,000
Daily average	2,075,000	2,083,000	1,988,000	1,609,000	1,922,000

*Revised. ‡Subject to current adjustment.

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

Penn. Anthracite—	Week Ended— ‡July 27, 1946	§July 20, 1946	July 28, 1945	Calendar Year to Date— July 27, 1946	July 28, 1945	July 31, 1937
*Total, incl. coll. fuel	1,305,000	1,340,000	1,196,000	34,051,000	31,363,000	31,225,000
†Commercial produc.	1,255,000	1,288,000	1,150,000	32,737,000	30,156,000	29,664,000
Beehive Coke—						
United States total	117,200	114,300	126,700	1,999,800	3,523,400	2,115,500

*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— July 20, 1946	July 13, 1946	July 21, 1945
Alabama	418,000	405,000	367,000
Alaska	7,000	7,000	4,000
Arkansas and Oklahoma	85,000	87,000	97,000
Colorado	96,000	110,000	122,000
Georgia and North Carolina	1,000	1,000	1,000
Illinois	1,428,000	1,279,000	1,173,000
Indiana	569,000	524,000	562,000
Iowa	31,000	34,000	32,000
Kansas and Missouri	133,000	108,000	109,000
Kentucky—Eastern	1,203,000	1,313,000	976,000
Kentucky—Western	454,000	450,000	424,000
Maryland	53,000	59,000	35,000
Michigan	4,000	4,000	2,000
Montana (bitum. & lignite)	69,000	75,000	73,000
New Mexico	27,000	29,000	31,000
North & South Dakota (lignite)	29,000	30,000	36,000
Ohio	733,000	833,000	720,000
Pennsylvania (bituminous)	3,051,000	3,210,000	2,730,000
Tennessee	152,000	152,000	139,000
Texas (bituminous & lignite)	1,000	1,000	1,000
Utah	142,000	144,000	122,000
Virginia	409,000	391,000	347,000
Washington	21,000	13,000	27,000
†West Virginia—Southern	2,358,000	2,309,000	2,020,000
‡West Virginia—Northern	858,000	1,040,000	1,083,000
Wyoming	168,000	142,000	184,000
§Other Western States	*	*	*
Total bituminous & lignite	12,500,000	12,750,000	11,417,000

†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.

Stocks of bituminous coal in consumers' hands on July 1 were estimated at 37,776,000 tons, which was an increase of 19.4% over the stockpile of June 1, J. A. Krug, Solid Fuels Administrator, announced on Aug. 5. Stockpiles are still low, however, as a result of the strike last April and May, and are estimated to be 35.5% below those on hand April 1 when the strike began.

Consumption of bituminous coal increased 19.1% during June over the consumption in May. During May many conservation measures were put into effect and some industrial plants closed down temporarily for lack of fuel. Consumption in June was estimated at 33,945,000 tons, compared with a burn of about 28,496,000 tons in May. The per cent of change was highest for beehive coke ovens, which burned very little coal in May. By-product coke ovens had more than doubled their May consumption. Retail dealer deliveries in June increased 28.8% over those in May.

The State of Trade

(Continued from page 807)

operating rate is equivalent to 1,568,500 tons of steel ingots and castings, compared to 1,579,100 tons one week ago, 1,547,400 tons one month ago and 1,610,000 tons one year ago.

Electrical Production — The Edison Electric Institute reports that the output of electricity rose to 4,352,489,000 kwh. in the week ended July 27, 1946, from 4,293,-280,000 kwh. in the preceding week. Output for the week ending July 27, 1946, was 1.9% below that for the corresponding weekly period one year ago.

Consolidated Edison Co. of New York reports system output of 180,700,000 kwh. in the week ended July 28, 1946, compared with 168,300,000 kwh. for the corresponding week of 1945, or an increase of 7.3%. Local distribution of electricity amounted to 173,800,000 kwh. compared with 166,900,000 kwh. for the corresponding week of last year, an increase of 4.1%.

Railroad Freight Loadings—Car loadings of revenue freight for the week ended July 27, 1946, totaled 910,513 cars, the Association of American Railroads announced. This was a decrease of 10,983 cars or 1.2% below the preceding week and 24,083 cars, or 2.7% above the corresponding week for 1945. Compared with the similar period of 1944, an increase of 1,023 cars, or 0.1%, is shown.

Railroad Earnings in June — Class I railroads of the United States in June, 1946, had an estimated net income, after interest and rentals, of $13,000,000, compared with a net income of $65,-754,740 in June, 1945, according to the Association of American Railroads.

In the first six months of 1946 the carriers had an estimated deficit, after interest and rentals of $27,000,000, compared with a net income of $326,801,745 in the corresponding period of 1945. For June, 1946, net railway operating income, before interest and rentals, amounted to $38,080,305, compared with $99,916,182 in June, 1945. In the first six months of this year this item totaled $152,-791,410 as against $548,339,201 in the same period of 1945.

In the 12 months ended June 30, 1946, the rate of return on property investment averaged 1.65%, compared with a rate of return of 3.95% for the 12 months ended June 30, 1945.

Total operating revenues in the first six months of 1946 totaled $3,577,307,662 compared with $4,-697,322,658 in the same period of 1945, or a decrease of 23.8%. Operating expenses in the first six months of 1946 amounted to $3,085,325,344 as against $3,194,-524,027 in the corresponding period of 1945, or a decrease of 3.4%.

Sixty-eight class I railroads failed to earn interest and rentals in the first six months of 1946, of which 31 were in the Eastern District, 10 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 27 was 104.7% of mill capacity as against 102.8% for the preceding week and 93.4% in the like 1945 week, according to the American Paper & Pulp Association. Paperboard output for the current week was 95% against 94% in the preceding week and 95% for the corresponding week a year ago.

Business Failures Continue Low —Little change occurred in commercial and industrial failures in the week ending Aug. 1, reports Dun & Bradstreet, Inc. Concerns failing numbered 14, a little above the 13 in the previous week but short of the 18 in the comparable week of last year.

Ten of the week's 14 failures involved liabilites of $5,000 or more. These large failures varied only slightly from a week ago when there were nine and from the same week of 1945 when there were 12. Small failures with losses under $5,000 remained at four, the same as in last week and two below the number reported a year ago.

Manufacturing, which has accounted for more failures than any other trade or industry group in recent weeks, showed a decline from six to two, or only a third as numerous as last week. On the other hand, a slight increase occurred in trade, both wholesale and retail, and in construction. Retailing with five, had the largest number of failures this week. Compared with the 1945 level, failures were lower in all size and industry groups.

Three Canadian failures were reported as compared with one in the previous week and none in the corresponding week of 1945.

Wholesale Food Price Index Rises Slightly—A rise of four cents, or 0.8%, brought the Dun & Bradstreet wholesale food price index for July 30 to $5.24, to equal the peak point registered on Jan. 8, 1920. The current level is now only six cents under the record high of $5.30 recorded on July 3, 1919, and marks an increase of 27.8% over a year ago when it stood at $4.10. The list of advances for the week included wheat, corn, rye, oats, hams, bellies, lard, butter, steers, hogs and lambs. Declines took place in flour, barley, coffee, cocoa, potatoes, rice and sheep. Index represents the sum total of the price per pound of 31 foods in general use.

Daily Wholesale Price Index—With the reinstatement of ceiling prices on most commodities there was a further drop in the Dun & Bradstreet daily wholesale price index of 30 basic commodities. From a high of 229.67 on July 16, the index dropped to 221.57 on July 29 and closed at 220.09 on July 30. This reflects a loss of 4.2% from the recent peak but represents a rise of 24.9% as compared with the 176.28 recorded on the corresponding date last year.

Leading grain markets were unsettled last week with price trends irregular. Volume of trading in futures on the Chicago Board of Trade slightly exceeded that of a week previous. Cash wheat closed slightly higher. Continued excellent crop prospects and the uncertainty of price controls caused some weakness in the early part of the week but government buying to fill export needs helped to maintain prices. While flour milling operations were being maintained at recent levels, mills were marking time and shipments of flour were being withheld pending announcement of new ceiling price schedules.

Both corn and oats moved higher after showing considerable weakness in the forepart of the week. Trading in coffee and cocoa markets dried up in the latter part of the week in anticipation of revised pricing regulations. With demand broader, butter recovered some of last week's decline. Hogs rose rather sharply as market receipts dropped for the week, although continuing well above a year ago. Active demand for steers lifted quotations to a new all-time high of $27 per hundredweight in the Chicago market. Cash lard and other pork products rose sharply but buyers were cautious as a result of the return of OPA.

Active cotton futures as well as spot cotton prices reversed their upward trend and gave up about two-thirds of the rise recorded in the three preceding weeks. After reaching a 23-year peak of 36.47c on July 19, the New York spot price closed at 32.78c, with the permissible maximum decline of 100 points noted on three consecutive days during the week. The decline reflected uncertainty over the new price control law as affecting ceilings on raw cotton. Late last week the board of managers of the New York Cotton Exchange announced that the permissible trading range would be extended to 200 points in either direction beginning on July 29. There was considerable activity noted in the carded gray cotton cloth market last week prior to the reinstatement of price controls last Friday, after which the market turned completely dormant pending an upward adjustment of price ceilings by the OPA.

Although conditions generally were quiet in the Boston raw wool market, there was a steady demand for domestic wools to piece out requirements with volume running at the rate of approximately 5,000,000 pounds per week. Imports of foreign apparel wools into the ports of Boston, New York and Philadelphia totaled 16,728,000 pounds (clean basis) in the week of July 19, as compared with 13,370,000 in the previous week.

Wholesale and Retail Trade—Weather conditions favorable to shopping in most sections of the country coupled with higher prices for some merchandise helped to maintain dollar volume of retail sales the past week well above that of a year ago, Dun & Bradstreet, Inc., reports in its weekly review of trade. Reports indicated modest gains in volume over the previous week. Pre-inventory clearance sales were held in many stores. The supplies of formerly scarce items were reported increasing.

A continued rise in many food prices pushed dollar volume of food up during the week. Butter was more generally available, while fats other than butter were in short supply. Most all meats but ham and bacon were plentiful. Scarce items included sugar, pepper, domestic cheese, jams and mayonnaise. Fresh fruits and vegetables were generally available in quantitity.

Stores anxious to clear stocks of Summer apparel to make room for Fall goods held clearance sales. Summer fur promotions met with little response. Offerings of Fall clothes have increased and goods have been purchased rapidly. College shops have opened in many stores. Size and style ranges in men's and women's shoes continued to be limited. Men's shirts and other furnishings were reported in slightly larger supply than in previous weeks. The OPA allowed men's shirts, shorts and pajamas at retail to increase 11% in price.

The demand for furniture continued strong with Summer furniture sales held in some stores. Numerous orders were placed for electrical household goods and back orders were being filled more rapidly than in previous weeks. Waiting lists for new and used automobiles remained extremely long and sales were at high levels. Filling stations had a large volume of business again the past week. Souvenir and gift buying by tourists was sizable.

