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Significance of a Free Press

By SUMNER WELLS*
Former Under Secretary of State

Former diplomat, in commenting on overthrow of dictatorship in Bolivia, calls attention to censorship of press as means of destroying democracy in the Americas. Points out there has been private as well as public censorship, and cites biased information on Argentina sent out by U. S. newspaper correspondents. Lauds American Society of Newspaper Editors' efforts to promote freedom of information throughout world.

A few weeks ago, before the recent revolution in Bolivia which overthrew the dictatorship of President Villarreal and set up in its



Sumner Wells

stead a provisional and democratic government, I took the opportunity of expressing the hope that the free press throughout the Americas would openly condemn an act carried out by the dictatorship early in June. At that time the Bolivian dictatorship had expropriated two great newspapers in the capital of the republic. It had thereby stifled the last remaining remnant of freedom of information available to the Bolivian people. This expropriation had been perpetrated by the government solely because these two newspapers had opposed

*An address by Mr. Wells over radio station WOL, Aug. 4, 1946.

its policies and denounced its actions.

Now that the recent Bolivian dictatorship is ended it seems to me that an appropriate opportunity is afforded to all of the peoples of the New World to assume leadership in a practical way in behalf of the principle of freedom of information and in order to assist the United Nations in extending the ascendancy of that principle throughout the world.

The issue of freedom of information has been placed upon the agenda of the Assembly of the United Nations for discussion, and I hope for determination, at its approaching meeting this September. Were it possible for the free press and the free radio in all of the American republics to take action in an affirmative sense to further through some regional understanding the maintenance of information within our own hemisphere before that time, I believe that the Americas could make a great contribution toward
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Employer-Employee-Consumer Relations

By ROGER W. BABSON

Asserting high productivity is only method of assuring a superior standard of living, Mr. Babson points out that, inasmuch as all are consumers, the employer, the employee and the consumer should pull together in time of peace as we did in time of war. Blames labor for much of decline in productivity.

"How much longer will it be before we can enjoy our rightful standard of living?" This summarizes the questions



Roger W. Babson

with which I am being bombarded. My answer is: "When all people change their selfish attitudes. Otherwise, I fear the now chronic employer-employee-consumer conflict will continue." Yet, isn't the employer also an employee and aren't both consum-

ers? So why not stop the silly bickering and settle down to do a good job and profit from the results?

Labor's Blame

Much of the blame for the decline in productivity experienced in many industries since the War properly belongs to labor. The extensive development and use of machines by American workmen enabled the United States to produce two-fifths of the world's industrial output prior to the War. Yet, labor unrest, manifest not only by strikes but also in practices to cut down output while on the job, reduced output per man-
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The Financial Situation

Congress has "gone home." It need not be added that most of its members are now likely to think of little but the forthcoming elections in November. For the time being, then, it is politics in bold face caps. Recent reports have it that the professional politicians among the "opposition" are now less optimistic than they were some weeks ago—at least than many were some weeks ago—when popular dissatisfaction with almost everything was at high tide. There can be but little doubt that on the surface at least widespread improvement has taken place in the business situation, and that production records may be often broken from this time forward for some months to come—provided, of course, first, that the revived OPA and the other meddling agencies of Government in Washington do not throw too much sand in the gears, and second, that labor can summon the good sense to stay steadily at work rather than to permit itself to be drawn into disputes which keep the economic mechanism half out of gear most of the time.

At any rate the propaganda machine at Washington is already rather more than well occupied making certain that the country at large is informed and will be kept informed about all the good fortune that allegedly is coming our way or has come our way. This constant stream of claims, sometimes more or less valid, sometimes rather absurdly exaggerated, must of course be set down as a very influential factor in the forthcoming political campaigns, and will be worked overtime from now on.

Vital Considerations

This, of course, is the current situation as viewed by the professional politician thinking of the votes to be counted next November. Most of it can and must be left to them—at least so far as we are concerned. There are a number
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Furnishes Postwar Blueprint Of Agricultural Policy

Special House Committee on Postwar Economic Policy, headed by Representative William M. Colmer, emphasizes need of maintaining family farm with use of modern technology. Wants production and markets in normal periods largely free, and calls for a system of flexible agricultural prices. Recommends expansion of crop insurance, storage facilities and encouragement of marketing co-operatives.

A long-range blueprint for American agricultural policy, drafted by the Special House Committee on Postwar Economic Policy and Planning, was made public on August 7.

Representative William M. Colmer (D. of Miss.), chairman of the special committee, presented the far-reaching program in the group's Tenth Report to the House. The report was prepared by a sub-committee comprised of Orville Zimmerman, Chairman, (Mo.); Jerry Voorhis (Calif.); John R. Murdock (Ariz.); Clifford R. Hope (Kans.); and Sid Simpson (Ill.). It was stated that the committee is not presenting detailed programs but has limited itself to outlining fundamental principles to be followed to achieve the goal. This goal was described as:



Wm. M. Colmer

"A progressive and prosperous agriculture adjusted to maintain the family farm and make use of modern technology. This will benefit the Nation as a whole through abundant production and a more stable purchasing power in this important segment of the economy. Except during severe depressions, prices and markets would be largely free and production not restricted."

The committee, looking at the longer range objectives toward which our agricultural policy should focus, recommends consideration of the following major points in the Nation's long-run objectives for agriculture:

1. Return to a system where flexibility of agricultural prices, largely controlled by supply and demand, will replace the prewar system based on acreage restrictions, marketing quotas and parity prices. The report does not, however, advocate renouncing of the temporary price support program
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From Washington Ahead of the News

By CARLISLE BARGERON

President Truman's action on Monday in announcing through his press secretary that it was against the public policy to seize the Case and Allis-Chalmers farm implement plants must really befuddle those commentators who have figured that he was tied up definitely with the CIO-PAC. This was a tremendously big issue, as big as that involved in his veto of the Case bill, which was interpreted to mean that he was trying to maintain the Roosevelt labor alliance. Frankly, this writer thinks it is about time that the commentators be a little more analytical about this man we have in the White House.



Carlisle Bargeron

There are many things which he has done which we find hard to explain. For example, the program which he earlier sent up to Congress and which was manifestly the CIO-PAC program to the dot of an "I". As we think we wrote once before, this was a collection of issues on which he as a Senator had stood for affirmatively. At the time he submitted this program to Congress—let's see, it called for the passage of the full employment program, the increase of minimum wages, the Fair Employment Practice Commission, the Federalized health program—this was the New Deal or the Roosevelt program, and as a Senator he had endorsed every one of these items.

Congress turned cold shoulders on the program and he has never seemed to be the slightest annoyed, except when the agitation began that the Congress wasn't paying any attention to him; that his leadership was not proving effective. He didn't care anything about exercising leadership but it was obviously annoying when the Leftist papers kept throwing it up to him that he did not dominate the legislative branch as did his predecessor, and we think that the unfairness of this charge was that these Leftists overlooked the
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An Impossible Task

"Our price people have been given orders to use every means possible to expedite the granting of legal price adjustments. If production is slowed up it will certainly not be the fault of the OPA. We will grant all price increases called for by the law. We will withhold those which cannot be clearly justified under the standards set up according to the law.

"Though the law gives a limit of sixty days, I am certain that if industry provides all necessary information, in a large number of cases results will be available before the sixty-day deadline.

"We are determined to grant adjustments on a business-like basis, and urge industry to present complete information when asking for adjustments. We do not intend to engage in collective bargaining. We intend to grant adjustments which will be based on the formula provided by Congress.

"The sooner manufacturers get into full production, the sooner they will reach the stage where all controls can be removed. Immediate production means immediate money in the bank, a high level of employment and the approach of decontrol."

—Paul A. Porter.

Good law or bad law, good administration or bad, the system simply will not work.

79th Congress Adjourns

The Congress which was in session when World War II came to a close finally adjourned late on Aug. 2 and the following day most members were homeward bound. Unless called back into special session by the President, adjournment will be until the new Congress, the eightieth, is called to order in January. All seats in the House of Representatives will be contested in the November elections, although, as the Associated

Press pointed out in its Washington dispatch, some of the contests already have been decided in Democratic primaries in the South. In the Senate, 36 seats are to be filled.

Much of the legislation requested of the 79th Congress by President Truman has been left behind ignored or rejected, and although House Speaker Sam Rayburn (D-Tex.) told reporters that he had had no indication from the White House that the President would summon the lawmakers back to the capital, many Congressmen have expressed fear that Mr. Truman would do so in a last attempt to accomplish some of the domestic measures which he has repeatedly classified as essential. The President has gone on record as having stated that he would insist on a special session if economic problems got out of hand; however, in the Aug. 9 issue of the "Wall Street Journal" it was stated that the President has informed recent callers that he now sees no necessity for Congress to return before its next regular session in January. The fears of runaway prices, expressed in his last OPA message, have been allayed.

A last-minute action of the Senate before leaving was to vote, 60 to 2, approval of a resolution authorizing the President to deposit with the United Nations this country's agreement to abide by decisions of the World Court in matters pertaining to treaty interpretations, international law, breaches of international obligations, and reparations. The court's jurisdiction would not be accepted, however Associated Press advices stated, in matters which the United States considers strictly its own domestic business. Senator Connally (D-Tex.), Chairman of the Foreign Relations Committee, listed immigration and operation of the Panama Canal in this category. Neither could the Court act in matters which had been or are submitted to other tribunals by agreement.

The 79th Congress was distinguished for its constant differences with the President on matters pertaining to domestic affairs, while on the other hand giving almost consistent cooperation in international affairs. As the Associated Press pointed out in a dispatch from Washington on

Aug. 2, the chief disputes between Mr. Truman and Congress were over labor legislation, price control, political matters and the nomination of his close friend Edwin W. Pauley, to be Under-Secretary of the Navy. The same advices continue:

The discord on internal problems was in sharp contrast, however, to the general acceptance of bills designed to place the United States in all-out cooperation with other countries.

In this field, Congress went down the line almost all the way with the late President Roosevelt and his successor.

In the domestic legislative field one major compromise was an extension of the draft. Mr. Truman asked for its continuance until June 30, 1947, with no changes. The legislators finally adopted a bill extending the draft to March 31, 1947, but banning induction of 18-year-olds.

Congress also took the following actions on domestic problems:

Measures Passed—Domestic Veterans

1. Appropriated \$600,000,000 for an emergency housing program, designed particularly to meet needs of returned servicemen and their families.

2. Liberalized the GI Bill of Rights to encourage greater use of the schooling provisions.

3. Broadened the provisions of the GI insurance legislation.

4. Passed deficiency bill providing financing for terminal leave pay and autos for veteran amputees.

Financial

1. Appropriated about \$95,000,000,000 for the Federal establishment. (Later, however, about \$64,000,000,000 of this was retracted, when the war ended.)

2. Cut the national debt limit from \$300,000,000,000 to \$275,000,000,000.

3. Extended the life of the Reconstruction Finance Corporation until next January, instead of for five years, as asked by the President.

4. Increased pay of members of Congress from \$10,000 to \$12,500 yearly plus a \$2,500 tax-free expense allowance (Mr. Truman recommended a \$20,000 salary); increased the pay of Federal judges from \$10,000 to \$15,000 and of Federal workers 14% (about

\$400 for a majority of them). Also made members of Congress eligible for contributory pensions.

5. Set up a three-member Economic Council to recommend ways to maintain maximum employment and avoid depressions. (The President had asked for a bill setting a Federal goal of "full employment" for all.)

6. Cut income taxes and repealed the excess profits tax.

Social

1. Made the Federal-aid school lunch program permanent.

2. Established a program of Federal aid to encourage nationwide development and improvement of airports.

3. Authorized expenditure of \$75,000,000 yearly by the Government for five years to build new hospitals and improve old ones.

Government

1. Gave the President broad power to reorganize Federal agencies, although not as sweeping as he asked.

2. Accepted two reorganization proposals he submitted. One was to centralize welfare activities in the Federal Security Agency as a preliminary step to making it a new Cabinet post. The other involved transfer of more than a score of functions between various agencies (a third proposal, one to unify all Federal housing activities in one agency, was defeated).

3. Provided for reorganization and streamlining of Congress, including a reduction in the number of standing House committees from 48 to 19 and of the Senate committees from 33 to 15.

4. Call for return of the United States Employment Services to the States next November, instead of delaying it until next June, as asked by the President.

5. Centralized the surplus-property-disposal administration in one man, as requested by Mr. Truman.

6. Set up a formula for sale of surplus ships.

7. Extended the Government's power to allocate and ration scarce items, such as sugar and critically needed production articles.

8. Authorized the President to acquire and build up stockpiles of strategic materials which might be needed in event of future war. (Mr. Truman objected to a "Buy American" clause in this measure, but signed it nevertheless.)

Labor

1. Extended the "anti-racketeering" laws to cover labor unions, in a measure known as the Hobbs Bill. It would make it a felony to interfere by "robbery or extortion," or by threats of violence with movement of goods in interstate commerce. Sponsors said the chief objective was to allow farmers to move goods to market without being compelled to join unions or hire union members to assist them.

2. Banned union restrictions on use of records by radio stations. This was aimed at the broad power of James C. Petrillo, head of the American Federation of Musicians and he already has instituted a court test against it.

Measures Which Failed—Domestic

Merger of the Armed forces. Universal military training program.

Permanent Fair Employment Practices Committee. (The temporary one was finally forced to close down.)

Liberalization of unemployment compensation benefits.

Establishment of a prepaid Federal health and medical-care program.

Adoption of a long-range Federal public housing program.

Designation of the Speaker of the House as successor to the President in event of death of the President and Vice-President.

Establishment of a single agen-

cy to coordinate scientific research.

Provision for the proposed Great Lakes-St. Lawrence Waterway.

Repeal of the Johnson Act prohibiting private loans to foreign nations in default on existing loans.

[Also rejected were three Presidential proposals dealing with industrial disputes: One was to create special fact-finding boards, another to set up a joint Congressional committee to recommend long-range labor legislation, and a third to give the Chief Executive authority to draft workers in strike-bound plants taken over by the Government.]

Measure Passed—International

1. Ratification of the United Nations Charter.

2. A loan of \$3,750,000,000 to Great Britain.

3. Authority for full participation in the Bretton Woods International Monetary agreements.

4. Allocations to the United Nations Relief and Rehabilitation Administration.

5. Extension of the Lend-Lease program (halted at the war's end by Executive Order).

6. Extension of the Reciprocal Trade Agreements Act, enabling the Administration to cut tariffs in return for concessions from other nations.

7. Authority for a broad program of cultural relations with foreign countries, including exchange of educational and scientific information.

Measures Which Failed—International

1. To Provide military assistance to China. (One measure to give that country about 100 surplus naval vessels won approval, however.)

2. To establish a broad program of military cooperation with other American countries, chiefly to standardize their equipment with ours.

3. To permit sending of military missions to many countries around the globe.

Inquiries by Congress

In addition to its work on actual legislation, the departing Congress found time to conduct scores of special investigations into pressing wartime and reconversion problems. Among the inquiries which aroused great interest were:

1. The current inquiry by the Senate War Investigating Committee into alleged war contract profiteering and the connection of Chairman May of the House Military Committee with activities of the Garsson munitions combine.

2. A lengthy, highly publicized inquiry of many months by a Senate-House group into the Pearl Harbor disaster.

3. A series of investigations by the House Committee on Un-American Activities, which found itself the center of frequent sharp debates over the methods it used.

Kelley in RFC Post

The Board of Directors, Reconstruction Finance Corporation on Aug. 8 announced the appointment of Bernard J. Kelley as Manager of the Corporation's Philadelphia Loan Agency, effective Aug. 15, to succeed E. Raymond Scott, deceased. Mr. Kelley, the RFC's advices of Aug. 8 added, has been engaged in the practice of law in Philadelphia for a number of years and has had a wide and varied experience in corporate matters and reorganization litigation. From 1935 through 1939 Mr. Kelley was Deputy Attorney General for the Commonwealth of Pennsylvania and was assigned to the Closed Banks Division of the Department of Banking. During World War II Mr. Kelley re-entered the Navy and served as Industrial Relations Officer at the Philadelphia Navy Yard. He was recently discharged with the rank of Captain.

Int'l Wheat Council Reconvenes Aug. 19

The International Wheat Council, which was established in August, 1942 to administer the International Wheat Agreement between Argentina, Australia, Canada, the United Kingdom and the United States, held its Twelfth Session in the Department of Agriculture, Washington, on July 15. The Chairman, L. A. Wheeler (U. S.) welcomed the representatives of the Governments of Belgium, Brazil, China, Denmark, France, India, Italy, and the Netherlands, and of the Food and Agriculture Organization of the United Nations. These eight governments, together with the Governments of the Union of Soviet Socialist Republics and Yugoslavia, had been invited to join the Council in order to make it more fully representative of both wheat importing and wheat exporting countries. The Council's advices July 15 also had the following to say:

"The Chairman gave, for the benefit of the new members of the Council, a resume of its work to date. This included a statement of the reasons why the Governments of Argentina, Australia, Canada, the United Kingdom and the United States had agreed to amend the Memorandum of Agreement of June, 1942 by the deletion of paragraphs 5, 6, 7, and 8 thereof and the substitution thereof of paragraph 5 as follows:

"5. The International Wheat Council, referred to in Article VII of the Draft Convention, shall remain in being pending the conclusions of the international wheat conference referred to in paragraph 3 above or until such time as the governments represented on that Council may determine."

The principal item of business at today's meeting was the appointment of a Preparatory Committee to revise the Draft Convention drawn up in 1941-42 for submission to an international wheat conference. The Council invited each of the 13 governments now comprising its membership to appoint a representative on the Preparatory Committee. The Council agreed to invite representatives of the Food and Agriculture Organization and the Economic and Social Council of the United Nations to attend its meetings and those of its committees. The Preparatory Committee will hold its first meeting on July 17 to elect its Chairman and organize its work with a view to reporting thereon to the Council at its next Session which will be held in Washington on Aug. 19, 1946.

Branch Banks Reported Not Legal in Missouri

From Jefferson City, Mo., on Aug. 3, United Press advices stated that the Attorney General's office held on that day that banks or trust companies in Missouri could not establish branch offices for the purpose of accepting deposits or paying checks. The advices from which we quote as given in the Dallas "Times-Herald," added:

"In an opinion addressed to H. G. Shaffner, Commissioner of Finance, the legal body said the practice was unlawful under Missouri statutes despite the fact several such branch agencies reportedly have been established in Kansas City."

The opinion was handed down as result of an inquiry by Crosby Kemper, President of the City National Bank and Trust Co. of Kansas City.

Proposes a World Set-Up For Cartel Control

Edward S. Mason, in study prepared for CED, recommends international action to regulate or curb international commodity agreements. Sees ineffectiveness of national laws, and points to U. S. participation in international commodity agreements. Cites agreement of his proposals with objectives announced by State Department.

Cooperative international action to regulate or to curb restrictive business and commodity agreements in foreign trade is urged by Edward S. Mason, of the Graduate School of Public Administration, Harvard University, in a study prepared for the Committee for Economic Development, released on Aug. 12. Entitled, "Controlling World Trade—Cartels and Commodity Agreements," the report addressed itself to one of the most entangled problems of future world trade, namely, the type of business and governmental agreements that shall operate in world trade.

Like other CED research studies, this report presents the findings of the author, who has complete freedom to voice his own conclusions. It does not necessarily represent the views of the CED trustees, its Research and Policy Committee, Research Advisory Board or Research staff.

Mason finds both cartels and intergovernmental commodity agreements restrictive of trade. Believing that increased and expanding world trade is essential in solving the primary problem facing all nations—high employment and the attainment of improved living standards—Mason calls for concerted international action to diminish to as great an extent as possible the restrictive features of such agreements.

He warns against the assumption, however, that the undesirable features of cartels and international commodity agreements will be eliminated merely by the nations passing laws. He points out that both the cartel and intergovernmental commodity agreement evolved as partial answers to problems that did exist and do exist, including importantly surpluses of raw materials.

He sees the forthcoming International Conference on Trade and Employment as offering a signal opportunity to advance the interests of all nations by establishing machinery that will expedite and not retard rational trading.

Mason calls attention to the acute problems facing particular nations because of distortions in raw materials production resulting from the war. Complicated by the wartime expansion of synthetics, serious surpluses in productive capacity (measured against prospective demand) prevail in rubber and nitrates, along with excess cotton, wool, aluminum and magnesium. When food production is restored in the war areas, surpluses are likely to reappear in wheat, sugar, tea and coffee and may occur in fats and oils.

What the war did to nitrogen production is illustrative of the kind of problem that must be reckoned with. The only important export source of natural nitrogen is Chile, and nitrogen has long been a major factor in Chilean government revenue. In the prewar cartel, some 50% of Chile's nitrate exports came to the United States. Synthetic nitrogen production in the United States rose during the war to better than 1,300,000 tons. Assuming moderately favorable conditions, the Department of Agriculture estimates postwar nitrogen fertilizer consumption in this country of 750,000 tons (compared with a peak consumption of 631,000 tons in 1943).

Commenting on the recommendation made by former Secretary of Agriculture Wickard that a

sizable portion of the new wartime capacity continue in operation, Mason says: "The United States, on the basis of the above estimates, would be independent of nitrogen imports under favorable economic conditions and under less favorable conditions might have a surplus for export. It is clearly our prerogative to safeguard our own nitrogen position without consulting other countries, but by so doing we shall also clearly affect the interests of other countries.

A rational scaling-down of excess nitrogen capacity by intergovernmental agreement might forestall pressure for cartelization. Since any such program would hinge on what was done with government-owned nitrogen capacity in the United States, this government's participation is essential to any full discussion of the reduction of excess capacity. The United States has both a security and an economic interest in the soundness and solvency of the Chilean as well as of other American economies. Chile may lose a substantial part of her nitrate market and along with it an important source of foreign exchange and government revenue. In that case, it might be to our interest to assist Chile to develop alternative sources of employment, of foreign exchange and government revenue."

In the absence of concerted action, in which consumer as well as supplier nations should participate, Mason points out that producers of commodities in surplus are certain to turn to pricing agreements, buffer stocks, marketing quotas and like measures to cope with the present abnormal situation.

Such measures may in any event be required while the various nations are finding alternative employment for labor and capital now committed to products in surplus. Professor Mason stresses the need for simultaneous efforts to increase world consumption of these products if restrictive measures are not to become permanent.

