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## "Must America Turn Back?"

By HON. ROBERT E. HANNEGAN\*

Chairman of the Democratic National Committee

Democratic Party spokesman lauds performance of Seventy-Ninth Congress and accuses Republicans of being obstructionists and having no positive program of their own. Predicts defeat of Republican party in coming election, because people know that underlying conflict in last Congress "there was a greater, more vital issue than price control, minimum wages or atomic energy." Lauds Roosevelt policies and contends Truman has stood up with granite courage for cause of common people and majority in America next November will hold line against reaction.

When the American people pass judgment on the two major political parties next November, I believe they will be guided by one yardstick, and one only: Performance.



Robert E. Hannegan

The record of the Seventy-Ninth Congress is now complete. The account is set forth in terms of action and inaction, of progress and obstruction—the kind of political language that does not erase.

How can we weigh these actions of the last Congress, these accomplishments

\*An address by Mr. Hannegan over Station WRC, National Broadcasting Company, Aug. 16, 1946.

and these failures, and from them arrive at a clear, sharply drawn issue between the Democratic and Republican parties as they go into the campaign of 1946?

First, as background in forming this judgment, we must remember that 14 years ago the American people made their most important decision since the day they elected Abraham Lincoln.

In November of 1932 we ended an era of disastrous governmental misfeasance in America. We had learned a lesson—the costliest lesson we ever learned about our system of free enterprise. We had learned that to keep that system working, we would have to make it work for human beings, not for entrenched privilege.

Franklin D. Roosevelt set about to make our system of free enterprise work again. As a necessary (Continued on page 1066)

## Looks to Lower Taxes To Assure High Production

Henry H. Heimann of National Association of Credit Men, holds tax reduction essential to maintain full production and employment in coming two years. Holds, despite President Truman's declaration, no constructive moves have been taken to balance budget. Sees continuous deficits as endangering "impregnability of the dollar." Urges credit policies be readjusted to a buyer's market.

Anticipating that the next Congress will make some revisions in the Federal tax law, Henry H. Heimann, Executive Manager of the National Association of Credit Men, declares in his current "Monthly Business Review" that a lower tax rate would be the best means of assuring a high production and a continuation of high employment during 1947 and 1948. He points to the period following the first World War to prove that as tax rates were lowered the national income rose and the revenue to the government increased.



Henry H. Heimann

"There is nothing mysterious about such thinking; it is logical," he points out. "With the tremendous (Continued on page 1067)

## The Financial Situation

It would be hazardous to undertake to determine the precise meaning of recent pronouncements of CIO leaders concerning future wage demand policies of their unions. Prior to the more recent assertions that these organizations would "re-open" wage questions forthwith, should the authorities at Washington fail to "roll back" prices to the satisfaction of labor leaders, the impression had been gaining ground that, at least the more astute among the policy makers both in the unions and in Washington had come to realize that, both practically and politically it would be both futile and foolhardy to continue former pre-occupation with wages and former indifference to productivity. A good many hopes had been built upon the assumption that these groups had at length come to the sound conclusion that the time had come for the unions—whatever their public protestations or poses—to make it their business to further more satisfactory output per man-hour; that even wages already being paid could not be permanently sustained without some such action on the part of the union; and that, certainly, any attempt by strike or threat of strike to push wages still higher when production was far from satisfactory, and productivity definitely below par, would be unwise.

### Meaning of Recent Pronouncements

The position more recently taken by CIO leaders, particularly leaders of motor industry sections of the CIO, may or may not indicate an abandonment of these conclusions or that these conclusions had really never been reached. This attitude may be nothing more than an attempt to frighten the Administration into undertaking the impossible in the matter of price control. It may be nothing more than an effort to lay the basis for later wage demands—in case. (Continued on page 1064)

## America's Stake in Coming Elections

By CARROLL REECE\*

Chairman, Republican National Committee

Republican Party spokesman, in calling attention to forthcoming elections, asserts importance lies in selecting a Congress which will make sure our liberal governmental institutions and our American enterprise system are restored and maintained. Cites GOP accomplishments in past, and points to Democratic Party mismanagement and waste. Wants investigating committees free from administration control and attacks PAC action in creating a \$6 million election "slush fund." Says Republican victory will end deficit spending and insure an immediate and sharp reduction in individual income taxes. In Cheyenne, Wyo., address, he attacks "unholy alliance" of Truman, and PAC-Pendergast machine.

I want to discuss today one of the most important decisions which the American people have ever been called upon to make. That is the decision



Carroll Reece

as to which political party shall control the Congress of the United States.

The Congress which will be elected in November—less than three months from today—will be the Congress which will shape the destiny of the

United States for many years to come. Our nation today stands

\*An address by Mr. Reece before the Lincoln Club, Denver, Colo., Aug. 16, 1946.

at one of the momentous crossroads of history. We have fought and won the greatest war of all time but the task—the infinitely more difficult task of winning and securing the peace—remains to be accomplished.

If we lose the peace, either at home or abroad, the result will be national disaster—a paralyzed domestic economy which will not produce the things we need to make this nation prosperous and strong, or a precarious position in world affairs exposing us to the danger of another World War, or, perhaps, a combination of the two.

Speaking very bluntly, it is quite possible that the best efforts of whatever Administration may be in power, might fail to keep us from being involved in (Continued on page 1068)

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## From Washington Ahead of the News

By CARLISLE BARGERON

It would be a cliché for this writer to say that we are living in a dream world where actuality amounts to little and where the artificiality which the propagandists create seems altogether to prevail. But we are moved to this observation by the tears that are being shed by Liberal writers and commentators, as distinguished from the Leftist and downright Commies, over the defeat of Bob LaFollette

It is liable to have a tremendous influence on our current propaganda. For some reason or another, these Liberal writers seem to be profoundly shocked, and for the first time they are beginning to look upon the CIO with critical eyes. What sort of a "labor" movement is this, they are asking, that would knock off such a good friend of labor as Bob LaFollette, such a Liberal as he.

It is not with any purpose of saying "I told you so" that we point out that as long as four years ago we called attention to this crowd's claiming credit for

the defeat of Senator John Danaher in Connecticut, who was so 100% pro-Labor that he voted against that long ago Smith-Connelly bill, because he was "opposed to Roosevelt's foreign policies," because, frankly, he was opposed to Roosevelt. More recently, we recounted the significance of the defeat of Burt Wheeler in Montana, at the hands of this same group. And they didn't come any more pro-labor than Burt. They were all—Danaher, Wheeler, and LaFollette—of the same stripe. They were all pro-labor but opposed to "Roosevelt's foreign policies"; opposed to Roosevelt.

Yet none of the "Liberals," all "global thinkers" who believe that even their best friends must be sacrificed in the interest of a consciousness of our role in world affairs, of our recognition of our "world leadership," of a proper handling of the atomic bomb—none of them seems to think that (Continued on page 1069)



Carlisle Bargeron

## Not Even Scratching the Surface

"Our field offices have been instructed to apply only costs found existent for the most efficient builders, rather than for the typical or median builder. They are required to break down lump-sum figures and subcontract bids into material costs and labor costs calculated on current hourly wages and normal employment practices, plus the normal profit write-up.

"This scrutiny is designed to uncover unnecessary charges which the general contractor is being required to pay under present conditions, as well as unnecessary items which may exist in his own estimates.

"The Builders Association in Metropolitan Detroit has advised its members that no builder should undertake construction starts during the next 90 days unless he has firm commitments for materials and services at the present cost level. The purpose of the action is to resist any further cost rise."

RAYMOND M. FOLEY, FHA.

An excellent "purpose," but it can hardly be attained so simply.

Effective action to check rising costs—and they must be checked—needs to go much deeper.

And government is not likely to do very much that is effective. It would collide with most political notions.

## Denies "A Single Penny" From Contract Renegotiations Was Returned on Contract Terminations

In letter to Sen. Mead, members of War Contracts Price Adjustment Board refute testimony of Comptroller General. Say statement of Comptroller that "everybody and his brother were out to get government during lush war years" is a calumny. Claim credit for exposing Garsson operations.

A letter, dated Aug. 19, and signed by six members of the War Contracts Price Adjustment Board, vigorously denies that funds obtained in renegotiation of war

contracts were returned when contracts were terminated, and takes exception to testimony of the Comptroller General before the Senate Special Committee to investigate the National Defense Program. The full text of the letter follows:

Honorable James M. Mead,  
Chairman, Special Committee to Investigate  
the National Defense Program  
United States Senate  
Washington 25 D. C.  
Dear Senator Mead:

The much publicized statements of the Comptroller General in his recent testimony before your Committee, which constituted a broadside attack on the integrity and judgment of Government officials and of industry at large are such as ordinarily would be deemed by this board unworthy of its attention. When, however, statements are made under oath by the Comptroller General of the United States, they would seem to justify the public in accepting them as factual and free from distortion.

For certain of the Comptroller General's statements to remain unchallenged by this Board would, we feel, constitute a breach of our responsibilities to the Congress and tend to impair the public's confidence in the very Congress which, after full hearings, enacted the Renegotiation Act and the Contract Settlement Act. Failure to challenge these statements would stigmatize the vast number of conscientious contractors throughout the country who have cooperated wholeheartedly with the Renegotiation Boards in the attainment of the objectives of the Renegotiation Law. It would also do a grave injustice to the hundreds of citizens of the United States who have devoted themselves unflinchingly, patriotically and unselfishly to the administration of these statutes.

The War Contracts Price Adjustment Board is a body specially created by an Act of Congress, and consequently is an

agency of the Government no less than the General Accounting Office. The Congress placed on the War Contracts Price Adjustment Board the duty and the responsibility of conducting the renegotiation activity. Therefore the conclusions reached as to profits regarded as excessive must in every case be the responsibility of the Board. The Board is answerable to the Congress for its actions and from time to time in the past, has made complete and detailed response to all inquiries made not only by your Committee but by other interested committees of both of the Houses.

Renegotiation results are necessarily in substantial degree a matter of judgment exercised in a consideration of the statutory factors. Its functioning is of an essentially different nature than that of the detailed auditing approach appropriate to the activities of the General Accounting Office. Statutory renegotiation determines the existence of and secures repayment to the Government of excessive profits realized by a war contractor ordinarily on an over-all fiscal year basis. It takes into consideration the efficiency of the contractor, the contractor's investment, financial and other assistance given to the contractor by the Government, the intricacy of the contractor's operations, plant and capital turnover, the contractor's risks including risks incident to close pricing, and other factors as prescribed by the Renegotiation Act. It does not deal with individual contracts but attempts to conclude what amount in dollars would adequately compensate the contractor for his participation in war work for the entire year, and to require payment by him to the Government of any profits received or accrued to him in that year in excess of that amount.

The Renegotiation Statute has accomplished to date the refund to the Government of approximately 10 billion dollars of which approximately 3 billion dollars is

estimated as the actual amount which would not have been produced by taxes. This does not include the additional billions of dollars in savings in contract price reductions and in lowering of prices on new procurement, either directly or indirectly attributable to the Renegotiation Act and its administration.

Without pausing to comment upon Comptroller General Warren's innuendoes concerning termination of war contracts, his testimony confused renegotiations with terminations although, in answer to questions by members of the Committee, he subsequently corrected his error. Due, however, to this confusion newspapers were misled into publishing glaring headlines and news dispatches announcing: "U. S. Lost Billion in Arms Renegotiations," and into quoting from the uncorrected testimony as follows:

"It is all very well to talk about the billions collected in renegotiation," he (Mr. Warren) continued, "but what I would like to know is how many billions were given away in contract renegotiation."

Committee Counsel George Meader asked Warren: "Do you mean they gave back the same billions they recovered in renegotiation?"