Dollar volume of retail sales for the country last week was estimated to be from 21 to 25% above that of the corresponding week a year ago. Regional percentage increases were: New England 17 to 21, East 23 to 27, Middle West 20 to 24, Northwest 26 to 30, South and Pacific Coast 18 to 22, Southwest 19 to 23.

Total dollar volume of business in wholesale lines rose slightly the past week and again was well above that of the corresponding week a year ago. Indices of wholesale commodity prices decreased during the latter part of the week but were above June 30 levels. Buyers continued to demand quality in goods except for those items in extremely short supply.

Department store sales on a country-wide basis as taken from the Federal Reserve Board's index for the week ended July 27, 1946, increased by 33% above the same period of last year. This compared with an increase of 28% in the preceding week. For the four weeks ended July 27, 1946, sales increased by 28% and for the year to date by 28%.

Here in New York last week trade buyers noted that manufacturers were wary of commitments because of the uncertainties of the price extension act. The reaction of buyers was one of marking time in anticipation of new pricing. A scarcity of hides brought the shoe market to a standstill. In the textile trade, cotton textile sellers were awaiting the issuance of new prices the past week. It is reported that rayon goods allotments at mill level have gone out for the balance of the quarter.

According to the Federal Reserve Bank's index, department store sales in New York City for the weekly period to July 27, 1946, increased 35% above the same period last year. This compared with an increase of 31% in the preceding week. For the four weeks ended July 27, 1946, sales rose by 34% and for the year to date 34%.

Steel Operations Slightly Lower—Scrap and Freight Car Shortage Still Threatens Output

"Despite the dire predictions by high officials that steel operations would be cut because of the scrap and freight car shortage, the steel industry set up to operate at a rate of 90.5% of capacity for the third consecutive week," states "The Iron Age," national metalworking paper, in its issue of today (Aug. 8), which further adds in part as follows:

"This high level of operations belies the many statements that curtailments were cutting steel production and harks back to the many gloomy wartime prophecies on steel output that had to be quickly and quietly interred because the industry did what its members said was impossible.

"The reinauguration, probably on Oct. 1, of the CPA's MM and CC priority system will inevitably dislocate mill schedules and throw out of those schedules many customers that steel producers feel should be supplied with steel. The insertion of priority orders into mill schedules, which have changed those schedules on an almost day-to-day basis, has taken a toll on steel production. One large producer reported that only 90% of the planned production was reached as of July 1 because of reshuffling of rolling and melting schedules.

"Producers are adhering to their quota system on steel production and are refusing to think about 1947 business except where material is needed to produce contract building jobs. Shapes and plates of such contract jobs have been promised in 1947 with some deliveries scheduled as far as April. The actual orders, although not on mill books, are held with the understanding that the tonnage will be inserted once the books are opened. To some extent, material for railroad car builders is handled in the same manner.

"Producers are protesting the CPA export priority plan, claiming that in some instances they are being loaded with more than their share of allocations. The original quota for export, set at 70,000 tons a month starting in September, limited allocations to specific producers at 2% of their monthly output. It is claimed that some CPA directives far exceed the 2%. Specifically mentioned were such items as concrete reinforcing bars, light structurals, plates and galvanized and cold-rolled sheets. Producers stated that the September quota on concrete bars was 17,000 tons, against a normal industry output of about 100,000 tons a month.

"Scrap and freight cars remain the most critical items that threaten steel output, along with a future shortage of coal. Indications are that the scrap crisis has just passed its peak, but scrap nevertheless will remain a serious problem for some time. Mills are crying long and loud for scrap. However, the fact that fabricators' scrap lists are beginning to look better, and that the anticipated shipwrecking program will begin to yield scrap by midwinter, tend to give the industry confidence that the worst is past."

The American Iron and Steel Institute on Aug. 5 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 89.0% of capacity for the week beginning Aug. 5, compared with 89.6% one week ago, 87.8% one month ago and 87.9% one year ago. This represents a decrease of 0.6 point or 0.7% from the preceding week. The operating rate for the week beginning Aug. 5 is equivalent to 1,568,500 tons of steel ingots and castings, compared to 1,579,100 tons one week ago, 1,547,400 tons one month ago, and 1,610,000 tons one year ago.

"Steel" of Cleveland, in its summary of latest news developments in the metalworking industry, on Aug. 5 stated in part as follows: "Scarcity of steel and iron scrap has reached an acute stage and is causing reduction in number of active open hearths, a threat to continued high rate of steel production. J. D. Small, administrator of Civilian Production Administration, has issued an appeal to industry to institute immediately a survey of all properties for sources of scrap and to arrange for immediate collection and movement into material supply lines. He warns open-hearth furnaces are being taken off from lack of scrap. A prominent midwestern steelmaker estimates 25 to 30 open hearths are idle from lack of scrap and with receipts down to 40% of requirements exhaustion of reserves in four to six weeks is threatened.

"Announcement by OPA that no increase in ceiling prices on scrap will be allowed now or in the foreseeable future is expected to cause release of some tonnage that had been held by producers and dealers in hope of higher prices. Extent of recent hoarding is uncertain.

"Another factor interfering with steel production and distribution is an acute shortage of freight cars, a result of the small number of cars built during the war years. A movement is on foot for the government and railroads to finance building of 50,000 box cars over the remainder of this year, with preference given to steel for this purpose.

"Office of Price Administration has raised ceiling prices on pig iron $2 per ton, putting in effect the rise decided on before June 30 but interrupted by lapse of that agency. The order provides that the increase may be applied retroactively on adjustable contracts back to May 29.

"Ample reason for lack of sufficient pig iron to supply needs of melters is found in the fact that during the first six months this year total output was only 17,806,821 net tons, a loss of 11,335,462 tons from the 29,142,283 tons produced in first half of 1945. However, there is hope of better things as June production was 3,682,273 tons, a gain of 1,407,728 tons over May, though far below the 4,605,012 tons turned out in June, 1945.

"Some relief in pig iron production will be afforded by resumption of the blast furnace of Republic Steel Corp. at Troy, N. Y., within a short time. This follows settlement of a strike of iron ore miners in New York state, which has lasted about six months, necessitating closing of the furnaces when stocks were exhausted.

"Office of Price Administration has grainted a further advance in ceiling prices of bolts, nuts, screws and rivets, making the total advance 12% over the level prior to April 1, and has decontrolled prices on large rivets and track bolts."

Electric Output for Week Ended Aug. 3, 1946 1.8% Below That for Same Week a Year Ago

The Edison Electric Institute, in its current weekly report, estimated that the production of electricity by the electric light and power industry of the United States for the week ended Aug. 3, 1946, was 4,351,011,000 kwh., which compares with 4,432,304,000 kwh. in the corresponding week a year ago, and 4,352,489,000 kwh. in the week ended July 27, 1946. The output for the week ended Aug. 3, 1946, was 1.8% below that of the same week in 1945.

PERCENTAGE DECREASE UNDER SAME WEEK LAST YEAR

	Week Ended				
Major Geographical Divisions—	Aug. 3	July 27	July 20	July 13	July 6
New England	§5.3	§3.4	§1.9	§1.0	4.7
Middle Atlantic	2.0	0.4	2.0	1.8	4.0
Central Industrial	3.6	4.6	4.6	5.5	8.7
West Central	§2.8	§2.6	§4.7	§2.5	§0.6
Southern States	2.3	1.7	0.7	3.6	8.0
Rocky Mountain	§6.2	§8.5	§4.4	§2.3	§5.8
Pacific Coast	3.6	4.5	5.0	5.0	5.6
Total United States	1.8	1.9	2.1	3.2	6.0

§Increase.

DATA FOR RECENT WEEKS (Thousands of Kilowatt-Hours)

Week Ended—	1946	1945	% Change under 1945	1944	1932	1929
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	1,433,903	1,727,225
July 20	4,293,280	4,384,547	— 2.1	4,380,930	1,440,386	1,732,031
July 27	4,352,489	4,434,841	— 1.9	4,390,762	1,426,986	1,724,728
Aug. 3	4,351,011	4,432,304		4,399,433	1,415,122	1,729,667
Aug. 10		4,395,337		4,415,368	1,431,910	1,733,110
Aug. 17		3,939,195		4,451,076	1,436,440	1,750,056
Aug. 24		4,116,049		4,418,298	1,464,700	1,761,594
Aug. 31		4,137,313		4,414,735	1,423,977	1,674,588

Babson Says Crop Outlook Is Excellent

(Continued from first page)

above normal. Large crops of citrus are indicated for the 1946-1947 season.

Prospects for canned fruits also are favorable, but higher prices will prevail due to the bidding of freezers. The apricot pack may hit record levels, though quality is none too good. A big cherry output also is in the offing. Bartlett pears may be none too plentiful. Citrus juices should prove easily ample for needs in coming months. I expect a strong early consumer demand for the 1946 pack of canned fruits. Hence, requirements may not be immediately satisfied.

The Vegetable Situation

The supply of commercial truck crops for harvest during the current season is well above a year ago, with a prospective record tonnage indicated. Some items, such as lima beans, cabbage, sweet corn and green peas, are likely to fall short of a year ago and the average. There will be no shortage of "spuds," since the indicated total U. S. crop is the second largest on record. The government, in fact, is now buying potatoes to support prices.

Trade supplies of canned vegetables also should be larger than last year, since the government virtually is out of the picture as a big buyer. The aggregate pack, however, may fall somewhat short of a year ago. Consumers will be glad to know that a much greater supply of canned tomatoes is in prospect than in 1945. I believe that every family should maintain a reasonable hoard of canned vegetables for use in emergencies. It is good insurance against crop failures or other unforeseen developments.

Much to be Thankful for

Nature's beneficence to this country in recent years, and now again this year, should give everyone pause. Yes, this outpouring from the "horn of plenty" should serve a larger purpose than the mere satisfaction of our own needs. We are now able to feed the hungry and depressed peoples of many unfortunate lands. Our generosity of the past few months is now being rewarded. Bread cast upon the waters often returns many fold. We have much to be thankful for!

Civil Engineering Construction Totals $115,712,000 for Week

Civil engineering construction volume in continental United States totals $115,712,000 for the week ending August 1, 1946 as reported to "Engineering News-Record." This volume is 18% below the previous week, 52% above the corresponding week of last year and 14% below the previous four-week moving average. The report issued on Aug. 1, went on to say:

Private construction this week, $60,125,000 is 10% below last week and 92% above the week last year. Public construction, $55,587,000, is 25% below last week and 23% greater than the week last year. State and municipal construction, $35,343,000, 18% below last week, is 182% above the 1945 week. Federal construction, $20,244,000, is 35% below last week and 38% below the week last year.

Total engineering construction for the 31-week period of 1946 records a cumulative total of $3,284,492,000, which is 192% above the total for a like period of 1945. On a cumulative basis, private construction in 1946 totals $1,975,598,000, which is 499% above that for 1945. Public construction, $1,308,894,000, is 65% greater than the cumulative total for the corresponding period of 1945, whereas state and municipal construction, $815,135,000, to date, is 338% above 1945. Federal construction, $493,759,000, dropped 19% below the 31-week total of 1945.