The United States has its own surpluses, notably cotton. Mason warns that persistence in our prewar policy of subsidizing cotton or other agricultural exports will seriously weaken our argument against unilateral national action in world trade. Such practices by the United States are hardly consonant with our insistence on freer world trade, he points out.

For long-term American policy with respect to cartels, he recommends the following course:

"The United States should propose an international convention whereby the signatory powers would agree:

"1. To prevent, by whatever means are appropriate to the laws and institutions of the several countries, the participation of their nationals in international business agreements that fix prices, limit output of exports, allocate markets or otherwise restrain the flow of goods in international trade. This convention would not apply to the organization of the exporters or importers of a single

country in export or import associations.

"2. To require the registration by their nationals of the terms of their participation in international business agreements of an enduring character and of such information on ownership of foreign assets or foreign affiliate relationships as may be requested by an International Business Office to be established.

"3. To establish, as an adjunct of an International Commercial Policy Organization, an International Business Office to study, on the basis of information supplied by the participating governments, business practices that tend to restrict international trade and to recommend remedial action to the signatory states.

"4. To exchange on a non-restrictive basis industrial techniques developed in government-supported research institutions, and patents and processes acquired, as a condition of the peace settlement, from enemy countries."

With respect to intergovernmental commodity agreements, Mason strongly endorses the development of international consultative groups, usually referred to as "study groups" and already set up for rubber and for cotton. Their function is not only gathering of complete data on production, consumption, prices and stocks of the commodity in question, but also the appraisal of alternative ways of dealing with surpluses.

Mason's proposals agree in essential objectives with the "Proposals for Expansion of World Trade and Employment" advanced last December by the Department of State and to be considered by 18 nations at preparatory Trade and Employment meetings, now scheduled for October. Mason goes further than the State Department proposals in implementing anti-cartel objectives and in offering such measures as an international exchange of technology.

In examining cartel activities, Mason weighed their relationship to national security. His conclusion is that the prewar participation of American firms in international cartels did not hamper United States war production to any significant degree and that Germany's cartels were not a source of aggression, but rather a convenient tool. With military power the chosen goal of Hitler Germany, the cartelization that had long existed in Germany proved a useful machinery of control. Says Mason:

"The real hazard to international security in the cartelization of world trade lies in the cooperation of governments with business in the exploitation of foreign markets. Except in the United States and a few other countries, a close connection generally exists between foreign trade and foreign policy, and the power of the state is extensively relied on . . . not only to protect the domestic market but to secure . . . as large a quota as possible in the total business of the cartel." Mason sees any growth of this practice as fraught with danger.

The author of the report was Chairman of the Interdepartmental Committee on Cartels and Private Monopolies in 1943-1944 and Deputy to the Assistant Secretary of State in charge of economic affairs in 1945. He also served as Chief Economist of the Office of Strategic Services and was one of the American representatives on the Joint Intelligence Staff. Now Professor of Economics, he has been a member of the Harvard University faculty since 1923.

The report has been published by the McGraw-Hill Book Company, Inc.

The State of Trade

Industrial production last week showed no important change from the high level of the previous week. During the week some increases were reflected in manufacturing which were offset by declines in others. Inventories of goods have shown steady progress the past year and in the last two months finished goods such as ready-to-sell durables and semi-durables have shown the largest advances.

Notwithstanding this progress, total current inventories are reported to be about \$7,000,000,000 under the amount necessary to fill everyone's requirements satisfactorily, and at the present rate of accumulation, it will take a good part of two years to catch up. As backlogs of orders stand today, they are huge and both new order volume and shipments continue at a high level.

Skilled labor, raw materials shortages and component parts still continue to restrict the output of some manufacturers. Employment figures are at a high level and for the week ended July 27, total unemployment compensation claims dropped by 2.9%.

A decline was noted in automobile production the past week with output of passenger cars and trucks in the United States and Canada estimated by Ward's Automotive reports at 78,597 units compared with a revised figure of 78,885 in the week previous. Results for the first full week of August indicate that the month's forecast of 405,000 units for United States plant operations will not be realized unless basic material, component supply and labor situations show unexpected improvement, the above authority states.

Newsprint demand in the past week continued to outstrip supply in the face of the high level of newsprint production, forcing a number of newspapers to continue rationing of advertising. Incomplete statistics of the Newsprint Service Bureau report July production of newsprint at 424,316 tons, a decline from the 457,673 tons in May, but ahead of the 355,120 tons produced in June.

Unfilled orders of aircraft makers at the close of June were valued at \$1,055,000,000, according to the Census Bureau, or an increase of 3% in quantity and 2% in value over unfilled orders a month earlier. June deliveries by manufacturers totaled 3,489 planes valued at \$32,400,000, a 9% increase in quantity, but a 26% decline in value from May shipments, it is understood.

Domestic rayon production for the second quarter of 1946, though only a trifle under the record first-quarter level, was 5.8% over the same period one year ago. Textile Economics Bureau points out in its paper "The Rayon Organon." For the six month's period of the year, total output of rayon was placed at 425,000,000 pounds, setting a new half-year mark and exceeding output for the first half of 1945 by 8% and that of the last half of 1945 by 7%.

Stimulated by the impetus of seasonal promotions retail sales volume showed a moderate rise the past week and remained considerably above that of the like period a year ago. Among the best sellers, housewares and furniture ranked high. Consumer attention in the week gave evidence of turning to Fall fashions in apparel lines, while popular clearance sales held dollar volume of summer styles at a high level. Retail food volume in the week also continued to increase.

A slight rise occurred in wholesale volume last week, continuing well over that of the corresponding period in 1945. Fractional increases were noted in inventories and deliveries were improved. New order volume received encouragement from the announcement of new price ceilings on some commodities, dis-

pellling the reluctance to sell induced by price uncertainties.

Steel Industry — 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, according to "The Iron Age," national metalworking paper. This high level of operations, is a contradiction of previous statements on 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, states the magazine, will inevitably dislocate mill schedules and eliminate from them 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.

Producers are adhering to their quota system on steel production with little thought 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.

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 "Iron Age" notes. 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 this figure.

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 it nevertheless will remain a serious problem for some time. Some hope is gained from the fact that fabricators' scrap lists are beginning to look better, and with the anticipated shipwrecking program underway an additional source of scrap will be available by mid-winter.

Sharpshooting at the basing point system has started again in Washington, the above trade authority points out. Criticism of the single and multiple basing point plans used by industry throughout the country has appeared in the July issue of "Domestic Commerce," publication of the Department of Commerce and the magazine believes it to be the opening gun for the coming hearings by the sub-committee of the Small Business Committee of the House, where FTC and the Dept. of Justice will renew their attack on the basing point system.

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 90.3% of capacity for the week beginning Aug. 12 as against 89.0% one week ago, 87.9% one

(Continued on page 942)

The Financial Situation

(Continued from first page)

of vital considerations, however, which must not be left to the professional politician, or any other kind of politician, for that matter. Fundamentally, the current situation is by no means so sound and promising as the propagandists would have us believe. Every business man knows the uncertainties, the impediments, the extraordinary difficulties which surround his activities and his efforts to get on a sound and permanent basis of operations. Their name is legion. Every careful student of general trends of policy in Washington understands well enough why it is that so many qualifications must be made in quoting favorable statistics and the like, and why so many have their fingers crossed about the future.

These things the rank and file must be made fully aware of, and fully determined to rectify at the earliest feasible moment. This for the practical business man is the meaning of the coming elections. It is no matter of mere party or partisan politics. There is no assurance that the situation would be very greatly improved by merely substituting one party for the other in control of Congress—at least no such assurance is as yet forthcoming. A number of Republicans have been about as successful as some of the Democrats in revealing the shortcomings of the Administration, and in particular the defects and the infirmities of the so-called New Deal philosophy, which unfortunately now afflicts both of the major political parties. These rebellious members of the President's party have, moreover, taken about as much pains as more or less like-minded Republicans in letting the people know what they would do were they in control of things—and about as timid about it.

Letting Congress Know

What must be insisted upon if the coming elections are to contribute anything at all to a more prompt return of the country to sanity and economic health is that the powers that be make a real beginning in that return. Congress must return to Washington, or rather the new Congress must come to Washington next January fully convinced that the country is sick unto death with OPA and all its nonsense, of CPA and its "phoney" wisdom, of all the other boards, special agencies, and government corporations through which a managed economy minded little group of serious thinkers undertake to run the country (if not the world) and succeed in keeping every-

thing in this land at all events in a thoroughly topsy-turvy state. It must arrive in Washington fully impressed that the public—the overwhelming majority of the people who do the voting—is quite conscious of the fact that a year after the last gun was fired in the most costly war of all history, the President of the United States possesses almost as much power as he did when our sons and brothers were dying on European and Eastern battlefields. It must have indelibly impressed upon its mind that the American people insist that something be done without delay about all this. Unless something of this sort takes place, there is absolutely no telling when we shall get back to the American way of living and doing things—or the American way of moving ahead on a broad economic front.

Politicians Will Not Do It

It has long been clear that those entrusted to power have not the slightest intention of doing any such thing as this. They have found first one excuse and then another for deferring the day when even a significant beginning is made. Only here and there where "politics" strongly suggest that something had better be done—as in the case of rationing of consumer goods and in the more extreme control of industry presumably essential to concentration upon arms production—has there been action of importance by the President to return to a normal peacetime way of life in this country. Almost nowhere has Congress done anything at all about it all—except renew or extend control legislation in those instances where statutes granting power to the President were to expire on some set date.

In the early postwar weeks, a good many rather vague assurances were given about later action, but the "danger" of a collapse, or semi-collapse, of the economy was too great to permit of very much decontrolling then, so it was said. As time passed, and the only real threat of anything like a collapse came as a result of the acts of the labor unions—which are never controlled, of course; when the forecasts of the officials and economists of a government which was to "plan" for all began one after the other to "go sour"; when finally despite all difficulties production (spotty and unbalanced production, it is true) and employment began to reach for new peacetime records, then it was inflation which made the control-mad authorities feel that return of business to business men was again "out-

of the question." The conclusion is inescapable that these groups will never find the time appropriate for return to normalcy—any more than the late President Roosevelt was ever able to convince himself that he could lay down the burdens of office without exposing the country to all manner of hazards which he and only he could ward off.

It is time that the people took these matters in their own hands. Indeed, if they do not take them into their own hands and do so without further delay, the consequences will not be pleasant. The time to make themselves effective is now when members of Congress are at home, and when other aspirants for Congress are seeking support daily. Decisions such as these in a democracy usually spring from the people themselves—they arise from the grass roots as the jargon has it. The vast mass of voters can make themselves effective at any time, as a matter of fact, if they are sufficiently aroused and determined to do so. The ideal occasion for such a movement, however, is when a political campaign is under way. Then it is that the voter has an opportunity to impress his legislator and an opportunity to select his representatives in accordance with their receptivity.

Now is the time for all good men to come to the aid of their country—if not of their party.

Robt. B. Armstrong Dies

Robert Burns Armstrong, former Assistant Secretary of the Treasury and one-time newspaper man, died on Aug. 5, at the age of 72, it was reported from Washington by the Associated Press. Early in his career, Mr. Armstrong was editor of the Chicago "Record," and later was in charge of the Western office of the New York "Herald." Advices in the New York "Herald Tribune" Aug. 5 said:

He was national director of publicity for the Warren G. Harding pre-convention campaign and was assistant publicity director for the Calvin Coolidge campaign in 1924.

Mr. Burns moved to Washington in 1902 and became private secretary to Leslie M. Shaw, Secretary of the Treasury. In the following year he was appointed an Assistant Secretary of the Treasury. Two years later he left government service for the insurance business, and in 1907 went to Pasadena, Calif., returning to Washington 10 years later as correspondent for "The Los Angeles Times."

In 1934 he was listed as an organizer of America First Inc., formed to "combat and expose the propaganda and subversive activities originating within the New Deal."

Ward Retires From Land Bank

George E. Ward has recently retired as Chief Reviewing Appraiser of the Federal Land Bank of Wichita, Kan., and has been succeeded by James M. Flinchum, it was announced in Associated Press advices from Wichita on July 30.

Senator George Sees Residential Gas Sales Increased During June

Senator Walter F. George (D-Ga.), Chairman of the Senate Finance Committee, on Aug. 4 predicted that the present high level of tax rates would continue for individuals and corporations at least through 1947. A cut in excise taxes might come sooner, the Senator intimated, according to Associated Press Washington advices, in order to spur production of items now bearing heavy special rates, but other than that the committee head saw "no substantial change" in view. Senator George cited two reasons for his forecast of continued high taxes: one—the size of the budget—"still entirely too high," and necessitating, therefore, the raising of as much revenue as possible; the other, the difficulty of drafting a thorough tax revision bill "of constructive nature" to take effect prior to 1948.

The Senator is reported to have declared that the Government has far too many employees, with 3 million on the payrolls, and that major savings will have to be made in the Army and Navy spending, if there is to be any prospect of the United States living within its income at some future date. "I don't know whether circumstances will justify more reductions in those two departments," Mr. George is said to have stated. "I would have to study the recommendations of the military men more thoroughly. But those are the only two places major savings can be made. We can save a little by cutting down on the number of Federal employees, but not enough."

Senator George wants to see drafted, after full deliberation, a comprehensive measure said the Associated Press which will enable all taxpayers to reckon with considerable assurance just what they will be required to pay in 1948 and 1949. The Press advices as given in the Wall Street "Journal" added:

"To lay the groundwork, he plans to name a budget subcommittee to meet with a similar group from the House during the long Congressional recess and discuss all phases of the tax program."

"The Chairman also plans to appoint five specialists from outside the Government, in accordance with a resolution the Senate passed, Tuesday, (Aug. 2), to go into every aspect of the Social Security question and make recommendations."

Cusack in Waterways Post

Appointment of S. F. Cusack as a member of the Advisory Board of the Inland Waterways Corporation was announced on Aug. 7 by Secretary of Commerce Henry A. Wallace. Mr. Cusack, a resident of Sioux City, Iowa, succeeds Thomas J. Mulgrew, whose term of appointment has expired. The advices from the Department of Commerce also state:

"Mr. Cusack is a director of the First National Bank of Sioux City, director of the Chamber of Commerce, and is active in civic affairs."

The Inland Waterways Corporation was created by an act of Congress approved June 3, 1934, and transferred to the Department of Commerce on July 1, 1939. Other members of the Advisory Board are:

South Trimble, Jr., Washington, D. C., chairman; T. J. Maloney, Chicago, Ill.; Mayor Hubert H. Humphrey, Minneapolis, Minn.; Frank E. Bourgeois, New Orleans, La.; Thomas N. Beach, Birmingham, Ala.; Colonel Malcolm Elliott, St. Louis, Mo.

The Secretary of Commerce is Governor and Director of the Corporation.

Sales of gas by utility companies for residential and commercial use, in accordance with an apparent long-term trend, increased in June, the American Gas Association reported on Aug. 7. Increases in residential gas sales were reported in each of the three categories of manufactured, mixed and natural gas for the month.

Declines in sales of industrial gas through the continuing inability of industry to attain its wartime production peak, offset residential and commercial gas sales and the total sales of gas utility companies for June amounted to 1,942,000,000 therms, a decrease of about 4.4% under sales for June, 1945. For the 12 months ended June 30, 1946, total sales of utility gas to ultimate consumers excluding sales to other utilities, aggregated 25,683,000,000 therms, a decline of about 1.8% compared with the like period a year ago.

For the first time since its statistical activities were established more than 20 years ago, The American Gas Association is now developing separate information pertaining to mixed gas which is comprised of mixtures of manufactured and natural gases. These data were formerly included either in the manufactured or the natural gas series, dependent upon the heating content of the gas.

Under the new classification, utility sales of natural gas to ultimate consumers in June amounted to 1,697,000,000 therms, a decrease of approximately 4.9%. The Association's index of June natural gas sales stood at 192% of the 1935-39 average. For the 12 months ended June 30, 1946, total sales of natural gas declined to about 2.1% under those for the previous 12 months.

Sales of mixed gas during June, 1946, totaled more than 87,000,000 therms, a gain of 0.2% over June, 1945. The June, 1946 index of mixed gas sales was 168.8% of the 1935-39 average.

Manufactured gas sales in June continued to record the effects of the coal strike as well as the drop in war production, declining to 157,500,000 therms, a decrease of 1.5% under June, 1945. For the 12-month period manufactured gas sales showed a decline of 0.7%. The Association's June index of manufactured gas sales stood at 140.2% of the 1935-39 average.

Coinage Bills Signed

Although stating that he would in future "look with disfavor" on such measures, President Truman on Aug. 7 put his signature to bills providing for coins commemorating Iowa's admittance as a state and honoring Booker T. Washington. The President suggested, according to a Washington Associated Press dispatch, that special medals be struck off in future for such commemorative purposes rather than the number of designs on American coins being increased. One of the present bills gives recognition to the centennial of Iowa's statehood with authorization for the coining of 100,000 50¢ pieces; the other, honoring the late Negro leader and educator, authorizes coining of 5,000,000 50¢ pieces. The President in his statement said he agreed with the Treasury that so many designs on American coins resulting from minting commemorative pieces tends:

"To create confusion, to increase the possibility of counterfeiting, to encourage traffic in commemorative coins for private profit, and, in general, to detract from the fundamental purpose for which money is issued, namely, to provide a medium of exchange."

Congressional Reorganization Bill Signed

With Senate concurrence on July 26 by voice vote to House approval on July 25 of changes in the legislation raising the pay of legislators and reorganizing the Congressional set-up, the measure was sent to the White House on July 27, and the bill became a law on Aug. 2, when the President signed it. As explained in special advices from Washington to the New York "Times" on July 25 from C. F. Trusell, the House that night passed its own Congressional reorganization bill, a measure designed to modernize the legislative branch so it might meet more effectively the impacts of the present-day load—and in doing it rejected a pay increase for each member from \$10,000 a year to \$15,000, such as the Senate recently approved. The "Times" account added in part:

Instead, the House voted, by voice, that the salary rise be to \$12,500 a year, but added to this an expense account of \$2,500 a year, payable in monthly installments, which would not have to be accounted for to anyone.

"Let's do it the honest way," shouted Representative Clarence J. Brown, Republican, of Ohio, sponsor of the change.

Many figured that the arrangement would mean more than the \$15,000 salary as the Brown amendment specified that the \$2,500 expense account would not be subject to income taxation.

Just before taking the passage vote, the House concurred with the Senate in approving a plan under which members of Congress could qualify for entry into the Federal retirement and pension system.

The final passage vote was 229 to 61.

Noting the acceptance by the Senate on July 26 without opposition of the bill the House passed the previous night to reorganize and modernize the Congress, Mr. Trusell, in his account to the "Times" on July 26 of the final action, said in part:

Although the House measure lacks many of the reorganization provisions which the Senate had adopted earlier this month in a bill of its own, it was rushed through to prevent a growing exodus of members from Washington from almost certainly defeating the whole reform program.

To have attempted to send the two bills to conference for the adjustment of differences would have exposed them, it was conceded, to parliamentary tactics through which a small minority of dissenters could have blocked whatever agreement the conferees might reach.

In the bill ready for a Presidential approval, Congress voted to take an increase in the annual salary of each member from the present \$10,000 to \$12,500, rather than to \$15,000, as the Senate first voted.

However, because of an additional allowance to each member of an annual expense account of \$2,500, tax free, it was figured by revenue experts that the net receipts of members would come much closer to \$16,000 a year than the originally voted \$15,000.

Examples such as the following were given:

For a member, married and with two dependents, the income taxes on a \$15,000 salary, with routine exemptions, would be \$3,638.50, leaving him \$11,361.50 after taxes. At a \$12,500 salary the taxes would be \$2,688.50, leaving him \$9,811.50 after taxes.

With the \$2,500 non-taxable expense account for the meeting of obligations prompting the pay-increase movement, he would have \$12,311.50 left, and would be better off by \$950 than under the straight \$15,000 salary subject to taxation.

The measure, it is stated, reduces the number of House committees from 48 to 19 and Senate committees from 33 to 15.

In special Washington advices to the New York "Herald Tribune" Aug. 2 by Robert E. Nichols, it was stated:

Most provisions of the bill do

not become effective until the 80th Congress convenes next Jan. 3, but the requirement that all paid lobbyists register with Congress went into effect immediately.

Major points of Congressional reorganization in the new law are:

1. Slashing the number of Senate committees from 33 to 15 and House committees from 48 to 19, with additional requirement that the Military and Naval Affairs Committees of both Houses be merged into two single committees on national defense.

2. Strengthening of Congressional budgetary powers, by requiring that taxing and spending committees of both Houses must meet jointly at the beginning of each session to balance national expenditures against revenues. This means that deficit spending, hereafter, can be authorized only by a concurrent resolution of Congress.

3. Provision that each committee have four \$8,000-a-year research experts.

4. Raising of both Senators' and Representatives' salaries from \$10,000 to \$12,500 a year plus a \$2,500 tax-free expense allowance. Legislators who have served six years—paying into the civil service retirement fund—may retire upon reaching the age of 62 with the same pension benefits as other Federal employees.

5. Requirement that all persons paid to influence legislation before Congress must register yearly with the Clerk of the House as lobbyists, under penalty of \$5,000 fine and/or a year's imprisonment.

6. Requirement that Congress adjourn each year from Aug. 1 to Jan. 1, ostensibly to allow Congressmen more time among their constituents.

7. Increasing the powers of Federal agencies, so that Congress will not have to act on minor claims, pension and local bills.

In signing the bill on Aug. 2 the President issued a statement in which he described the bill as "one of the most significant advances in the organization of the Congress since the establishment of that body." The "Herald Tribune" advices also said:

President Truman signed the bill in the presence of its sponsors, Senator Robert M. La Follette, Jr., Progressive, of Wisconsin, and Representative A. S. Mike Monroney, Democrat, of Oklahoma.

The President's statement follows:

"The Legislative Reorganization Act of 1946, which I signed today, is one of the most significant advances in the organization of the Congress of the United States since the establishment of that body.

"Both as United States Senator and as President, I have had occasion to observe some of the outmoded organizational and procedural traditions that have burdened the legislative branch. The problem of reorganizing and modernizing the Congress has been a peculiarly difficult one, and session after session the members of the Congress found themselves unable to take decisive steps in tackling the problem.