"That — and more," Warren replied.

It is absolutely untrue that the dollars saved by renegotiation were "given back," let alone "given away" to the contractors on termination of contracts. Mr. Warren's own subsequent correction in the record of his prior erroneous statements in this regard fully bears out this comment.

Money due to contractors from the Government on contract terminations would be owing to them even though they had never refunded any excessive profits in renegotiations.

The contract termination obligations resulted from cancellations, for convenience of the Government, of contracts to the extent that production under such contracts was no longer needed by the Government. The Congress, through the Contract Settlement Act of 1944, provided a method by which both the contractors and the Government could expeditiously conclude settlements for partial performance on terminated contracts and allow industry, as rapidly as possible, to direct its energies to peacetime operations.

Not a single penny of the billions collected in renegotiation was "given back to the contractors at the contract termination." On the contrary, termination settlements may sometimes result in larger recoveries of excessive profits in renegotiation. This is not only because the profit received by a contractor on the terminated portion of his contracts becomes a part of the over-all profit reviewed in the renegotiation process, but also because the very existence of the Contract Settlement Act minimized or eliminated certain risks considered in Statutory Renegotiation which otherwise would have been faced by contractors.

It should be understood that only a small percent of the total amounts involved in termination settlements represents profit to the contractors. The major portion is the amount paid by the Government to cover the actual costs to the contractors for materials, labor and other outlay chargeable to the uncompleted part of their contracts terminated by the Government.

All sums received and claims made by contractors on contracts terminated prior to Jan. 1, 1946, would be included in the receipts and accruals of such contractors in any consideration of their profits under the Renegotiation Law. Over 95% of all terminations occurred prior to that date

and all claims, made by those contractors who are subject to renegotiation, on terminations up to Jan. 1, 1946, are therefore subject to the scrutiny of the renegotiation agencies. Any resulting excessive profits in such a contractor's over-all fiscal year's operations would be refunded to the Government in the renegotiation.

Mr. Warren testified:

"... in our general investigation work special attention was given to cases where profit appeared excessive, and we sent the information to the departments for their use. I am not advised what, if anything, they did with the information."

The Committee and Mr. Warren can be assured that information, from whatever source, which indicates the accumulation of excessive profits by any contractor whose business is subject to renegotiation, is adequately explored and considered in connection with any pertinent renegotiation.

We have, however, located two and only two communications from the General Accounting Office to the renegotiation agencies making reference to possible fraudulent acts on the part of contractors. In one of these cases the Department had previously developed all the information presented by Mr. Warren. In the other instance, prior to the time when the letter from the General Accounting Office was received, the contractor, as the result of investigation by the Department conducting the renegotiation and by the Department of Justice, had already been indicted and actually convicted of the fraud referred to!

The procedures adopted in the renegotiation function still appear adequate. They admittedly are founded on the assumption that by and large the business men of America are honest. They do not contemplate an inquisitorial staff which, in the absence of even a suspicion of fraud, may subject every contractor throughout the land to a minute and burdensome audit. But no renegotiation is final against fraud. Every renegotiation determination may at any time be reopened "upon a showing of fraud or malfeasance or a wilful misrepresentation of a material fact."

It may be of immediate interest to record that the protection to the Government in the Erie Basin Metal Products, Inc., case resulted from action taken by the Department conducting the renegotiation. Disallowances of costs were made by that Department and followed an analysis made by the renegotiation agencies with the cooperation of the Bureau of Internal Revenue. The renegotiation agencies then initiated the action which led to the withholding from the contractor of payments; otherwise due from the Government, to the full extent necessary to cover the net amount of the profits determined in the renegotiation proceedings to be excessive and required by the renegotiation to be refunded to the Government.

Mr. Warren stated:

"... in collaboration with the War Department and the Navy Department we worked out a plan whereby we had our auditors, men of ability and high character, right in the plant of the contractor, auditing these contracts as they went along. Here are just a few examples now of what we found. We were in the factory and our men were auditing the vouchers as they came in. General Accounting Office auditors at contractor's plant questioned failure of the contractor to credit the Government with refunds from vendors. As a result of that we collected right on the barrel head and turned back into the Treasury \$1,567,411. That would

have never seen the Treasury had we not been there."

The correctness of the Comptroller General's statement that the \$1,567,411 "would have never seen the Treasury had we not been there" is subject to serious question. It happens that the company from which the amount was collected paid in renegotiation a gross refund of over 1½ million dollars for the 1944 year, in question, and further in the renegotiation waived any claim to reimbursement for an additional sum of over 5 million dollars of costs, even after the collection referred to by Mr. Warren. If the collection had not been made, the increased profit thereby remaining with the contractor would have dictated a larger recovery in the renegotiation. A similar situation is found in many of the other cases cited by Mr. Warren. Where excessive profits existed, the contractor had little reason to resist such requests by the General Accounting Office, as payment made pursuant to such requests merely reduced the amount of excessive profits considered in the review by the renegotiation authorities.

The Comptroller General testified: "From my seat it has looked as if everybody and his brother were out to get the Government during the lush war years." His accusations were thus directed not only against various representatives of the Government but also against everyone in America. That is a calumny certainly not deserved by most of the citizens, including the contractors, of this country. With few exceptions they have cooperated to the fullest degree in the war effort, and out of the tens of thousands of contractors who have been subjected to the scrutiny of the renegotiation agencies, only an infinitesimal number can justifiably be accused of fraudulent methods or even of unfair or untoward practices in their dealings with the Government.

The renegotiation boards have unquestionably had as intimate and complete an opportunity as any other agency to observe the attitude and the activity of American industry in the war effort. They have frequently pointed out that even the excessive profits recovered in renegotiation have in almost every instance resulted from expansion of production for war, praiseworthy savings in costs, and other factors which are commendable rather than subject to condemnation.

It is heartening to note that you as Chairman of the Committee, declared, "... we can't too frequently emphasize the fact that the vast majority of the men and women who were associated with the government during the war effort discharged their duty patriotically and honestly, and they deserve the commendation of the Congress and the country. The same thing can be said of the majority of the war contractors, and the same thing can be said of the men in public office. I think that for the most part we have a strong, sound, patriotic people and Government, and we can be proud of them. . . ." Your expressions were completely supported by other members of your Committee.

If the Comptroller General did not intend the meaning placed by the press upon his words, and when he saw the repeated quotation of his incorrect and misleading statements, he should, we feel, have quickly given public pronouncement to the error. In the absence of such action on his part, the War Contracts Price Adjustment Board deems it its duty to make this statement to protect the record achieved in the renegotiation program and the otherwise unswerving reputation of the men heretofore and now engaged in the renegotiation activity, from the effects of the Comptroller General's erroneous comments. These are men who have been

drawn from the ranks of business, banking, and the professions and who, whether in uniform or as civilians, have largely volunteered at great personal sacrifice for this arduous, intricate and important service.

If an operation, well and fairly conducted, is not vigorously defended from unjust aspersions, whether intentionally or inadvertently directed against it, then the Government may, in the event of other emergencies, find it difficult, if indeed not impossible, to secure the services of men of the character and ability requisite for the proper administration of its statutes.

Unfortunately, the thoroughly essential and justifiable inquiry into and disclosure of isolated instances of wrongdoing is frequently made the basis for gen-

eral and even universal suspicion and censure. As heartily as we subscribe to the former, with equal earnestness we deplore the latter. We know of nothing that could more seriously affect public morale than loose, unfounded, and unjustified generalities of condemnation and indictment made by persons in high official position.

Very sincerely yours,  
**WAR CONTRACTS PRICE ADJUSTMENT BOARD**  
 By EDWIN H. BARKER  
 NORMAN L. BURTON  
 RAYMOND EBERLY  
 GEORGE P. LUCE  
 JOHN R. PAULL  
 Vice Chairman  
 MAURICE HIRSCH,  
 Brig. Gen., GSC  
 Chairman

full about five years after the date of discharge. For men discharged in 1943 the bonds would be cashable in 1948.

"Concerning officers and bond payments under the bill, those officers who already have received their terminal leave pay in cash naturally will not get bonds. Officers not yet paid, however, are put under the bond plan with enlisted men, but because of technicalities in the bill it appears that this inclusion will be more fancied than real. There are provisions for cash settlements under various circumstances of service by officers."

### Urges Property Owners To Organize

Frank E. Gannett, head of the Gannett newspaper chain, in announcing on Aug. 15 that he had become an active member of the National Home and Property Owners Foundation, warned that the nation's property owners should present a united front if private ownership of property and homes is to be preserved.

A Washington dispatch to the New York "Sun," from which we quote the foregoing, added:

"Such an organization could become a powerful force in saving our free enterprise system and our American way of life," he said in a letter to Arthur W. Binns of Philadelphia, President of the year-old, rapidly-growing foundation.

Mr. Gannett declared a public debt of approximately \$270 billions and a budget out of balance by several billions should be evidence to all that economy in government be instituted immediately. "We must abandon government subsidies," he said, "wasteful and costly public projects, and we must begin to reduce our national debt instead of further increasing it."

"In this country many groups are organized. We have labor groups, banks, industries, trade groups, businessmen and many other organizations, but the little man who owns a piece of property is not organized. He has no one to fight for his rights and to help protect him from the dangers that now threaten him."

"I am sure that if all property owners and home owners were organized that they would have much influence on those who control our government. Such an organization could resist increasing taxation, government controls, needless regulations and restrictions."

### Truman Signs RFC Extension

The life of the Reconstruction Finance Corporation has been extended until June 30, 1947 under legislation signed by President Truman on Aug. 8, according to Associated Press Washington advice which added that although the Senate had earlier agreed to an extension to 1952 the House insisted upon the 10-month limit. The measure which extends the life of the RFC also authorizes the agency to make a \$75,000,000 loan to the Philippine Republic.

### Hungary Gets More Credit

An additional dollar credit of \$5,000,000, making a total of \$15,000,000, has been granted to the Government of Hungary for the purchase of American surplus property overseas, the Office of the Foreign Liquidation Commissioner announced on Aug. 16. The advice from the Commissioner's office also said:

The credit agreement provides for interest at 2% per annum payable annually with the principal to be paid in 30 annual installments. The original \$10,000,000 credit arrangement on the same terms was completed last April.

## The State of Trade

On Wednesday of last week the Nation took due note of Victory Day or the first anniversary of the ending of hostilities with Japan. Needless to say, one year ago grave forebodings were harbored by all concerning our political and economic future and much anxiety continues to exist today.

In retrospect our efforts toward a speedy reconversion of industry to peacetime output were frustrated in large measure by strikes of a wholesale nature and by governmental strangulation of production through the medium of OPA, which expired on June 30, last, and following a short demise of a few weeks was resurrected in a much weakened form.

Within the period of one year after close of the war manpower situation continues to remain acute in many industries and the problem of unemployment which was looked forward to with great concern, since it was expected to affect between 6,000,000 and 8,000,000 persons by the spring of this year, has failed to materialize. Instead, the United States Census Bureau currently reports employment for the month of July as having reached 58,130,000 workers. With the inclusion of 2,600,000 in the armed forces the total amounts to 60,730,000, even exceeding the goal set by the advocates of a planned economy. Despite this fact, shortages of raw and semi-finished materials and manpower problems continue to haunt the country. The seeming contradiction of a greater peacetime working force than at any period in the nation's history on the one hand, and numerous shortages on the other, may be reconciled by a great dearth of skill and the fact that high wage rates are serving as a deterrent to overtime, thus increasing the number of jobs to be filled.