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

	Aug. 1, 1946	July 25, 1946	Aug. 2, 1945
Total U. S. Construction	$115,712,000	$140,857,000	$76,351,000
Private Construction	60,125,000	66,705,000	31,321,000
Public Construction	55,587,000	74,152,000	45,030,000
State & Municipal	35,343,000	43,220,000	12,538,000
Federal	20,244,000	30,932,000	32,492,000

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

New Capital

New capital for construction purposes this week totals $21,531,000 and is made up of $21,131,000 in state and municipal bond sales and $400,000 in corporate securities. New capital for the 31-week period of 1946 totals $2,200,860,000, 46% more than the $1,504,833,000 reported for the corresponding period of 1945.

July Civil Engineering Construction Totals $536,594,000

Civil engineering construction volume in continental United States totals $536,594,000 for July, an average of $134,148,000 for each of the four weeks of the month. This average is 3% below the average for June, and is 214% above the average of July, 1945 according to "Engineering News-Record." The report issued on August 1, added in part:

Private construction for July on a weekly average basis is 32% below last month, but 468% greater than July 1945. Public construction is 45% above last month and 132% above last July. State and municipal construction, while 1% below last month, is 236% above the average for July, 1945. Federal construction, up 146% from last month, up 82% from July, 1945.

Civil engineering construction volume for July, 1946, June, 1946 and July, 1945 are:

	July, 1946 (four weeks)	June, 1946 (four weeks)	July, 1945 (four weeks)
Total U. S. Construction	$536,594,000	$555,469,000	$170,984,000
Private Construction	236,734,000	349,189,000	41,794,000
Public Construction	299,860,000	206,280,000	129,190,000
State & Municipal	140,047,000	141,348,000	41,624,000
Federal	159,813,000	64,932,000	87,566,000

New Capital

New capital for construction purposes for the four weeks of July, 1946 totals $1,511,931,000, or a weekly average of $377,983,000, 1,973% above the June average and 100% above the average for July, 1945.

Non-Ferrous Metals—New Business Restricted By Revival of Price Control—Lead Sales Off

"E. & M. J. Metal and Mineral Markets," in its issue of Aug. 1, stated: "OPA was revived after the close of business on July 25, and ceiling prices on controlled commodities became effective on the following day. This action automatically rolled back maximum prices of lead and zinc to the level that obtained prior to June 30. This situation in copper, in so far as the base price was concerned, was unchanged. Confusion existed in reference to silver and antimony. As soon as price control was restored, OPA removed ceiling prices on cadmium, bismuth, and arsenic. The Premium Price Plan was put into operation promptly, and properties that shut down early in July because of uncertainty over subsidies took immediate steps to resume production. Where prices were cut back, as in silver, lead, and zinc, new business virtually ceased. August copper sales await release of metal by the Office of Metals Reserve. President Truman signed the silver bill late July 31. "The publication further went on to say in part as follows:

Copper

Refiners of copper are working on the problem of obtaining adequate payment for casting special shapes. Under price control, the premiums in effect on June 30 would again apply after July 25, and revisions made early in July would automatically be cancelled. Refiners claim that they are entitled to higher premiums because of current higher costs, and, unless the situation is corrected, production of special shapes is expected to drop sharply, causing further inconvenience to consumers. At present, all extra charges are wholly nominal, pending further developments.

Agents of Metals Reserve have been granted until Aug. 10 to take care of July contracts not received in time for proper handling before the end of the month. Copper for August shipment will be released in a day or two.

Fabricators consumed 92,241 tons of copper in June, against 93,007 tons in May. Refined copper now in the United States and owned by Metals Reserve totaled 273,875 tons at the end of June, against 472,171 tons at the beginning of the year.

Lead

The immediate effect of restoration of price control in lead was a reduction in offerings of the metal by producers, and the market became a rather thin affair. Sales were put through, beginning with July 26, on the old ceiling basis of 8¼¢, New York, but in nearly all instances this covered metal that is being produced under the Premium Price Plan. Another disturbing development was the drying up of the flow of secondary lead. In some instances scrap shipments were suspended, pending further developments in reference to possible price relief. OPA authorities, from present indications, are in no hurry to disturb the price structure in lead, according to late advices from Washington. CPA is acting on the assumption that 11,000 tons of imported lead will be available for August shipment. Actually, this metal has not yet been purchased.

Sales of lead during the last week amounted to 1,014 tons (which compares with 5,459 tons in the preceding week).

Zinc

So far as could be ascertained, only those consumers obtained zinc on the basis of 8¾¢, East St. Louis, beginning with July 26, who purchased metal on the basis of the price prevailing on date of shipment. Legally, the price of Prime Western reverted to the lower level as soon as the President signed the price-control bill. Believeing that the price of zinc will have to be raised sooner or later, sellers limited new business to pricing on date of shipment. Metal released monthly by the Office of Metals Reserve is expected to move on the same basis.

Cadmium

OPA removed cadmium from price control on July 26. The pricing agency decided to take this action early in July, but the temporary suspension of control prevented the authorities from announcing this move on the date originally scheduled. The market continued at $1.25 per lb. for commercial shapes throughout the week.

Tin

The Government took no action last week in regard to renewing the Bolivian tin concentrate contracts, owing to continued unsettlement in the political situation in that country. However, it is thought likely that the final adjustment basis will be around 65¢ per pound of tin contained, f. o. b. port of shipment.

John J. Croston, special tin investigator for CPA, reported last week that only about 41,000 tons of tin were found in the Far East after the war ended. This included tin contained in concentrates. Production in that area in 1946 will be limited to about 24,000 tons and the 1947 rate is expected to average one-half of the peacetime rate. A pre-war rate of production is not expected before late in 1948 or in 1949.

The price situation in this country was unchanged last week. Straits quality tin for shipment was nominally as follows:

	Aug.	Sept.	Oct.
July 25	52,000	52,000	52,000
July 26	52,000	52,000	52,000
July 27	52,000	52,000	52,000
July 29	52,000	52,000	52,000
July 30	52,000	52,000	52,000
July 31	52,000	52,000	52,000

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

Quicksilver

The market was inactive, with quotations unchanged on spot at $98 to $100 per flask. Some sellers were holding out for $101 on single-flask lots. On nearby business, covering round parcels, $97 could have been done, sellers report.

Silver

Handy & Harman issued the following statement on July 26:

"On July 19, Congress passed legislation authorizing the Treasury to sell to industry Government-owned silver bullion and to buy newly mined domestic silver at 90.5¢ per troy oz. 1000 fine, equivalent to 90.41¢ on commercial basis of 0.999 fine. This legislation has not yet been signed by the President.

"With the revival July 25 of OPA legislation, the former ceiling price on silver again becomes effective at the 71.11¢ level. As sellers are unwilling to offer silver at that price, and as they are unable legally to do business at a higher figure, the result has been the cessation of all transactions in the New York market. Under such conditions we are unable to issue an official quotation today, and our inability to do so will continue until such time as an amendment to OPA regulations pemits resumption of a New York silver market."

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 25	14.150	15.925	52.000	9.50	9.35	9.50
July 26	14.150	15.925	52.000	8.250	8.100	8.250
July 27	14.150	15.925	52.000	8.250	8.100	8.250
July 29	14.150	15.925	52.000	8.250	8.100	8.250
July 30	14.150	15.925	52.000	8.250	8.100	8.250
July 31	14.150	15.925	52.000	8.250	8.100	8.250
Average	14.150	15.925	52.000	8.458	8.308	8.458

Average prices for calendar week ended July 27 are: Domestic copper f.o.b. refinery, 14.150¢; export copper, f.o.b. refinery, 15.958¢; Straits tin, 52.000¢; New York lead, 9.083¢; St. Louis lead, 8.933¢; St Louis zinc, 9.083¢ and silver, 90.125¢.

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.

Philippine Nat'l Bank Reinstates US Deposits

The Government of the Philippine Republic has advised the State Department through American Ambassador Paul V. McNutt, in Manila, that despite severe financial difficulties facing that government, it has directed the Philippine National Bank, a government-owned institution, to pay the pre-war deposits of American citizens in that Bank which transferred during the Japanese occupation to the Japanese Bank of Taiwan and the Yokohama Specie Bank. The Department of State at Washington on Aug. 1, in making the foregoing announcement, added:

"The Board of Directors of the Philippine National Bank, acting on the suggestion of President Manuel Roxas, voted to pay the deposits which are estimated to amount to more than $2,000,000. The payments will be made on formal application and certification by the depositors. Depositors should communicate with the bank directly.

"Ambassador McNutt in transmitting the information to the State Department, commented that the 'Philippine Government is continuing to show its great goodwill toward American citizens, and is apparently determined to maintain the good credit not only of the government but of all its instrumentalities, despite the extreme financial stringencies in which the government finds itself today.'

"A Manila court of first instance had previously ruled in favor of American depositors seeking to establish the bank's liability for the deposits. The case had been on appeal to the Supreme Court. The Board of Directors voted to withdraw the appeal.

"Ambassador McNutt expressed the hope that other Philippine banks in the Philippines will consider following the precedent set by the Philippine National Bank."

ABA Chart Showing State Laws Applying To Real Estate Loans

NEW YORK—The Committee on State Legislation of the American Bankers Association has completed revision of its chart entitled "Legal Maximum for Loan-Value Ratio and for Term of Real Estate Loans by State Banks Generally and to GI's." This chart is being mailed to State bank supervisory authorities and to counsel for Federal Reserve Banks. The chart is based on studies of the banking laws of the various states which were made by the Committee of which G. O. Thorpe, Executive Vice-President of the First and Lumbermen's National Bank, Chippewa Falls, Wis., is Chairman. It shows in columns for easy comparison a summary of the principal statutory limitations with respect to loan ratios and maturities as applied to ordinary loans on the one hand, and loans guaranteed or insured by the Veterans' Administrator on the other. The original chart was prepared on June 27, 1945. The chart it is noted will provide State supervisory authorities with information by which they can compare their State banking laws applying to veterans' loans with the laws of other States, and in cases where remedial legislation is being proposed it will aid the State Banking Department to correct weaknesses.

Wholesale Prices Declined 0.1% in Week Ended July 27*, Labor Department Reports

"Following the sharp advances of the last three weeks, wholesale prices declined fractionally (0.1%) during the week ended July 27," said the Bureau of Labor Statistics, U. S. Department of Labor on Aug. 1. The advices added that "lower prices for agricultural products more than offset substantial increases for a few industrial commodities. At 124.1% of the 1926 average, the index of commodity prices in primary markets prepared by the Bureau was 10.1% above the level of the last week of June and 18% higher than at the end of the war," the Bureau said, and it further reported:

"Farm Products and Foods—Average prices of farm products dropped 1.2% during the 4th week of July with substantial decreases for grains and some livestock, and continued heavy shipments. Quotations for oats dropped nearly 12%, and all other grains were lower. Quotations for cows decreased nearly 18%, steers 6% and sheep 5%. Hog quotations continued to advance with small supplies. Fresh fruit and vegetable prices declined on the average with lower prices for potatoes, apples, lemons and onions and higher prices for oranges. Cotton quotations were higher while quotations for some domestic wools declined because of inferior quality and Montevideo wools were lower. On the average, prices of farm products were 12.1% higher than the last week in June and 21.3% higher than a year ago.