"The 79th Congress, however, approached the task with vigor and in a sound and orderly manner. I have nothing but admiration for the way in which the investigation of Congressional organization was conducted and particularly for the leaders who formed the special investigating committee and who wrote and sponsored the bill.

"I realize that in the process of Congressional consideration compromises and adjustments had to be made and some desirable pro-

visions were deleted. However, the passage of this act shows that progress can be made, and I anticipate that the Congress will continue to pay attention to those parts of the legislative reorganization problem not yet solved.

"The present act should permit easier and closer relations between the executive agencies of the Government and the Congress. The expanded staff of the Congressional committees and of the agencies in the legislative branch can become a valuable link between the policy-making deliberations of the Congress and the practical administrative experience of the executive branch.

"The legislative budget and the provision on the handling of appropriations will undoubtedly result in clear and more realistic relationships between the income and expenditure sides of the budget. Further, the changes in the dates for the transmitting of the President's economic report and the report of the Joint Committee on the Economic Report, required under the Employment Act of 1946, will result in proper integration between the legislative budget and the national program for maximum employment. The Joint Committee will now present its findings and recommendations to the Congress before Feb. 1. The four revenue and appropriation committees in carrying out their new responsibilities under the Reorganization Act, therefore, will have the benefit of the Joint Committee's report for their over-all appraisal and recommendations on Federal receipts, expenditures, debt and surplus. This timing is essential today when Federal fiscal policy is so closely related to the nation's economic conditions.

"One other provision of the bill deserves special praise—that which raises the salary of members of Congress from \$10,000 to \$12,500 plus an expense allowance of \$2,500. This is a long overdue step in providing adequate compensation for our Federal legislators.

References to the bill appeared in our issues of July 25, page 531, and Aug. 1, page 663.

Medal for Pershing

A resolution passed by Congress before its adjournment providing for a special medal to be struck and presented to General John J. Pershing, head of the American forces during the first World War, was signed by President Truman on Aug. 8, according to Associated Press advices from Washington, which added that General Pershing's aide, Col. G. E. Adamson, said that he thought the award would come as a surprise to the General who has been a patient at Walter Reed Hospital for several years.

The resolution authorizes "a gold medal to be struck, with suitable emblems, devices and inscriptions," to be presented to Gen. John J. Pershing, "in recognition of his fearless leadership, heroic achievements and great military victories, as commander in chief of the American Expeditionary Forces in Europe in World War I * * * and for his gallant and unselfish devotion to the service of his country and his contribution to the preparation for the prosecution of World War II."

The resolution added:

"When the medal * * * shall have been struck, the President shall cause the same to be presented to General Pershing in the name of the people of the United States of America."

British Loan Purchases Slow

High American prices have been described as one of the reasons for the delay by Great Britain in making extensive use of the \$3,750,000,000 credit recently granted by the United States. First drafts have already been made, however, Associated Press advices from Washington stated on Aug. 4, on the \$300,000,000 advance on the loan which has been deposited in New York. Embassy officials, without

stating exactly how much has been spent, said that the first slice of American credit would pay for "essential purchases" such as dried eggs, cotton, motion picture films, wheat and other food items. The officials, whose names were not disclosed, said that all these represent purchases such as Britain made in the United States during wartime but which would have, of necessity, been cut drastically if Congress had not approved the loan; it was estimated that the \$300,000,000 instalment would last three to four months under present market conditions.

Rising prices for scarce American products, the officials' statement continued, according to the Associated Press, are causing some British economic experts to favor delaying large-scale order until the cost situation appears to be leveling off. From the Associated Press advices, published in the New York "Herald Tribune," we also quote:

"Orders for machinery, needed to modernize Britain's coal and other industries, may be postponed for this reason and also because the Labor government has not yet determined how it will distribute these items.

"Because American prices are climbing steadily, the officials said British purchasing agents are examining the possibility of placing additional orders in countries like Canada, Sweden and Bel-

gium, where the American loan dollars are worth more.

"Under terms of the loan, the British have the right to spend the American credit wherever they choose. American financial experts who negotiated the loan figured the dollars eventually would all be spent in the United States, regardless of where they went first.

"British officials also reported that their government is well under way with its plans to fulfill the trade promises made to the United States in connection with the loan.

"A trade delegation, they said, is preparing to attend a preliminary 18-nation trade conference in London, Oct. 15 and support the United States in its efforts to persuade other nations to abandon restrictive trade practices and to lower tariffs.

"In addition, they said, the Attlee government is making detailed preparations to end the dollar pool in about 11 months, thus keeping the pledge to eliminate it within a year after the loan agreement went into effect.

"American business men had complained that the pool made it impossible to conduct trade with the British empire and associated countries because all the dollars these nations earned were tied up in London."

Business Failures in July

Business failures in July were higher in number and amount of liabilities involved than in June. When compared with July a year ago, business failures in July were higher in number but lower in amount of liabilities involved. Business failures in July according to Dun & Bradstreet, Inc., totaled 74 and involved \$3,434,000 liabilities as compared with 69 in June, involving \$3,006,000 liabilities, and 72 involving \$3,659,000 liabilities in July a year ago.

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

Manufacturing failures in July rose to 36 from 25 in June but liabilities were down to \$1,948,000 in July from \$1,996,000 in June. Wholesale failures in July numbered 5 against 4 in June but liabilities were down to \$76,000 in July from \$80,000 in June. Retail failures in July fell to 17 from 24 in June, but liabilities rose to \$835,000 in July from \$661,000 in June. Construction liabilities in July were down to 9 from 13 in June and liabilities were lowered to \$162,000 in July from \$262,000 in June. Commercial Service failures in July were up to 7 with liabilities of \$413,000 from 3 in June with liabilities of \$7,000.

When the country is divided into Federal Reserve Districts, it is found that the Philadelphia, Atlantic, Kansas City, Dallas and San Francisco Reserve Districts had more failures in July than in June, while the remaining districts, with the exception of Cleveland which had the same number, had fewer failures in July than in June. When the amount of liabilities involved is considered it is seen that the Boston, Cleveland, Richmond, St. Louis, Minneapolis and San Francisco Reserve Districts had less liabilities involved in July than in June.

Harris, President of Inter-American Institute

Colonel Arthur R. Harris, a career officer of the United States Army who formerly headed the Latin American, Military Attache and Foreign Liaison Sections of the War Department and has served as a Military Attache in Mexico and Central and South America, has been elected President of both the Institute of Inter-American Affairs and the Inter-American Educational Foundation.

This announcement was made on Aug. 1 at Washington by Spruille Braden, Assistant Secretary of State in charge of American Republics Affairs and Chairman of the Boards of Directors of these Government corporations on which Assistant Secretaries Benton, Clayton and Russell are also represented. They were organized as part of the former Office of Inter-American Affairs, and recently were placed directly under the Secretary of State. From the State Department's announcement we also quote:

"Colonel Harris will assume his duties as common President of these corporations immediately and will administer the extensive health and sanitation, agricultural and educational programs they conduct in the other American Republics. These cooperative programs are carried out by small field parties of United States technicians, working in close collaboration with government experts of these neighboring countries. By demonstrating the use of the best practices and techniques in the solution of basic health, sanitation, agricultural and educational problems, they contribute tangibly to raising living standards and improve the general welfare. In discharging his important functions, Colonel Harris will maintain close liaison with Public Health, Agriculture, and Educational Ministries of the other American Republics."

"Colonel Harris made it clear that his election will bring no change in the objectives of the programs for which he now is responsible."

Steel Operations Highest Since Start of Reconversion — Scrap Still Immediate Problem

Steel operations this week hit a new postwar high, with the industry set up to produce at the rate of 91.5% of capacity, a point higher than it has operated during the past three weeks, according to "The Iron Age," national metalworking paper. Thus, while facing shortages of scrap, freight cars and coal, steel production continues its upward trend. Production of steel at the rate established for this week will amount to somewhere

in the neighborhood of 1,500,000 net tons of ingots or about 1,000,000 net tons of finished products. "The Iron Age" in its issue of today (Aug. 15) further states in part:

"Scrap continues to be the immediate problem of the steel industry, and events of the past week tend to make matters worse. The Scrap Institute's national affairs committee meeting in Cleveland, at which it was determined to seek a \$3.50 a ton temporary price increase resulted in dealers—and possibly many producers—withholding scrap shipments in anticipation of higher prices. Production of scrap is increasing in volume steadily in fabricator's plants; but much of it is being stalled on its way to the mills.

"Scrap dealers, in the face of increased costs of materials and help, feel they need higher scrap prices and will attempt to gain the \$3.50 a ton permanent increase, plus an increase of \$1.50 a ton (to \$5.00 a ton) for preparation of scrap. Opponents of this price increase, mainly in the steel industry, point out that this will result in a flat cost increase of between \$1 and \$1.50 a ton on steel, and is an unnecessary impetus to the inflationary spiral that is already gaining speed.

"While pig iron output is pretty close to the capacity of all furnaces in operation, there is not nearly enough to fill current needs. Southern producers screamed to CPA that their entire output fell under the iron allocation plan, shutting off the iron to many foundries without certified orders. Some easing seems apparent on this score. Small foundries have tried to turn to greater use of scrap in their melts, but aside from the fact that scrap is hard to get, they are having trouble with their castings.

"Textile machinery manufacturers' foundries, with a backlog of five to six years work, recently formed what amounts to a bloc among themselves to bring pressure on Washington for relief. Being financially strong themselves and having some powerful friends, the outcome of their fight will be interesting.

"OPA's refusal to grant further pig iron price increases is taken to indicate an intensified move through the RFC and the National Housing Administration for subsidies for marginal furnaces, and also an intensified action to relieve individual "hardship" cases. OPA Administrator, Paul Porter, said that the \$2 a ton increase just granted offsets added costs, and studies indicate that any further overall increase would not be likely "to increase production from furnaces now in operation." Those not in operation, however, are likely to plead for individual price increases to cover their higher costs, and, in doing so, get the support of RFC and NHA."

The American Iron and Steel Institute on Aug. 12 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 90.3% of capacity for the week beginning Aug. 12, compared with 89.0% one week ago, 87.9% one month ago and 82.5% one year ago. This represents an increase of 1.3 points or 1.5% over the preceding week. The operating rate for the week beginning Aug. 12 is equivalent to 1,591,400 tons of steel ingots and castings, compared to 1,568,500 tons one week ago, 1,549,100 tons

one month ago, and 1,511,100 tons one year ago.

"Steel" of Cleveland, in its summary of latest news developments in the metalworking industry, on Aug. 12 stated in part as follows: "While priority regulations for fourth quarter have undergone some clarification, producers of steel and pig iron still do not know what they will be called on to supply in that period in the way of preference tonnage. Directions 12 and 13, applying to steel and pig iron, respectively, originally set up to provide essential requirements for housing, agricultural equipment and railroad brakeshoes in third quarter, will be permitted to expire Sept. 30. At the same time CC ratings will be reinstated, as of Oct. 1, to speed procurement by manufacturers of sufficient tonnage to maintain economical operation and will, through special provision, be applied also to tonnage needed in making certain items for the veterans' housing program. Precisely what this, and certain other changes, including revoking of some previously suspended ratings, will mean in terms of preference tonnage in fourth quarter remains to be seen, the national metalworking paper states.

"However, much talk is heard of possible establishment of car-building steel on a preference basis, so critical has become the transportation situation. This would apply to steel needed for repairs as well as new equipment. Significant of the shortage of transportation equipment is the increase in repair schedules of railroads generally. One large eastern carrier recently increased its monthly repairs 50%.

"It appears likely that the government program for additional freight cars, first placed at 50,000 units, will be reduced to 40,000, if it takes tangible form. However, if the roads themselves continue ordering at the recent rate the government may not press this plan. However, preference for steel will be necessary in any event to assure completion of the cars during this year.

"Meanwhile, pig iron allotments set up under Direction 13 for this quarter are reliably reported to be undergoing a further screening, with manufacturers of some types of stoves not included under Direction 13 pressing for preference action to keep from being forced down completely, and with many others also applying for relief.

"Preference granted on both pig iron and steel appear to have overshot their mark as far as the practical application in the current quarter is concerned. A carryover of self-certified orders under Directions 12 and 13 at the end of September appear virtually assured and to meet such a contingency Washington has issued a new regulation providing that any carryover tonnage of this character be given CC rating for October.

"In view of the continued uncertainty with respect to preference tonnage over the remainder of the year and because of severe shortage in pig iron and scrap there appears to be little likelihood of early opening of books for next year.

"With the navigation season at approximately the mid-point, movement of Lake Superior to Aug. 1, totaled 23,848,849 gross tons, a decrease of 15,548,029 tons, 40.96%, from the total at the same date last year. With some addi-

tional ships in service for the remainder of the season this deficit may be reduced. July shipments were 10,848,385 tons, only 523,897 tons, 4.61%, below July, 1945."

July Steel Output Up

Production of steel ingots and steel for castings during July was the highest of any month since July last year, according to the American Iron and Steel Institute, which further stated:

Production during the first seven months of this year was 33,928,018 net tons, compared with 50,123,653 net tons in a similar period last year.

The industry in July, 1946, produced 6,598,864 net tons at an average rate of capacity of 84.7%. This compares with production during July, 1945, of 6,985,571 net tons at a rate of 86.3% of capacity.

According to revised figures, production of steel ingots and steel for castings during June of this year was 5,624,826 net tons at an average rate of 74.4% of capacity.

Parcels for British Zone Of Germany

Effective, August 12, ordinary gift parcels are accepted for delivery to the British Zone of Germany, except Berlin. Postmaster General Robert E. Hannegan announced in a recent report. The Post Office Department advices said in part:

"Parcels must not exceed 11 pounds in weight or 72 inches in length and girth combined. Only one parcel a week may be sent by any one person to the same addressee. Contents are limited to essential relief items, such as non-perishable foods, clothing, soap, medicines. No writing or printed matter of any kind may be included. The postage rate is 14 cents a pound.

"Parcels and customs declarations must be marked 'Gift Parcel' by the senders, and the value and contents must be stated on the customs declarations. Undeliverable parcels will not be returned to the senders but will be turned over to authorized German relief organizations for distribution to the needy.

"Parcels should bear the name of the addressee, street and house number, town, postal district number if known, province, and the indication 'British Zone, Germany.' Box numbers may be used as part of the address provided the name of the box holder is shown. Parcels will not be accepted for mailing when addressed 'General Delivery,' or when addressed to Berlin.

"The British Zone includes the following regions of German: The entire province of Schleswig-Holstein, with the city area of Hamburg (Postal District 24), the entire provinces and areas of Hannover, Oldenburg, Braunschweig, Lippe, Schaumburg-Lippe, and the Bremen Enclave (Postal Districts 20 and 23), the entire province of Westfalen (Postal District 21), the northern portion of the Rhein Province (Postal District 22), including the cities and Kraise of Aachen (Cologne), Duren, Schleiden Eusirchen, Bonn, Siegburg and Gummersbach, and places north thereof.

"The cities and Kreiss of Prum, Daun, Ahrweiler, Koblenz, Neuwied and Altenkirchen (Westerwald) and places south thereof in the Rhein Province, although located in Postal District 22, are not in the British Zone or the American Zone, and therefore parcels may not be sent there from the United States.

"The export control regulations of the Office of International Trade, Department of Commerce, are applicable to parcels for delivery in the British Zone of Germany.

Duncan Questions Advisability of Continuance of Federal Reserves Credit Curb

The wisdom of continued "freezing of a third of the nation's purchasing power" by the Federal Government's policy on credit was questioned on Aug. 7 by A. E. Duncan, Chairman of the Board of the Commercial Credit Company of Baltimore, in a statement followed a recent amendment to the Government ruling known as "Regulation W," which

has served as a curb on use of credit. It was added that Mr. Duncan, asserting that the continuation of curbs on credit is intended to check inflation, said that "a basic cause of inflation, shortages of goods, will be rapidly dissolved by production gains in the period immediately ahead." From the Baltimore "Sun" we also take the following regarding Mr. Duncan's comments—an Editor's note below, also being from the same paper:

"A strange situation has been created by which the Government's temporary wartime restrictions on credits have now been removed in so far as they affect the time purchaser in the upper brackets, while they continue to be imposed on the large majority of the nation's families of more moderate means," continued Mr. Duncan.

[Editor's note: The amendment to Regulation W, which applies to time sales of automobiles and other listed articles places unpaid balances of more than \$1,500 outside the down-payment and maturity terms of the ruling.]

"In effect," Mr. Duncan added, "the man who can afford to buy a high-priced car on time can now take as long as he chooses, in so far as Regulation W is concerned, to complete his payments on a balance exceeding \$1,500. The buyer of the low-priced car—the customer whose balance on the

installment purchase of any average low or moderate-priced family car will be under \$1,500—has no such choice; he must complete the transaction on terms restricted by the Government.

"The inconsistency of this amendment may involve serious economic implications. These are suggested by the results of a recent survey of the spread of national savings among various income groups, conducted by the Federal Reserve Board and the Bureau of Agricultural Economics.

"The survey concluded that 60% of the savings in this country are held by 10% of the nation's families, while the bottom third of the population holds little or no savings.

"If the conclusions of this survey are anywhere near accurate, it is therefore evident that among large masses of the people the sales of automobiles, refrigerators and other long-awaited durable goods must be underwritten by consumer credit.

"This survey underscores the paradox of a regulation which legalizes the extension of credit on unrestricted terms to the prosperous minority who hold ample savings, while limiting the terms on which credit can be extended to the third of the nation's families with negligible liquid assets whose buying power exists mainly through credit based on current earnings."

Home Mortgage Loans This Year

For the first time in the nation's history as much as \$10,000,000,000 of new home mortgage loans will be contracted for this year, the United States Savings and Loan League predicts in an analysis of why the dollar volume is going to pass all previous peaks, such as those in the 1920's. An announcement issued by the League on July 20, which made this statement also had the following to say:

"Four principal factors leading the country's home mortgage debt upward by a larger leap than ever before are listed by Henry P. Irr, Baltimore, President of the 54-year-old nationwide organization of savings and loan associations and cooperative banks:

"1. The veterans' home buying transactions have swelled the total volume of mortgaging tremendously and are doing it at an increasing rate all the time.

"2. The price increase in existing homes has to be taken into consideration in any analysis of an upturn in total mortgage volume, just as in surveying increased dollar volume of production, the higher prices of goods must be considered a factor.

"3. A tremendous shift in the population is still in process. The move of a family from the home it owned in one city to the home it must buy in another city generally results in the exchange of a substantially paid-down mortgage loan for a new debt which is a larger percentage of the property value.

"4. New home construction was represented by 278,000 new houses begun during the first five months of the year and substantially all of these have already necessitated some kind of mortgage credit outlay. This is the natural source of new home mortgage volume, which had been drying up gradually from April, 1942, when the stop-building order

went into effect, up until last October when the controls on building were first released."

Newly built or newly started homes caused the savings and loan institutions to lend eight times as much on new construction during the first months of 1946 as in the like months of 1945. The tabulation shows savings and loan construction loan volume is as follows:

	1945	1946
January	\$3,772,000	\$30,807,000
February	3,081,000	30,866,000
March	7,406,000	45,391,000
April	9,541,000	53,202,000

Mr. Irr said that 1946 will be the first year that the GI home loans will have any substantial effect in swelling the volume of new mortgage loans. He judges that 20% of all savings and loan home mortgages today are being recorded for veterans of World War II.

Mr. Irr said that the 1946 migration seems to be mainly of white collar workers being transferred because corporations are adapting their operations to wartime changes in factory locations and to usable facilities in new places which will mean a permanent relocation for tens of thousands of office workers and executives. The advices from the League add:

"The 1946 new mortgage loan volume which the League expects to reach \$10,000,000,000 will be handled by all types of lenders and no violent swings in the competitive positions of the various sources of mortgage money are expected to show this year, in the opinion of Mr. Irr. The savings and loan associations and cooperative banks, largest single source of home financing in the country, are doing about 36% of dollar volume, with the banks and trust companies handling 24% of it, and the individual lenders coming third, providing 20% of today's home mortgage credit."

Significance of a Free Press

(Continued from first page) securing the adoption of the necessary measures and of the necessary methods for the enforcement of the underlying principle by the United Nations itself.

Long ago I reached the conclusion that there exists no greater obstacle to the steady growth of democracy in the Americas than the recurrent abolition in many countries of the right of the people to free access to the truth.

Needless to say, there are many other obstacles to the rapid growth and strengthening of real democracy in the Western Hemisphere. Democracy will become consistently more firmly established as the low standards of living in many republics are raised, as educational facilities are improved, as health and social conditions are ameliorated, and as communications develop. All of these objectives will be more rapidly achieved through the progressive industrialization of the American republics.

The peoples of Latin America are profoundly individualistic in their manner of being. They are inherently opposed to authoritarianism and to regimentation. They are wedded to the concept of the greatest measure of individual freedom compatible with the true interests of the majority and with orderly and enlightened government, but unless they are guaranteed freedom of information they cannot accurately assess for themselves the errors into which their own governments, or other governments, may fall, nor have the opportunity of making their voices heard in attempting to remedy such errors.

In the course of my earlier broadcast I spoke of "La Prensa" and of "La Nacion" of Buenos Aires as two of the outstanding newspapers in the world of today not only because of their liberal and progressive editorial policies, but also because of the amazingly wide coverage of news from all over the world which they give their readers. I said that it seemed to me that it was an amazing paradox that such great and universally respected organs of public opinion as these two newspapers should have been compelled not long ago to suffer the censorship imposed by the dictatorships installed in Buenos Aires between June of 1943, and the time when national elections were held last winter. It should be added that censorship had been even earlier imposed by the Argentine Constitutional Government before it was overthrown by the military revolt of June, 1943.

Argentina Has Liberty of Press

I am glad to say that the Argentine people today, under a Constitutional and freely elected government are enjoying complete liberty of the press. I most earnestly hope that they never again will be condemned to suffer from the evils of censorship.

But the manner in which democratic thinking deteriorates, and mental processes become distorted, once the sinister precedent of censorship of the free press and of the free radio has been created, is graphically demonstrated in an article published in the newspaper "La Epoca" of Buenos Aires on July 8 referring to my recent mention of the censorship imposed upon that newspaper's colleagues, "La Prensa" and "La Nacion."