In the matter of both durable and non-durable goods which are considered by many as a result of the high living standard we enjoy as necessities of life, they remain difficult to obtain. Steel production is one of the reasons for this condition. Notwithstanding the fact that output last week established its highest rate since July, 1945, the supply is far short of demand and the existing shortages of pig iron and scrap threaten an appreciable drop in the current rate of output in the near future. Nonferrous metals such as copper, lead and zinc that play such an important part in manufactured goods are also in short supply.

Concern exists in some quarters, once production finds its stride, over the ability of the markets to absorb in full the output of such manufacturers as automobiles, home appliances and other heavy items that constitute an essential part of our industrial production. This fear flows from the knowledge that duplication of orders for these goods are heavy, but allowing a substantial margin for cancellations, demand for them should continue large. Included among them are electric ranges, radios, refrigerators, sewing machines, vacuum cleaners and washing machines. Copper production continued to rise this week but low inventories adversely affected the output of electric motors which require this metal in their manufacture and are a necessary part of the items enumerated above.

After a long period of strikes in the automotive industry which retarded peacetime production of cars and trucks to a serious degree, the industry the present week finds itself confronted with threats of additional strikes for higher wages as a result of price increases granted car manufacturers under the new price control law. The UAW union on Tuesday sought additional wage increases by serving a formal demand on the Chrysler Corporation for a

general wage rise for its 70,000 employees. Contracts with General Motors and the Ford Motor Company cannot be reopened until next April and May respectively.

According to Ward's automotive reports, estimated production for last week of passenger cars and trucks both in the United States and Canada reached a new post-war high at 88,560 units as compared with 84,720 vehicles produced in the last full week of July. Should the present upsurge in production be sustained for the next two weeks, the above trade authority points out, August assemblies may reach the previously forecast 405,000 units.

While industrial production and employment has reached peacetime peak levels, the factor of unbalanced inventories has been a serious deterrent in the way of total output and with a more abundant supply of skilled workers and materials present levels should be surpassed.

On Tuesday evening last the Price Control Board of the OPA unanimously ordered ceilings on meat, cottonseed and soy beans restored, but directed continued exemption of dairy products and all grains, except flaxseed and by-product feed grains. Restoration of the full amount of livestock subsidies in effect June 30, were ordered, thus enabling OPA to roll back meat prices to the level existing when controls expired.

Retail volume increased slightly during the past week and exceeded by a wide margin that of the corresponding week a year ago when many stores closed one day to celebrate V-J Day. Wholesale volume, while almost unchanged last week from the high level of the week previous was considerably above that of the corresponding week of last year. Both new order and re-order volume were high and deliveries continued to show improvement.

**Steel Industry** — Steel operations last week hit a new post-war 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 four weeks, notwithstanding shortages of scrap, freight cars and coal. According to "The Iron Age" National Metalworking Paper, production of steel at the rate established for last week will amount to somewhere in the neighborhood of 1.5 million net tons of ingots or about a million net tons of finished products.

Scrap continues to be the immediate problem of the steel industry, and events of past week's such as withholding scrap shipments in anticipation of higher prices, tends to make matters worse.

Scrap dealers, in the face of increased costs of materials and help, feel they need higher 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, states the magazine. 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.

Pig iron output which pretty close to the capacity of all furnaces in operation, is not nearly enough to fill current needs.

(Continued on page 1069)

## Truman Signs \$2.7 Billion GI Terminal Pay Bill

President Truman signed on Aug. 9 the terminal leave pay bill for enlisted men authorizing payments, mainly in bonds, for unused furlough time. The President's approval followed an agreement reached on July 30 by Senate and House conferees, settling on the provision to use bonds to satisfy the bulk of veterans' claims; both Houses completed action on the measure the following day—July 31, when both the Senate and House agreed to the conference report. An item on the bill (which passed the House on June 11), appeared in our issue of May 16, page 2705. It is estimated that about 15,000,000 veterans of World War II will receive payments totaling nearly \$2,700,000,000. Payments which will be made mostly in five-year Government bonds are expected to average around \$166 per man, according to a statement from Washington from the Associated Press. Until now, it is stated leave pay has been the exclusive prerogative of officers. A bill, appropriating \$2,431,708,000 for the leave payments, was signed by the President on Aug. 9. Amounts under \$50 will be paid for in cash. The bonds for the larger sums are non-negotiable. The leave pay bill applies to non-commissioned members of the Armed Forces who did not receive all of the furlough time to which they were entitled, said the Associated Press on Aug. 8, which also said:

"Mr. Truman signed the measure giving the go-ahead for distribution of an estimated \$2,700,000,000 at a mid-day White House ceremony attended by Gen. Omar N. Bradley, Veterans Administrator, representatives of the American Legion, the Veterans of Foreign Wars, disabled Veterans and other service organizations and Representatives Rogers (D-Fla.), Riley (D-S. C.) and Price (D-Fla.). From the Associated Press accounts from Washington Aug. 9 we also quote:

"The Treasury, War and Navy Departments released regulations governing payments, and instructions to eligible veterans for filing claims.

"The new bill provides for payments to be made to enlisted personnel who have served in the armed forces at any time between Sept. 8, 1939 and Sept. 1, 1946.

"Instructions to be followed in order for eligible veterans to receive payments provided in the bill are as follows:

"1. Obtain a 'claim for settlement, unused leave' and an accompanying instruction sheet from any post office.

"2. Fill out the claim form. Any veterans community information or advisory center will give help, as well as any State or county veterans service office.

"3. Swear to the truth of the statements made in the form before a notary, public or other authorized civil officer. The service will be provided free in most

community information or advisory centers.

"4. Mail the complete form, along with a discharge certificate or certificate of service, to the appropriate paying officer of the Army, Navy, Marine Corps or Coast Guard. The officers are listed on the back of the claim form."

Even before the President had affixed his signature to the legislation, the Associated Press said on Aug. 1, the Government Printing Office began work on application forms which will be distributed to veterans through the Post Office. The Associated Press further said:

"Under the War Department's procedure, veterans will send their applications to the finance offices of the posts where they were discharged and receive cash or bonds by mail.

"The method of paying Navy, Marine and Coast Guard veterans was worked out in advance in coordination with the War Department and is believed to be similar, but the Navy and Treasury Departments temporarily withheld details.

"Although not otherwise negotiable, the bonds may be used to pay premiums on wartime or permanent Government life insurance, to convert one to the other, or to pay a policy loan granted before enactment of the bill. Those retaining bonds until maturity will be paid 2½% interest.

"Amounts due for leave earned but unused during military service at the rate of two and a half days a month will be figured by the veteran himself.

"All enlisted personnel who served at any time since Sept. 8, 1939, in the Army, the Navy, the Coast Guard or the Marine Corps will receive the payments, provided they had accrued furlough time at the time of their discharge.

"Payments under the bill will be at the rate of two and one-half days a month, less furlough time actually received. But no one can be paid for more than 120 days, regardless of how much time he had accrued.

"The amount of pay will be computed at the rate of base pay and longevity pay received at the time of discharge. To that will be added under the bill a minimum of 70 cents a day for subsistence and, in the case of personnel of the first three pay grades with dependents, another \$1.25 a day for quarters allowances. The first three pay grades include master, technical and staff sergeants in the Army and chief, first and second-class petty officers in the Navy.

"An individual whose total pay was less than \$50, or who had been discharged prior to Jan. 1, 1943, would receive cash. So would the estates of men who have died since they were discharged.

"All others would be paid in bonds in \$25 denominations, bearing 2½% interest and payable in

## The Financial Situation

(Continued from first page)

They may be an attempt on the part of the leaders to appease rank and file sentiment which threatens leadership. It may be, in other words, part and parcel of intra-union politics. It may mean precisely what they appear on the surface to portend—a decision to plunge the country into another sea of labor controversy without delay unless the Administration takes price action satisfactory to the unions. To some observers, it suggests that whatever is now intended, labor troubles are in store for industry after the autumn elections if not before.

But, however, all these things may be, the unions are asking for better bread than can be made of wheat, and the sooner they understand it and the public comes to a definite realization of the fact, the better for all concerned. In the absence of excessive profits, higher wages can in the nature of the case be paid only out of higher prices—unless higher man-hour costs are matched by higher man-hour production. This is an elementary fact of economic life. Its general validity is not in the least impaired by the possibility that such higher wages could be paid for a limited period from previously accumulated surpluses or from borrowing based upon expectations of better wages-production relationship in the future. More pertinent, perhaps, to the immediate situation is the further fact that some part of higher prices may take the form of taxes which supply funds for subsidies somewhere along the line of production.

### Daily Demonstrations

These are quite elementary facts. They should need no particular proof or demonstration to win general acceptance. The fact, however, is that the American people are being given daily demonstration of their validity. Late last year and throughout the early months of this, wage increases were the order of the day. Industry after industry was bludgeoned into granting them dozens a day—bludgeoned by the combined power of the union and a labor-loving or labor-fearing government which had been badly misled by "economists" and soothsayers with strange ideas of the facts of economic life. It soon became evident that corresponding price increases simply could not be avoided—regardless of the claims of certain wiseacres in Washington and the loud claims of at least one influential labor leader in Detroit. For a month at least, prior to

the lapse of the OPA, increases in price ceilings were almost as common as increases in wages had been in prior months. Since the re-establishment of the OPA the rate of such increases has been still higher—and the specific criteria in the new law which are expected to force prices still higher—have not yet been applied in any substantial degree.

### Forced Price Increases

The fact is that quite without any change in the underlying policy of the price control agencies of government a great many further price advances must occur to protect production. Not even a Federal Government richly endowed with emergency powers, not even labor unions enjoying a complete monopoly, can oblige industry or individual enterprises to operate without profit, or enable them to squeeze blood from a turnip. What then must we expect should another "round" of wage increases be fastened upon industry? Obviously, there can be but one answer. Still further advances in prices corresponding to the wage increases granted must be made—in the absence of vastly enhanced productivity. All this is particularly true in the motor industry where productivity is low relative to prewar levels and apparently not increasing as is said to be the case in some other industries. We simply delude ourselves if we suppose the facts to be otherwise.

Meanwhile, the effort to force higher wages could not in the nature of the case fail to bring serious interruptions in the smooth flow of production—or in some instances more accurately expressed—prevent the attainment of an even flow of production. This, in turn, could not fail to mean continued shortages and prolonged absence of essential goods from the markets. A situation of this sort certainly could hardly be conducive to popularity of the unions or to a return of the present party to power in Congress in the autumn. If we are to assume that the CIO prefers, on the whole, to have members of the New Deal party in Congress, it will not be responsible for any such state of affairs prior to election day. If the Administration wishes to maintain or enhance its strength with the public, it will, if faced with such a situation, arraign itself against the offending unions and their leaders—and that appears to be what it is doing at present.

### Productivity Essential

But all this is essentially negative doctrine. What is

really needed in this country at present is a new birth of strong, robust conviction that our salvation lies in production which, in the existing circumstances, means larger production per man-hour. The time has come when we must cease to talk about the more abundant life or about large production in highly abstract terms. Higher production now in practical terms requires larger output by each man who works one hour. This, of course, is not solely a matter of the degree in which each workman is willing to exert himself. Many other things are normally involved, some of them quite beyond the control of the wage earner. At present, however, it is for the time being largely a matter of greater interest on the part of each and every worker in the amount of goods he produces each hour he works and the willingness of his union not only to permit him to increase his productivity but to take an active interest in him doing so.

## U. S. to Have War Stockpile

A deficiency appropriation signed by President Truman has made available a \$100,000,000 down payment for the \$2,100,000,000 war reserve stockpile of "critical" materials which the Government is starting "immediately" to build up, according to a statement by Kenneth C. Royall, Under Secretary of War, who is the War Department member of the Army and Navy Munitions Board. Mr. Royall declared, the Associated Press reported in a Washington dispatch, that the board deems the stockpile, to be made up largely of strategic materials not obtainable in this country, a "project of highest importance."