"Buyers' resistance to high prices resulted in price decreases for butter and some meats, and average prices of foods declined 0.9% during the week. Butter quotations averaged 7.7% lower, while prices in cheese rose slightly with demand in excess of supply. Fresh beef and veal prices decreased while pork and mutton prices continued to advance. Wheat flour prices were higher. There were substantial price advances for soda water, glucose, margarine, oleo-oil and edible tallow because of higher raw material costs and scarcity of these products. Food prices were more than 24% higher than the last week in June and 31% above a year ago.

"Other Commodities—Prices of most industrial goods continued unchanged at former OPA ceilings. Substantial advances for a few commodities, however, raised average prices of all commodities other than farm products and foods 0.7% during the week. During the 4 weeks without OPA controls, prices of this group of commodities advanced 3.0% to a level 8.8% above a year ago. Manufacturers' prices of shoes were increased as much as 30% above former OPA ceilings to meet higher raw material costs and there were further price increases for hides and skins and leather. Prices of rubber heels were up, reflecting an earlier increase in OPA ceilings. Higher metal costs resulted in substantially higher prices of lead arsenate, silver nitrate and zinc sheets. Quotations for cattle feed and some fertilizer materials advanced sharply. Prices of building materials averaged slightly higher. Soap prices increased because of higher costs."

CHANGES IN WHOLESALE PRICES BY COMMODITY GROUPS
FOR WEEK ENDED JULY 27, 1946
(1926=100)

Commodity group—	7-27 1946	7-20 1946	7-13 1946	6-29 1946	7-28 1945	Percentage changes to July 27, 1946 from— 7-20 1946	6-29 1946	7-28 1945
All commodities	124.1	124.2	120.7	112.7	105.8	—0.1	+10.1	+17.3
Farm products	157.3	159.2	153.9	140.3	129.7	—1.2	+12.1	+21.3
Foods	140.7	142.0	134.0	113.4	107.4	—0.9	+24.1	+31.0
Hides and leather products	144.0	139.3	129.1	123.8	118.5	+3.4	+16.3	+21.5
Textile products	109.5	109.5	108.8	108.5	99.1	0	+ 0.9	+10.5
Fuel and lighting materials	90.2	90.2	90.1	87.5	84.8	0	+ 3.1	+ 6.4
Metal and metal products	113.3	113.2	113.0	111.6	104.8	+0.1	+ 1.5	— 8.1
Building materials	132.6	132.5	131.8	130.3	117.3	+0.1	+ 1.8	+13.0
Chemicals and allied products	100.3	100.0	98.4	96.9	95.2	+0.3	+ 3.5	+ 5.4
Housefurnishings	112.5	112.5	110.7	110.7	106.2	0	+ 1.6	+ 5.9
Miscellaneous commodities	101.7	98.8	98.3	97.9	94.6	+2.9	+ 3.9	+ 7.5
Raw materials	140.2	141.4	137.2	126.7	118.5	—0.8	+10.7	+18.3
Semi-manufactured	109.0	108.5	107.5	104.4	95.2	+0.5	+ 4.4	+14.5
Manufactured products	119.3	118.9	115.3	107.8	101.9	+0.3	+10.7	+17.1
All commodities other than farm products	116.8	116.6	113.3	106.6	100.6	+0.2	+ 9.6	+16.1
All commodities other than farm products and foods	108.6	107.8	106.9	105.4	99.8	+0.7	+ 3.0	+ 8.8

PERCENTAGE CHANGES IN SUBGROUP INDEXES FROM
JULY 20, 1946 TO JULY 27, 1946

Increases

Cattle feed	32.8	Brick and tile	0.6
Shoes	6.0	Oils and fats	0.4
Leather	2.4	Chemicals	0.2
Other foods	1.7	Nonferous metals	0.2
Cereal products	1.2	Other building materials	0.2
Fertilizer materials	1.1	Other farm products	0.2
Hides and skins	0.8	Other miscellaneous	0.2
Housefurnishings	0.1		

Decreases

Grains	6.3	Fruits and vegetables	1.2
Dairy products	3.1	Livestock and poultry	0.7
Meats	1.7	Paint and paint materials	0.2

*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 indicator of week-to-week changes and should not be compared directly with the monthly index.

National Fertilizer Association Commodity Price Index Rises to New High Point

During the first week after the OPA was revived there was a roll-back to the former ceiling prices on many commodities; some price increases were permitted by the OPA; and many commodities, not included at the present time under OPA ceilings, advanced. The net result of all of these factors, as measured by the wholesale commodity price index compiled by The National Fertilizer Association, and made public on Aug. 5, was that the index pushed through to a new high level in the week ended Aug. 3, 1946, advancing to 172.4 from 170.8 in the preceding week. The previous high point of 171.3 was reached July 20, 1946. A month ago the index stood at 157.9, and a year ago at 141.7, all based on the 1935-1939 average as 100. The Association's report continued as follows:

Three of the composite groups of the index advanced during the latest week, six declined, and the remaining two showed no change. The largest increase took place in the fuels group, which rose 9.3% with substantial price increases in bunker oil, gasoline and petroleum. The farm products group rose 3.1% with prices mixed. The cotton subgroup advanced slightly, the grains index declined with mixed quotations, and the livestock index advanced sharply because of higher quotations for hogs and lambs much more than offseting lower quotations for good cattle, calves and sheep. The fertilizer materials index advanced reflecting the higher ceiling prices permited by OPA for superphosphate. The foods index declined with prices mixed. Prices were rolled back on many commodities in this group, and these decreases more than offset the increases in others. Other groups that declined were the miscellaneous commodities, textiles, metals, building materials, and chemical and drugs groups—the roll-back of prices on commodities in these groups was chiefly responsible for the declines that were registered.

During the week 21 price series in the index advanced and 28 declined; in the preceding week 13 advanced and 13 declined; in the second preceding week 35 advanced and 8 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 Aug. 3, 1946	Preceding Week July 27, 1946	Month Ago July 6, 1946	Year Ago Aug. 4, 1945
25.3	Foods	179.2	181.4	161.1	144.0
	Fats and Oils	226.7	205.9	176.4	145.0
	Cottonseed Oil	202.3	202.3	197.3	162.4
23.0	Farm Products	219.0	212.4	196.9	168.4
	Cotton	320.7	318.6	294.5	214.4
	Grains	218.1	220.3	231.3	164.0
	Livestock	206.4	195.7	172.9	163.0
17.3	Fuels	151.5	138.6	138.6	133.3
10.8	Miscellaneous commodities	147.8	154.2	140.7	133.9
8.2	Textiles	193.2	196.6	172.4	157.0
7.1	Metals	124.1	125.3	123.5	108.9
6.1	Building materials	177.6	186.4	168.3	153.8
1.3	Chemicals and drugs	127.5	128.3	127.5	125.8
.3	Fertilizer materials	122.5	121.0	118.9	118.3
.3	Fertilizers	119.8	119.8	119.8	119.9
.3	Farm machinery	115.1	115.1	109.0	104.8
100.0	All groups combined	172.4	170.8	157.9	141.7

*Indexes on 1926-1928 base were: Aug. 3, 1946, 134.3; July 27, 1946, 133.1, and Aug. 4, 1945, 110.4.

Market Value of Stocks on New York Stock Exchange in May

The New York Stock Exchange announced on June 7 that as of the close of business May 31, there were 1,292 stock issues, aggregating 1,666,270,936 shares listed on the New York Stock Exchange, with a total market value of $84,043,436,932. This compares with the figures, as of April 30, of 1,284 issues, aggregating 1,644,604,222 shares; total market value $80,943,361,516; average price $49.22; ratio of member borrowings not collateralized by U. S. Government issues to total market value of all listed shares 0.54%.

In making public the June 7 announcement the Stock Exchange said:

As of the close of business May 31, New York Stock Exchange member total net borowings amounted to $731,574,413 of which $401,776,531 represented loans which were not collateralized by U. S. Government issues. The ratio of the latter borowings to the market value of all listed stocks, on that date, was, therefore, 0.48%. As the loans not collateralized by U. S. Government issues include all other types of member borowings, these ratios will ordinarily exceed the precise relationship between borrowings on listed shares and their total market value.

In the following table listed stocks are classified by leading industrial groups with the aggregate market value and average price for each:

Group—	May 31, 1946 Market Value $	May 31, 1946 Av. Price $	April 30, 1946 Market Value $	April 30, 1946 Av. Price $
Amusement	1,321,309,044	40.89	1,356,594,890	43.11
Automobile	6,439,669,831	50.89	6,150,625,766	48.67
Aviation	1,187,258,259	23.50	1,182,927,452	24.29
Building	1,242,669,099	52.27	1,182,211,882	49.65
Business and Office Equipment	768,909,939	67.68	712,299,618	53.44
Chemical	10,300,878,675	83.98	9,876,472,598	82.39
Electrical Equipment	2,396,776,884	44.60	2,237,875,887	41.66
Farm Machinery	1,105,054,563	77.55	1,044,969,150	73.33
Financial	1,538,462,922	31.29	1,500,445,550	30.57
Food	5,489,104,923	55.65	5,248,357,135	55.32
Garment	104,985,690	45.32	96,791,835	42.33
Land & Realty	96,435,605	15.42	71,517,289	14.86
Leather	389,365,030	45.38	370,730,398	42.14
Machinery & Metals	3,290,366,235	41.85	3,128,910,498	40.01
Mining (excluding iron)	2,486,904,315	38.85	2,443,051,814	38.17
Paper & Publishing	1,178,660,598	44.39	1,149,630,871	45.51
Petroleum	9,335,551,728	44.61	9,066,398,965	43.69
Railroad	6,433,104,860	56.53	6,186,762,591	54.37
Retail Merchandising	5,661,061,332	52.17	5,780,609,347	52.02
Rubber	926,967,099	80.88	941,016,119	82.11
Ship Building & Operating	203,031,362	32.80	197,884,464	32.04
Shipping Services	40,468,638	23.47	37,188,085	21.57
Steel, Iron & Coke	3,726,274,053	66.18	3,476,553,772	65.91
Textiles	1,321,064,423	60.15	1,158,407,641	55.78
Tobacco	1,885,314,142	64.95	1,635,549,374	63.65
Utilities:				
Gas & Electric (Operating)	3,709,000,511	38.79	3,670,988,642	38.75
Gas & Electric (Holding)	2,384,135,519	24.64	2,272,712,706	23.49
Communications	5,026,406,545	113.74	4,890,583,808	110.98
Miscellaneous Utilities	265,695,334	43.28	236,645,011	38.55
U. S. Cos. Operating Abroad	1,403,644,133	41.15	1,382,412,574	40.61
Foreign Companies	1,535,305,375	36.40	1,449,547,029	34.38
Miscellaneous Businesses	651,200,266	46.48	606,688,755	44.11
All Listed Stocks	84,043,436,932	50.44	80,943,361,516	49.22

We give below a two-year compilation of the total market value and the average price of stocks listed on the Exchange.