In this article "La Epoca" states that, and I quote, "Censorship was never imposed in Argentina by anyone, but, on the contrary, censorship was imposed in the United States of America under the control of the North American press agencies which never at any time gave a truthful account of what was taking place in Argentina." It continues by stating that the cables which reached New York,

Washington, Chicago, and San Francisco, and every other city in the United States were the product of deliberate fabrications concocted by American press correspondents in Argentina.

Now, of course, the real facts are so notorious that there is no useful purpose to be served by my doing more than remind you that censorship was originally imposed in Argentina when the Western Hemisphere was drawn into the war, and that such censorship became much more rigorous when the subsequent dictatorships of General Ramirez and of General Farrell were established. Censorship was employed far more to prevent public criticism of the policies and acts of the dictatorships which had imposed themselves on the Argentine people than for any purposes connected with the war situation. There is no responsible Argentine citizen who would attempt to deny that every news article published thereafter in the Argentine press had to be approved by the official censors and that, even more than that, editorial comment had frequently to be so restrained as to avoid even the implication that the newspapers were opposed to governmental policies. It was a matter for consternation throughout the hemisphere when that stalwart pillar of a liberal and free press, "La Prensa," was actually closed down by official order for some time because it was alleged that it had violated the regulations imposed.

American News of Argentine Biased

Now I am quite willing to agree with "La Epoca" that a few correspondents of newspapers in the United States who were then reporting events from Argentina were individually so prejudiced and so biased when the Argentine political situation began to become crystallized, and that they were in the habit of gathering their news so exclusively from sources connected with the groups opposed to President Peron, that in the stories which they cabled to the United States covering developments in Argentina they did not give the American people accurate information. As a result, for example, the American people as a whole were very often unable realistically to recognize the fact—which a few of us who were in close touch with developments in Argentina had long since realized—namely, that Colonel Peron, now the President of the republic, had obtained a very large and a very real popular support among the masses of the Argentine people and that if fair elections were held, as they eventually were held, Colonel Peron had a very good chance of being elected, as he was, President of the republic by a large majority.

How utterly different the two issue raised by "La Epoca" really are. Both are deplorable. But how different in their significance. On the one hand you have the case of a very few private individuals, who as press correspondents have, for one reason or another, reported news inaccurately. On the other hand it is the government itself which is preventing the people of the country over which it exercises jurisdiction from having the opportunity fully to know what that Government is doing and, consequently, from having the chance openly to debate the actions of their government and the chance freely to criticize those actions for the purpose of correcting them. And what in the larger sense is even far more important, governmental censorship of this character makes it wholly impossible for public opinion in the rest of the Americas, where the press is free, to be afforded the opportunity of con-

demning those official abuses in the American countries where censorship is applied and thus have the chance to make its salutary and beneficial influence felt. For I repeat my often-expressed conviction that the force of freely expressed public opinion is the greatest deterrent to authoritarianism or to any other form of dictatorship which the peoples of the Americas can possess.

Work of American Society of Newspaper Editors

I know of no more useful institution which has recently been established by private initiative than the committee created by the American Society of Newspaper Editors under the presidency of Wilbur Forrest, of the New York "Herald Tribune," to further the firm establishment in every part of the world of freedom of information. This committee has already made its contacts in a very large number of countries. It is cooperating with the Social and Economic Council of the United Nations and with our own Government, and it has already brought about concrete results which were not foreseen even a short time ago.

In my syndicated article last week, I ventured the suggestion that this committee, representative of the free press of the United States, could attain an objective of the highest practical value if it were now to communicate with outstanding leaders of the free press in all of the other American republics in order that a completely unofficial inter-American conference of the press and perhaps of the radio might be held in the near future. It seems to me that such a conference could at once achieve three great results. It could undertake to establish by common accord an inter-American charter setting forth the rights and obligations of the press in every American country. Second, it could agree upon the measures of cooperation and of immediate assistance to be undertaken by the press in the other American republics should the government of any one American country violate the legitimate rights of the press in that country by censorship or by any other restriction upon freedom of information. And finally, it could, by creating such a regional understanding between the free press of the Western Hemisphere not only help to carry out the principles envisaged at the Mexico City Conference of the governments of the American republics, but also thereby offered a practical demonstration to the United Nations Assembly when it meets of how the free newspapers of the Americas have already contributed to the consecration of the principle of freedom of information in the New World.

State Supreme Court Holds OPA Unconstitutional

Press advices (INS) from Olympia, Wash., reported that the Washington State Supreme Court, in both majority and minority opinions in a decision handed down that day declared flatly that the OPA has "brought financial ruin to tens of thousands of Americans, including the loss of 10 billion dollars in postponing settlement of the recent steel strike."

The advices from which we quote were given in the Washington (D. C.) "Post." They continued: "Justice John Robinson, author of the majority opinion, said that some of the judges who signed it, 'including the author thereof,' believe the act is unconstitutional, at least insofar as it arbitrarily restricts jurisdiction to question any administrative act done thereunder."

Labor Dept. Retail Price Index in May

Prices of living essentials for moderate-income families in large cities continued to rise during the month ending May 15, 1946, according to the Bureau of Labor Statistics, U. S. Department of Labor. Higher prices for food, clothing, house furnishings, and miscellaneous goods and services contributed to the 0.5% increase, which brought the May 15 consumers' price index to 131.5% of the 1935-39 average, says the Labor Department's report, which on June 23 added: Consumers' prices are now one-third higher than at the outset of the Second World War in 1939; from the beginning of the First World War to the high point of 1920 retail prices more than doubled.

Since the end of the war in Japan in August, 1945, consumers' prices have increased 1.7%, with clothing and house furnishings costs advancing 6.1 and 4.4%, respectively, while food prices have gone up 1.2%. Nearly all of this rise has occurred since mid-February, 1946.

Retail prices of goods and services used by city families are now 5.1% above the level of May, 1943, when the President's "hold-the-line" order became effective. Food prices in May, 1946 are at about the same level as in May, 1943; clothing and house furnishings costs, however, are almost 22% higher. Effects of the recently announced higher ceiling prices for a number of dairy, bakery, and cereal products will not be reflected in the index until June and July.

Meats, butter, oleomargarine, shortening, bread, and some canned foods were scarce in most large cities in the United States in May. These scarcities made it impossible to obtain the usual number of food price quotations for the consumers' price index. With these scarcities there have been more reports of increased sales through black markets which are not reflected in price reports to the Bureau.

The shortages of meat were so acute that in a few cities none of the independent stores from which the Bureau regularly collects prices had any of the standard list of meat products during the pricing period. Under these conditions the usual method of computing average prices could not be used. In order that indexes for food prices as a whole and for all commodities in combination might be published, it was assumed that meat prices were unchanged between April and May in five cities. Provision has been made to reflect changes in meat prices in these cities between April and June if meat is available then.

For the month of May this lack of meat prices has not affected the total index seriously and the national average increase of 0.5% for meat prices is a significant figure. Shortages of other products were not sufficiently acute to produce the same kind of pricing problem that was experienced in meats. Thus, the Bureau is reasonably confident in reporting that food prices as a whole advanced about 0.6% over April, though a more complete coverage of stores would probably have given a slightly higher figure for meat and, hence, for all foods.

Fresh fish prices dropped 1.6% with seasonally larger supplies of lower priced varieties reaching most markets. There were further increases in the cost of bread in May, when additional cities authorized weight reductions in line with the nation's program to conserve grains. Rye bread prices advanced 16% as new ceilings were established. Fresh fruit and vegetable prices declined 0.1% as lower prices for green beans, cab-

bage, lettuce, onions and spinach offset higher prices for apples, oranges, carrots, potatoes, and sweet potatoes.

Clothing prices rose 0.7% between April and May, mainly due to higher prices which were reported for apparel which was produced under rent orders to encourage production. Prices of house furnishings increased 0.7% between April 15 and May 15, as higher prices allowed to manufacturers for wool rugs and mattresses were passed on to consumers.

Gas and electricity costs continued to decrease and now cost 7% less on the average than in August, 1939. Rate reductions in April and early May lowered the average cost of electricity to consumers in St. Louis, while gas costs declined 7% in Chicago, as lower rates became effective on May 1. The usual seasonal decrease in New York City gas rates was reflected in May bills.

Rents were not surveyed in May.

OPA Raises Ceiling Prices on Silver

The Office of Price Administration has raised ceiling prices of silver to conform with the new Treasury Department prices authorized by Congress, the agency announced on Aug. 1. The Treasury's action, fixing the sale of silver at 91 cents an ounce, was referred to in our issue of Aug. 3, page 793 in which item the Congressional action on the silver legislation was also noted. The advices from the OPA state:

"Effective Aug. 1, 1946, the ceiling price for standard commercial bars of silver will be fixed at 90.5 cents per fine troy ounce or the Treasury's selling price, whichever is higher. Silver is being kept under control, OPA said, to assure that the price of foreign silver does not exceed the Treasury selling price for domestic silver. At the same time, maximum prices for semi-fabricated silver articles and for silver scrap have been raised to reflect the increase in the price of silver bullion. The maximum price for silver scrap per fine troy ounce of silver contained, delivered free of all charges, was fixed at .25 cents below the maximum base price for standard commercial bars.

"OPA explained that the Treasury's buying price for domestic silver was raised from 71.11 cents, the former ceiling, to 90.5 cents per ounce by congressional action last week. At the same time, the Treasury was authorized to sell unallocated silver to industrial users at not less than 90.5 cents per ounce. As a result, it was necessary for OPA to raise the silver price ceilings so as not to interfere with the purchase and sale of silver by the Treasury.

"Because OPA was advised that the Treasury may sell silver at a price above the minimum fixed for such sales, it was necessary to permit the Treasury selling price to become the maximum price when it is higher than 90.5 cents per ounce.

"In semi-fabricated articles, silver is the most important cost factor and the substantial increase in the silver price cannot be absorbed without financial hardship, OPA said. The scrap price is increased in order to maintain the customary relationship with the price of silver bullion and thus to allow the orderly flow of necessary scrap."

Agricultural Department General Crop Report As of August 1

The Department of Agriculture at Washington on Aug. 9 issued its crop report as of Aug. 1, 1946, which we give in part below:

Aggregate crop production in 1946 still promises to exceed the output of any previous year. Changes in the national situation during July were upward as a whole. As a result, total production is estimated at 27% above the 1923-32 average, 6 points above 1945 and 3 points above the previous high mark set in 1942. The improved outlook on August 1 reflects almost ideal conditions for the maturing and harvesting of grains in practically all areas during July.

With most of the winter wheat harvested and a good start made on spring wheat, the earlier promise of a record crop appears fulfilled. The current estimate is 1,160 million bushels, 70 million more than on July 1. Growing conditions for cotton improved in most of the South. Corn improved on the whole above the July 1 outlook, boosting the new record to 3.5 billion bushels. But on the fringes of the main Corn Belt growing conditions on August 1 were poorer than earlier and in the main sorghum area of the Southwest they were definitely unfavorable.

Growing conditions during July were favorable for the country as a whole. Grain crops reached maturity earlier than usual, but this was due chiefly to their early start. Soil moisture was mostly adequate and rains were timely. Small grains were at filling and ripening stages, usually too well advanced to be adversely affected by high temperatures, which rarely occurred in any area before harvest time, and seldom were accompanied by damaging winds. The weather favored harvesting of grain and hay generally, so that the work progressed rapidly and losses were held to a minimum. Itinerant combine crews doing custom work were also a factor in the progress of harvest. Progress was so rapid that transportation facilities were not adequate for moving the grain and some was temporarily piled on the ground—perhaps more than usual. Toward the end of the month, however, drought areas were developing and in some large sections late crops had begun to deteriorate, particularly in the southern Great Plains. Critical conditions were developing in the Lakes area, which might seriously affect late crops. Little relief occurred in this area during the first week of August.

Major contributions to the largest aggregate volume of crops ever produced are made by record crops of corn, wheat, tobacco, peaches, plums and truck crops; near-record crops of oats, rice, peanuts, potatoes, pears, grapes, cherries, and sugarcane; and average or better crops of hay, soybeans, dry peas, prunes, apricots, and sugar beets. Production of sorghum grain, flaxseed, buckwheat, dry beans, sweetpotatoes, pecans and particularly cotton and rye are below average. Yields are above average for practically all field crops. For both the food grain and food grain groups, the aggregate production is the largest in history. Despite large crops of soybeans and peanuts, however, oil crops are below last year, chiefly because of a relatively small flaxseed crop. Aggregate fruit production is well above both average and last year.

July precipitation varied widely over the country, from excessive in much of the Gulf area to practically none in parts of southern Kansas, western Oklahoma, and western Texas. Areas in the Dakotas, Montana and Nebraska which were dry at the end of June received timely rains. Though below normal in quantity for the month in Nebraska, North and South Dakota, these rains fell at opportune times for the maturing of small grains. Much of the Arizona-New Mexico drought area received rains in varying de-

gree during the latter three weeks of July but was still suffering from drought conditions on August 1. In two widely separated areas, the North-east and in southern Missouri and northern Arkansas, an incipient drought was checked about mid-July, averting serious damage. Fortunately, soil moisture supplies had been built up in earlier months in most of the North Central region, so that subnormal precipitation in July did not seem a serious threat.

A large portion of the Lakes area adjacent to lower Lake Michigan is critically dry, however, and rains are needed to maintain prospects. The drought in southern Kansas, western Oklahoma and western Texas has caused serious deterioration of corn and sorghums, particularly in late planted fields. Northern portions of the Great Plains and parts of some Western States are beginning to show the need for more moisture. In spite of the excessive rains in much of the South, there were enough opportunities to work fields and harvest grain so that losses were held to a minimum.

Improvement shown during July by corn, oats and barley promises the most liberal feed supply per animal unit in history despite the relatively small crop of sorghums and small carryover stocks. This is particularly true since numbers of livestock are being reduced. Likewise the crop of new hay, augmented by record carryover stocks, will provide liberal supplies per animal unit. Pastures did not furnish as much feed as in July of last year, but the August 1 condition was reported above average. An unusual heavy decline in condition of western ranges was reported due to dry, hot weather in most of the range area. Late summer and fall grazing prospects are only fair. July movement of cattle was heavy and fall movement is expected to be larger and earlier than last fall.

Milk production declined seasonally, but the July total was second only to that of last year. Milk production per cow was the largest in 22 years of record, but could not offset a decrease of about 4% in cow numbers since July 1945. Summer feeding of concentrates to milk cows was liberal, but not as heavy as last year. About 5% fewer layers on poultry farms produced 8% fewer eggs than in July last year but 16% above average for the month. Production for the month was below that of last year in all sections, the reduction being least in the West and greatest in the South Central States.

Almost without exception, yields of crops for which comparisons are available are better than a month ago. In a few cases there are either no changes or very minor fluctuations. But improvements in yields of corn, wheat, barley, flaxseed, potatoes, and dry peas are marked, with those for oats, rye, hay, tobacco, and sugar beets of less degree. Besides adding to the production of corn and wheat, already at record levels on July 1, these yield improvements boosted oats to 1.5 billion bushels and potatoes to 445 million bushels, each the second largest of record. Improved yield prospects for soybeans, flax and peanuts, raised these oil crops nearer the desired level than had been hoped for, since acreages are smaller than last year. The broomcorn crop will be relatively small.

Prospects for fruit and nut

crops continued to improve during July. Aggregate production of the principal deciduous fruits is now indicated to be 15% greater than last year and 10% above average. Prospective production of commercial apples increased about 5% during July and is now only about 8% below average. Peaches and plums are indicated to be record crops, with pears, grapes and cherries near-record. Prunes and apricots are both indicated above average. Large citrus crops are in prospect for all producing States. The pecan crop is forecast about one-fourth less than that of last year but nearly equal to the average production. Walnuts, almonds and filberts are each indicated to be record crops.

It now appears that 1946 acreage and production of commercial truck crops for the fresh market will establish new high records of more than 2 million acres and 9 million tons. Last year, 1.9 million acres produced about 8.4 million tons. Acreage in 1946 seems likely to exceed the 1935-44 average by approximately one-fifth, while production exceeds average by slightly more than one-third. With harvest well along on most of the acreage, another record supply of summer season truck crops appears almost certain. The combined tonnage of these crops is indicated to be one-fifth greater than in 1945 and one-third above the average. Record high summer crops of cantaloups, carrots, cucumbers, Honey Dew melons, lettuce, onions, green peppers, spinach, tomatoes, and watermelons are indicated and supplies of most other vegetable crops are expected to be relatively abundant. Green lima beans and cabbage for summer markets probably will fall short of last year and also will be below average. Green pea production, although below average, may exceed that of last year.

The largest supply of processing vegetables in history appears to be shaping up on August 1. Tonnage estimates for four major vegetables, green peas, snap beans, sweet corn and tomatoes, indicate that this year's aggregate production may exceed the 1945 aggregate tonnage for these crops by about 15% and the previous record, set in 1942 for the same crops, by as much as 2%. These four vegetables constitute from 85 to 90% of the total commercial production of the 11 processing vegetables for which estimates are made. The 1946 crop of tomatoes for processing is expected to total 3,194,800 tons, about 1% above the previous record set in 1944. The record 1946 crop of green peas, estimated in mid-July at 531,200 tons, is 7% above the 1945 production. The August 1 indicated 1946 production of 1,270,700 tons of sweet corn for processing comes within 1% of equalling the record 1942 production and is about 12% more than the 1945 production. Snap bean production prospects improved slightly during July and on August 1 a total of 210,200 tons was indicated—2,300 tons more than was forecast on July 1, but 5% less than the 1945 production.

Corn

Favorable growing weather during July over most of the country added over 155 million bushels to the July 1 estimate of this year's record-high corn production prospects. On August 1, the Nation's corn crop was estimated at 3,496,820,000 bushels. Such a production would be 16% bigger than that of 1945 and 34% above the 1935-44 average. The average yield per acre of 38.2 bushels is also a record high. The 1945 yield was 33.1 bushels, the 1935-44 average 28.5 bushels. Most of the improvement took place early in the month. As July ended, dry weather in scattered parts of the Corn Belt was threatening the crop for the first time this year. The progress of the crop

varies from harvesting in Texas to silking in North Dakota.

On August 1 rain was badly needed in a large area embracing northern Ohio and Indiana, southern Michigan and Wisconsin, eastern Minnesota and northeastern Illinois. Early August rains brought relief to dry sections of southeastern South Dakota, northwestern Iowa and most of Nebraska. Southern Kansas is very dry and this combined with high temperatures caused heavy damage. Fortunately in the other dry areas temperatures have been moderate. Over a large part of the North Central States, however, growing conditions generally were favorable enough to far outweigh the effects of adverse weather. As a result, corn prospects in this group of States rose 132 million bushels or 5% above the July outlook. The estimated yield per acre is up 2 bushels from last month in Iowa, Nebraska, North Dakota, Minnesota and Wisconsin, 3 bushels in Ohio and Missouri, 4 bushels in Illinois and Indiana and 5 bushels in South Dakota. The Michigan yield remained unchanged but that for Kansas took an 8 bushel slump. Corn Belt States east of the Mississippi River have a considerable acreage of late corn which, for the most part, appears to have "caught up" except in Ohio where an early frost could do heavy damage. In Illinois the crop is coming into tassel at about the usual time. West of the Mississippi the crop is farther advanced than average and much ahead of last year. In Iowa, where early fields were just tasseling, at this time a year ago over half is now in tassel. In Missouri 80% is in tassel compared with around 10% on August 1 last year.

In the Northeastern States, where the August 1 production outlook shows an improvement of 2% over that of a month ago, soil moisture is adequate for current needs. Because of the prolonged planting season there is more than the usual variation in stage of development. An early frost could cause heavy damage to the late crop, especially in New Jersey. In the South Atlantic States, production prospects also improved 2% during July. Although still spotted the crop made good headway toward over-coming the handicap of earlier wet weather. In the South Central States indications were for an improvement of 5% in production prospects, although Louisiana reported too much rain and Texas and Oklahoma reported too little. Tennessee and Kentucky expect record high yields but in the latter State, where planting was very late, the biggest acreage is not yet in the critical pollination stage.

The corn crop in the western States shows a gain of 2% over the July 1 estimate. Colorado, the principal corn State of this group, has an excellent outlook on irrigated land and in other areas July 1 prospects have been maintained. In Montana, Idaho and Washington July 1 growing conditions were near ideal. New Mexico was still dry.

Wheat

The indicated production of all wheat of 1,160,363,000 bushels, is about 37 million bushels above the previous record of 1,123 million bushels set last year. Winter wheat yields exceeded earlier expectations, and timely rains in the spring-wheat belt raised the production outlook 70 million bushels above the July 1 estimate. The greater part of this improvement in the crop occurred in the first half of July, as the August 1 estimate is 28 million bushels above the special mid-July estimate of 1,132 million bushels. All wheat production is the largest on record in Oklahoma, Nebraska, Idaho and Washington.

Winter wheat production of 880 million bushels is indicated as completion of harvest progressed northward with continued evi-

dence of yields exceeding earlier expectations. This is a record winter wheat crop, exceeding the previous record of 825 million bushels in 1931 by 6.6%. From Nebraska northward, harvesting operations provided additional evidence that despite the short straw heads were filled much better than expected and kernels were plump and of high test weight. The August 1 preliminary yield estimate for winter wheat is 18.6 bushels per acre, a bushel higher than last year and 2.7 bushels above average. The U. S. yield per acre shows an improvement of half a bushel since the July 1 estimate. Except in the southern-central to southwestern Great Plains, where harvesting was advanced and yields well determined by July 1, the yields on August 1 are quite generally a half bushel or more higher than a month earlier. The most striking increases are in Nebraska and South Dakota with 2.5 bushels in each case, Wyoming with 3.0 bushels above July 1 and Montana with 3.5 bushels above a month ago. A considerable part of these increases was evident by mid-July. A few States show lower yields than earlier—Illinois and Missouri due principally to fly damage continuing during July and some of the East Central States where the grain yield was not proportionate to straw growth. Harvesting is being completed a week or more earlier than usual. This early harvest and the tremendous volume of wheat moving out of the fields, is placing a heavy load on farm and local market storage and transportation facilities. Wheat is being piled on the ground in some areas to facilitate timely harvesting, but reports to date do not give evidence of any serious amount of spoilage of wheat piled on the ground except in some cases of wheat harvested with high moisture content. Wheat has moved rapidly from such outside storage in the southern Great Plains area.