Under the program approved by Congress, purchases are to be spread out over five years, so as to cause as little interference as possible in the national economy. Plans for the reserve have been drafted on the strength of actual war experience with shortages. The Associated Press advised, as given in Washington advices Aug. 10 to the New York "Herald Tribune" added:

"Asbestos, chromite, manila and sisal fibers, jewels, lead, pepper, rubber, tin and zinc are included in a tentative top priority list of some 65 strategic and critical materials to be acquired and stored, mostly in scattered Army and Navy depots. Detailed "shopping lists" were not disclosed.

"The \$100,000,000 was voted in the closing hours of the recent Congress session as a start toward a total outlay of \$1,800,000,000. Already being turned over to the stockpile are World War II surplus materials valued at \$300,000,000.

"The reserve, officials said, will be closely integrated with general industrial preparedness plans for a possible future war, which include stand-by synthetic rubber and other plants.

Some of the top priority materials will require rotation of stocks to prevent deterioration,

## 185,000 Draftees Expected to be Called In 7 Months—Canada Abandons Registration

Unless there is an unexpected influx of volunteers, the Army expects to draft 185,000 men in the next seven months, according to a statement on Aug. 13 by Maj. Gen. Willard S. Paul, reported from Washington by the Associated Press. The quota for September is said to be 25,000. Although recruiting totals have been ahead of the Army's advance estimates, Gen. Paul stated that even if the count rose 100,000 above current expectations the draft would be required to make up the difference. From the Associated Press account we quote:

On July 1, the Army had a net strength of 1,715,000 officers and enlisted men, or 165,000 more than its authorized strength, but General Paul said the total was dwindling rapidly. For one thing it included 135,000 fathers, the last of whom must be released by the end of September.

Recruits during July numbered approximately 44,000, compared with 62,000 in June. The Army figures on 35,000 in August, and 25,000 in September. General Paul said, however, these estimates might be exceeded.

About 180,000 officers, excluding those on terminal leave, currently are on duty. In addition to 50,000 regulars, about 100,000 National Guard personnel and reservists would be required indefinitely to meet the Army's need for officers, the general said. About 800 would be nominated about Aug. 20 for appointment in the Regular Army, and before the end of the year appointments would be made under recent authority granted by Congress to add 25,000 regulars.

Canada abandoned her national registration system on Aug. 15, it is learned from special Ottawa advices on that date to the New York "Times," which also said:

No further prosecutions will be entered against persons without registration cards and pending prosecutions will be dropped.

During the war 7,862,800 persons were registered—3,979,560 males and 3,883,240 females.

We also quote from the same advices to the "Times" the following:

The Canadian Government has decided to give up worrying about its wartime deserters and absentee conscripts and write them off the books.

From now on the 14,000 missing service personnel and conscripts will be considered as never having been in the Army, Navy or Air Force. They will be forgotten men.

The Minister of National Defense announced this today in the House of Commons. He did not declare an amnesty, as was done after the first World War, but just blotted out the absentees.

Of the 14,000 missing, 8,200 are draftees who took to the woods or otherwise escaped the call-up. In addition, 5,800 general service personnel, 155 Navy and 140 in the Air Force went AWOL. They can stay away now and the country will save about \$12,000,000 a year.

The absentees have been surrendering at the rate of 15 to 20 a day. They serve their punishment term, then are entitled to discharge as war veterans with all benefits.

By writing them off, the Government will not have to pay the \$100 clothing allowance, the discharge pay, the stabilization benefits, dependents' allowances, pensions or other benefits.

## Bradley Cites Vets' Legislation as Adequate—Bills Signed by President

General Omar N. Bradley, Veterans' Administrator called the provision made by the legislation of the 79th Congress for members of the armed services in World War II the most generous treatment accorded by any nation to its war veterans, according to a dispatch from Washington from the Associated Press on Aug. 10. The amount is said to total \$12,609,802,005, or nearly \$1,000 for every soldier discharged since V-E Day, the largest single item being \$2,431,708,000 to pay for the terminal leave pay bill. Almost a third of the total was approved by the Congress shortly before its adjournment. General Bradley is reported to have declared that as regards money and opportunities provided by the Government most "veterans' experts" believe the program "is adequate." In the year that ended June 30, Congress appropriated \$4,500,000,000 for the Veterans Administration. In the present fiscal year \$6,300,000,000 was made available.

Senator Walter F. George (D-Ga.), has broken down the figures as follows, according to the Associated Press:

"Veterans housing \$823,727,000; benefits not administered by the Veterans Administration (such as campus facilities, benefits administered by the Army, etc.) \$2,378,691,405; pension for World War II veterans, and costs of G. I. bill to July 1, 1946, \$5,309,102,000; new legislation (including terminal leave bill) \$4,098,281,600.

"Major items in these various costs included \$1,105,000,000 paid out up to July 1 in readjustment or unemployment allowances to veterans; National Service Life Insurance, \$2,634,487,000 and \$2,000,000,000 for the terminal pay bill. Some estimates of the cost of the latter have been as high as \$5,000,000,000."

Reporting on August 8 that President Truman had signed on that day a series of measures affecting ex-service men, including one increasing veterans' pensions by 20%, the Associated Press

noted as follows the legislation signed Aug. 8:

"1. Increases by 20% the pensions of nearly 2,000,000 veterans of both World Wars and 400,000 dependents, effective Sept. 1.

"2. Sets up tighter standards for on-the-job training for veterans, the activity in which General Bradley said scandal was threatened; provides for inspection of such training projects and sets pay ceilings at \$175 a month for single men and \$200 a month for married men for veteran trainees. Of these amounts, the government will pay a maximum of \$65 and \$90 respectively.

"3. Authorizes the Veterans Administration to operate canteens in hospitals and veterans homes, financed by a \$4,000,000 revolving fund.

"4. Permits veterans who lived in enemy countries during the war to receive VA benefits provided they were not disloyal to the United States. About 10,000 persons, to whom benefit payments were suspended during the war, are affected.

"5. Allows full pensions to veterans who became disabled in peace-time service. Some 40,000 veterans are effected, at an estimated first-year cost of \$3,500,000.

"6. Provides re-employment rights in their prewar jobs to war-time personnel of the merchant marine, similar to existing rights of men and women who served in the armed forces."

## Steel Production Shows Little Change - Mills Have Little Capacity for Remainder of Year

"The premature and at times over-pessimistic predictions made by some governmental officials and steel sources that the steel ingot rate would fall sharply because of a scrap shortage are not expected to be borne out in the near future at least," states "The Iron Age," national metalworking paper, in its issue of today (Aug. 22), which further adds: "However, with the scrap price situation completely up in the air and with some dealers piling scrap in their yards, the ingot rate could easily be affected to some extent if the OPA does not soon settle the scrap price controversy definitely one way or the other.

"In the past few weeks the flow of scrap to the mills has improved some but the movement is far below what it should be at this time of the year. On the other hand scrap shipments to dealers yards throughout the country have shown an increase in the past few weeks and this trend is expected to continue until the scrap trade finds out whether an increase in the scrap price ceiling is a definite probability.

"Some steel mills continue to draw from inventories which were accumulated during the time of the steel strike and also during the time operations were reduced because of the coal mine shutdown. It is apparent, however, that the supply of scrap in the hands of steel firms is at a low point compared with the current operating rates. Whether or not the release of scrap in the hands of dealers once the price controversy has been settled will reflect a back to normalcy trend in scrap inventories in the mills' hands remains to be seen.

"The amount of scrap collected and processed by scrap dealers throughout the country is much higher than generally supposed. A lack of interest and a general lethargy on the part of dealers because they rightly or wrongly believe they are getting the small end of the deal, would over a period of time have substantial repercussions on the steel operating rate.

"The slight increase in the amount of scrap coming from manufacturing plants and railroads is looked upon as a forerunner of a much greater flow in the fall as manufacturing concerns reach a higher rate of product activity. Also offsetting the precarious scrap supply situation is the substantial increase in the volume of hot metal being used in the openhearth.

"While pig iron supplies continue extremely short as far as foundries and other users are concerned, the volume of iron for steelmaking is steadily climbing as the full effect of furnaces returned to operation is felt. The immediate future represents the first period since September 1945 that blast furnace output has not been threatened by coal or steel strikes. The only deterrent to this mildly optimistic outlook is the labor controversy on the Great Lakes which, although not yet of serious proportions as far as iron ore shipments are concerned, could easily develop into a definite threat to steel output this winter.

"The steel ingot rate this week has dropped 1/2 point but this small decline has no significance because it represents a normal fluctuation."

The American Iron and Steel Institute on Aug. 19 announced that telegraphic reports which it had received indicated that the operating rate of steel companies having 94% of the steel capacity of the industry will be 89.7% of capacity for the week beginning Aug. 19, compared with 90.3% one week ago, 89.3% one month ago and 69.9% one year ago. This represents a decrease of 0.6 point, or 0.7% from the preceding week.

The operating rate for the week beginning Aug. 19 is equivalent to 1,580,900 tons of steel ingots and castings, compared to 1,591,400 tons one week ago, 1,573,800 tons one month ago, and 1,280,300 tons one year ago.

"Steel" of Cleveland, in its summary of latest news developments in the metal-working industry, on Aug. 19 stated in part as follows: "While steel production so far this summer has held at a high rate and last week established the highest rate since July, 1945, the cumulative effect of continued shortage of pig iron and scrap is expected to be reflected in an appreciable drop shortly.

"Shipments from scrap yards are down at least 50% from early summer months and inventories have all but disappeared at many consuming points. This situation, combined with loss of pig iron, due to allocations for housing and agricultural requirements and other preference work, is forcing mills, some for the first time this summer, to curtail open-hearth production, and this trend will be more pronounced unless some solution is found.

"In this connection much interest is being directed to the matter of scrap prices and until some action is taken on further appeals of the scrap trade for higher prices, movement of scrap is expected to continue slow. Should OPA become convinced that some advance is warranted but be unable to decide promptly how much, a promise of retroactive action would stimulate the flow, it is believed.

"Pig iron production is improving slowly but this is not redounding in general to the advantage of steelmakers because of the emphasis on foundry iron for preference work.

"The unsettled outlook with regard to steel production, combined with continued question as to what mills will be called on to handle in fourth quarter in the way of priority tonnage makes it difficult for producers to say when they will be in position to open books for first quarter. However, within a few weeks they will be forced to take some action. Pressure is extremely heavy from all consumers for scheduling of first quarter tonnage, although interest still is centered primarily in obtaining tonnage already due against current commitments. Little new tonnage can be accepted for shipment over the remainder of this year. Hot and cold-rolled alloy bars can be had in free supply, hot-rolled in late September and early October. Some large sizes of hot carbon and cold-rolled bars are available in limited tonnages for late this year.

"Among the few other items that can be bought for delivery this year without priorities are wire rope and stainless steel sheets. On all other products mills are covered for the remainder of the year, either through outright sales or quota obligations, and on most products indications are they will have substantial carryovers at the end of the year. Some mills have accepted orders for first quarter in certain products, including plates, track accessories, mechanical and boiler tubing, and a certain amount of steel required for identified projects. In the main, however, little tonnage can be placed for shipment over the remainder of this year or for shipment beyond."