	Market Value $	Average Price $		Market Value $	Average Price $
1944—			1945—		
May 31	50,964,039,424	34.14	June 30	62,636,685,716	40.68
June 30	53,067,698,691	35.55	July 31	61,242,460,874	39.65
July 31	52,488,254,469	35.07	Aug. 31	64,315,140,586	41.55
Aug 31	53,077,487,308	35.40	Sept. 29	67,065,130,865	43.17
Sept. 30	52,929,771,152	35.75	Oct. 31	69,560,968,600	44.23
Oct. 31	53,086,843,093	35.84	Nov. 30	72,729,703,313	46.13
Nov. 30	53,591,644,063	36.14	Dec. 31	73,765,250,751	46.33
Dec. 30	55,511,963,741	37.20			
1945—			1946—		
Jan. 31	56,585,846,293	37.84	Jan. 31	78,467,733,341	48.61
Feb. 28	59,680,085,110	39.84	Feb. 28	74,164,879,781	45.79
Mar. 31	57,383,487,905	38.15	Mar. 30	77,932,414,601	47.88
Apr. 30	61,496,723,658	40.68	Apr. 30	80,943,361,516	49.22
May 31	62,430,603,026	40.64	May 31	84,043,436,932	50.44

Nourse Named to Employment Council

President Truman on July 29 nominated Edwin G. Nourse, economist and Vice-President of the Brookings Institution, as a member of the Council of Economic Advisers, provided under the so-called Full Employment Act of 1946, to administer the Act. The other two members of the committee, Leon H. Keyserling, General Counsel for the National Housing Agency, and John Davidson Clark, economist and lawyer from the University of Nebraska, were nominated the preceding week. The three members were confirmed by the Senate on July 30. It is understood that the President has chosen Mr. Nourse as Chairman of the Council. Mr. Nourse, according to Associated Press Washington advices, was instructor in finance of the Wharton School of Finance and Commerce, 1909-10; Professor and head of the Department of Economics and Sociology, University of South Dakota, 1910-12; University of Arkansas, 1915-18; Professor of Agricultural Economics, Iowa State College and Chief of Agricultural Economics Section, Iowa Experimental Station, 1918-23.

When announcing his latest appointment to the Committee, President Truman issued a formal statement, of which the following are some excerpts taken from Associated Press accounts:

"I consider that this Act constitutes a distinct and vitally important new step in the history of this country. It is the function of the Council to formulate and recommend national economic policies to promote employment, production and purchasing power under free competitive enterprise.

"One of its primary functions is 'fact-finding.' It will piece together a complete and consistent picture of the economic state of the nation. The next function of the Council will be to interpret all available facts and then to present the soundest possible diagnosis as to the state of the nation's economic health.

"Our country is capable of maintaining an economy free from the evils of both inflation and deflation.

"The Council will be in a position to present to the nation a clearer and more comprehensive analysis than we have ever had regarding the economic state of the nation and all factors which tend to retard prosperity."

Result of Treasury Bill Offering

The Secretary of the Treasury announced on Aug. 5 that the tenders for $1,300,000,000 or thereabout of 91-day Treasury bills to be dated Aug. 8 and to mature Nov. 7, which were offered on Aug. 2, were opened at the Federal Reserve Banks on Aug. 5.

Total applied for, $1,823,956,000.

Total accepted, $1,315,336,000 (includes $35,506,000 entered on a fixed price basis of 99.905 and accepted in full).

Average price 99.905+; equivalent rate of discount approximately 0.376% 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.

(70% of the amount bid for at the low price was accepted.)

There was a maturity of a similar issue of bills on Aug. 8 in the amount of $1,308,242,000.

Trading on New York Exchanges

The Securities and Exchange Commission made public on July 31, 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 July 13, 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 July 13 (in round-lot transactions) totaled 977,025 shares, which amount was 16.81% of the total transactions on the Exchange of 4,863,150 shares. This compares with member trading during the week ended July 6 of 1,285,055 shares or 17.08% of the total trading of 1,285,055 shares.

On the New York Curb Exchange, member trading during the week ended July 13 amounted to 487,465 shares, or 17.54% of the total volume on that exchange of 1,389,225 shares. During the week ended July 6 trading for the account of Curb members of 425,965 shares was 18.52% of the total trading of 1,132,035 shares.

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

WEEK ENDED JULY 13, 1946

	Total for Week	†%
A. Total Round-Lot Sales:		
Short sales	198,540	
‡Other sales	4,664,610	
Total sales	4,863,150	
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	487,130	
Short sales	89,630	
‡Other sales	349,720	
Total sales	439,400	9.53
2. Other transactions initiated on the floor—		
Total purchases	84,500	
Short sales	15,000	
‡Other sales	95,860	
Total sales	110,860	2.01
3. Other transactions initiated off the floor—		
Total purchases	235,390	
Short sales	45,100	
‡Other sales	231,885	
Total sales	276,985	5.27
4. Total—		
Total purchases	807,020	
Short sales	149,780	
‡Other sales	677,465	
Total sales	827,245	16.81

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

WEEK ENDED JULY 13, 1946

	Total for Week	†%
A. Total Round-Lot Sales:		
Short sales	22,070	
‡Other sales	1,367,155	
Total sales	1,389,225	
B. Round-Lot Transactions for Account of Members:		
1. Transactions of specialists in stocks in which they are registered—		
Total purchases	146,765	
Short sales	9,675	
‡Other sales	125,645	
Total sales	135,320	10.15
2. Other transactions initiated on the floor—		
Total purchases	34,250	
Short sales	2,200	
‡Other sales	27,625	
Total sales	29,825	2.31
3. Other transactions initiated off the floor—		
Total purchases	71,150	
Short sales	4,705	
‡Other sales	65,450	
Total sales	70,155	5.08
4. Total—		
Total purchases	252,165	
Short sales	16,580	
‡Other sales	218,720	
Total sales	235,300	17.54
C. Odd-Lot Transactions for Account of Specialists—		
Customers' short sales	0	
§Customers' other sales	76,701	
Total purchases	76,701	
Total sales	76,311	

*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."

Short Position on Curb in July

The total short position in stocks traded on the New York Curb Exchange amounted at the close of business on July 15, 1946, to 161,230 shares in 216 issues, the exchange reported on July 19. This compares with a total short position on June 14, 1946, of 137,183 shares in 198 issues and represents an increase of 24,047 shares. There was a decrease in the previous month of 63,566 shares. The report shows that only five stock issues out of the total of 856 traded on the Curb Exchange on July 15, 1946, showed a short position in excess of 5,000 shares, compared with a like number of issues on June 14, as follows:

Security—	Short Position July 15, 1946	Short Position June 14, 1946	Increase	Decrease
Cuban Atlantic Sugar Co., common	32,736	2,000	30,736	----
Illinois Power Co., common	5,900	10,185	----	4,285
National Union Radio Corp., common	13,817	----	13,817	----
Pan American Airways Corp., warrants	9,950	9,650	300	----
St. Regis Paper Co., common	7,222	2,550	4,672	----
Total short position (stocks)	161,230	137,183	24,047	----
Total short position (bonds)	2	8	----	6

Daily Average Crude Oil Production for Week Ended July 27, 1946, Decreased 11,050 Bbls.

The American Petroleum Institute estimates that the daily average gross crude oil production for the week ended July 27, 1946, was 4,926,050 barrels, a decrease of 11,050 barrels per day from the preceding week and 3,950 barrels per day less than in the corresponding week of 1945. The current figure, however, was 178,050 barrels in excess of the daily average figure of 4,748,000 barrels estimated by the United States Bureau of Mines as the requirement for the month of July, 1946. Daily output for the four weeks ended July 27, 1946, averaged 4,925,750 barrels. The Insitute 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 4,896,000 barrels of crude oil daily and produced 14,535,000 barrels of gasoline; 1,851,000 barrels of kerosine; 5,817,000 barrels of distillate fuel, and 8,217,000 barrels of residual fuel oil during the week ended July 27, 1946; and had in storage at the end of that week 88,626,000 barrels of finished and unfinished gasoline; 15,619,000 barrels of kerosine; 44,316,000 barrels of distillate fuel, and 49,517,000 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 27, 1946	Change from Previous Week	4 Weeks Ended July 27, 1946	Week Ended July 28, 1945
**New York-Penna.	48,000		49,900	+ 1,950	47,050	47,300
Florida	----		200	----	250	150
**West Virginia	8,400		7,200	+ 750	7,300	8,000
**Ohio—Southeast	7,600		4,850	— 150	5,200	5,400
Ohio—Other			2,450	+ 250	2,400	2,550
Indiana	19,000		18,950	+ 250	18,950	13,300
Illinois	210,000		210,800	+ 3,850	209,550	199,700
Kentucky	31,000		31,150	— 550	31,350	29,950
Michigan	47,000		45,950	+ 50	46,900	47,700
Nebraska	800		†800	+ 50	750	850
Kansas	260,000	170,000	†271,500	— 4,150	268,450	278,450
Oklahoma	384,000	385,545	†383,650	— 50	383,900	390,400
Texas—						
District I			19,500	----	19,500	----
District II			158,100	----	158,100	----
District III			511,350	----	511,350	----
District IV			228,000	----	228,000	----
District V			44,150	----	44,150	----
East Texas			315,000	----	315,000	----
Other Dist. VI			107,800	----	107,800	----
District VII-B			32,000	----	32,000	----
District VII-C			27,950	----	27,950	----
District VIII			539,150	----	569,150	----
District IX			129,300	----	129,300	----
District X			85,150	----	85,150	----
Total Texas	2,110,000	‡2,386,381	2,227,450	----	2,227,450	2,209,400
North Louisiana			83,400	+ 250	82,900	70,400
Coastal Louisiana			300,650	----	300,650	296,900
Total Louisiana	380,000	427,000	384,050	+ 250	383,550	367,300
Arkansas	78,000	78,969	73,650	— 1,600	74,300	79,550
Mississippi	60,000		64,950	+ 900	64,850	51,650
Alabama	1,200		1,150	----	1,150	1,000
New Mexico—So. East	97,000	106,000	98,150	----	98,150	102,850
New Mexico—Other			500	----	500	400
Wyoming	112,000		113,650	— 600	112,200	114,650
Montana	22,000		25,350	+ 700	25,400	20,800
Colorado	28,000		36,650	— 650	36,650	12,150
California	844,000	§839,700	873,100	—12,300	879,500	946,500
Total United States	4,748,000		4,926,050	—11,050	4,925,750	4,930,000
**Pennsylvania Grade (included above)			61,950	+ 2,550	59,550	60,700

*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 the week ended 7 a.m. July 24, 1946.