All spring wheat production, indicated at 280,472,000 bushels on August 1, is 6% less than last year's production of 299,966,000 bushels but is 24% above average. August 1 indicated production represents a 48 million bushel increase over a month earlier.

Timely rains over most of the principal spring wheat belt during July, together with moderate temperatures during the heading and filling stage, have been contributing factors to this increase.

The August 1 indicated durum wheat production reflects the favorable weather during July in the three important durum wheat States of North Dakota, Minnesota, and South Dakota. Durum wheat production, estimated at 35,142,000 bushels, increased 35% from July 1 while other spring wheat, estimated at 245,330,000 bushels on August 1, increased 19%.

Practically all sections of the spring wheat area showed improved spring wheat prospects on August 1 as compared with a month earlier. Especially large gains were evident in the important producing States of North Dakota, South Dakota and Montana. Dry soil conditions in these States were alleviated by rains during the first half of July. Toward the end of July these States were again somewhat dry and temperatures reached the 100 degree mark on several days. Hot winds were absent, however, and the crop was not seriously affected. Much of the appreciation in the spring wheat crop occurred prior to July 15, except in Montana. Rains continued during the latter half of July in that State and spring wheat prospects continued to improve.

On August 1 harvesting of spring wheat was general or completed in all except North Dakota, Montana, and Washington, and some wheat on high altitudes in the Western Great Plains States. Quality was reported as

fair to good in most areas with test weights running high.

Yield prospects of all spring wheat increased from 12.7 bushels per acre on July 1 to 15.2 bushels on August — a jump of 2.5 bushels per acre. This indicated yield is below last year's yield of 16.6 bushels but above the average of 13.9 bushels. Durum wheat yield of 14.6 bushels is sharply up—nearly 4 bushels from the July 1 estimate—reflecting the good rains in durum wheat territory especially in early July. This yield, however, is much lower than last year's good yield. Other spring wheat yield, estimated at 15.3 bushels per acre, is up 2.4 bushels from a month earlier but is 1.2 bushels lower than last year. Yields on August 1 were above July 1 estimates in all important spring wheat States, the greatest increases occurring in North Dakota, South Dakota and Montana.

Oats

The indicated 1946 production of oats, on a near-record acreage is 1,499 million bushels, 2% above a month ago and second only to the record 1945 crop of 1,548 million bushels. The present estimate is almost a third larger than the 10-year average of 1,129 million bushels.

The prospective yield per acre of 34.8 bushels compares with 34.2 last month, 37.3 bushels in 1945 and the average of 30.7 bushels. State yields per acre range from above average to unusually large except in North Dakota and a few Southwestern States. Ohio, Michigan, and Illinois have the highest yields this season. There have been some gains and losses within States. Quality varies more than usual and will be lower than last year. In the North Central States, which have 79% of the U. S. acreage, the yields per acre are well above average except in the Dakotas. The total production outlook for these 12 States is 1,239 million bushels compared with 1,298 million bushels in 1945. Production estimates for other regions range from larger than last year for the Atlantic States to less in the South Central area and about the same in the Western Region.

Threshing and combining are now underway in the Northern border States and completed or nearly completed southward. Harvest started early and has continued ahead of schedule. Dry weather during July favored efficient use of machines and exchange of work between farms thus shortening hired labor requirements.

Barley

Production of barley in 1946 is estimated at 251 million bushels. This is about 5% less than the 264 million bushels produced in 1945 and 13% below the 1935-44 average of 290 million bushels. The crop showed marked improvement during July especially in the northwestern Plains States. The indicated yield per acre of 24.9 bushels on August 1 is an increase of 2 bushels since July 1. The current yield, however, is still 1 bushel per acre below the high yield of last year, but is well above the 10-year average of 22.8 bushels.

Timely rains during July in North Dakota, South Dakota, Nebraska, and Montana improved yields considerably in those heavy producing States. Increases in yields ranged from 2.5 to 6 bushels per acre above the July indications. Heavy rains in the north-eastern counties of Montana induced a considerable amount of secondary growth in fields which had been severely affected by drought. This acreage will ripen unevenly, but yields may be well above previous expectations.

Harvesting of the barley crop has been completed under favorable conditions over much of the country, with very little loss. In the Northern States and on the higher elevations in the Western

States harvesting was in full swing on August 1 with almost ideal weather prevailing.

Rye

The indicated production of 21,410,000 bushels of rye is slightly higher than the July estimate, but 19% below last year and only half the 1935-44 average production. In only two other years since 1881, 1933 and 1934, was production lower. The low production this year is due to the low acreage for harvest as grain since the harvested yield of 12.1 bushels per acre is about average.

Conditions during July were generally favorable for completion of harvesting and threshing. The operations were largely finished by August 1, except in northernmost sections where some harvesting was still in progress. In a few scattered States yields are lower than expected earlier, but in most States yields turned out equal to or better than expectations. Heads were well filled and the quality of grain is good.

Potatoes

A crop of 5% greater than that of last year and 19% above the 1935-44 average is estimated for this year, on the basis of August 1 conditions. The prospective crop of 445,026,000 bushels is 13 million bushels more than was indicated a month ago, and is second only to the 464,999,000 bushels for 1943. Production last year amounted to 425,131,000 bushels and the average is 372,756,000 bushels. Conditions throughout the country during July generally favored the development of potatoes. Another factor contributing to the favorable crop prospects is the effective use of D.D.T. by many growers in combating insects. The indicated yield of 153.3 bushels is 12.7 bushels higher than the record yield of 150.6 bushels harvested in 1945.

Despite the large national crop, prospective production of 327,620,000 bushels for the 30 late States is slightly below the 328,989,000 bushels produced in 1945. Production indicated in these States, which furnish the bulk of fall and winter supplies, is 10% lower than the record crop of 364,011,000 bushels harvested in 1943. However, prospects improved during July in Maine, New York, North Dakota, Nebraska, Idaho, Colorado, Utah, Oregon, Ohio, New Mexico, and Arizona.

Prospective yields for the 3 eastern surplus States of Maine, New York, and Pennsylvania exceeded both the 1945 and the 1935-44 average yields. In Aroostook County, Maine, weather during July was very favorable. Rainfall to August 1 has been adequate, but not excessive, and both foliage development and stands are unusually good. Recent rains in upstate New York were beneficial. Except for early varieties, plants remain in excellent growing condition. Timely rains in July were extremely helpful to the crop on Long Island, where digging of Cobblers is now active. However, heavy rains on August 7 are reported to have caused extensive damage to Cobblers in Suffolk County. The effects of these rains were not considered in the August 1 estimate. Late varieties are in good condition on Long Island. While the general outlook in Pennsylvania is favorable, condition of the crop is spotted.

Prospects in the 5 central States of Michigan, Wisconsin, Minnesota, North Dakota, and South Dakota are about in line with the July 1 report. The yield indicated for this area is somewhat below the 1945 yield. However, above-average yields are in prospect for each of these States. Potatoes in the southern part of Michigan were hurt by dry weather but in other commercial districts in the State the crop developed satisfactorily during July. Prospects in Wisconsin were reduced slightly by hot, dry weather during the

past month. The outlook in Minnesota has changed only slightly from a month ago, but in the northern end of the Red River Valley the crop showed marked improvement following rains in late June and early July. The North Dakota crop made good progress in July. In South Dakota, late blight is appearing rather early in some of the commercial fields.

Yield prospects continue favorable in each of the western surplus late States. The Idaho crop is generally uniform in stand. Plants are well developed and are beginning to bloom in the late crop districts. In the commercial areas of Wyoming, the crop has made very good growth. The increase in the prospective crop in Colorado reflects the exceptionally good yields of early potatoes being harvested in the Gilcrest-Greeley area. The early acreage in Utah is also producing good yields and irrigation water is plentiful in the late areas. In Washington, yields of early potatoes have run high, and the late crop is developing exceptionally well. The early crop in Malheur County, Oregon, is producing excellent yields. The late crop in both the Crook-Deschutes and Klamath Falls areas has made good progress. In California, weather has generally been favorable except in the Tule Lake area where some frost damage occurred early in the season.

In the New England States, other than Maine, crop prospects are slightly lower than on July 1 owing to a decrease in the Connecticut crop. Insufficient moisture during the first 3 weeks of July retarded growth in many areas of these States. However, the crop has made rapid recovery since the rains of July 21-23.

The prospective yield for the group of 5 other late central States (West Virginia, Ohio, Indiana, Illinois, and Iowa) is slightly higher than the yield indicated a month earlier because of some improvement in Ohio. Production of potatoes in this area has become more commercialized and indicated yields are considerably above average.

The prospective crop in the intermediate States is 5% higher than the crop indicated July 1. Timely rains in New Jersey were very beneficial to potatoes. The commercial early crop in Virginia, Maryland, Kentucky, Missouri, and Kansas yielded higher than indicated a month earlier.

The 1.5 million bushel increase in the crop indicated in the early States reflects the higher yield estimated for California where shipments are much heavier than a year earlier.

Result of Treasury Bill Offering

The Secretary of the Treasury announced on Aug. 12 that the tenders for \$1,300,000,000 or thereabout of 91-day Treasury bills to be dated Aug. 15 and to mature Nov. 14, which were offered on Aug. 9, were opened at the Federal Reserve Banks on Aug. 12.

Total applied for, \$1,816,484,000. Total accepted, \$1,313,714,000 (includes \$38,101,000 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, 99.908; equivalent rate of discount approximately 0.364% 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. 15 in the amount of \$1,301,341,000.

Furnishes Postwar Blueprint

(Continued from first page)

now in effect under the Steagall Amendment.

2. Programs and facilities to aid farmers to make shifts to more productive activity either on the same farm or on better farms or in non-farm employment. The flow of farmers into non-farm jobs is a natural result of the technological progress and increased productivity of farmers.

Improved methods permit the average farm-family to cultivate more land or the same land with less help. The family-sized farm, particularly in the South, needs to be enlarged, it was said. This will mean that fewer people will be needed in agriculture and there must be a further shift of farm workers to other employment if their income is not to be cut. This adjustment of farm population and size of farms is termed the "most fundamental long-run problem facing agriculture in the postwar period."

3. Maintenance of a high-level of income and employment throughout the Nation, so that a rising demand for farm products may be maintained and so that alternative jobs are available for those desiring to move out of agriculture.

4. Development of a broad program to enable farmers to adopt modern techniques of farming, purchase necessary equipment and enlarge their family farm unit where necessary for efficiency.

5. Improvement of rural education so that farm children moving into other occupations, are better equipped to do skilled work, coupled with the improvement of employment services and assistance to families wishing to relocate in new jobs.

In addition to the above, the committee recommends the following to reduce short-run fluctuations in prices and income:

1. An expansion of crop insurance.

2. A storage program for non-perishable products, with definite quantity limits.

3. A program to improve the efficiency of the marketing process both as to farmers' procurement and the distribution of their products. Encouragement of co-operatives is stressed in this connection.

4. An expansion of world trade and international cooperation in developing consumption, price and production policies for a few problem commodities during periods of necessary readjustment of international resources.

5. The development of a support price system which would establish protective price floors under the market during each production period.

6. A program to improve nutrition in periods of economic stress in order to assure proper diets for low-income consumers.

7. A system of cushioning declines in prices and income in the event of a business recession, by use of price or income supports or other devices.

The committee reviewed the long-run trend of farm population over the years and reported that in the past 35 years, the number of persons employed in agriculture declined about 15%. This trend was described as a "mark of progress" rather than of decadence. Greater use of tractors and other mechanical aids, larger family-farms and a further reduction in farm population was advocated.

"From the point of view of the long-run welfare of our people as a whole, low-cost production should replace high-cost production if the benefits of mechanization are to be fully realized," it was stated.

"Price formulas associated with production controls which restrict the expansion of low-cost production and maintain high-cost pro-

duction are not desirable as long-run programs. They need to be replaced with more constructive policies."

Statistics were quoted on food consumption in the United States, and a trend was reported toward a better balanced average diet. But it was noted that several million families still exist on inadequate diets. Low income was only one of the reasons reported for this. The others were lack of knowledge or desire on the part of many Americans to correct poor dietary habits.

"The gap between our knowledge of the principles of nutrition and our actual efforts toward application of that knowledge is very wide," it was said. "The strength and efficiency of a nation is dependent upon the health of its people. A nation which has been plagued with agricultural surpluses should not permit one-third of its people to suffer the many ill effects associated with poor nutrition."

At the same time, referring to the widespread reports concerning the large numbers of draftees rejected for physical reasons, the report states that "a fuller analysis of the draft examination records is somewhat reassuring. Many rejections have been explained by the fact that our standards have advanced. The average soldier is 1 inch taller and correspondingly better developed than the 1917 draftees. There is some evidence that an improved diet is associated with this larger stature and better muscular development."

The committee said that its hearings had clearly indicated that present policies which maintain domestic prices above world prices have these bad results:

1. They curtail our exports and tend to raise world prices, thus encouraging increased production in other countries.

2. Maintenance of prices can only be achieved by subsidizing exports or reducing production. The former leads to foreign retaliation and strangles world trade. The latter, with the maintenance of a high domestic price, encourages use of substitutes and puts domestic users at a disadvantage.

3. Curtailment of production reduces farm income even if prices are maintained.

These criticisms were termed so "serious" that the committee urged that the domestic policies causing them should be abandoned as rapidly as possible. The alternative which they favor is to accept world prices for our exports but seek to cooperate internationally in opening wider markets. High-cost producers should be aided in turning to other products. Cooperative international action rather than unilateral national action was urged to control violent fluctuations in world prices.

The committee recommended specifically that export subsidies be withdrawn and "appropriate" international action be taken.

Other recommendations in the report:

Increased effort in soil conservation.

Make farm living more satisfying. Better housing, roads, medical facilities are some of the suggestions here.

Amendment of the Bankhead-Jones tenant purchase program to aid farmers who want to purchase additional land.

Public and private credit agencies be encouraged to make the kind of loans necessary to install facilities required to operate a modern farm efficiently. Serious study be given to the problem of rural health, which should include examination of the possibility of using surplus Army medical equipment.

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*				Corporate by Groups*		
			Aaa	Aa	A	Baa	R. R.	P. U.	Indus.
Aug. 13	123.52	118.40	122.92	120.63	118.20	112.56	145.24	119.00	121.25
12	123.52	118.40	122.92	120.63	118.20	112.56	145.24	119.00	121.46
10	123.49	118.60	123.13	120.84	118.20	112.56	145.24	119.00	121.46
9	123.49	118.60	123.13	120.84	118.20	112.56	145.24	119.00	121.46
8	123.49	118.60	123.13	120.84	118.20	112.56	145.24	119.00	121.46
7	123.45	118.60	123.13	120.84	118.20	112.56	145.24	119.00	121.25
6	123.45	118.60	123.13	120.84	118.20	112.56	145.24	119.00	121.25
5	123.45	118.60	123.13	120.84	118.20	112.56	145.24	119.00	121.46
4	123.45	118.60	123.13	120.84	118.20	112.56	145.24	119.00	121.46
3	123.45	118.60	123.13	120.84	118.20	112.56	145.24	119.00	121.25
2	123.49	118.60	123.13	120.84	118.20	112.56	145.24	119.00	121.25
1	123.49	118.60	123.13	120.84	118.20	112.56	145.24	119.00	121.25
July 26	123.77	118.60	123.13	121.04	118.40	112.56	145.24	119.00	121.46
19	123.83	118.8	123.34	121.25	118.40	112.37	145.24	119.00	121.46
12	124.14	118.80	123.56	121.25	118.60	112.56	145.24	119.00	121.46
5	124.24	118.80	123.34	121.25	118.40	112.37	145.24	119.00	121.46
June 28	124.11	118.80	123.34	121.25	118.40	112.56	145.24	119.00	121.46
21	124.17	118.80	123.34	121.25	118.40	112.56	145.24	119.00	121.46
14	124.17	118.80	123.34	121.25	118.40	112.56	145.24	119.00	121.25
7	124.02	118.80	123.13	121.25	118.40	112.56	145.24	119.00	121.25
May 31	123.99	118.80	122.92	121.46	118.40	112.56	145.24	119.00	121.04
24	123.99	118.80	122.92	121.46	118.40	112.56	145.24	119.00	121.04
17	124.14	118.60	122.71	121.46	118.20	112.56	145.24	119.00	121.04
10	123.83	118.80	122.92	121.46	118.60	112.75	145.24	119.00	121.04
3	124.49	119.00	122.92	121.67	118.60	113.12	145.24	119.41	121.04
Apr. 26	124.33	119.00	123.34	121.25	118.40	113.12	145.24	119.41	121.04
Mar. 29	126.02	120.62	123.99	122.29	119.41	114.27	145.24	120.22	122.09
Feb. 21	126.28	119.00	123.13	121.25	119.00	113.31	145.24	119.41	122.09
Jan. 25	126.28	120.02	124.20	122.50	119.61	114.46	145.24	120.43	122.50
High 1946	126.28	120.02	124.20	122.50	119.61	114.46	145.24	120.43	122.50
Low 1946	123.45	117.60	121.46	119.82	117.40	112.19	144.46	117.80	120.83
1 Year Ago	122.11	115.82	120.84	119.00	116.02	108.34	112.75	115.63	119.41
Aug. 13, 1945	122.11	115.82	120.84	119.00	116.02	108.34	112.75	115.63	119.41
2 Years Ago	119.88	112.75	118.80	117.20	112.37	103.30	106.92	114.08	117.20
Aug. 12, 1944	119.88	112.75	118.80	117.20	112.37	103.30	106.92	114.08	117.20

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

1946— Daily Averages	U. S. Govt. Bonds	Avge. Corpo- rate*	Corporate by Ratings*				Corporate by Groups*		
			Aaa	Aa	A	Baa	R. R.	P. U.	Indus.
Aug. 13	1.51	2.73	2.51	2.62	2.74	3.03	2.69	2.70	2.59
12	1.51	2.73	2.51	2.62	2.74	3.03	2.89	2.70	2.58
10	1.51	2.72	2.50	2.61	2.74	3.03	2.89	2.70	2.58
9	1.51	2.72	2.50	2.62	2.74	3.03	2.89	2.70	2.58
8	1.51	2.72	2.50	2.62	2.74	3.03	2.89	2.70	2.58
7	1.51	2.72	2.50	2.62	2.74	3.03	2.89	2.70	2.58
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
4	1.51	2.72	2.50	2.61	2.74	3.03	2.88	2.70	2.59
3	1.51	2.72	2.50	2.61	2.74	3.03	2.88	2.70	2.59
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 26	1.49	2.73	2.50	2.60	2.73	3.03	2.87	2.69	2.58
19	1.49	2.71	2.49	2.59	2.73	3.04	2.87	2.69	2.58
12	1.47	2.71	2.48	2.59	2.73	3.03	2.85	2.69	2.58
5	1.46	2.71	2.49	2.59	2.73	3.04	2.86	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	1.47	2.71	2.50	2.59	2.73	3.03	2.85	2.70	2.59
24	1.49	2.71	2.51	2.58	2.73	3.03	2.84	2.70	2.60
17	1.47	2.72	2.50	2.58	2.73	3.03	2.84	2.70	2.60
10	1.49	2.71	2.51	2.58	2.73	3.02	2.83	2.69	2.60
3	1.44	2.70	2.51	2.58	2.73	3.00	2.82	2.68	2.60
Apr. 26	1.45	2.70	2.49	2.59	2.73	3.00	2.82	2.68	2.60
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	1.66	2.86	2.61	2.70	2.85	3.26	3.02	2.87	2.68
Aug. 13, 1945	1.66	2.86	2.61	2.70	2.85	3.26	3.02	2.87	2.68
2 Years Ago	1.81	3.02	2.71	2.79	3.04	3.55	3.34	2.95	2.79
Aug. 12, 1944	1.81	3.02	2.71	2.79	3.04	3.55	3.34	2.95	2.79

*These prices are computed from average yields on the basis of one "typical" bond (3% 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.

The State of Trade

(Continued from page 935)

month ago and 82.5% one year ago. This represents an increase of 1.3 points or 1.5% from the preceding week. This week's operating rate is equivalent to 1,591,400 tons of steel ingots and castings, compared to 1,568,500 tons one week ago, 1,549,200 tons one month ago and 1,511,100 tons one year ago.

Electrical Production — The Edison Electric Institute reports that the output of electricity declined slightly to 4,351,011,000 kwh. in the week ended Aug. 3 1946, from 4,352,489,000 kwh. in the preceding week.

Consolidated Edison Co. of New York reports system output of 178,900,000 kwh. in the week ended Aug. 4, 1946, compared with 163,600,000 kwh. for the corresponding week of 1945, or an increase of 9.4%. Local distribution of electricity amounted to 169,500,000 kwh. compared with 161,800,000 kwh. for the corresponding week of last year, an increase of 4.8%.

Railroad Freight Loadings—Car loadings of revenue freight for the week ended Aug. 3, 1946, totaled 898,395 cars, the Association of American Railroads announced. This was a decrease of 12,118 cars or 1.3% below the preceding week and 34,485 cars, or 4.0% above the corresponding

week for 1945. Compared with the similar period of 1944, an increase of 8,801 cars, or 1.0%, is shown.

Paper and Paperboard Production — Paper production in the United States for the week ended Aug. 3 was 105.2% of mill capacity as against 104.7% for the preceding week and 93.6% in the like 1945 week, according to the American Paper & Pulp Association. Paperboard output for the current week was 98% against 95% in the preceding week and 94% for the corresponding week a year ago.

Sharp Rise in Business Failures — After remaining at a low level for the past two weeks, commercial and industrial failures turned sharply upward to 27 in the week ending Aug. 8, reports Dun & Bradstreet, Inc. Almost twice as numerous as in the previous week when 14 failures were recorded, concerns failing were more than three times as large as the 8 reported last year.

Despite this upswing, failures with losses under \$5,000 turned downward to 2 from the 4 reported last week but exceeded by 1 the number recorded a year ago. On the other hand, failures involving liabilities of \$5,000 and over were more than two times as many as the preceding week and

more than three times as large as the comparable week of last year.