## Savs. & Loan School Resumed Aug. 18

Financing the homes which are needed by veterans will become the first interest of a group of 80 savings and loan executives of whom nearly half are veterans themselves, when they assemble at Indiana University Aug. 18-31 for the resumption of the annual Graduate School of Savings and Loan. Sponsored by the American Savings and Loan Institute, the school comprises two weeks of intensive study of home construction and financing, savings and loan law, financial systems, savings and loan management and investments, said a United States Savings and Loan League announcement of Aug. 10, which further stated:

"Under the guidance of the Indiana University School of Business and its Dean, Arthur Weimer, a program of special evening lectures has been arranged in addition to the daytime classroom work. Speakers will be Dr. Herman B. Wells, President of the University; R. J. Saulnier, Director of the Financial Research program of the National Bureau of Economic Research; James C. Downs, real estate analyst; Homer Jones, Chief of the Division of Research and Statistics of the Federal Deposit Insurance Corporation; Dr. Philip M. Hauser, Assistant to the Secretary of Commerce and Assistant Director of the Bureau of the Census; Judge Fred G. Stickel, Newark, N. J., a director of the United States Savings and Loan League; and Coach "Bo" McMillin of the University."

According to Robert W. Almonney, President of the Institute, "the Graduate School's principal objective is to train men who hold key positions in financing the homes of America for leadership in an era which is going to see more homes built and more people buying homes than at any other period in our history."

## Wage Board Urges Establishing Recontrols

The Wage Stabilization Board, requested by Chairman L. Thompson of the Price Decontrol Board to state its views, declared in a letter to the Board on Aug. 14 according to advices from the "Wall Street Journal" Washington Bureau, that "unless the prices of essential foods, including milk, butter and meat, are recontrolled and rolled back to the fullest extent... the wage problems simply cannot thereafter be satisfactorily met."

Signed by W. Willard Wirtz and Phillips L. Garman, Chairman and Vice-Chairman, respectively of WSB, the letter asserted that unless essential foods are recontrolled and prices rolled back, the government would have to give immediate consideration to the following basic wage provisions:

"Revision of the present 33% cost-of-living wage standard, permitting employers to seek price relief for wage increases bringing workers' wages up to 33% above January, 1941, and the possible change or elimination of other present wage provisions.

"The question of whether a new set of wage standards could, as a practical matter, be devised and administered.

"That decontrol of food prices automatically results in the decontrol of wages in these decontrolled industries and make it difficult for the WSB to deny wage increases in price-regulated industries.

"The question of avoiding wage increases in the building and construction trades, which would defeat the low-cost housing program.

"Whether to continue the established policy of denying 'second round' wage increases."

## Cabinet Endorses General Principle Of International Granary, Wallace Says

Henry A. Wallace, Secretary of Commerce, said on Aug. 13 the President's Cabinet had endorsed the general principle of an international "ever normal granary" as embodied in the world-food plan recently presented by Sir John Orr, Director General of the Food and Agricultural Organization. This was made known in an Associated Press dispatch from Washington, on Aug. 13, from which the following was also taken:

"Some such plan as this will sooner or later have to be adopted or the plight of the farmers of the world will eventually be worse for a time than it was in either 1921 or 1932," Mr. Wallace said in a statement.

The statement denied published reports that the Cabinet had rejected the Food Organization Director's proposal. It said that the Cabinet accepted the principle "without a dissenting voice and... asked that further study be made of this and of alternative proposals."

The Orr proposal, Mr. Wallace said, would "in substance operate to stabilize agricultural commodity prices in the world markets, establish a world food reserve in case of need, and make possible a disposal of surplus farm products on special terms to countries in need of them."

Under the plan a world food board would be set up with authority, among other things, to buy and sell commodities.

Mr. Wallace, a former Secretary of Agriculture, said the Cabinet had before it a report from a committee of representatives from various government departments "describing in general terms the principles set forth in the Orr plan as the United States objective at the forthcoming world food conference in Copenhagen on Sept. 2."

Mr. Wallace's statement presented his personal endorsement of the idea in these words:

"I have long been in favor of the ever-normal granary plan of buffer stocks. In justice both to the farmer and the consumer, I have felt that the internationalization of the ever-normal granary idea is absolutely essential.

"I believe that our own ever-normal granary program made a great contribution to human welfare during the recent war, and I believe that an extension of this program internationally is necessary for continued world peace and prosperity."

## Freight Cars on Order Increased During July

The Class I railroads on Aug. 1, 1946, had 49,078 new freight cars on order, the Association of American Railroads announced on Aug. 19. This included 13,916 hopper, including 2,493 covered hoppers, 4,853 gondolas, 1,109 flat, 14,304 plain box, 6,590 automobile, 8,012 refrigerator and 300 miscellaneous freight cars. New freight cars on order July 1, last, totaled 39,437 and on Aug. 1, 1945, amounted to 33,050.

They also had 604 locomotives on order on Aug. 1 this year, compared with which included 71 steam, 6 electric and 522 diesel locomotives on Aug. 1, last year they had 496 locomotives on order which included 109 steam, 2 electric, and 385 diesel one year ago.

The Class I railroads put 21,566 new freight cars in service in the first seven months of 1946, which included 8,506 hopper, including 2,133 covered hoppers; 3,013 gondolas, 415 refrigerator, 109 flat, 1,163 automobile box, and 7,911 plain box freight cars. In the first seven months of 1945 the railroads put in service 24,939 new freight cars.

They also put 233 new locomotives in service in the first seven months of this year, of which 66 were steam and 167 were diesel. New locomotives installed in the same period last year totaled 367 of which 56 were steam and 311

## Overby Named Adviser On Foreign Matters

Secretary Snyder announced on Aug. 14 the appointment of Andrew N. Overby, on leave from the Federal Reserve Bank of New York, as Consultant in the monetary field. Mr. Overby will advise Mr. Snyder on monetary research and foreign funds control matters, according to the Treasury Department's announcement, which also had the following to say:

"Mr. Overby is an Assistant Vice-President of the Federal Reserve Bank of New York, where he has been concerned particularly with operations of the Bank on behalf of the International Monetary Fund, the International Bank for Reconstruction and Development, and the Export-Import Bank of Washington.

"Mr. Overby was born in Cheyenne Agency, S. D., on March 27, 1909. He attended the University of Minnesota from 1926 to 1928 before transferring to the School of Business, Columbia University, New York. He graduated from the latter in 1930 with the degree of B.S., and received the degree of M.S. from it in 1940.

"From 1936 through 1941 Mr. Overby was employed by the Irving Trust Company in New York City, serving from 1936 to 1941 as assistant to the Vice-President in charge of portfolio investments. He joined the Federal Reserve Bank of New York in January, 1942, and served as special assistant to the Vice-Presidents in charge of the international banking and investment functions of the institution until October, 1942, when he left the bank to accept a commission in the United States Army. Mr. Overby was discharged from the Army in April of this year with the rank of Lieut.-Colonel, War Department General Staff Corps. He was awarded the Legion of Merit, and the Army Commendation Ribbon for distinguished military service."

## Result of Treasury Bill Offering

The Secretary of the Treasury announced on Aug. 19 that the tenders for \$1,300,000,000 of thereabout of 91-day Treasury bills to be dated Aug. 22 and to mature Nov. 21, which were offered on Aug. 16, were opened at the Federal Reserve Banks on Aug. 19.

Total applied for, \$1,803,547,000. Total accepted, \$1,308,007,000 (includes \$35,658,000 entered on a fixed price basis of 99.905 and accepted in full).

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

Range of accepted competitive bids:

High, 99.908; 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. 22 in the amount of \$1,313,685,000.

# "Must America Turn Back?"

(Continued from first page)

part of the process, he wiped out many old abuses. He made changes that were attacked then as "threats to the system of free enterprise" but which are spoken of now as "social gains won within the framework of free enterprise."

When Roosevelt died, the common people of this nation and other nations around the world were stunned by the blow that Fate had dealt. And many Americans wondered, and asked themselves:

Have we witnessed the passing of a man or the passing of an era? Will America now abandon, one by one, those protections that have been gained for our people against social inequity and economic disaster?

There was a minority that wanted Yes for an answer. There was a minority that had fought Roosevelt every step of the way—against social security, against bank reform and reform of the stock exchange, against TVA, against collective bargaining, against aid for the farmer, even against preparedness for defense when war threatened.

That minority had money, it had influence in the press, and it had an iron grip on the leadership of a major political party—the Republican Party.

But the power of decision rested with Roosevelt's successor, President Harry S. Truman.

In the mind and heart of Harry Truman there never had been any doubt of his course. In September of 1945, he gave out, formally and officially, his answer to the question of whether America would abandon the progress she had made since 1932.

The answer was No.

It came in a message to Congress. In that message, Truman set forth a comprehensive program for postwar America. It was a program of action, a program designed to go ahead with the job that Franklin Roosevelt had begun. And it was specific and crystal clear. It called for all the major actions that we have heard debated in the late Congress—full employment, an adequate minimum wage law, the outlawing of race discrimination, protection of the people against post-war inflation, housing for veterans, and many other needed measures.

With Truman's answer, the hopes of the minority who had hated Roosevelt and all that he stood for suddenly collapsed. In anger they turned on Harry Truman. Theirs was the fury of men who had been betrayed by their own cynicism. At once the leadership of the Republican Party went back to its old habit of calling the President of the United States—of calling Harry Truman as they had called Franklin Roosevelt—an agent for communism.

These Republicans have no program of their own. When Truman told the nation just what he proposed to do, step by step, Republican rank-and-file voters listened and wondered: What did their party propose? Here in Truman's message was a positive answer to America's postwar needs. People liked it, wanted it. What kind of answer did the Republican leadership have?

In response to this questioning, Congressman Joseph Martin, House minority leader, promised that the Republicans would have a program too—a positive, specific set of recommendations, which would leave no question as to where the Republican leaders stood.

Well, the weeks and months went by in embarrassing silence. There was no program. Finally, in its stead, a Republican "platform of principles" was revealed. And what was in it?

Words, words, and more words—but not one specific action, not one constructive policy! And the

waiting ranks of Republican voters were let down with a thump heard from one end of the country to the other.

The Republican leadership cannot propose action, it must evade and resort to platitudes, because its aim is not to do but to undo. The financial backers of the party want a return to the kind of government we had in the twenties, a return to the misfeasance of government that ended in hardship and hopelessness for 130,000,000 people.

And the party's leaders obey its financial backers. They call that kind of government "old-fashioned conservatism." They have declared that on this philosophy the Republican Party takes its stand in 1946—for a Congress that will go back to "old-fashioned conservatism."

Meanwhile, Republican members of Congress engaged in a deliberate, concerted scheme to block the postwar program which the American people wanted. They connived, they combined, they opposed each legislative measure as it was brought forward; they amended and crippled and watered down the provisions in these bills.

They opposed the full employment bill. They opposed the minimum wage bill. They tried to nullify the program of housing for veterans, and they succeeded in crippling and delaying an essential part of it. They opposed price control.

In this campaign of nullification they used every political artifice, every legislative and parliamentary trick.

And that, as the electorate knows, is the record of performance of the Republican Party in the last Congress.

Today, in an effort to escape their responsibility, these Republicans say, "Well, after all, it was a Democratic Congress. If the will of the people was not carried out, it is the fault of the Democrats. We Republicans were only a minority."

That is a specious and evasive answer. In descending to it, the Republicans not only admit their guilt, but they follow the argument of the man who kills the father and mother and then appeals to the court for clemency on the ground that he is only a poor orphan.

The American people are in no mood for than kind of campaign debate. They want to see the record. The veteran, the housewife, the workingman, the average citizen, the Man in the Street, are all looking up the vote. They are going to judge each incumbent member of Congress, not by what he says now, but by what he did then.