‡This is the net basic allowable as of July 1 calculated on a 31-day basis and includes shutdowns and exemptions for the entire month. With the exception of those fields which were exempted entirely the entire state was ordered shut down for 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 27, 1946

(Figures in thousands of barrels of 42 gallons each)

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

District—	% Daily Refin'g Capac. Report'g	Crude Runs to Stills Daily Av.	Crude Runs to Stills % Operated	*§Gasoline Product'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	758	90.3	1,822	22,774	6,632	14,215	9,531
Appalachian—								
District No. 1	76.3	89	62.2	251	2,210	323	431	214
District No. 2	84.7	55	88.7	199	891	62	144	149
Ind., Ill., Ky.	87.4	798	91.7	2,704	16,539	2,454	6,483	4,365
Okla., Kan., Mo.	78.3	382	81.4	1,325	7,813	1,135	2,663	1,368
Inland Texas	59.8	226	68.5	906	2,625	415	491	753
Texas Gulf Coast	89.2	1,217	99.3	3,527	13,708	2,165	6,989	4,954
Louisiana Gulf Coast	97.4	357	111.2	984	4,267	1,202	1,434	2,241
No. La. & Arkansas	55.9	61	48.4	140	1,898	304	436	152
Rocky Mountain—								
District No. 3	19.0	12	92.3	39	93	20	42	44
District No. 4	70.9	118	71.5	347	1,584	175	484	775
California	85.5	823	82.8	2,281	14,224	732	9,697	25,778
Total U. S. B. of M. basis July 27, 1946	85.8	4,896	88.1	14,535	*88,626	15,619	44,316	49,517
Total U. S. B. of M. basis July 20, 1946	85.8	4,826	86.8	13,936	89,326	15,187	42,611	49,177
U. S. B. of M. basis July 28, 1945	----	5,012		16,481	†86,181	10,969	35,929	42,760

*Includes unfinished gasoline stocks of 8,713,000 barrels. †Includes unfinished gasoline stocks of 11,215,000 barrels. ‡Stocks at refineries, at bulk terminals, in transit and in pipe lines. §In addition there were produced during the week ended July 27, 1946, 1,851,000 barrels of kerosine, 5,817,000 barrels of gas oil and distillate fuel oil and 8,217,000 barrels of residual fuel oil, as compared with 2,010,000 barrels, 5,296,000 barrels and 8,271,000 barrels, respectively, in the preceding week and 1,403,000 barrels, 4,652,000 barrels and 9,688,000 barrels, respectively, in the week ended July 28, 1945.

NYSE Odd-Lot Trading

The Securities and Exchange Commission made public on July 31, a summary for the week ended July 20, 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 July 20, 1946

	Total Per Week
Odd-Lot Sales by Dealers— (Customers' purchases)	
Number of orders	27,909
Number of shares	774,013
Dollar value	$36,641,360
Odd-Lot Purchases by Dealers— (Customers' sales)	
Number of Orders:	
Customers' short sales	188
*Customers' other sales	21,932
Customers' total sales	22,120
Number of Shares:	
Customers' short sales	7,171
*Customers' other sales	635,338
Customers' total sales	642,509
Dollar value	$29,121,100
Round-Lot Sales by Dealers—	
Number of Shares:	
Short sales	110
†Other sales	124,080
Total sales	124,190
Round-Lot Purchases by Dealers—	
Number of shares	271,360

*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."

Fairchild Retail Price Index Advances in June

Retail prices advanced for the fourth consecutive month according to the Fairchild Publications Retail Price Index. Prices on July 1 showed a gain of 0.2% as compared with June 1, and an increase of 1.1% compared with July 1 a year ago. This is the first time since before the war that the Index advanced for four consecutive months. It is a new peak in the life of the Index since 1931, said the advices from the Fairchild Publications on July 17, which further said:

"Advances during the month were recorded by three of the major subdivisions — piece goods, women's apparel, and home furnishings. As compared with a year ago four of the major sub-divisions advanced, with infants' and children's wear showing practically no change.

"An analysis of individual items comprising the Index shows increases during the month for rayon and cotton piece goods, sheets and pillowcases, aprons and housedresses, furs, women's shoes, men's hosiery, men's clothing and floor coverings. The increases compared with a year ago were very marked for such items as sheets and pillowcases, furs, and, to a lesser extent, woolen and cotton piece goods, corsets and brassieres, women's shoes and underwear, men's clothing, furniture and floor coverings.

"With wholesale prices of a large portion of the items sold at retail tending higher, it is difficult to see how further gains in retail prices can be avoided before the end of the year. Regardless of price control, further gains in prices are to be expected according to A. W. Zelomek, economist, under whose supervision the Index is compiled. He points out that the readjustments in the Index thus far in the past several months have only been a reflection of the relief granted for various items by the OPA. Further relief was in the offing, indicating that still higher prices were to be expected."

Revenue Freight Car Loadings During Week Ended July 27, 1946, Decreased 10,983 Cars

Loading of revenue freight for the week ended July 27, 1946 totaled 910,513 cars, the Association of American Railroads announced on Aug. 1. This was an increase above the corresponding week of 1945 of 24,083 cars, or 2.7% and an increase above the same week in 1944 of 1,023 cars or 0.1%.

Loading of revenue freight for the week of July 27 decreased 10,983 cars or 1.2% below the preceding week.

Miscellaneous freight loading totaled 386,166 cars, an increase of 2,233 cars above the preceding week, but a decrease of 4,521 cars below the corresponding week in 1945.

Loading of merchandise less than carload lot freight totaled 121,227 cars, an increase of 1,605 cars above the preceding week, and an increase of 17,670 cars above the corresponding week in 1945.

Coal loading amounted to 188,293 cars, a decrease of 2,093 cars below the preceding week, but an increase of 15,096 cars above the corresponding week in 1945.

Grain and grain products loading totaled 59,121 cars, a decrease of 4,405 cars below the preceding week and a decrease of 8,728 cars below the corresponding week in 1945. In the Western Districts alone, grain and grain products loading for the week of July 27 totaled 39,111 cars, a decrease of 2,560 cars below the preceding week and a decrease of 4,547 cars below the corresponding week in 1945.

Livestock loading amounted to 17,957 cars, a decrease of 3,837 cars below the preceding week but an increase of 3,604 cars above the corresponding week in 1945. In the Western Districts alone loading of livestock for the week of July 27 totaled 13,196 cars, a decrease of 2,717 cars below the preceding week, but an increase of 2,674 cars above the corresponding week in 1945.

Forest products loading totaled 51,600 cars, an increase of 606 cars above the preceding week and an increase of 5,387 cars above the corresponding week in 1945.

Ore loading amounted to 72,322 cars, a decrease of 5,534 cars below the preceding week and a decrease of 3,936 cars below the corresponding week in 1945.

Coke loading amounted to 13,827 cars, an increase of 442 cars above the preceding week, but a decrease of 489 cars below the corresponding week in 1945.

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

	1946	1945	1944
4 weeks of January	2,883,620	3,003,655	3,158,700
4 weeks of February	2,866,710	3,052,487	3,154,116
5 weeks of March	3,982,229	4,022,088	3,916,037
4 weeks of April	2,604,552	3,377,335	3,275,846
4 weeks of May	2,616,067	3,456,465	3,441,616
5 weeks of June	4,062,911	4,366,516	4,338,886
Week of July 6	679,785	726,663	744,347
Week of July 13	895,080	883,543	903,901
Week of July 20	921,496	882,648	902,092
Week of July 27	910,513	886,430	909,490
Total	22,422,963	24,657,830	24,745,031

The following table is a summary of the freight carloadings for the separate railroads and systems for the week ended July 27, 1946. During this period 68 roads reported gains over the week ended July 28, 1946.