Manufacturing, the only industry to show a marked change, accounted for 12 of this week's failures. In this line concerns failing were six times as numerous as last week and a year ago. Compared with the prior week and a year ago, all other trade and industry groups showed a slight rise or else remained at the same level.

One Canadian failure was reported as compared with 3 in the preceding week and none in the corresponding week of 1945.

Food Price Index Reaches Record High Level — Rising 8 cents, or 1.5%, in the week, the wholesale food price index, compiled by Dun & Bradstreet, Inc., broke through the 1919-1920 peaks to stand at \$5.32 on August 6, the highest level attained since this index was started in 1916. The current figure compares with \$4.09 on the corresponding date last year, an increase of 30.1%. Commodities advancing during the week were flour, oats, barley, hams, jellies, butter, cheese, hogs and lambs. Declines were shown for wheat, corn, rye, potatoes, steers and sheep. The index represents the sum total of the price per pound of 31 foods in general use.

Daily Wholesale Price Index — The daily wholesale price index of 30 basic commodities, compiled by Dun & Bradstreet, Inc., turned upward in the past week, regaining most of the decline suffered in the two preceding weeks. The index rose to 228.53 on Aug. 5 and closed at 225.41 on Aug. 6. The latest figure showed a gain of 2.4% over the 220.09 for July 30, and was 28.4% higher than the 175.51 recorded a year ago.

Uncertainty ruled in leading grain markets due to the possibility of the reestablishment of price ceilings after Aug. 20. Volume of trading on the Chicago Board of Trade was below the preceding week and prices showed only slight net changes for the week. Cash wheat remained steady but future prices in the Minneapolis market declined rather sharply. Cash corn trended slightly lower. The crop received considerable benefit from showers in the Mid-West where moisture had been deficient. Cash oats were irregular and final quotations slightly under a week ago, reflecting large available supplies of that cereal. Flour offerings were at a minimum as the trade awaited issuance of new ceiling prices which were set at \$1.11 per hundred-weight over June 30 maximums. Hog prices at Chicago soared to a new all-time high of \$24.50. Swine receipts at Western markets were smaller, totalling 279,400 head, against 357,000 the week previous and 181,500 for the same week last year.

Trading in lard, for both domestic and export account, was quite liberal. Lard as well as other pork products advanced, reflecting higher hog values. Top grades of cattle eased slightly after climbing to an all-high of \$27.50 on Tuesday of the previous week.

Following the sharp declines of the previous week, cotton prices advanced about 2½ cents per pound in wide and erratic fluctuations during the week. Expectations of higher textile ceilings, which were announced late in the week, were a major factor in the rise. Basic cotton textile prices were advanced an average of 17% at the mill level above the June 30 maximums. Aggressive mill buying against textile orders and strong foreign demand also aided in the upturn. Buying was stimulated to some extent by reports of unfavorable rains in central and eastern portions of the belt. Sales of carded gray cotton cloth staples, which had been dormant for some time, are expected to

improve as a result of the higher ceilings announced by the OPA.

The movement of domestic wools continued at a slow pace in the Boston market last week, although demand assumed a more diversified character. Trading was restricted to a large extent by reports of imminent downward price adjustments by the CCC. Desired types of foreign wools continued in scarce supply. Apparel wool imports into the ports of Boston, New York, and Philadelphia during the week ended July 26 totalled 9,971,300 pounds, as against 11,077,600 in the week preceding. An aggregate of 12,624,950 pounds of domestic wools were appraised for purchase by the CCC for the week ended July 26, bringing total appraisals to that date to 157,589,917 pounds, against 173,659,644 last year.

Wholesale and Retail Trade — Favorable consumer attendance at summer sales of apparel and furniture as well as rising food sales volume resulted in a moderate rise in retail dollar volume during the past week. Retail volume continued to be well above that of the corresponding week a year ago, according to Dun & Bradstreet, Inc., in its weekly review of trade. There was a marked tendency toward greater selectivity as many consumers sought the higher priced luxury items and the better known brands of staple goods.

Retail food volume rose slightly above the high levels of previous weeks. The available supply of meat and butter continued to increase though spotty distribution resulted in apparent shortages in some localities. Consumer demand for bakery goods was high and the volume rose slightly. Many shoppers continued to be attracted by the large and varied selections of fresh fruits and vegetables.

Interest in apparel, stimulated by seasonal promotions, continued to rise. Displays of Fall clothing attracted much attention with consumer demand for summer apparel also holding at a high level. The success of clearance sales resulted in a general decline in the stocks of summer dresses in many retail stores. The dollar volume of men's clothing rose again this week. Limited selections of men's suits were reported to be only slightly larger than in previous week and a moderate increase was also noted in the supply of shirts and shorts. Men's and women's shoes were in higher demand than during the preceding week.

Traditional furniture promotions evoked a favorable response from the consuming public during the initial week of August and dollar volume far exceeded that of a year ago in many localities. Interest in housewares, home appliances, hardware and wallpaper remained high, though selections remained limited but were slightly higher than in previous weeks. Stocks of paint and varnish fell below the low level of the preceding week.

Retail volume for the country last week was estimated to be from 25 to 29% above that of the corresponding week a year ago. Regional percentage increases were: New England 16 to 20, East 30 to 33, Middle West 26 to 30, Northwest 28 to 32, South 23 to 27, Southwest 20 to 24, and Pacific Coast 18 to 22.

Wholesale volume continued to increase slightly during the week and remained considerably above that of the corresponding week a year ago. The rising supply of some commodities was reflected in improved deliveries. The announcement of new price ceilings on some goods resulted in the booking of orders that had been refused while price uncertainties existed.

Department store sales on a country-wide basis as taken from the Federal Reserve Board's index for the week ended Aug. 3,

1946, increased by 30% above the same period of last year. This compared with an increase of 33% in the preceding week. For the four weeks ended Aug. 3, 1946, sales increased by 29% and for the year to date by 28%.

The volume of retail sales here in New York the past week held to the high levels which were established at the beginning of summer, being approximately 40% above that recorded in the similar period one year ago. With the improvement in the supply of merchandise in the various lines, purchases were substantial in all departments.

Disappointment was registered in the apparel trade as a result of mill releases not reaching the volume anticipated following OPA's action on prices. Deliveries of fall coats and suits moved along satisfactorily, but hide shipments made near the close of the week by large packers were looked upon as token shipments and tanners and shoe manufacturers were endeavoring to learn from this week's output what production levels may be attained in the near future.

According to the Federal Reserve Bank's index, department store sales in New York City for the weekly period to Aug. 3, 1946, increased 32% above the same period last year. This compared with an increase of 36% revised figure in the preceding week. For the four weeks ended Aug. 3, 1946, sales rose by 34% and for the year to date 34%.

Small Disputes Wallace On "Boom-and-Bust"

The assertion by Secretary Wallace that the country is headed for a "boom-and-bust" period, was disputed on Aug. 6 by John D. Small, Civilian Production Administrator, who, according to Associated Press accounts from Washington, told reporters that if industry can maintain rising production in the months ahead, unhindered by strikes and other setbacks, "we can reach a period of prosperity such as we have never known." The Associated Press advised, as given in the New York "Sun," went on to say:

"Fifty-seven million people are employed," the CPA chief observed. "We are again scraping the bottom of the manpower barrel.

"But I think full employment is a good thing for the country—I don't believe it's inflationary. If we can get production in the next few months, prices surely will go down."

Secretary Wallace conceded, in an interview Saturday, that the full employment goal of his book, "Sixty Million Jobs," has been achieved numerically, but declared this record was due to inflationary pressures and lacked stability. Present-day full employment, the Commerce Secretary predicted, cannot last long. He said the bust will not be as severe as some economists fear, but careful planning is needed to cushion the shock.

Mr. Small held, on the other hand, that production can beat inflation, even though the wages spent by the unprecedented army of peacetime workers are an inflationary factor. Right now a "delicate balance" exists, he said, between rising output and rising prices.

Federal Reserve June Business Indexes

The Board of Governors of the Federal Reserve System issued on July 26 its monthly indexes of industrial production, factory employment and payrolls, etc. At the same time, the Board made available its customary summary of business conditions; reference to this was made in our August 1 issue, page 662. The indexes for June together with comparison for a month and a year ago follow:

BUSINESS INDEXES

1939 average = 100 for factory employment and payrolls;
1923-25 average = 100 for construction contracts;
1935-39 average = 100 for all other series

	Adjusted for Seasonal Variation 1946			Without Seasonal Adjustment 1946		
	June	May	1945 June	June	May	1945 June
Industrial production—						
Total	*170	159	220	*171	159	220
Manufactures—						
Total	*175	167	233	*176	166	234
Durable	*192	175	305	*193	176	308
Nondurable	*161	160	173	*161	159	173
Minerals	*141	115	144	*144	115	147
Construction contracts, value—						
Total	†	169	50	†	203	59
Residential	†	179	22	†	211	24
All other	†	161	73	†	196	87
Factory employment—						
Total	*138.7	138.1	157.2	*138.4	137.0	156.9
Durable goods	*156.2	154.3	204.3	*156.2	154.8	204.4
Nondurable goods	*125.0	124.9	120.1	*124.4	123.0	119.5
Factory payrolls—						
Total	—	—	—	†	246.2	314.6
Durable goods	—	—	—	†	263.1	414.2
Nondurable goods	—	—	—	†	229.7	217.3
Freight carloadings	133	108	140	137	107	145
Department store sales, value	*275	*256	202	*253	248	186
Department store stocks, value	*	200	179	*	200	175

*Preliminary. †Data not yet available. ‡Revised.

Note—Production, carloading, and department store sales indexes based on daily averages. To convert durable manufactures, nondurable manufactures, and minerals indexes to points in total index, shown in Federal Reserve Chart Book, multiply durable by .379, nondurable by .469, and minerals by .152.

Construction contract indexes based on 3-month moving averages, centered at second month, of F. W. Dodge data for 37 Eastern States. To convert indexes to value figures, shown in the Federal Reserve Chart Book, multiply total by \$410,269,000, residential by \$184,137,000, and all other by \$226,132,000.

Employment index, without seasonal adjustment, and payrolls index compiled by Bureau of Labor Statistics.

INDUSTRIAL PRODUCTION

(1935-39 average = 100)

MANUFACTURES	Adjusted for Seasonal Variation 1946			Without Seasonal Adjustment 1946		
	June	May	1945 June	June	May	1945 June
Iron and steel	*155	109	192	*155	109	192
Steel	†	86	181	†	86	181
Open hearth	169	126	214	168	126	214
Electric	143	98	173	143	98	173
Machinery	*241	319	505	*241	319	505
Transportation equipment	*236	239	572	*236	239	572
Automobiles	*166	162	207	*166	162	207
Nonferrous metals and products	†	130	219	†	130	219
Smelting and refining	*110	109	184	*109	109	183
Lumber and products	*130	129	116	*137	131	121
Lumber	*122	123	104	*133	126	113
Furniture	*145	142	138	*145	142	138
Stone, clay and glass products	*190	176	166	*192	181	166
Plate glass	119	133	43	119	133	43
Cement	†	128	95	†	135	102
Clay products	*147	140	121	*146	140	120
Gypsum and plaster products	*194	187	172	*198	190	175
Abrasive and asbestos prod.	*240	225	298	*240	226	298
Textile and products	*165	164	150	*165	164	150
Cotton consumption	152	149	144	152	149	144
Rayon deliveries	240	246	220	240	246	220
Wool textiles	†	174	144	†	174	144
Leather products	†	126	127	†	126	126
Tanning	†	105	119	†	105	116
Cattle hide leathers	†	125	137	†	125	132
Calf and kip leathers	†	74	97	†	71	99
Goat and kid leathers	†	49	56	†	48	57
Sheep and lamb leathers	†	118	137	†	127	135
Shoes	†	140	132	†	140	132
Manufactured food products	*137	147	151	*136	135	150
Wheat flour	*93	*93	138	*89	*89	132
Meatpacking	*82	120	141	*81	120	139
Other manufactured foods	*150	153	155	*141	138	146
Processed fruits and veg.	*145	142	139	*112	92	107
Tobacco products	†	163	139	†	164	145
Cigars	†	110	93	†	110	93
Cigarettes	†	219	177	†	219	186
Other tobacco products	†	71	90	†	71	92
Paper and products	†	143	142	†	143	142
Paperboard	164	160	160	164	160	160
Newsprint production	83	83	79	84	83	80
Printing and publishing	*129	124	106	*129	126	105
Newsprint consumption	116	108	85	115	112	84
Petroleum and coal products	†	†	269	†	†	269
Petroleum refining	†	†	†	†	†	†
Gasoline	*139	*138	148	*139	*138	148
Fuel oil	†	†	177	†	†	177
Lubricating oil	†	†	136	†	†	136
Kerosene	†	†	32	†	†	24
Coke	†	73	163	†	73	163
Byproduct	†	75	155	†	75	155
Beehive	*270	14	421	*270	14	421
Chemicals	*239	233	318	*236	232	315
Rayon	*264	261	243	*264	261	243
Industrial chemicals	*399	387	412	*399	387	412
Rubber	*221	215	222	*221	215	222
MINERALS						
Fuels	*150	123	150	*150	123	150
Bituminous coal	*156	60	153	*156	60	153
Anthracite	*86	125	129	*86	125	129
Crude petroleum	*154	148	151	*154	148	151
Metals	†	68	109	†	66	129
Iron ore	—	—	—	†	116	301

*Preliminary or estimated. †Data not yet available.

FREIGHT CARLOADINGS

(1935-39 average = 100)

	June	May	1945 June	June	May	1945 June
Coal	146	68	143	146	68	143
Coke	140	62	181	138	61	178
Crain	126	126	155	123	111	158
Livestock	127	114	121	96	103	99
Forest products	149	125	144	155	130	149
Ore	137	66	170	213	103	263
Miscellaneous	135	123	146	139	125	150
Merchandise, i.e.l.	81	74	68	81	74	68

NOTE—To convert coal and miscellaneous indexes to points in total index, shown in Federal Reserve Chart Book, multiply coal by .213 and miscellaneous by .548.

Civil Engineering Construction Totals \$19,633,000 for Week

Civil engineering construction volume in continental United States totals \$19,633,000 for the week ending Aug. 8, 1946, as reported by "Engineering News-Record." This volume is 3% above the previous week, 296% above the corresponding week of last year and 10% below the previous four-week moving average. The report issued on Aug. 8, added:

Private construction this week, \$68,815,000 is 14% above last week and 314% above the week last year. Public construction, \$50,818,000 is 9% below last week and 275% greater than the week last year. State and municipal construction, \$43,727,000, 24% above last week, is 791% above the 1945 week. Federal construction, \$7,091,000, is 65% below last week and 18% below the week last year.

Total engineering construction for the 32-week period of 1946 records a cumulative total of \$3,404,125,000, which is 195% above the total for a like period of 1945. On a cumulative basis, private construction in 1946 totals \$2,044,413,000, which is 490% above that for 1945. Public construction, \$1,359,712,000, is 68% greater than the cumulative total for the corresponding period of 1945, whereas state and municipal construction, \$858,862,000, to date, is 350% above 1945. Federal construction, \$500,850,000, dropped 19% below the 32-week total of 1945.

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

	Aug. 8, 1946	Aug. 1, 1946	Aug. 9, 1945
Total U. S. Construction	\$19,633,000	\$115,712,000	\$30,184,000
Private Construction	68,815,000	60,125,000	16,639,000
Public Construction	50,818,000	55,587,000	13,545,000
State & Municipal	43,727,000	35,343,000	4,908,000
Federal	7,091,000	20,244,000	8,637,000

In the classified construction groups, bridges, highways, commercial buildings and unclassified construction gained this week over the previous week. All of the nine classes recorded gains this week over the 1945 week.

New Capital

New capital for construction purposes this week totals \$235,455,000 and is made up of \$60,278,000 in state and municipal bond sales, \$2,000,000 in corporate securities, and \$173,177,000 in federal appropriations for military and departmental construction. New capital for the 32-week period of 1946 totals \$2,436,315,000, 61% more than the \$1,515,176,000 reported for the corresponding period of 1945.

From Washington Ahead of the News

(Continued from first page)

fact that Roosevelt had ceased to dominate it except in matters of spending money for war.

The better appraisal of Truman, we think, is what he has done about propositions or controversies that have originated under him, not the hold-overs from the Roosevelt administration. We have seen him act strongly in the matter of the railroad strike, offending some Labor leaders no end. As the Conservatives look at it, he bowed before Labor in the matter of the Steel and Automobile strikes. According to the commentators, he was carrying on the pro-Roosevelt labor alliance at that time. The fact is that he was terribly misinformed, and deliberately so, by his subordinates as to the country's potential economic situation. It is a commentary on him that he is gradually trying to make it uncomfortable for these subordinates. It was not a pro-Labor bias with him that he encouraged the raising of wages, at the same time trying to hold the price line. There was a lot of amateurishness here, but it was with a sincere thought that we were facing deflation. Don't forget that among those who were predicting 8,000,000 unemployed, was Mr. Paul Hoffman's Committee for Economic Development. Mr. Hoffman not being looked upon as a radical, the story of the young economist who barged in on this business man will sometime make interesting reading. Nevertheless, it was a committee supposedly, and we may repeat supposedly, dominated by business men. It is another fact, too, that regardless of Truman's predilections, organized labor was headed for an increase. No Truman or no law could have prevented this after the regimentation of the war.

Since that time, we defy any writer to show where Truman has sought to play ball with labor as against the public interest, as Roosevelt would have done. He vetoed the Case bill. Yes—so would have we, had we been in his place. It was a bill based on

the theory of doing something to Labor. It was badly drawn in that light and should not have been placed on the statute books.

We began by telling of his announcement through his press secretary, Mr. Ross, that seizure of the strikebound Case and Allis-Chalmers plants was against the public policy. This was a tremendous blow against the CIO, and we haven't the slightest doubt that Roosevelt in the same position, would have seized the plants under the guise that their operation was necessary to the "war effort," the peace not yet being won, they were necessary to feed a starving world.

The difference, as we see it, is that Roosevelt decided everything in favor of the labor unions, particularly the CIO, as part of a long-term program of reforming the country. The unions were always right. Truman does not believe that. The CIO was laying great store by seizure in this instance. And if they had established the seizure police, it was to be their form of collective bargaining in the future. There would have been no more collective bargaining at the plant level. In addition to the disadvantages to which the employer is now placed, there would have been this additional threat over his head—that of seizure if he didn't agree with the union.

There was tremendous pressure on Mr. Truman to seize these plants. Doubtless, it would have been upheld by the global thinkers as drastic, but necessary to get food to the hungry European countries. Mr. Truman's own secretary of Labor, Mr. Schwelienbach, was trying to get him to seize. The CIO leaders had been telling their hapless workers from the beginning that they could rely upon seizure to enforce their demands. Mr. Truman said no. We think the gentleman is awfully inept on occasions, but we don't see him playing ball with anybody. We think he feels too independent to do so.

Employer-Employee-Consumer Relations

(Continued from first page) hour nearly 43% from 1939 to 1945!

In the long ago when the family made its own clothing, provided its own food and built its own shelter, mere survival demanded that each member contribute his share of labor. Reduce our complex economic structure to the simple terms of primitive society and the reason for the current economic muddle is crystal clear and the solution obvious. High productivity is the only method of assuring ourselves of a superior standard of living.

Employer's Responsibility

Research should play a major part in every employer's program. He must at all times keep abreast of additional sources of materials, new ideas and modern methods. He must be ready and willing to make innovations which will provide employees with the methods and tools necessary to produce more, and better, goods. And he must merit the respect and confidence of workers.

The pressing need for commodities and tools of all kinds promises a golden era for producers in the months immediately ahead. Long and hard usage have rendered much equipment beyond repair and ready for the scrap pile. Money is plentiful and people are in a mood to buy. Now is the time to produce and release those necessities — yes, and even luxuries — which contribute so much to the well-being and happiness of the people of the world.

Consumers Must Play Their Part

Now, a word to consumers. We have waited long and patiently to replace our worn-out materials; but let us remember that some 140,000,000 other people in this country also need to replenish their supplies. Hence, we should not make all our purchases at one time. We should buy only what we need for use over a reasonable period and give our neighbors a chance to have a share in the products as they come into the market.

We must remember, too, to watch prices. The immediate future will be particularly critical. Potential devastating inflation lurks behind the price we are willing to pay for the things we buy. Therefore, before buying anything let us be sure that it is necessary to have it. We should take a long-range outlook. Prices paid now may well determine the kind of country in which we shall live five years hence!

Conclusion

Therefore, I plead with all — employer, employee, consumer — to pull together now in time of peace as we did in time of war. To the employer, I say, "Now is the time for you to prove yourself a true statesman," to labor, "Remember that you, too, must share in the losses as well as in the gains in industry"; and to the consumer, "Let your neighbor, as well as yourself enjoy the fruits of production."

Moody's Daily Commodity Index

Tuesday, Aug. 6, 1946	349.0
Wednesday, Aug. 7, 1946	345.4
Thursday, Aug. 8, 1946	347.7
Friday, Aug. 9, 1946	351.2
Saturday, Aug. 10, 1946	351.2
Monday, Aug. 12, 1946	349.9
Tuesday, Aug. 13, 1946	348.2
Two weeks ago, July 30, 1946	347.8
Month ago, July 13, 1946	328.7
Year ago, Aug. 13, 1945	254.6
1945 High, Dec. 27	265.0
Low, Jan. 24	252.1
1946 High, Aug. 1	356.3
Low, Jan. 2	264.7

Daily Average Crude Oil Production for Week Ended Aug. 3, 1946, Decreased 44,650 Bbls.

The American Petroleum Institute estimates that the daily average gross crude oil production for the week ended Aug. 3, 1946, was 4,381,400 barrels, a decrease of 44,650 barrels per day from the preceding week and 40,700 barrels per day less than for the corresponding week of 1945.

Reports received from refining companies indicate that the industry as a whole ran to stills on a Bureau of Mines basis approximately 4,849,000 barrels of crude oil daily and produced 14,837,000 barrels of gasoline, 1,899,000 barrels of kerosine, 5,556,000 barrels of distillate fuel, and 8,273,000 barrels of residual fuel oil during the week ended Aug. 3, 1946.