Yes, the people will remember. But the defeat of the Republican Party on next November 5 will not be a matter of revenge. It goes deeper than that. For the people of America know that underlying the conflict in the last Congress there was a greater, more vital issue than price control alone, or minimum wages alone, or atomic energy alone.

The question at issue was this: Shall we cherish and hold the advances we have made under responsible government as administered by the greatest leader of his time—Franklin D. Roosevelt—and by his successor—Harry S. Truman—or must America turn back? Will America override the resolve of the President and those in the Congress who have backed him up? Must we surrender our more abundant way of life for all Americans in order to bow to the will of the few who would reap large profits for themselves?

That is the issue of this election of 1946. The social progress which America, with God's help, has fought for and won in 14 years of enlightened government, is now under direct attack. Amer-

ica faces an aggression from the dead past, an aggression long planned, and now launched, under the generalship of Republican Party leaders. In the belief that Roosevelt's death has brought them their opportunity, the economic wreckers in the Republican Party are using this election as the strategic moment to strike. Progressive America is standing today with its back to the wall.

We of the Democratic Party are going to hold the line against that attack. We are going to hold the line against reaction. That will be our slogan in this campaign.

President Truman, through this exacting test period of postwar adjustment, has stood up with granite courage for the cause of the common people. He is turning back the attack by the powerful few and their Republican spokesmen in Congress. Again and again he has refused to surrender to them the advantage they seek at the expense of the many.

And in this the people are with him. The majority in America will not go back. That majority next November, will hold the line against reaction.

## NY State Savs. Banks GI Loans Now Over \$46 Million

1,459 home loans to veterans, totaling \$9,985,425, have been reported by 102 New York State savings banks during the month of July, it was announced on Aug. 13 by Robert M. Catharine, President of the Savings Banks Association. The average loan throughout the State was \$7,529. This brings the total number of loans to veterans as of Aug. 1, 1946 to 7,381, totaling \$46,477,110, for an increase of 6.3% over June, 1946, said the Savings Banks Association of the State of New York.

Mr. Catharine stated that "no benefit to returning GI's is more important than that provided in the GI Bill of Rights, enabling them to build or buy their own homes, and the savings banks consider no service more important than to aid veterans in this regard. The veteran who applies today for a GI Loan is unlike the typical mortgage applicant of other years. He has been away from work for a considerable period and has the problem of re-establishing himself. He is quite as much in need of sound advice as he is in need of a loan. He must be protected from people who have property to oversell as well as protected from his own enthusiasms. But the savings banks are performing a true public service by guiding him correctly and intelligently."

However, it is added, the fact that more and more veterans are obtaining loans is shown through the fact that \$9.9 million was invested in homes in July alone.

## Loans to GIs by Balt. Sav. & Loan

On the second anniversary of the GI Bill of Rights (June 22) the Baltimore Federal Savings and Loan, which Henry P. Irr heads, had lent \$5,536,000 to 1,112 ex-soldiers, sailors and marines. An ex-marine of World War I, himself, Mr. Irr says that his savings institution has a third of all its assets in loans to vets and "its the safest money we have loaned out." This year's President of the United States Savings and Loan League, Mr. Irr has spearheaded the drive among the savings and loan associations all over the country to put veterans loans ahead of all other home lending demands. It has resulted in their being the source of 3 out of 5 home loans veterans are getting today.

## Truman Signs Bill Continuing Security Tax at 1%—Changes in Law

President Truman on Aug. 10 signed the newly enacted legislation amending the Social Security Act, the new measure, while making some changes in the law, continues the pay roll levy through 1947 at the present rate of 1% each on employees and employers; the tax otherwise would have automatically been increased from 1% to 2½% on Jan. 1 next both as to employees and employers.

Compromise was finally reached by Senate and House conferees on Aug. 1 of the deadlock which threatened to result in the increase in payroll tax. Chief cause of difference between the two Houses was the Senate's determination to increase greatly Federal Social Security payments to the "poor state," most of which are in the Democratic South. Under the conference committee's compromise larger Federal grants would be provided for needy persons in all States. The bill had passed the House on July 24, while the Senate passed it on July 30; the conference report embodying the changes worked out by the conferees was approved by the House on Aug. 1 and by the Senate on Aug. 2. Under date of Aug. 2 Associated Press advices from Washington, as given in the New York "Journal of Commerce" said:

"As it went to the President's desk, the measure provided approximately \$150,000,000 additional annually for 2,000,000 needy aged persons, 75,000 blind and 772,000 dependent children.

"This would amount to about \$5 a month additional for each aged and blind person and \$3 for each dependent child.

"Without the 'freeze,' the security tax would jump automatically Jan. 1 from 1% to 2.5% against employees' pay and employers' payroll.

"The compromise, worked out last night by a 14-member con-

ference committee, was approved overwhelmingly on voice votes by both houses. It broke a long deadlock on old age benefits provisions of the bill.

"In addition to the tax freeze and old age benefits increase, the bill provides:

"1. Survivors insurance for families of World War II veterans without cost for three years. This means that the survivors of a veteran who dies within three years from discharge would receive the same benefits as if he had been working in covered employment at \$160 a month. A widow would get about \$32 a month and a child about \$16. This is expected to involve Government expenditures of \$175,000,000 from now to 1959.

"2. Blanketing of 200,000 maritime employes under unemployment compensation protection for the first time. The estimated cost to the Government is \$3,000,000 during the reconversion period.

"3. A 100% increase in Federal expenditures, from \$9,000,000 to \$18,000,000, for maternal health crippled children and child welfare."

It is stated that in the meantime, the Senate Finance Committee is sponsoring a study of the whole social security setup. The committee will try to determine, on an actual basis, when and how much the tax rate should be raised. This is the eighth year it has been held at 1%.

## Myer Housing Commissioner

Dillon S. Myer on Aug. 12 assumed his duties as Commissioner of the Federal Public Housing Authority, an NHA announcement of August 12 said. Mr. Myer was appointed to the post by President Truman on August 10, subject to confirmation by the Senate when Congress reconvenes. He took the oath of office at 11:30 a.m. on August 12 in ceremonies in the office of the FPHA Commissioner. The advices from the Housing Authority also said:

"Mr. Myer succeeds Philip M. Klutznick, who resigned as Commissioner June 30. David L. Krooth, who has served as Acting FPHA Commissioner in the interim, will become General Counsel of the National Housing Agency, of which the FPHA is a constituent. Since July 1, Mr. Myer has served as Executive Director of the Coordination Committee of the Department of the Interior. During the preceding four years he was Director of the War Relocation Authority. Prior to that he was Acting Administrator of the Agricultural Conservation and Adjustment Administration, and held other posts in the Department of Agriculture. Mr. Myer has been in the state and Federal service for 31 years. Among those attending the swearing-in ceremonies were Wilson W. Wyatt, Housing Expediter and Administrator of the National Housing Agency, Commissioner Raymond M. Foley, of the Federal Housing Administration, Oscar L. Chapman, Under Secretary of the Department of the Interior, and Mr. Krooth. The oath of office was administered by J. A. Hale, Chief of Administrative Services Section, Bureau of the Budget."

## U. S. Disbursements Aboard In First Quarter of '46

United States Government net dollar disbursements abroad during the first quarter 1946 totaled \$385 million, only \$8 million below the net dollar outlay during the previous quarter, according to a compilation by the Clearing Office for Foreign Transactions, Department of Commerce.

Total disbursements during the quarter were \$760 million and receipts were \$375 million, \$71 million below the previous quarter, the Clearing Office said in its announcement of July 30, which continued:

"Although Government dollar disbursements abroad declined to an annual rate of slightly more than \$3 billion in the quarter, there is evidence that they may well become stabilized at or around that figure for the last half of 1946 and the first half of 1947, according to the Clearing Office.

"Future declines in dollar troop pay and allowances and military procurement abroad will likely be offset by expanding loans to foreign governments and payments to international agencies. Government procurement abroad may well hold at or near the three-quarter billion dollar annual level for the 12 months beginning June 30, 1946.

"Special currency disbursements, which rose to an annual rate above \$1.2 billion during the first quarter 1946, are likely to decline substantially in the 12-month period, unless the number of occupation troops is increased or current restrictions on the use of foreign currencies now held are relaxed.

"Dollar receipts abroad declined to an annual rate of \$1.5 billion in the first quarter 1946, and they may well decline further, perhaps below a \$1 billion annual rate during the 12-month period as United States cash sales of property abroad fall off."

## Hourly Earnings Reach New High in June, Conference Board Finds

Hourly earnings in June reached new peak levels for the fifth consecutive month, while employment neared the V-J day mark (August, 1945) in the 25 manufacturing industries surveyed monthly by the National Industrial Conference Board. Reporting this on Aug. 19 the Board stated that all payroll statistics rose from May to June, 1946 for production and related workers in the 25 industries. Wage-rate increases reported to the Conference Board were lower than during the past few months (amounting to only 0.4% for all workers).

The Conference Board's summary of labor statistics for June, 1946, with comparisons with earlier dates, follows:

**Hourly Earnings:** Up 0.8% from May, 1946. Average June hourly rate: \$1.189. This represents 7% rise over June last year. Hourly earnings have risen 56.7% since January, 1941 (base date of the Little Steel Formula); and 65.1% since August, 1939, date of the Nazi invasion of Poland. Since 1929, hourly rates have increased 101.5%.

**Weekly Earnings:** The June, 1946 average of \$46.78 was an increase of 1.3% over May, 1946, but 7.1% lower than a year ago (June, 1945).

**Increases in weekly earnings:** Since 1929 63.9%; Since August, 1939 71.4%; Since January, 1941 52.8%.

**Real Weekly Earnings:** (The amount of goods and services that can be bought with dollar weekly earnings). Average weekly earnings adjusted for cost of living rose 0.9% from May to June, 1946. They were 8.1% lower than in June, 1945; but since January, 1941 there has been an increase of 21.5%. In June, 1946, weekly earnings of production workers bought 51.6% more in goods and services than in prosperous 1929, and 33.1% more than in August, 1939 (start of World War II).

**Hours Per Week:** Working hours recovered slightly in June from the slump caused by the coal strike. The June average (39.6 hours) was 0.3 hour or 0.8% longer than May, 1946. This is 5.6 hours (or 12.4%) lower than June, 1945; and 18% less than 1929.

**Nominal Hours:** (The scheduled number of hours of operation of a plant, shift, or department for a week). Decline which began in May, 1945 continued. The nominal work week for June, 1946 was 41.2 hours, while averages for March and April, 1945 were 44.4 hours.

**Man Hours Worked:** A rise of 3.9% from May to June, 1946. The June index of 95.2 (1923 as 100) was 18.8% lower than June, 1945, but had risen 44.7% since August, 1939.

**Employment:** Employment in the twenty-five manufacturing industries showed an increase of 3.1% over May, 1946. This brought the June index almost up to the level of August, 1945, just before the end of the war in the Pacific. June, 1946 was 13.9% greater than September, 1945. Other comparisons: 7.4% less than June, 1945; 17% over 1929.

**Payrolls:** June manufacturing payrolls were 4.5% greater than for May, 1946. Other comparisons: 13.9% lower than June, 1945; 61.3% higher than January, 1941; 136.9% higher than August, 1939; 91.7% higher than 1929.

## Farm Credit Agencies Merged Under Bill

Government loans to farmers and related activities are to be administered in future under one agency, the Farmers' Home Corporation, under legislation signed by President Truman on Aug. 14, which consolidates farm credit activities of the Federal Government for low-income borrowers into a single agency under direct authority of the Secretary of Agriculture. The new law, said the Associated Press, abolishes the Farm Security Administration, some activities of the Farm Credit Administration, and all activities of the National Housing Agency which pertain to property and other assets formerly managed by the FSA. The bill likewise requires the liquidation of all sub-sistence loans made by the FCA. It is also stated that the bill calls for liquidation of labor supply centers, labor homes and labor camps established by the FSA, and of trusts held under agreements with various State rural rehabilitation corporations.