REVENUE FREIGHT LOADED AND RECEIVED FROM CONNECTIONS (NUMBER OF CARS) WEEK ENDED JULY 27

Railroads	Total Revenue Freight Loaded			Total Loads Received from Connections	
	1946	1945	1944	1946	1945
Eastern District—					
Ann Arbor	435	288	285	1,528	1,377
Bangor & Aroostook	1,312	1,344	1,065	695	325
Boston & Maine	7,637	6,699	6,670	13,332	12,517
Chicago, Indianapolis & Louisville	1,346	1,141	1,265	2,113	1,935
Central Indiana	45	38	29	65	46
Central Vermont	1,173	1,030	1,156	2,300	2,093
Delaware & Hudson	4,740	4,897	5,232	11,077	11,383
Delaware, Lackawanna & Western	8,288	7,659	8,069	9,453	11,583
Detroit & Mackinac	463	269	198	234	140
Detroit, Toledo & Ironton	2,349	1,775	1,758	1,199	1,425
Detroit & Toledo Shore Line	382	397	325	2,988	2,304
Erie	12,668	13,268	13,403	15,480	15,694
Grand Trunk Western	4,943	3,691	4,027	8,175	7,977
Lehigh & Hudson River	55	149	161	2,310	3,440
Lehigh & New England	2,368	2,155	2,038	1,517	1,032
Lehigh Valley	8,968	8,832	8,871	8,393	11,085
Maine Central	3,063	2,783	2,356	3,089	2,688
Monongahela	5,390	6,436	6,477	282	333
Montour	2,453	2,865	2,634	34	19
New York Central Lines	52,515	51,889	52,749	51,858	49,826
N. Y., N. H. & Hartford	10,507	9,874	9,216	16,043	16,579
New York, Ontario & Western	1,042	895	1,296	2,978	3,245
New York, Chicago & St. Louis	7,328	7,396	6,686	14,686	14,947
N. Y., Susquehanna & Western	313	404	402	1,356	2,087
Pittsburgh & Lake Erie	6,631	7,192	8,112	8,508	9,701
Pere Marquette	7,058	5,212	5,755	7,350	7,223
Pittsburgh & Shawmut	805	883	865	14	34
Pittsburg, Shawmut & North	346	228	366	132	236
Pittsburgh & West Virginia	728	968	1,394	2,161	2,724
Rutland	418	378	399	1,112	1,170
Wabash	7,306	6,625	6,181	10,758	10,907
Wheeling & Lake Erie	6,209	6,554	6,170	3,685	4,274
Total	169,284	164,214	165,610	204,905	210,349
Allegheny District—					
Akron, Canton & Youngstown	618	805	741	1,280	1,020
Baltimore & Ohio	43,192	48,190	48,423	25,703	27,092
Bessemer & Lake Erie	6,142	6,312	7,251	2,346	2,121
Cambria & Indiana	1.378	1,618	1,708	11	9
Central R. R. of New Jersey	6,422	6,615	7,152	15,607	18,219
Cornwall	456	452	478	58	46
Cumberland & Pennsylvania	361	171	214	21	16
Ligonier Valley	73	136	150	12	72
Long Island	2,281	2,632	2,611	4,768	4,337
Penn-Reading Seashore Lines	1.544	1,651	1,603	2,034	2,288
Pennsylvania System	90.297	90,391	91,420	65,168	62,978
Reading Co.	15,505	15,029	14,257	23.480	27,307
Union (Pittsburgh)	18,705	19,174	19,563	6,941	7,389
Western Maryland	4,353	4,038	4,708	9,972	12,603
Total	191,327	197,214	200,279	157,401	165,497
Pocahontas District—					
Chesapeake & Ohio	35,162	28,981	29,849	16,510	14,845
Norfolk & Western	26,587	21,206	22,258	7,096	7,578
Virginian	5,054	4,590	4,752	1,754	2,151
Total	66,803	54,777	56,859	25,360	24,574
Southern District—					
Alabama, Tennessee & Northern	413	554	428	325	302
Atl. & W. P.—W. R. R. of Ala.	786	796	798	1,929	2,336
Atlanta, Birmingham & Coast	†	†	882	†	†
Atlantic Coast Line	13,482	10,375	10,086	9,297	10,208
Central of Georgia	4,128	3,784	3,915	4,383	4,300
Charleston & Western Carolina	964	865	712	1,535	2,094
Clinchfield	2,281	1,963	1,942	3,736	3,333
Columbus & Greenville	347	252	197	391	223
Durham & Southern	125	87	127	527	654
Florida East Coast	992	760	832	1,456	1,038
Gainesville Midland	94	47	48	86	114
Georgia	1,263	1,401	1,324	2,382	2,841
Georgia & Florida	605	600	399	630	562
Gulf, Mobile & Ohio	4,878	4,854	4,558	3,873	5,045
Illinois Central System	28,027	27,181	28,165	14,579	16,657
Louisville & Nashville	28,483	27,025	26,915	10,508	12,608
Macon, Dublin & Savannah	290	285	206	703	716
Mississippi Central	0	413	315	0	525
Nashville, Chattanooga & St. L.	3,670	3,267	3,155	4,347	4,316
Norfolk Southern	1,613	1,023	1,626	1,523	1,275
Piedmont Northern	378	429	382	1,458	1,275
Richmond, Fred. & Potomac	382	521	440	9,023	8,564
Seaboard Air Line	10,639	8,879	9,701	8,638	7,815
Southern System	29,489	26,372	26,212	26,375	25,067
Tennessee Central	746	604	662	745	908
Winston-Salem Southbound	125	132	127	983	1,035
Total	134,200	122,469	124,154	109,432	113,811
Northwestern District—					
Chicago & North Western	22,085	19,782	19,829	15,467	15,200
Chicago Great Western	2,724	2,262	2,574	3,341	3,615
Chicago, Milw., St. P. & Pac.	23,736	22,856	22,258	10,354	11,44
Chicago, St. Paul, Minn. & Omaha	4,287	3,511	3,193	4,291	4,048
Duluth, Missabe & Iron Range	24,898	26,225	30,502	253	346
Duluth, South Shore & Atlantic	1,092	705	548	675	545
Elgin, Joliet & Eastern	8,224	8,340	9,559	8,937	9,335
Ft. Dodge, Des Moines & South	457	387	426	118	119
Great Northern	22,629	20,771	24,201	7,362	9,776
Green Bay & Western	503	386	475	840	901
Lake Superior & Ishpeming	2,217	2,114	2,562	67	68
Minneapolis & St. Louis	2,158	2,241	2,168	2,659	2,767
Minn., St. Paul & S. S. M.	7,949	6,794	7,769	3,706	3,351
Northern Pacific	12,060	11,674	12,207	4,890	6,880
Spokane International	176	340	178	501	607
Spokane, Portland & Seattle	2,796	2,927	3,256	2,387	4,747
Total	137,991	131,315	141,705	65,848	73,754
Central Western District—					
Atch., Top. & Santa Fe System	28,904	29,253	29,045	11,673	16,083
Alton	2,846	3,629	3,624	3,519	3,705
Bingham & Garfield	190	320	321	41	88
Chicago, Burlington & Quincy	22,897	21,813	20,885	10,532	13,529
Chicago & Illinois Midland	3,414	3,037	3,256	712	839
Chicago, Rock Island & Pacific	14,178	13,177	14,887	13,738	14,755
Chicago & Eastern Illinois	3,102	3,082	2,850	3,999	4,672
Colorado & Southern	679	753	765	1,771	3,346
Denver & Rio Grande Western	3,341	3,475	4,161	4,621	7,323
Denver & Salt Lake	545	621	755	96	76
Fort Worth & Denver City	1,190	860	1,126	1,284	2,293
Illinois Terminal	2,013	2,028	2,610	2,231	2,267
Missouri-Illinois	1,277	1,255	1,193	518	720
Nevada Northern	1,415	1,394	1,658	106	120
North Western Pacific	907	963	1,124	878	1,080
Peoria & Pekin Union	8	10	1	0	0
Southern Pacific (Pacific)	36,206	34,004	34,320	10,177	14,489
Toledo, Peoria & Western	----	370	304	----	2,062
Union Pacific System	17,095	19,390	18,618	15,779	21,756
Utah	823	618	449	8	6
Western Pacific	2,094	2,340	2,066	3,044	4,692
Total	143,124	142,392	144,018	84,727	113,901
Southwestern District—					
Burlington-Rock Island	251	422	777	938	805
Gulf Coast Lines	3,957	4,591	5,549	2,728	2,520
International-Great Northern	2,440	2,729	2,758	3,469	3,198
‡K. O. & G., M. V. & O. C.-A.-A.	1,263	1,498	1,055	1,597	1,761
Kansas City Southern	3,303	3,517	5,907	3,138	3,368
Louisiana & Arkansas	2,370	3,278	3,859	1,953	2,666
Litchfield & Madison	433	357	319	1,412	1,306
Missouri & Arkansas	209	213	167	284	536
Missouri-Kansas-Texas Lines	5,592	6,790	6,751	4,025	4,515
Missouri Pacific	19,056	19,897	18,469	14,844	18,366
Quanah Acme & Pacific	171	122	65	224	463
St. Louis-San Francisco	10,656	10,778	10,077	8,351	8,513
St. Louis-Southwestern	2,923	3,870	3,234	4,425	6,253
Texas & New Orleans	8,926	9,767	12,288	5,346	5,476
Texas & Pacific	6,119	6,100	5,440	6,336	7,225
Wichita Falls & Southern	87	100	107	67	35
Weatherford & W. & N. W.	28	20	43	11	2
Total	67,784	74,049	76,865	59,148	67,008

†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	591,861	101	96
April 20	143,946	167,627	566,152	101	96
Apr. 27	148,161	156,291	553,274	95	96
May 4	229,120	174,501	605,288	101	96
May 11	155,747	165.911	591,206	97	96
May 18	159,370	162,563	595,427	92	96
May 25	131,133	152,203	565,225	93	96
June 1	142,001	139,693	567,068	85	96
June 8	186,073	160,607	591,496	96	96
June 15	136,211	161,240	567,087	98	96
June 22	157,746	163,148	560,916	97	96
June 29	166,050	166,841	558,129	98	96
July 6	180,587	118,542	596,425	70	95
July 13	127,832	141,476	599,527	87	95
July 20	149,547	158,210	588,429	94	95
July 27	149,865	161,405	575,590	95	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.

Electric Auto Lite Stock All Disposed of

The unsubscribed portion amounting to 24,484 common shares of The Electric Auto-Lite Co., out of the total of 298,971 shares offered to the shareholders by the Company, has been sold through a distribution after the close (Monday) Aug. 5 of the New York Stock Exchange, by a group of 57 underwriters headed by Lehman Brothers and Smith, Barney & Co.

The net proceeds of the 298,971 share offering are to be used for the repayment of the company's bank loan of $10,000,000 and the remaining portion of its V-Loan outstanding in the amount of approximately $2,800,000. The balance of the proceeds, estimated as a maximum of $3,369,376 and a minimum of $2,920,919, is to be added to the company's cash which is eventually to be drawn on in the amount of approximately $6,400,000 to pay the estimated cost of the remainder of the company's program for expansion of plants and equipment. Payments to the company on claims, aggregating approximately $3,125,000, in respect of cancelled war production contracts will upon payment of the V-Loan go to the Company's cash account instead of being applied in reduction of the Loan.

The company's entire post-war program, including the cost of necessary additional equipment, is estimated to require the aggregate expenditure of approximately $13,600,000, of which $7,200,000 has already been expended. Counting all additions since the beginning of the war, including the post-war expansion program, the cost to the company for additional plants and facilities will amount to approximately $21,500,000 of which approximately $15,100,000 has already been expended.

Upon completion of the present offering, the company will have outstanding $3,000,000 of 2¼% debentures due 1950 and 1,494,855 common shares.

The registration statement discloses that during the first five months 1946, approximately 33% of the company's production consisted of starting, lighting and ignition units for motor vehicles. Approximately 19% of production in this period consisted of storage batteries and 11% represented lamps for motor vehicles. In addition, the company makes instrument panels and instruments, aluminum and zinc base die castings, wire and cable, spark plugs and miscellaneous products. Approximately 91% of sales consisted of products used for motor vehicles.

Lumber Movement—Week Ended July 27, 1946

According to the National Lumber Manufacturers Association, lumber shipments of 419 mills reporting to the National Lumber Trade Barometer were 6.6% below production for the week ending July 27, 1946. In the same week new orders of these mills were 17.1% below production. Unfilled order files of the reporting mills amounted to 70% of stocks. For reporting softwood mills, unfilled orders are equivalent to 25 days' production at the current rate, and gross stocks are equivalent to 34 days' production.

For the year-to-date, shipments of reporting identical mills exceeded production by 4.1%; orders by 2.5%.

Compared to the average corresponding week of 1935-1939, production of reporting mills was 15.4% above; shipments were 10.9% above; orders were 3.9% below.

Items About Banks, Trust Companies

The election of Albert W. Van Gelder as an Assistant Treasurer of The Continental Bank & Trust Co. of New York was announced on August 2 by Frederick E. Hasler, Chairman and President of the bank. Mr. Van Gelder began his banking career in 1925 with the old Corn Exchange Bank, now the Corn Exchange Bank Trust Co., and two years later went with the Bank of the Manhattan Co. where he has been supervisor of credits in Queens. In his new post with the Continental he will make his headquarters at the bank's Seventh Avenue office.

The Grace National Bank of New York has increased its capital stock from $2,750,000 to $3,000,000 by a stock dividend. The proposal to increase the capital was authorized by the stockholders on June 4; the dividend was payable June 28, on which date the enlarged capital became effective.

The appointment of John W. Bray as an Assistant Secretary of the Manufacturers & Traders Trust Company of Buffalo, N. Y., was announced on August 1 by President Lewis G. Harriman, it is learned from the Buffalo "Evening News," which further stated:

Mr. Bray, who recently has been Assistant Manager of the New England branch office of the Prudential Insurance Company of America in Boston, will be associated with the bank's Mortgage Loan Department. He has been in the mortgage and real estate business for 20 years and was in Buffalo for 11 years as supervising appraiser for Prudential Insurance in New York and part of Pennsylvania. He has been a member of the Niagara Frontier Builders' Association.

Raymond N. Ball, President of the Lincoln Rochester Trust Company, of Rochester, N. Y., announced on July 26 the appointment of O. Kenneth Cooper as an Assistant Vice-President of the company and Manager of the Geneva Trust Office of the Lincoln-Rochester Co. at Geneva. The Rochester "Times-Union" states that Mr. Cooper will assume his new duties about September 1. From the same paper we quote:

"After working at banks in New York City and Mt. Morris, Mr. Cooper was with Union Trust Company in branch offices at Avon and Rochester. He went with Central Trust Company [Rochester] in 1938 and since June 1944 has been a Vice-President of that company."