DAILY AVERAGE CRUDE OIL PRODUCTION (FIGURES IN BARRELS)

Table with columns: State, *B. of M. Calculated Requirements August, State Allowables Begin. Aug. 1, Actual Production Week Ended Aug. 3, 1946, Change from Previous Week, 4 Weeks Ended Aug. 3, 1946, Week Ended Aug. 4, 1945. Rows include New York-Penna., Florida, West Virginia, Ohio-Southeast, etc.

*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 August.

†Oklahoma, Kansas, Nebraska figures are for week ended 7:00 a.m., July 31, 1946. ‡This is the net basic allowable as of Aug. 1 calculated on a 31-day basis and includes shutdowns and exemptions for the entire month.

§Recommendation of Conservation Committee of California Oil Producers.

CRUDE RUNS TO STILL; PRODUCTION OF GASOLINE; STOCKS OF FINISHED AND UNFINISHED GASOLINE, KEROSENE, GAS OIL AND DISTILLATE FUEL AND RESIDUAL FUEL OIL, WEEK ENDED AUG. 3, 1946

Table with columns: % Daily Report, Crude Runs to Still, % of Oper. Av. erated, Gasoline Product'n at Ref., Unfin. Gasoline Stocks, % of Stocks of Gas Oil & Dist. Resid. Fuel Oil. Rows include District, East Coast, Appalachian, etc.

Total U. S. B. of M. basis Aug. 3, 1946. Total U. S. B. of M. basis July 27, 1946. U. S. B. of M. basis Aug. 4, 1945.

Includes unfinished gasoline stocks of 8,233,000 barrels. Includes unfinished gasoline stocks of 11,058,000 barrels. Stocks at refineries, at bulk terminals, in transit and in pipe lines.

Electric Output for Week Ended Aug. 10, 1946 0.4% Ahead of That for Same Week Last Year

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. 10, 1946, was 4,411,717,000 kwh., which compares with 4,395,337,000 kwh. in the corresponding week a year ago, and 4,351,011,000 kwh. in the week ended Aug. 3, 1946.

PERCENTAGE DECREASE UNDER SAME WEEK LAST YEAR. Table with columns: Major Geographical Divisions, Aug. 10, Aug. 3, July 27, July 20, July 13. Rows include New England, Middle Atlantic, Central Industrial, etc.

DATA FOR RECENT WEEKS (Thousands of Kilowatt-Hours)

Table with columns: Week Ended, 1946, 1945, % Change under 1945, 1944, 1932, 1929. Rows include May 4, May 11, May 18, May 25, June 1, etc.

National Fertilizer Association Commodity Price Index Again Pushes Higher

The wholesale commodity price index compiled by The National Fertilizer Association and made public on Aug. 12 reached another new high peak, rising 0.6% to 173.4, in the week ended Aug. 10, 1946, from 172.4 in the preceding week.

The largest gain during the week was registered in the textiles group. This rise of 5.3% was due principally to the new ceiling prices permitted for cotton cloths and yarns.

During the week 22 price series in the index advanced and 18 declined; in the preceding week 21 advanced and 23 declined; in the second preceding week 13 advanced and 13 declined.

WEEKLY WHOLESALE COMMODITY PRICE INDEX

Table with columns: % Each Group Below Total Index, Group, Latest Preceding Week, Month Ago, Year Ago. Rows include Foods, Fats and Oils, Cottonseed Oil, Farm Products, etc.

*Indexes on 1926-1928 base were: Aug. 10, 1946, 135.1; Aug. 3, 1946, 134.3; and Aug. 11, 1945, 110.3

Hours and Earnings for May Reported By Labor Bureau

Average hourly earnings for production workers in manufacturing continued the upward trend to a new high of \$1.07 in May, the Bureau of Labor Statistics of the U. S. Department of Labor reported on July 21.

Despite the increase in hourly earnings, weekly earnings in manufacturing declined from \$42.87 in April to \$42.46 in May, reflecting a shorter workweek in virtually all industries.

still higher than in any other major group. In terms of dollars and cents, the largest increase in weekly earnings since May 1945, \$4.42, was reported by plants in the printing and publishing group where earnings now average \$51.05.

Table with columns: Hourly Earnings, Wkly. Earnings, Hours. Rows include All mfg., Durable goods, Nondurable goods.

Motor Carrier Tonnage Decreased 7.3% in June

The volume of freight transported by motor carriers in June decreased 7.3% below May and increased 0.4% over June of last year, according to American Trucking Associations, Inc., which further announced as follows:

Comparable reports received by ATA from 194 carriers in 39 states showed these carriers transported an aggregate of 1,758,734 tons in June, as against 1,896,992 tons in May and 1,752,464 tons in June, 1945.

The ATA index figure, computed on the basis of the average monthly tonnage of the reporting carriers for the three-year period of 1938-1940 as representing 100, was 182.1, the highest of any June except the 195 recorded in June 1943, the industry's peak year.

Approximately 79% of all tonnage transported in the month was hauled by carriers of general freight. The volume in this category decreased 8.7% below May and 0.4% below June, 1945.

Transportation of petroleum products, accounting for about 14% of the total tonnage reported, showed an increase of 5.2% over May and 5.3% over June, 1945.

Carriers of iron and steel hauled about 4% of the total tonnage. Their traffic volume decreased 11.1% below May but increased 0.5% over June, 1945.

About 3% of the total tonnage reported consisted of miscellaneous commodities, including tobacco, household goods, textiles, groceries, automotive equipment, building materials, wood, rubber products, motor vehicle parts and motor vehicles. Tonnage in this class decreased 14.3% below May and 1.7% below June 1945.

Ill. & Wisc. Home Loan Volume Up

An increase of 17% in the volume of advances outstanding from the Federal Home Loan Bank of Chicago to Illinois and Wisconsin home mortgage institutions in the 12-month period ended June 30, 1946 is witness to the first postwar year's emphasis on homes and money with which to get them, says A. R. Gardner, President of the bank.

In further analysis of the bank's balance sheet on June 30, Mr. Gardner said that its total assets reached \$47,791,052 at mid-year and that it is using \$5,000,000 of deposits from some of the other 10 regional Federal Home Loan Banks which serve districts where the home loan demand is not so great as it is here.

Weekly Coal and Coke Production Statistics

The production of bituminous coal during the week ended Aug. 3, 1946, as estimated by the United States Bureau of Mines, was 12,255,000 net tons, a decrease of 245,000 tons, or 2.0%, from the preceding week. Output in the corresponding week of 1945 was 11,214,000 tons. During the calendar year through Aug. 3, 1946, the cumulative production of soft coal was approximately 291,575,000 net tons, which was a decrease of 17.2% below the 351,962,000 tons mined in the comparable period of 1945 through Aug. 4.

Production of Pennsylvania anthracite for the week ended Aug. 3, 1946, as estimated by the Bureau of Mines, was 1,212,000 tons, a decrease of 93,000 tons (7.1%) from the preceding week. When compared with the output in the corresponding week of 1945, there was a decrease of 1,000 tons, or 0.1%. The calendar year to date shows an increase of 8.2% 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 Aug. 3, 1946, showed a decrease of 7,500 tons when compared with the output for the week ended July 27, 1946; and was 7,600 tons less than for the corresponding week of 1945.

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

	Week Ended			Jan. 1 to Date	
	Aug. 3, 1946	July 27, 1946	Aug. 4, 1945	Aug. 3, 1946	Aug. 4, 1945
Bituminous coal & lignite—					
Total, including mine fuel—	12,255,000	12,500,000	11,214,000	291,575,000	351,962,000
Daily average	2,043,000	2,083,000	1,869,000	1,623,000	1,920,000

*Revised. †Subject to current adjustment.

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

	Week Ended			Calendar Year to Date		
	Aug. 3, 1946	July 27, 1946	Aug. 4, 1945	Aug. 3, 1946	Aug. 4, 1945	Aug. 7, 1937
Penn. Anthracite—	1,212,000	1,305,000	1,213,000	35,263,000	32,576,000	31,736,000
*Total, incl. cop. fuel	1,212,000	1,305,000	1,213,000	35,263,000	32,576,000	31,736,000
†Commercial produc.	1,165,000	1,255,000	1,166,000	33,902,000	31,322,000	30,149,000
Beehive Coke—						
United States total—	19,800	117,300	117,400	2,109,700	3,640,800	2,173,700

*Includes washery and dredge coal and coal shipped by truck from authorized operations. †Excludes coaliery 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 27, 1946	July 20, 1946	July 28, 1945
Alabama	405,000	418,000	386,000
Alaska	7,000	7,000	5,000
Arkansas and Oklahoma	82,000	85,000	96,000
Colorado	102,000	96,000	126,000
Georgia and North Carolina	1,000	1,000	1,000
Illinois	1,429,000	1,428,000	1,466,000
Indiana	510,000	569,000	497,000
Iowa	32,000	31,000	37,000
Kansas and Missouri	118,000	113,000	114,000
Kentucky—Eastern	1,207,000	1,203,000	980,000
Kentucky—Western	420,000	454,000	410,000
Maryland	54,000	53,000	38,000
Michigan	5,000	4,000	2,000
Montana (bitum. & lignite)	60,000	69,000	79,000
New Mexico	26,000	27,000	28,000
North & South Dakota (lignite)	33,000	29,000	36,000
Ohio	712,000	733,000	709,000
Pennsylvania (bituminous)	3,080,000	3,051,000	2,870,000
Tennessee	132,000	152,000	135,000
Texas (bituminous & lignite)	1,000	1,000	1,000
Utah	137,000	142,000	125,000
Virginia	398,000	409,000	373,000
Washington	20,000	21,000	26,000
†West Virginia—Southern	2,456,000	2,358,000	2,090,000
†West Virginia—Northern	915,000	858,000	1,108,000
Wyoming	158,000	168,000	190,000
‡Other Western States			
Total bituminous & lignite	12,500,000	12,500,000	11,928,000

†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.

Non-Ferrous Metals—Gov't Again Purchasing Foreign Copper—Silver 90 1/8c.—Platinum Up

"E. & M. J. Metal and Mineral Markets," in its issue of Aug. 8, stated: "Purchasing of foreign copper by the Government has been resumed, and, on sales closed during the last week covering fair tonnages, the settlement basis was the price prevailing in the world market, equivalent to 16c., f.a.s. Atlantic ports. Negotiations for acquiring substantial tonnages of foreign copper for third-quarter delivery have virtually been completed. OPA moved up the ceiling price of silver to the basis fixed by Congress, and the New York official quotation was reestablished at 90 1/8c. London silver was advanced to 55 1/2d. Refined platinum was raised sharply to \$80 an ounce troy, wholesale lots, with the so-called outside market at \$82.50 bid. There was a little more buying interest in quicksilver." The publication further went on to say in part as follows:

Copper

Consumers have been notified by Metals Reserve in reference to the tonnages of foreign copper that they are to receive for August shipment, but agents have not yet been told to release the metal.

General settlement of wage issues by producers caused OPA to rule last week that all operators may now sell copper on the basis of 14 1/8c. Valley. Production of copper is increasing. Moreover, the Government has resumed its buying program for acquiring foreign copper. Though the demand for copper remains high, the extremely tight situation of recent months no longer exists.

Refiners hope for early favorable action by OPA on premiums allowed for special shapes.

Lead

What is generally viewed as a muddled price situation in lead is reducing the supply that will be available to consumers in the

current month, members of the industry contend. Offerings of scrap have dropped sharply, indicating that scrap dealers expect the market to rise sooner or later. However, quick action by OPA to revise the ceiling on lead upward is not thought likely. In the event that scrap receipts remain low, primary lead will have to carry an extra burden in a market already poorly supplied with metal. The Government is negotiating for the purchase of foreign lead for August shipment to consumers.

Sales of lead during the last week involved 7,729 tons.

In his semi-annual report to stockholders, Clinton H. Crane, President of St. Joseph Lead Co., said the company receives no subsidy payments on its zinc production, except in the Joplin district. In the case of lead . . . the company receives premium payments. In June, he said, under the five-day week operating basis and the increased labor rate, the company received approximately 9.3¢ per pound, f. o. b. smelter, under the Premium Price Plan for its lead production.

Zinc

Dissatisfaction over the prevailing price ceiling on zinc continues to restrict new business in the metal, and consumers of Prime Western and Special High Grade, both in heavy demand, are likely to run into difficulties in the near future, trade authorities believe. Sales closed during the last week, with few exceptions, covered metal sold on the basis of the market price on date of shipment. The Office of Metals Reserve has not yet released any August metal, according to advices from Washington, and may not act until metal begins to move more freely on the 8 1/4¢ basis.

Foreign zinc sold on the basis of 10¢ per pound for Prime Western.

Platinum Metals

Effective Aug. 5, leading sellers of refined platinum advanced the price on wholesale lots to \$80 per troy ounce and on sales to consumers to \$83. Previous quotations were \$13 per ounce below these levels. OPA removed platinum from price control on April 29, at which time the metal was selling on the basis of \$35 per ounce.

Palladium remains unchanged at \$24; iridium at \$125; and rhodium at \$125. Ruthenium advanced to \$70, from \$35. Osmium is nominal at \$100 per ounce.

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

	Electrolytic Copper—		Straits Tin, New York	Lead—		Zinc—
	Dom. Refy.	Exp. Refy.		New York	St. Louis	
Aug. 1	14.150	15.925	52.000	8.250	8.100	8.250
Aug. 2	14.150	15.925	52.000	8.250	8.100	8.250
Aug. 3	14.150	15.925	52.000	8.250	8.100	8.250
Aug. 5	14.150	15.925	52.000	8.250	8.100	8.250
Aug. 6	14.150	15.925	52.000	8.250	8.100	8.250
Aug. 7	14.150	15.925	52.000	8.250	8.100	8.250
Average	14.150	15.925	52.000	8.250	8.100	8.250

Average prices for calendar week ended Aug. 3 are: Domestic copper f.o.b. refinery, 14.150¢; export copper, f.o.b. refinery, 15.925¢; Straits tin, 52.000¢; New York lead, 8.250¢; St. Louis lead, 8.100¢; St. Louis zinc, 8.250¢ 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 0.25¢ per pound above the refinery basis.

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

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

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

Quotations for lead reflect prices obtained for common lead only.

Tin

The stockpile of tin (metal and metal contained in concentrates) on June 30 amounted to 54,852 tons, which compares with 58,096 tons at the beginning of the year. Of the total on hand, 26,728 tons was in the form of pig tin and 28,124 tons was contained in concentrates.

There were no new developments in connection with the renewal of the purchasing agreement with Bolivia.

The selling basis in the United States market remains unchanged at 52¢ per pound for Grade A tin. Forward quotations were nominally as follows:

	Aug.	Sept.	Oct.
Aug. 1	52.000	52.000	52.000
Aug. 2	52.000	52.000	52.000
Aug. 3	52.000	52.000	52.000
Aug. 5	52.000	52.000	52.000
Aug. 6	52.000	52.000	52.000
Aug. 7	52.000	52.000	52.000

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

Quicksilver

There was some improvement in business during the last week, and several sellers took a firmer position on prices. On spot, quotations continued at \$98 to \$100 per flask. Nearby metal sold in fair volume at \$97 per flask. Italian quicksilver was offered by several sellers, but prices named were somewhat higher than the prevailing selling basis in New York.

Silver

Transactions in the New York market for silver were resumed on Aug. 1, and Handy & Harman again posted an "official" quotation, establishing the market at 90 1/8c. The quotation covers transactions in foreign metal, and domestic and Treasury silver if such silver enters into New York market transactions. The official quotation is based upon the market prices of bar silver .999 fine for nearby delivery in New York prevailing each day up to the time the quotation is issued.

OPA raised the ceiling price on Aug. 1.

A separate quotation for domestic newly mined silver is no longer required under prevailing market conditions and has been dropped from the table of daily quotations shown elsewhere on this page.

The expected upward revision in the London quotation for silver occurred on Aug. 6, bringing the price more in line with the recently advanced United States market. London now quotes 55 1/2d.

Retail Store Sales In June Reported

Sales of retail stores in June are estimated at \$7,700,000,000, about the same as in May, but 22% above sales in June a year ago, the Office of Business Economics, Department of Commerce, announced on Aug. 7. Durable goods stores registered a gain of 60% over June a year ago, and non-durable goods stores a gain of 15%, said the Department's report, which added:

"After seasonal adjustment, the June index of sales stood at 238 (1935-39=100), almost unchanged for the third successive month. A decline in food store sales during June, reflecting shortages of meats, fats, bread and canned goods, was the principal factor in holding down over-all sales to about the May level. Total retail sales in the three months ending June 30 were 29% above the same period of 1945 and only 2% below the first quarter peak, after seasonal adjustment.

"In the second quarter 1946, as in the first quarter, durable goods stores recorded the heaviest gains over comparable periods in 1945. Sales in the automotive group during the second quarter 1946 were about double those of the same period a year ago. However, automotive sales were still below the 1940-41 volume and the supply was far short of current demand.

"In the home furnishing group second quarter 1945 sales were 64% higher than during the first quarter. Sales by the building materials and hardware group were up 49% and jewelry store sales were up 28%. Building materials sales declined 7%, reflecting inadequate supplies of building materials. In the non-durable goods field, department store sales increased steadily throughout the second quarter 1946, and on a seasonally adjusted basis reached an all-time high in June. The gain was in part a reflection of increased quantities of durable goods in these stores.

"Filling station, apparel and general merchandise groups each showed increases of about 30% for the second quarter 1946, compared with the same period of 1945, and food and drug stores each had sales of about 20%."

Cost of Living Up Conference Board Says

The cost of living rose 1.4% between March 15 and June 15 of this year to reach the highest levels in 25 years, since January, 1921, according to the latest quarterly survey of living costs just released by the National Industrial Conference Board. The Board's advices Aug. 8 added:

"Living costs rose in all but one of the 65 cities included in the survey. Food was up 2.1% during the second quarter of this year. Men's clothing showed the greatest rise (2.5%). Women's clothing increased 0.6%.

"In over a third of the industrial cities included in the Conference Board survey, prices jumped 15% or more during the March-June period. Cities showing the greatest rise were: Joliet, Illinois (up 3.1%), Muskegon, Michigan (up 2.9%), and Denver, Colorado (up 2.4%).

"Since the index applies to June 15 (June 13 for food), price rises during the period when OPA was inoperative are not reflected.

"Compared to June, 1945, family budget items stood one and a half (1.5%) or higher in approximately 40% of the cities surveyed.

Revenue Freight Car Loadings During Week Ended Aug. 3, 1946, Decreased 12,118 Cars

Loading of revenue freight for the week ended Aug. 3, 1946 totaled 898,395 cars the Association of American Railroads announced on Aug. 8. This was an increase above the corresponding week of 1945 of 34,485 cars, or 4.0%, and an increase above the same week in 1944 of 8,801 cars or 1.0%.

Loading of revenue freight for the week of Aug. 3 decreased 12,118 cars or 1.3% below the preceding week.

Miscellaneous freight loading totaled 383,852 cars a decrease of 2,314 cars below the preceding week, but an increase of 506 cars above the corresponding week in 1945.

Loading of merchandise less than carload lot freight totaled 123,463 cars an increase of 2,236 cars above the preceding week, and an increase of 19,064 cars above the corresponding week in 1945.

Coal loading amounted to 184,522 cars, a decrease of 3,771 cars below the preceding week but an increase of 20,103 cars above the corresponding week in 1945.

Grain and grain products loading totaled 56,392 cars, a decrease of 2,729 cars below the preceding week and a decrease of 7,259 cars below the corresponding week in 1945. In the Western Districts alone, grain and grain products loading for the week of Aug. 3 totaled 37,747 cars, a decrease of 1,364 cars below the preceding week and a decrease of 4,209 cars below the corresponding week in 1945.

Livestock loading amounted to 16,853 cars a decrease of 1,104 cars below the preceding week but an increase of 3,396 cars above the corresponding week in 1945. In the Western Districts alone loading of livestock for the week of Aug. 3 totaled 12,830 cars a decrease of 366 cars below the preceding week, but an increase of 3,035 cars above the corresponding week in 1945.

Forest products loading totaled 48,812 cars a decrease of 2,788 cars below the preceding week but an increase of 2,651 cars above the corresponding week in 1945.

Ore loading amounted to 71,030 cars, a decrease of 1,292 cars below the preceding week and a decrease of 3,389 cars below the corresponding week in 1945.

Coke loading amounted to 13,471 cars a decrease of 356 cars below the preceding week, and a decrease of 587 cars below the corresponding week in 1945.

All districts reported increases compared with the corresponding week in 1945 except the Centralwestern and Southwestern, and all reported increases compared with 1944 except the Northwestern, Centralwestern and Southwestern.

	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
4 weeks of July	3,405,874	3,379,284	3,459,830
Week of Aug. 3	898,395	863,910	889,594
Total	23,321,358	25,521,740	25,634,625

The following table is a summary of the freight carloadings for the separate railroads and systems for the week ended Aug. 3, 1946. During this period 80 roads reported gains over the week ended Aug. 4, 1945.