From the Associated Press accounts, as given in the Washington, D. C., "Post" of Aug. 15; we also quote:

The purpose of the legislation, as explained by the bill's sponsor, Representative Cooley (D.-S. C.), is "to give only one agency the power to make direct loans to farmers, and to limit those loans to farmers who cannot get credit anywhere else."

In signing the measure, however, the President said that one provision "causes me grave concern."

He referred to section 9, providing that "any conveyance of real estate by the government or any government agency under this act shall include all mineral rights."

Asserting he did not concur with

the objectives of this provision, the President continued:

"It is very important to the best interests of the nation that fissionable materials in lands now under Federal ownership be reserved for the control and use of the United States."

He said the recently enacted Atomic Energy Act provided for such reservation in disposal of public lands, and added:

"It is equally important that the government reserve ownership of oil, gas and other minerals critical to the national defense and economy."

He expressed hope the next Congress will speedily repeal section 9.

## Employer Penalized By WSB In Wage Cut

An employer who has cut wages without prior approval of its Wage Stabilization Board in violation of the Wage Stabilization Law was penalized by the Board on Aug. 15, when its first penalty in a case of that kind was invoked, it was stated in a United Press dispatch from Washington on Aug. 15.

The dispatch, as given in the New York "Times," further said:

The Board said that it had disallowed \$6,000 of wage payments the Horst Manufacturing Co. of Detroit had included in expenses when computing income tax payments.

WSB said the company had failed to pay a year-end bonus in 1945, an integral part of the wage structure, had discontinued two rest periods of 10 minutes each and reduced the wages of an individual employee, all without prior approval.

## MBA Meeting in Cincinnati Sept. 30

The future of the real estate mortgage as an investment in our present economy will be the subject of a series of addresses at the 33rd annual convention of the Mortgage Bankers Association of America at the Netherland-Plaza Hotel, Cincinnati, Sept. 30, Oct. 1 and 2, Byron V. Kanaley, President, announced on Aug. 17. Speakers on this subject will be Frank J. Rathje, Chicago, President of the American Bankers Association, and of the Chicago City Bank and Trust Company; Charles F. Williams, President of the Western and Southern Life Insurance Co., Cincinnati; and Raymond Rodgers, Professor of Banking at New York University.

Another session will be devoted to the outlook for building, construction costs, the general housing situation and the possibilities for production of homes. Speakers invited to speak on this forum will be Wilson W. Wyatt, National Housing Administrator; Foster Gunnison, President, Gunnison Homes, Inc., speaking of the prospects for prefabrication; and George F. Nixon, Chicago, nationally-known builder and developer.

More than 1,200 are expected for what is anticipated will be the largest MBA convention yet held. Running concurrently with the convention will be an Exhibit of Building, Industry and Services, an annual show of building materials, equipment, office machines and related products. The show, discontinued in 1941 because of the war, is being revived on a broad scale this year. Cincinnati arrangements are being handled by Paul J. Vollmar of The Western and Southern Life Insurance Company and President of the Cincinnati Mortgage Bankers Association, and C. P. Kennedy of Kennedy & Stevenson, Inc., Cincinnati, both members of the Association's Board of Governors.

## President Vetoes Reclamation Bill

Two pieces of legislation were reported pocket-vetoes by President Truman on Aug. 14, according to Washington advices from the Associated Press. One was a measure giving permanent statutory authority for specified Bureau of Reclamation activities. The President indicated that he would be glad to approve the bill if certain provisions to which he objected were removed. They included financing of the education of children of Federal employes on reclamation projects.

The President also vetoed a bill to reduce from one-eighth to one-twelfth of 1% the annual premium rate paid by members of the Federal Savings and Loan Insurance Corporation. From the Associated Press we quote:

"The measure also would have revised the dividend payments of the Federally owned corporation so as to place them on a basis equivalent to the average rate of interest paid by the Home Owners Loan Corporation on its bonds.

"Asserting that the Corporation has \$100,000,000 of Government-furnished money which amounts to a 'subsidy' for the benefit of private institutions, the President said in a statement it was important from a budgetary standpoint that the money be returned to the Government at an early date.

"He said Congress originally contemplated that the reserve of the corporation should some day reach 5% of the insured risk, "but after ten years of operation this reserve had reached less than 1% of the insured risk."

## Looks to Lower Taxes To Assure High Production

(Continued from first page)

debt structure that faces this country, the service charges for the debt can best be realized by establishing tax rates that will bring a high national income. If the rates are not confiscatory and give individuals the desire to put money into risk ventures and new business undertakings, they will be productive of more tax receipts. The nation is tremendously better off if it has a low tax rate spread over a high national income than if it has a high tax rate levied upon a small national income, even though the net dollar collected be alike in both instances."

Another matter that will hold the attention of the next Congress while it is considering a new tax schedule, is how to balance Uncle Sam's books so that his expenditures will be less than his income. "One cannot repeat too frequently that if we are ever going to balance the budget, now is the time to do it," Mr. Heimann says on this point. "It is discouraging to note that, with the exception of the recent declaration by the President, no really constructive moves have been undertaken in this direction. There has been an abundance of lip service and an absence of action. With a projected income of \$160 billions for the fiscal year, our budget certainly ought to be balanced, not because that action in itself will cure our economic ills, but because it will restore confidence and lay firm foundation for a sound financial policy. The impregnability of our dollar, for instance, as against other currencies, is not so assured in the years ahead as it has been in the years gone by. In terms of foreign currencies, when there is a semblance of a fiscal order in other nations, the dollar will do very well indeed if it holds its own in the period ahead. A sound money policy and a balanced budget will strengthen it."

Mr. Heimann also presents the thought that credit files should be established to show the reliability of sources of supply. "During the war years, particularly, many keen visioned business executives utilized the personnel and facilities of their credit departments to appraise the financial soundness of their sources of supply," he reports. "We in this office had numerous requests from top executives that we procure information on the financial position of companies with whom they intended to place large orders. They wanted to be certain that these orders would be delivered to them and that the companies were sufficiently well financed to proceed with an uninterrupted production schedule. Many purchasing agents were directed to turn to the credit department to get this evaluation. In the years ahead, think of your credit department not only as a department to guard your receivables and, through a sound and constructive credit policy, to expand your sales, but think of it as a source of information about your suppliers. In other words, the emphasis in the future, as far as the credit department is concerned will be not only on receivables, but on accounts payable as well."

"To the credit executives I would suggest that now is the time to give consideration to formulating credit policies for your organization that will meet the demands of a buyer's market. The

almost cash basis of the war days is about at an end. Credit will be used to move merchandise in the buyer's market, and if it is soundly used it will lend itself to a sound expansion of your sales. Deferred payments and installment plans will appear in industries that heretofore have not made sales on this credit basis. Irrespective of what the policy of your company may be at the moment, in order to be prepared for any contingency which may arise, I would suggest that every credit department analyze its credit problems from the standpoint of whether or not the merchandise represented by the industry may be subject to a time-payment basis. Work out a sound time-payment plan even though you do not intend to use it immediately. Have it ready for the time when you may be forced to use it. As I have frequently stated, this nation was really built on credit and the old idea that installment credit is vicious *per se* has long since been refuted. Large industrial plants throughout the nation stand as conclusive evidence of the benefits that can result from a sound use of credit, whether it be on the deferred basis or within the regular industrial terms."

## E Bond Redemptions Down

Redemptions of E Bonds in July continued their four months' downward trend, despite general price uncertainty, it was announced from Washington on August 12 by the U. S. Savings Bond Division of the Treasury Department.

July had two more Treasury reporting days than June, the report noted, but E Bond redemptions exceeded June's by only \$2,870,000 or .0065%. The daily average for July was 9% under June's, whose E redemptions were 20% under those of the peak month of 1946, March. In making this analysis, Morris M. Townsend, Director of the Banking and Investment Section, U. S. Savings Bonds Division of the Treasury Department, pointed out that E Bond redemptions exceeded sales in July by only \$55,710,000 against the previous low mark of \$118,000,000 reached in June, July's were the lowest by far since January. E sales were \$100,000,000 above redemptions in January due to the carry over from the Victory Loan and the usual limit buying at the beginning of the calendar year, he explained. Mr. Townsend added:

"Sales exceeded redemptions of E, F and G Bonds by more than a quarter of a billion dollars in July alone, its \$252,804,000 gain bringing the net for the seven months of 1946 to \$962,110,000, or nearly a billion dollars. Sales for the seven months totalled \$4,794,651,000 and will pass the five billion mark by mid-August, easily. So far in August sales are well ahead of July's at the corresponding point.

"Predictions that the end of price controls would produce a wave of E Bond redemptions were simply off the beam, and this bears out the findings of the recent national survey of liquid assets, spending and saving made for the Federal Reserve Board, which concluded that only 8% of E Bond holders planned to spend any part of their bond money in 1946.

## America's Stake in Coming Elections

(Continued from first page) another war. If it should develop that some other nation was intent upon waging war against us we would have no alternative but to fight. I am not making any predictions along this line; I am stating the cold, hard facts as I see them.

But we do have full control of our destiny at home. The people have it in their power this year—less than three months from today—to select the kind of a Congress which will make sure that our liberal governmental institutions and our American enterprise system are restored and maintained.

If the people make a wise choice the danger of our involvement in a future war will be very much minimized. The stronger we are at home, the less tempting we will be as potential victims of an aggressor nation. And, if the worst should come and we should be attacked, the stronger we are at that time the greater will be our prospects for speedy and conclusive victory.

So we get back to the proposition that our prospects for stability and prosperity at home, and for international peace, will be immensely enhanced if the people make a wise choice in November.

### Republican Party Policy

The Political Party which has honored me by electing me its National Chairman offers to the voters a record of demonstrated ability to keep the nation strong and prosperous at home and at peace with other nations.

From 1860 down to today 14 men have been elected President. Of this number 11 have been Republicans and three have been Democrats. For 56 of the intervening 85 years, Republican Administrations have directed the affairs of this nation and during that period we have grown from a loosely-knit group of 33 States to our present position of unquestioned preeminence among the Great Powers of the world. During that same period two of the three Democrats elected to the Presidency have left the nation with a heritage of national debt expanded to theretofore unprecedented size, of stimulated class hatreds and industrial warfare.

Since 1860 we have fought four wars—one domestic and three with foreign powers. Nothing is to be gained today by a discussion of the responsibility for the tragic War Between the States, but we all know that it was NOT the Republican Administration then in power which fired the first shot.

The only foreign war ever fought under a Republican Administration was our comparatively minor brush with Spain—the net result of which was to provide freedom for oppressed small nations in accordance with the promises we made at that time.

Meanwhile, two of the three Democrats elected to the Presidency since 1860 were in office when we became involved in the two greatest wars of all history. Both of these Presidents had been in office for years before hostilities began. They did not inherit situations which they had no opportunity to influence. They were the custodians and executors of the nation's foreign relations during the years in which those situations developed.

I do not impugn the motives of either of these two Democrat Presidents. I recite only the cold facts of history. Under two of the three Democrats elected to the Presidency since 1860 we became involved in major foreign wars. Under only one of the 11 Republican Presidents during the same period did we engage in a foreign war—and that a very small one.

On the basis of the comparative record of the Republican and Democrat parties in the administration of both domestic and international affairs it would seem to be a practical certainty that the people this year will entrust control of Congress to the Republicans. Enlightened self-interest would seem to make that course inevitable.