In an item appearing in the Washington, D. C., "Post" of August 3 by S. Oliver Goodman it was stated that Bernard M. Eshelman will manage the new branch office of the National Capital Bank which planned to open August 5 at 2337 Pennsylvania Avenue S. E., President George A. Didden, Jr., announced on August 2. Gerald E. Burns will be the Assistant Manager. The Washington "Post" item further said in part:

"Mr. Eshelman, a native of Washington, started his career in 1933 with the Lincoln National Bank. He joined the Royal Canadian Air Force in 1941, served overseas and was transferred to the American Air Force in 1943. While flying on a mission over France on March 3, 1944, he was shot down and imprisoned by the Germans for the next 14 months. He was liberated by the Russian army in May, 1945.

"Mr. Burns, the new branch Assistant Manager, also is a native of Washington. He launched his career in 1939 with Liberty National, changed to National Capital and served with the Navy from 1944 until early 1946.

"This is the first branch office of National Capital Bank, whose head office is at 316 Pennsylvania Avenue S. E."

The July 29 bulletin issued by the Office of the Comptroller of the Currency reports that on July 22 the Lincoln National Bank of Cincinnati increased its capital from $500,000 to $750,000 by a stock dividend of $250,000 and from $750,000 to $1,000,000 by the sale of $250,000 of new stock.

A vigorous "editorial" campaign, encouraging the development of Cleveland and Cleveland enterprise, is identifying Union Bank of Commerce, of that city, with community interests. The bank, in calling attention to this on July 31 said:

"Although strictly a commercial bank, through its campaign, Union Bank of Commerce makes a bid for general public attention with the use of timely and thought-provoking topics. Incorporated in the copy is a statement of the bank's policy to support and encourage all business enterprise for the good of the community as a whole. A typical advertisement is headed 'Cleveland's opportunity for greatness in the age of flight.' In this, Cleveland's advantage toward becoming the 'air hub of the world' are listed; the potentialities of further development are pointed out. Concerted action on the part of the community is encouraged. The ad closes with a pledge of cooperation on the part of the bank to assist in every way the realization of the plan. This advertising is supported by another campaign, addressed to business men, which runs in small space in Cleveland newspapers almost daily in between publication of the editorial type advertising."

The Custar State Bank Company of Custar (Wood County), Ohio, has become a member of the Federal Reserve System, it is announced by President Ray M. Gidney of the Federal Reserve Bank of Cleveland. Member banks in the Fourth Federal Reserve District now total 725 compared with 712 a year ago, and hold approximately 85% of the total bank deposits in the district. The Reserve Bank announces that the Custar State Bank was formed in 1914. It is capitalized with $25,000, and has a surplus of $25,000 and deposits total $1,350,000. John M. Koch, a director of the bank since its organization, is President of the Custar State Bank; L. B. Drummer is Secretary and director; F. L. Nutter is Cashier and Vice-President, as well as a director, and W. O. Dowden is Assistant Cashier. Directors of the bank are Joseph J. Blasius, Peter Johann, H. W. Mannhardt, Matt J. Schneider and Messrs. Koch, Drummer and Nutter.

The Office of the Comptroller of the Currency announces that on July 25 the capital of the First National Bank of Neenah, Wis., was increased from $125,000 to $225,000 by a stock dividend of $100,000 and from $225,000 to $300,000 by the sale of $75,000 of new stock.

The board of Tower Grove Bank of St. Louis, Mo., has voted to increase surplus from $800,000 to $1,000,000 by transferring $200,000 from undivided profits, it was stated in the St. Louis "Globe Democrat" of July 3, which added that this makes surplus the same amount as capital.

Charles Nelson, President of the Nashville Trust Company of Nashville, Tenn., died on July 29. He was 59 years of age.

Mr. Nelson was a graduate of the University of the South at Sewanee, Tenn., and during the first World War served in France with the 114th Field Artillery, said Nashville advices to the New York "Times," its advices adding in part:

He had been President since 1935 of the Nashville Trust Company, which was founded in 1889 by his grandfather, the late Charles Nelson, and subsequently headed by his father, the late William Nelson.

Mr. Nelson was also President of the Guaranty Title Company of Nashville, member of the finance committee of the North Carolina & St. Louis Railway, director of the Life and Casualty Insurance Company, the General Box Corporation of Chicago and the Alabama Fuel and Iron Company, and was an official of five other companies.

Special advices from Corsicana, Tex., Aug. 2 to the Dallas "Times Herald" stated that R. R. Rubottom, Jr., will assume his duties as Assistant Vice-President of the State National Bank of Corsicana Aug. 12, N. Suttle Roberts, President, has announced. The advices added:

A Commander in the U.S. Navy, where he served five years, the new bank executive holds B. S. and M. A. degrees from Southern Methodist University and for four years prior to entering the armed forces, was Assistant Dean of student life at the University of Texas.

Acocrding to the bulletin of the Comptroller of the Currency's office, the First National Bank of Winslow, Ariz., capital $50,000, was placed in voluntary liquidation effective July 20, having been absorbed by the Valley National Bank of Phoenix.

The San Francisco "Chronicle" of August 1 stated that Charles G. Simons, Assistant Vice-President of the American Trust Company and formerly Manager of the Modesto office, has joined the banks and bankers and business development departments at the head office in San Francisco. Joseph L. Nessier will succeed Mr. Simons as Modesto Manager.

Lawrence M. Arnold, Chairman, and Thomas F. Gleed, President, respectively, of the Seattle-First National Bank of Seattle, Wash., on July 27 announced the election of Clayton K. Watkins as Assistant Vice-President at the Metropolitan branch of the Bank. We quote from the Seattle "Times" which also stated:

Mr. Watkins, formerly Assistant Cashier, began his banking career as a messenger with the bank in 1928 after his graduation from the University of Washington, and was working in the loan department just prior to entering the Army, where he became a Captain in the Coast Artillery Anti-Aircraft. He recently returned from three and one half years of active duty to resume loan department duties at the bank's Metropolitan Branch.

The Midland Bank, Ltd., of London, England, in its Statement of Accounts as of June 30, 1946, showed total liabilities to be £1,155,548,454 against £1,091,766,539 a year ago. Capital paid up amounted June 30, 1946, to £15,158,621, unchanged from a year ago. The Reserve Fund totaled £15,158,621 compared with £14,110,609 on June 30, 1945. Current deposits and other accounts June 30, 1946, are shown as £1,092,662,124 while last year they were £1,046,964,677.

Total assets of the bank at the end of June this year were £1,155,548,454 with total investments being £282,950,447 as compared with £234,916,582 a year ago. Total bills discounted and coin, bank notes and balance with Bank of England were £136,737,894 and £114,201,753, respectively, against £35,363,427 and £110,663,804, respectively, on June 30, 1945.

"Boom and Bust" Visioned by Wallace

According to Henry A. Wallace, Secretary of Commerce, the nation already is bound on a "boom and bust" economic ride and present-day full employment can't last long. In thus expressing his views on August 4 Secretary Wallace conceded, said the Associated Press, that the post-war goal outlined in his book "Sixty Million Jobs" is now achieved numerically, but he said it is due to inflationary pressure and has none of the stability he advocated for an enduring prosperity.

His further comments, as reported by the Associated Press from Washington and given in the New York "Herald Tribune" of Aug. 5 follow:

Mr. Wallace told a reporter that the United States is well along the inflationary road it traveled after the first world war, though he felt sure that careful planning can cushion the shock he feels is coming.

"I feel that the bust following the boom will not be as bad as some economists think," the former Vice-President declared.

This is what Mr. Wallace sees ahead:

1. A temporary "boom of considerable proportions, lasting maybe a year or even two years," with steadily rising employment, prices, inventories and plant investment.

2. An inevitable "bust" or readjustment, with declining employment, producing and purchasing power.

3. A period of the kind "some people like to think of as normal," but with purchasing power and demand for goods weaker than Mr. Wallace thinks they should be and prices "favoring the stronger, more favorably situated industries."

It is when the nation enters this third stage, Mr. Wallace said, that the issue of full employment will become most vital in order to keep money in consumers' pockets and business financed without "depending on a high volume of deficit spending by the government."

"The upward spiral will stop and the vicious downward spiral begin," Mr. Wallace said, "when inventories have been built up enough to saturate the pent-up demand we have now for all types of goods."

Government, business, labor and agriculture all have a real opportunity to "toss a pillow under a descending economy to soften the bump" by co-operating with President Truman's new Council of Economic Advisers, the Secretary maintained.

That council, created by the employment act of the recent Congress, has been appointed by the President, with Edwin G. Nourse, Vice-President of the Brookings institution, as Chairman.

Mr. Wallace said inflation could have been tempered and a continuing form of full employment assured by firmly maintaining government controls over prices and distribution.

He recognized that people had become "impatient with war-time controls," but observed that "some things can't be avoided entirely; we must live through them sometimes."

Growth in Mutual Bank Deposits Continues

Further increases in total deposits and number of depositors in mutual savings banks were recorded during the first six months of this year, bringing these totals to the highest point in the 130 years of their operation, according to the semi-annual report of the National Association of Mutual Savings Banks, made available Aug. 1. Deposits rose to $16,224,970,861 exceeding the totals as of Jan. 1, 1946 by $892,768,715. The number of depositors increased by 533,412 for the same period making a record total of 17,436,174.

"The steady rate of growth of savings deposits in the face of many inflationary factors indicates the restraint and intelligence of our citizens," said A. George Gilman, President of the Malden (Mass.) Savings Bank, and President of the National Association, in announcing mid-year figures. He went on to say:

"Despite current economic confusion concerning prices, wages and the production and distribution of goods, there is an increased number of individuals who are aware of the advantages of thrift and careful spending for themselves and for the nation, and are continuing to practice these habits. This increase in thrift consciousness is also evident in a stiffening attitude of the public toward buying at inflated values. People are reluctant to draw on their hard-won savings and are showing a willingness to wait for better values before making large purchases. If this trend continues, it can be a major factor in defeating the forces of inflation and speeding the return of prosperity.

"Savings banks can take particular pride in the part they have played in promoting savings habits. Although national savings are running only about a half of war-time levels, the increases at savings banks continue to be nearly as great as during the war."

Small Packets for Poland

Postmaster Albert Goldman announced on July 29 that the Postal Administration of Poland now accepts articles transmitted under the classification of small packets. The advices said in part:

"Small packets" is a means by which small packages of merchandise may be sent quickly and cheaply to Poland (and certain other foreign countries). The weight limit for a small packet is 2 pounds 3 ounces and the maximum dimensions are, length, breadth and thickens combined 36 inches; greatest length, 24 inches. When sent in the form of a roll the length (the maximum of which is 32 inches) plus twice the diameter is limited to 40 inches. The postage is 3 cents for each 2 ounces or fraction, **with a minimum charge of 15 cents per packet.**

The sender of a small packet must clearly mark "Small Packet" on the cover, which must bear the return address of the sender and have affixed thereto the special green customs label, Form 2976 (C 1).

Small packets may contain articles liable to customs duty and upon receipt in the country of destination will be subject to the customs regulations of such country. However, small packets (registered or unregistered) may not contain coins, bank notes, paper money, postage stamps canceled or uncanceled, or any values payable to the bearer; platinum, gold, or silver, manufactured or unmanufactured; precious stones, jewelry, or other precious articles.