Railroads	REVENUE FREIGHT LOADED AND RECEIVED FROM CONNECTIONS (NUMBER OF CARS) WEEK ENDED AUG. 3			Total Loads Received from Connections	
	1946	1945	1944	1946	1945
Southern District—					
Ann Arbor	374	346	294	1,693	1,492
Bangor & Aroostook	1,233	1,483	1,099	6,38	362
Boston & Maine	7,638	6,963	6,865	13,489	13,102
Chicago, Indianapolis & Louisville	1,447	1,133	1,312	2,313	2,001
Central Indiana	31	50	23	69	60
Central Vermont	1,190	1,119	1,086	2,257	2,161
Delaware & Hudson	4,907	4,728	5,036	11,276	12,699
Delaware, Lackawanna & Western	7,997	7,874	7,685	9,562	10,144
Detroit & Mackinac	416	243	241	236	173
Detroit, Toledo & Ironton	2,522	1,790	1,782	1,663	1,325
Detroit & Toledo Shore Line	354	381	309	3,387	2,442
Grand Trunk Western	13,026	12,014	13,102	16,124	16,462
Lehigh & Hudson River	5,085	3,873	3,898	8,275	7,909
Lehigh & New England	65	139	143	2,457	2,897
Lehigh Valley	2,454	2,347	2,060	1,688	1,359
Maine Central	8,570	8,674	9,165	8,342	10,580
Monongahela	3,053	2,825	2,354	3,214	2,892
Montour	5,576	6,249	6,154	204	279
New York Central Lines	2,614	2,539	2,591	25	23
N. Y. N. H. & Hartford	52,760	50,638	50,758	53,621	51,639
New York, Ontario & Western	10,483	10,066	9,195	16,502	16,142
New York, Chicago & St. Louis	1,221	956	1,262	2,615	3,200
N. Y. Susquehanna & Western	7,617	6,981	6,745	14,178	15,484
Pittsburgh & Lake Erie	307	463	463	1,408	1,989
Pere Marquette	6,680	7,801	7,490	8,576	9,217
Pittsburgh & Shawmut	7,339	5,347	5,385	7,702	7,058
Pittsburgh, Shawmut & North	1,131	880	874	46	31
Pittsburgh & West Virginia	349	220	321	116	261
Putnam	1,009	1,149	1,303	2,697	2,953
Wheeling	380	377	364	1,240	1,285
Wheeling & Lake Erie	7,006	6,449	5,626	11,372	11,213
Total	6,359	5,885	5,967	3,803	4,293
Allegheny District—					
Akron, Canton & Youngstown	617	749	704	1,326	1,118
Baltimore & Ohio	43,458	46,800	47,632	25,655	27,482
Beasmer & Lake Erie	6,526	6,512	6,629	2,468	2,079
Cambria & Indiana	1,444	1,401	1,279	16	6
Central R. R. of New Jersey	6,737	6,721	6,771	15,769	18,370
Cornwall	424	406	554	55	45
Cumberland & Pennsylvania	344	165	221	19	7
Ligonier Valley	46	106	153	2	71
Long Island	2,564	2,929	2,406	5,078	4,269
Penn-Reading Seashore Lines	1,975	1,835	1,753	1,941	2,296
Pennsylvania System	92,133	88,127	88,156	65,616	61,084
Reading Co.	15,472	14,536	14,089	24,525	27,201
Union (Pittsburgh)	18,206	17,718	19,531	6,913	7,417
Western Maryland	4,909	4,051	4,370	11,437	13,342
Total	194,915	192,056	194,248	160,820	164,787
Pennsylvania District—					
Chesapeake & Ohio	34,978	26,718	29,831	16,128	14,333
Norfolk & Western	25,508	19,824	22,262	7,165	7,297
Virginian	4,880	4,449	4,420	1,749	2,209
Total	65,366	50,991	56,513	25,042	23,839

Railroads	Total Revenue Freight Loaded			Total Loads Received from Connections	
	1946	1945	1944	1946	1945
Southern District—					
Alabama, Tennessee & Northern	346	505	382	549	348
Atl. & W. P.—W. R. R. of Ala.	731	767	776	1,838	2,301
Atlanta, Birmingham & Coast	↑	↑	907	↑	↑
Atlantic Coast Line	12,532	10,919	9,684	9,021	10,333
Central of Georgia	3,851	3,786	3,787	4,693	4,187
Charleston & Western Carolina	590	616	616	1,658	1,610
Clinchfield	2,057	1,582	1,931	3,238	2,816
Columbus & Greenville	381	242	180	374	212
Durham & Southern	89	84	145	713	823
Florida East Coast	501	778	889	1,373	1,040
Gainesville Midland	104	54	56	88	109
Georgia	1,299	1,266	1,108	2,438	2,450
Georgia & Florida	683	693	543	3,815	4,840
Gulf, Mobile & Ohio	4,789	4,832	4,292	3,215	3,415
Illinois Central System	26,423	26,689	28,795	15,182	17,085
Louisville & Nashville	26,793	24,353	25,877	10,975	12,080
Macon, Dublin & Savannah	249	236	239	669	833
Mississippi Central	0	399	299	0	470
Nashville, Chattanooga & St. L.	3,704	3,168	3,067	4,052	4,523
Norfolk Southern	1,052	802	991	1,682	1,650
Piedmont Northern	404	460	380	1,604	1,464
Richmond, Fred. & Potomac	435	413	425	8,105	8,340
Seaboard Air Line	10,145	9,133	8,811	8,237	8,196
Southern System	27,140	24,384	25,511	25,710	24,534
Tennessee Central	821	567	694	827	858
Winston-Salem Southbound	134	118	130	1,112	1,121
Total	125,663	116,846	120,520	108,722	112,866
Northwestern District—					
Chicago & North Western	21,829	19,252	19,821	15,400	15,822
Chicago Great Western	2,586	2,557	2,669	3,240	3,615
Chicago, Milw., St. P. & Pac.	23,338	22,660	21,681	11,358	11,337
Chicago, St. Paul, Minn. & Omaha	4,062	3,831	3,385	4,301	4,258
Duluth, Missabe & Iron Range	25,215	25,527	27,983	256	241
Duluth, South Shore & Atlantic	933	912	722	666	906
Elgin, Joliet & Eastern	8,025	8,465	9,148	9,204	9,183
Ft. Dodge, Des Moines & South	429	384	388	133	80
Great Northern	22,052	21,496	25,203	7,803	10,115
Green Bay & Western	544	420	543	904	819
Lake Superior & Ishpeming	2,597	2,272	2,111	53	74
Minneapolis & St. Louis	2,272	2,123	2,009	2,404	2,674
Minn., St. Paul & S. M.	7,242	7,427	7,353	3,679	3,546
Northern Pacific	12,757	11,462	12,331	5,112	6,836
Spokane International	178	383	135	528	616
Spokane, Portland & Seattle	2,539	2,709	3,306	2,520	4,961
Total	137,198	131,880	139,788	67,656	75,083
Central Western District—					
Atch., Top. & Santa Fe System	28,142	27,479	28,168	11,821	15,644
Alton	2,925	3,878	3,840	3,497	4,043
Singham & Garfield	228	337	450	27	75
Chicago, Burlington & Quincy	22,526	22,020	20,178	11,189	13,558
Chicago & Illinois Midland	3,487	3,217	3,109	626	970
Chicago, Rock Island & Pacific	14,055	13,782	14,344	13,804	14,235
Chicago & Eastern Illinois	3,019	3,050	2,884	3,761	4,784
Colorado & Southern	835	778	807	1,715	2,116
Denver & Rio Grande Western	3,641	3,641	4,087	4,883	7,161
Denver & Salt Lake	539	629	783	77	78
Fort Worth & Denver City	926	881	1,105	1,367	1,500
Illinois Terminal	2,145	2,051	2,638	2,008	2,255
Missouri-Illinois	1,287	1,108	1,218	527	597
Nevada Northern	1,214	1,467	1,772	74	92
North Western Pacific	880	956	1,142	1,142	1,008
Peoria & Pekin Union	6	6	3	0	0
Southern Pacific (Pacific)	33,186	33,323	34,034	10,287	16,090
Toledo, Peoria & Western	16,499	18,461	18,295	0	2,052
Union Pacific System	851	643	484	17,673	20,299
Utah	1,812	2,118	2,192	3,207	4,506
Western Pacific					
Total	138,203	140,182	141,804	87,689	112,064
Southwestern District—					
Burlington-Rock Island	328	298	931	988	557
Gulf Coast Lines	4,059	4,100	5,663	2,359	2,272
International-Great Northern	2,269	2,446	2,640	2,946	3,044
K. O. & G. M. V. & O. C.-A.-A.	1,375	1,343	924	1,635	1,717
Kansas City Southern	3,408	3,688	5,528	3,202	3,284
Louisiana & Arkansas	2,513	3,038	3,894	2,195	2,780
Litchfield & Madison	451	308	313	1,346	1,416
Missouri & Arkansas	215	173	84	369	399
Missouri-Kansas-Texas Lines	5,719	6,610	6,692	4,081	4,791
Missouri Pacific	18,474	18,295	18,558	14,303	18,610
Quannah Acme & Pacific	139	133	48	209	394
St. Louis-San Francisco	10,540	10,691	9,792	7,723	8,761
St. Louis-Southwestern	2,889	3,671	3,259	4,817	5,903
Texas & New Orleans	8,622	9,308	12,347	5,412	6,049
Texas & Pacific	4,887	5,668	4,976	6,451	6,433
Wichita Falls & Southern	82	118	90	63	47
Weatherford & W. & N. W.	27	25	29	11	7
Total	65,997	69,973	75,768	58,110	66,464

Items About Banks, Trust Companies

Frank N. Farrar on Aug. 3, was elected a member of the board of directors of the Manufacturers & Traders Trust Company of Buffalo, N. Y. Mr. Farrar, who is active in the business and civic affairs of that city, is Vice-President and Treasurer of Denton, Cottier, & Daniels in Buffalo.

He is also Vice-President of the Buffalo Series Corporation, President of Daniels Properties Inc. and a trustee of the Erie County Savings Bank, said the Buffalo "Evening News" which reported Mr. Farrar's election on Aug. 3.

The appointment of Irving A. Barrett as Assistant Treasurer of the Marine Trust Company of Buffalo, N. Y. was announced on Aug. 5 by President Charles H. Diefendorf according to the Buffalo "Evening News" of Aug. 5, which went on to say:

Mr. Barrett, who is a member of the bank's Business Development Department, has been with the bank since 1929. He has served in the Branch Department, Trust Department, Credit Department and the Midland Time Plan Department.

The New York State Banking Department announced on Aug. 9, that approval has been given to the Lincoln Rochester Trust Company, Rochester, N. Y. to reduce its capital stock from \$6,360,000, consisting of 20,000 shares of preferred stock of the par value of \$50 each and 268,000 shares of common stock of the par value of \$20 each, to \$5,360,000, consisting of 268,000 shares of common stock of the par value of \$20 each.

The Board of Directors of the National Rockland Bank of Boston, Mass. announced on Aug. 6, the election of H. Frederick Hagemann Jr. as bank President. Mr. Hagemann, the directors' announcement went on, was formerly Vice-President of the Boatman's National Bank of St. Louis, Mo. An earlier announcement that Mr. Hagemann was slated to become President of the National Rockland Bank appeared in our issue of July 11, page 257.

The board of directors of The Trademans National Bank of New Haven, Conn. announced the election of G. Houston Baker and Frank O'Brien as Vice-Presidents to take effect September 1. This was reported on Aug. 8 by the New Haven "Register," which added that:

Mr. Baker has been in the employ of the bank for many years. He was appointed Assistant Cashier in January 1936 and elected to the office of cashier in 1944. Mr. O'Brien it is stated was previously Assistant Vice-President of the East Main Street Branch of the Hartford-Connecticut Trust Company, Meriden, and was a member of the advisory board of that bank.

The election of George T. Spettig as a Vice-President of the Morris Plan Bank of Philadelphia, Pa. was reported in the Philadelphia "Evening Bulletin" of Aug. 7, 1946.

Edward K. Merrill, Assistant Secretary of the Land Title Bank & Trust Company, Philadelphia, Pa. with which he had been associated for the past 47 years, died on Aug. 3 at the age of 65.

The purchase of Pocomoke City National Bank, Pocomoke City, Md., by the County Trust Company of Cambridge, Md. was completed on Aug. 7 according to a

statement by J. Allan Coad, President of the latter institution. Hereafter the purchased bank will be operated as the Pocomoke City branch of County Trust Company, according to the Baltimore "Sun" of Aug. 8, which in reporting this had the following to say:

The Pocomoke City National Bank has been operated for 57 years as a national bank, having been chartered as such in 1889. Its resources as of June 30, 1946, were \$4,082,000 with total deposits of \$3,871,000 capital stock \$50,000, surplus \$50,000, undivided profits \$50,000, reserves \$61,000. It is contemplated that there will be no change of personnel, either of officers or employees, because of the purchase. Willard J. Stevenson, who has served as Cashier of the Pocomoke City National Bank for 42 years, is expected to continue in that capacity, and the board of directors, formerly of Pocomoke City National Bank, will continue to serve as members of the advisory board for County Trust Company. They are: Francis J. Lloyd, Elton Mason, Ellwood E. Matthews, Eugene P. Matthews, Harry C. Mears and Milton L. Veasey.

The election of Leonard Marbury as fourth Vice-President and director of the Washington Loan & Trust Company, Washington, D. C. was announced on Aug. 9 by Harry G. Meem, President, it is stated in the Washington "Post" of Aug. 10, which also said that Mr. Marbury was appointed Trust Officer following the death of William H. Baden.

The Huntsville State Bank of Huntsville (Logan 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 726, compared with 712 a year ago, and hold approximately 85% of the total bank deposits in the district. The advices from the Federal Reserve Bank also state:

"The Huntsville State Bank was founded in 1907 as a private bank, incorporating in 1922. It has a paid-in capital of \$25,000, surplus of \$22,000 and deposits totaling \$824,000. It serves a population of about 2,500 in an agricultural and summer resort area. Officers of the bank are: C. S. McCleary, President; J. O. Cretcher, First Vice-President; A. M. Horn, Second Vice-President; Lester Harkness, Cashier; Mary Margaret Fullerton, Assistant Cashier, and H. H. Cooke, Secretary of the Board. The directors are: S. A. Buckingham, K. G. Carter, Herbert Hall, J. C. Hover, L. D. Milroy and Messrs McCleary, Cretcher, Horn and Cooke.

The election of Edgar Heymann as President and Walter S. Corby as Vice-President of the Exchange National Bank of Chicago, Ill. was reported on Aug. 12 by the Chicago "Journal of Commerce." Mr. Heymann has been a director of the bank for 17 years, while Mr. Corby, who is President of the DuPage Trust Co., Chicago, has recently been acting as temporary President of the bank. The Chicago "Journal of Commerce" added:

Directors of the bank also announced the sale to existing shareholders of 2,000 additional shares at \$22 a share. Of the \$400,000 paid in, \$200,000 was allocated to capital and \$200,000 to surplus. The capital thus was increased

from \$400,000 to \$600,000 and surplus from \$200,000 to \$400,000. Undivided profits as of July 31 amounted to \$298,000.

The bank plans to be in its new quarters at 130 South La Salle Street, complete with drive-in auto-bank and parking facilities about Oct. 1.

The Commonwealth Bank of Detroit, Mich. has announced that starting Aug. 5, its 21 branches in Detroit and Highland Park will be open to the public from 10:00 a.m. until 5:00 p.m. Monday through Friday, instead of the present hours of 10:00 a.m. until 3:00 p.m. Main Office banking hours will remain as they are and Saturday banking hours will also remain as at present, 9:00 a.m. until 12:00 noon. H. P. Parrish, Executive Vice-President and Cashier of the bank in announcing this on Aug. 4 said in part:

Detroit is an industrial city and many of our industrial workers find the present banking hours inadequate. These new hours will add ten hours per week, or an increase of 36% over present banking hours.

Prior to the use of tabulating and bookkeeping machines in banks it was desirable to have an early closing hour so that the employees could complete their work within reasonable hours. Modern methods of accounting have made such an early closing unnecessary. The bank's staff will be on a 40-hour week, the same as at present, and the management has in mind the desirability of an eventual five-day week.

These new hours will aid the business man who will not have to rush to make the 3:00 o'clock deadline, and will also facilitate the payroll departments of our industrial institutions.

At a meeting of the board of the Produce State Bank, Minneapolis, Minn. held on Aug. 8, Richard M. Dobson was named a director. Mr. Dobson is Secretary of the J. F. Anderson Lumber Company it is learned from the Minneapolis "Star Journal" on Aug. 9.

Tyre C. Harris Vice-President since 1918 of the Callaway Bank in Fulton, Mo. died on Aug. 4 at the age of 78. Mr. Harris, the St. Louis "Globe Democrat" states, was founder of the Harris-Polk Hat Company in St. Louis.

Robert Strickland, President of the Trust Company of Georgia, at Atlanta, Ga. died at his home on Aug. 8; he was 51 years of age. The Atlanta "Constitution" states that he had been President of the Trust Company of Georgia since 1937 and added:

At the time of his death, he was a director of the bank, a director of the Trust Company of Georgia Associates, the Nashville, Chattanooga & St. Louis Railroad and Coca Cola International Corporation. He was a member of the Federal Advisory Council, one of the most important organizations in banking circles. He also was serving as a trustee of the Southern Research Institute and the John Bulow Campbell Foundation.

In the same advices it was also stated:

He was the youngest person ever to hold the post of President of the Atlanta Clearing House Association. He was also President of the Georgia Bankers Association, the youngest State President at the time. He was President of the Reserve City Bankers' Association in 1937-38 and a former member of the Board of Directors of the Federal Reserve Bank of Atlanta.

His interest in the development of his state and the betterment of the community as a whole was demonstrated in his service with such organizations as the Com-

munity Fund, the Chamber of Commerce and the YMCA, for which he worked as a director or an officer. He was Treasurer of the Georgia Committee of the Warm Springs Foundation Fund and the Atlanta Dogwood Festival.

The election of S. E. Arnold as Assistant Cashier of the Atlantic National Bank of Jacksonville, Fla. and manager of the bank's installment loan department, was announced on Aug. 11 by J. T. Lane, Chairman of the Board of Directors according to the Florida "Times Union" of Aug. 11.

Edson Francis Adams, President of the Farmers & Merchants Savings Bank of Oakland, Calif. died on July 27 at the age of 86, according to the San Francisco "Chronicle" of July 28, which went on to say:

He had been President of the bank since 1892 when he helped to found the institution, and headed the California Development Company, which pioneered many of Oakland's industrial projects.

He was also first President of the Oakland Chamber of Commerce which he helped to found.

The resignation on Aug. 7 of five Canadian directors of Barclays Bank (Canada), including Allan A. Magee, K.C., President, as a result of what was described as "a difference of opinion with the parent institution in England on fundamental policy," was reported in the Toronto "Globe and Mail," Aug. 7, in special advices from Montreal, which further said:

"In addition to Mr. Magee, the directors who resigned were: Col. J. L. Ralston, K.C.; L. A. Taschereau, J. C. Cushing and Henry Borden, K.C. Mr. Magee could not be reached for comment.

"Following the resignations of the Canadian directors there remained on the board only the three representatives of the parent institution, Barclays Bank Limited, these, who constitute a quorum, being Messrs. H. A. Stevenson, J. H. G. F. Vale and J. S. Crossley. It was reported in local financial circles that Mr. Stevenson would be or had been appointed President of the bank in succession to Mr. Magee and that Mr. Vale had been appointed General Manager.

Barclays Bank (Canada) was organized in 1929, with the late Rt. Hon. Sir Robert Borden as its first President. On the death of Sir Robert, in 1937, A. A. Magee was appointed President. In accepting the Presidency at the time, Mr. Magee said it would be a temporary arrangement pending the appointment of a successor at a later date."

From the Aug. 8 issue of the "Globe and Mail," it is learned that Mr. Stevenson has relinquished his position of Vice-President and General Manager of Barclays Bank (Canada) and has been appointed President. G. F. Vale, a director of the bank, has been appointed General Manager.

The same paper added: "Barclays Trust Co. of Canada announces the resignations of A. A. Magee, as President and director, and Henry Borden, as director. J. H. G. F. Vale, who has been appointed General Manager of Barclays Bank (Canada), has resigned his position as Manager of Barclays Trust Co. of Canada, but remains a director. H. A. Stevenson has been appointed President of the Trust Co., and C. D. Paxton, Manager."

Lloyds Bank Limited, London, England, reported in its statement of condition as of June 30, 1946, that total deposits were £911,550,200 and total resources were £975,308,918 compared respectively with £863,316,010 and £926,339,959 in the statement at

the end of 1945. Cash on hand and with the bank of England amounted to £93,309,156 in June against £94,835,289 six months before, while balances with other British banks, and checks in the course of collection are now shown at £35,395,328 compared with £36,355,940 at the end of last year. Treasury deposit receipts were £231,000,000 at the latest date against £290,000,000 previously, while investments appear now at £259,300,605 against £221,223,111.

Credit to Saudi Arabia

The signing of an agreement establishing the terms and conditions of a credit of \$10,000,000 from the Export-Import Bank to the Kingdom of Saudi Arabia was announced on August 9 by Herbert E. Gaston, Vice-Chairman of the board of directors. The establishment of the credit is the result of negotiations which were begun by Saudi Arabia in February 1945, says the advices, which add:

The credit is to be used for the purchase in the United States of essential supplies and rehabilitation equipment. As a consequence partly of reverses in crop and livestock production and partly due to lack of repair and upkeep of transportation and other facilities during the war, Saudi Arabia is required to import at this time large quantities of food and other commodities necessary for basic supply of the population and the maintenance of essential public services.

The specific materials and equipment which the Saudi Arabian Government intends to purchase under the credit as they become available include cereals and grain, sugar, medicines, sanitary and hospital equipment and supplies, textiles, electrical equipment and supplies, automotive equipment, office equipment and supplies, and agricultural tools, machinery and supplies.

Although the Government of Saudi Arabia receives oil royalties from the Arabian-American Oil Company, they are not as yet sufficient to meet the immediate import needs of the country. However, the terms of the credit agreement provide that repayment of the credit is to be secured by an assignment of royalties due from the Arabian-American Oil Company to Saudi Arabia during the 10-year period provided for repayment of the credit.

Advances under the credit may be made until June 15, 1948.

Chinese Medical Director Arrives in U. S.

Dr. Hsiao-Ch'ien Chang, Director of the Hsiang Ya Medical College since 1937 has arrived in this country for a year's stay, under the Department's program of cultural cooperation. The Department of State at Washington in announcing this on July 26 said:

"Dr. Chang received his M. D. at Hunan-Yale (Yale-in-China) Medical College and has taken further work at Johns Hopkins University Medical School, where he was a Jacques Loeb Fellow in Medicine, and at Stanford University Medical School. He has previously been Assistant Professor of Medicine at Peiping Union Medical College and Professor of Medicine at Hsiang Ya Medical College, and Superintendent of Hsiang Ya Hospital.

"He has published numerous articles in Medical journals in the United States and China and is a member of the Chinese Medical Association, Chinese Physiological Society, Chinese Science Society and Society for Experimental Biology and Medicine. After a few weeks stay at medical centers in the West, Dr. Chang will visit hospitals, universities, and medical centers in other parts of the United States."