### Problem of Restoring Free Enterprise System

We all hope, of course, that the next Congress will be called upon to devote itself almost exclusively to the problems of peace, to the problem of restoring the American enterprise system of free management and free labor to provide the commodities which the people need and well-paid jobs for all willing and able to work. We hope the international situation will be such that we can devote our energies to putting our own house in order—to clearing up the mess created by shortages of essential commodities, of growing unemployment, of more-than-threatened inflation of our currency, all caused by the incredible stupidity, or inefficiency or worse, of the Administration now in power in Washington.

That makes it particularly important that we elect a Congress controlled by men and women who are really and sincerely and actively interested in preserving liberal government and the American enterprise system. During the coming two years Congress will be the only available safeguard of our free institutions.

Remember, we cannot elect a President this year. I wish we could because I am confident he would be a Republican President. But there is no Presidential election in 1946 and it would be both useless and foolish for us to dissipate our energies by discussions or maneuverings concerning potential candidates in 1948. Let's do the first job first and do it thoroughly.

If we do a thorough job this year and elect a Congress with substantial Republican majorities in both Houses we will have an effective check upon the activities of the Washington bureaucracy until 1948 provides us with the weapons for wiping out that bureaucracy altogether.

### Wants Investigating Committees From Administrative Control

Furthermore we will have at our disposal the machinery for revealing to the American people how their government has been mismanaged and how their money has been wasted—and by whom—during the past decade or more. Doubtless you are familiar with some of the facts which have come to light concerning the bartering of political influence in connection with war contracts. But what has come to light thus far will seem like a pop-gun in comparison with an atomic bomb when the full story is revealed.

At present, as you know, the Administration has control of the investigating committees of Congress and can dictate what the people are allowed to learn about the conduct of their government. That situation will change as soon as a Republican majority takes over.

I have said it is important that we elect a Congress which really wants to preserve the American System. I say that because it is obvious that the Administration now in power is not sincerely devoted to that objective.

The Democrat Party in this year's campaign is a junior partner. The Political Action Committee with its \$6,000,000 election slush fund is the senior partner. Remember \$6,000,000 is exactly twice the amount which the na-

tional committee of either major party is permitted to spend in any one year—but the PAC, thanks to some peculiar legal interpretations by officials of the present Administration, operates under no such limitations.

The recent alliance between the PAC and the ill-smelling Pendergast machine in Missouri—an alliance formed with the blessing and sanction of Mr. Truman himself, is proof that the Administration leaders know who is running the show.

### What Republican Victory Will Mean

Now I want to talk for a few moments about what the election of a Republican Congress will mean. I can summarize the principle points as follows:

1. A drastic reduction in the size and power of the huge bureaucracies which are bossing the people and wasting the people's money. A Republican Congress will get government out of the people's hair.

2. Removal of legal red-tape which now hampers all efforts to exterminate the subversivist rats gnawing at the timbers of the Ship of State in Washington.

3. An early end to unjustifiable controls upon production and distribution of commodities which the people need, and for which they are able to pay.

4. Opportunities for veterans of World War II to obtain employment in useful occupations at good wages and maintain themselves as self-respecting members of their communities.

5. Protection of States and local communities in their rights of self-government now menaced by the all-powerful Federal machine.

6. An end to secret dealings with foreign governments which have done much to destroy respect for the American government internationally.

7. An immediate and sharp reduction in individual income taxes, made possible by a drastic cut in the ridiculously extravagant expenditures for the maintenance of more than three million tax-eating bureaucrats.

8. An end to deficit spending which will mean a balanced budget and a sound currency for the protection of the millions of citizens whose funds are invested in savings accounts and in insurance policies, the value of which will be destroyed if we are plunged into ruinous inflation.

The foregoing are some of the accomplishments which the nation can expect from the election of a Republican Congress in November. They are not idle promises. During the Congress which has just adjourned, Republican members have recorded their votes to prove that they meant what they said when they drew up a formal Declaration of Aims and Purposes last December.

A Republican Congress will keep the Party's promise to restore the American Government to the American people.

### Attacks Truman "PAC-Pendergast Alliance"

On the day previous to the above address Mr. Reece in Cheyenne, Wyo., bitterly attacked what he called the unholy alliance of President Truman with the PAC-Pendergast machine in Missouri and asserted that "good Democrats are now in a minority." The section of his address dealing with this topic follows:

Mr. Truman's recent intervention in the Democrat primaries in Missouri revealed the mechanics of the unholy alliance which now dominates the Democrat Party nationally. The PAC gave open support to the candidate for the Congressional nomination sup-

ported by Mr. Truman. Meanwhile, by virtue of a personal conference between Mr. Truman and James Pendergast, the support of the ill-smelling Pendergast machine was also assured for Mr. Truman's candidate.

It seems to me that the PAC-Pendergast alliance, publicly blessed by Mr. Truman himself tells the whole story of the state to which the Democrat Party has been reduced in its frenzied efforts to avoid the day of reckoning for its 14 years of misrule. The Missouri PAC typifies the radical group which has spark-plugged the Washington bureaucracy's successful efforts to produce industrial chaos and lack of essential production—tactics always followed by radical agitators who thrive on confusion. The Pendergast machine typifies the other corrupt city machines which supply votes for Democrat candidates at so much per vote—the Kelly machine in Chicago, the Hague machine in Jersey City, the Curley machine in Boston, to mention a few.

The choice presented to the voters this year is between a Republican Congress and a PAC-Pendergast Congress.

Now I want to spend a few moments discussing why it is important that the Republican Party be given substantial majorities in Congress. I have found in some areas a disposition to regard a so-called "sound" or honest Democrat member as "something just as good" as a Republican member. I have heard Republican voters say:

"Oh Joe is a good fellow even if he is a Democrat; he usually votes right on important measures and I hate to vote against him."

Let me say that on the basis of a quarter of a century of service in the House of Representatives, I am well aware that there are many Democrat members who are good fellows and patriotic Americans. I am well aware that some of them vote frequently with the Republicans on proposed laws or amendments to laws.

But there is one thing on which these Democrats never vote with the Republicans that is on the organization of Congress. By that I mean on the election of the presiding officers of the Senate and the House and upon the appointment of Congressional Committees. They may hold their noses when they do it, but on such questions the Democrats always vote with the Democrats.

That means that so long as the Democrats have majorities in the two houses of Congress there will be Democrat presiding officers in the Senate and House and there will be Democrat majorities on all of the Committees of Congress which initiate and direct legislation and which conduct investigations into situations suggesting mismanagement, waste or corruption in the administration of government.

Remember these so-called "good" Democrats are a minority within their own party. They are helpless in the hands of the dominant combination of radicals and machine corruptionists.

So I say to you tonight do not be led astray by a plea that a Democrat candidate is a good fellow and a patriotic American. He may be but he belongs to the wrong party. The only way in which you can be sure of cleaning up the mess created by 14 years of Democrat misrule is by electing Republicans to office and electing them in substantial majorities. That is also the only way in which you can make sure that the people will finally learn the whole truth about the malodorous situation with respect to the handling of such matters as war contracts—of which a few whiffs have been allowed to reach the people's nostrils recently.

It is just not human nature for

men to indict and prosecute themselves or to destroy their own organizations. So I say again, if you want the truth and the whole truth about your Government, Vote Republican.

We cannot win complete control of the Government this year because there is no Presidential election until 1948. But it is superlatively important that we do win control of Congress. Election of a PAC-Pendergast Congress would leave the present Administration free for the next two years to follow its merry path toward destruction of American institutions and waste of the people's money. Election of a REPUBLICAN Congress would mean that during those same two years—until we can complete the job by electing a Republican President—there would be an effective brake upon the Administration's excesses. It would also mean a reduction of taxes, probably about 20% on individual incomes, clipping the wings of a profligate and stupid bureaucracy, and driving radical subversivists from positions of power in Washington.

The Republican National Committee stands ready and anxious to do everything within its power to aid the Republican organizations everywhere toward victory. We have an expanded and capable staff in National Headquarters and we will welcome suggestions as to how we may be of service.

But the votes which will bring a Republican victory in November cannot be cast in Washington. They must be cast in the polling places in the individual precincts and election districts throughout the nation. That is why I am urging every Republican to do his full duty this year. It may be too late in '48. Let's win this year.

### New Gov. of Puerto Rico Welcomed in N. Y.

Jesus T. Pinero, Puerto Rico's first native-born Governor, who will be installed in office on Sept. 3, was honored officially by the city of New York on his arrival Aug. 15. He was greeted by Mayor O'Dwyer, New York "Times" advices of Aug. 16 stated, made a citizen of New York, and presented with a scroll commending him for his efforts on behalf of the 300,000 members of the city's colony of Puerto Ricans. Mr. Pinero will succeed Rexford G. Tugwell, who resigned as Governor of Puerto Rico, effective June 30. Mr. Pinero's nomination by President Truman on July 25 as Governor to succeed Mr. Tugwell, was indicated in our issue of August 8, page 806. The U. S. Senate confirmed the nomination on July 31. Mr. Pinero left New York on Aug. 17 for Washington, where he will remain until Sept. 2, when he will go by plane to Puerto Rico to assume his new post.

### Argentine Ambass. to U.S.

The new Argentine Ambassador to the United States, Dr. Oscar Ivanissevich, who arrived in Washington from Buenos Aires on Aug. 15, is reported by Associated Press advices to have told reporters that his job here would be to re-establish the closest economic, military, social and political relations between his country and the United States. He called the beginning of his assignment, the same advices stated, "a completely new era in relations between the two countries."

According to United Press accounts from Washington, Aug. 15, Dr. Ivanissevich told reporters he brought with him a written message from President Juan D. Peron to President Truman and would deliver it when he makes his first official call at the White House, probably in about two weeks. A prominent physician and educator, Dr. Ivanissevich has never before held a diplomatic post.

## The State of Trade

(Continued from page 1063)

Southern producers forcefully complained 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, "The Iron Age" noted, has recently formed what amounts to a bloc among themselves to bring pressure on Washington for relief.

The OPA's refusal to grant further pig iron price increases is taken to indicate, the above trade authority observes, 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. Paul Porter, OPA Administrative, 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 announced on Monday of this week the operating rate of steel companies having 94% of the steel capacity of the industry will be 89.7% of capacity for the week beginning Aug. 19 as against 90.3% one week ago, 89.3% one month ago and 69.9% one year ago. This represents a decrease of 0.6 point or 0.7% from the preceding week. This week's operating rate is equivalent to 1,580,900 tons of steel ingots and castings, compared to 1,591,400 tons one week ago, 1,573,800 tons one month ago and 1,280,300 tons one year ago.

**Electrical Production** — The Edison Electric Institute reports that the output of electricity advanced to 4,411,717,000 kwh. in the week ended Aug. 10, 1946, from 4,351,011,000 kwh. in the preceding week. Output for the week ended Aug. 10, 1946, exceeded that of the same week in 1945 by 0.4%.

Consolidated Edison Co. of New York reports system output of 183,000,000 kwh. in the week ended Aug. 11, 1946, compared with 166,200,000 kwh. for the corresponding week of 1945, or an increase of 10.1% kwh. compared with 163,200,000 kwh. for the corresponding week of last year, an increase of 5.8%.

**Railroad Freight Loadings** — Car loadings of revenue freight for the week ended Aug. 10, 1946, totaled 899,084 cars, the Association of American Railroads announced. This was an increase of 689 cars or 0.1% above the preceding week and 29,082 cars, or 3.3% above the corresponding week for 1945. Compared with the similar period of 1944, an increase of 3,903 cars, or 0.4%, is shown.

**Railroad Revenues in July** — Estimated railroad operating revenues in July, 1946, decreased 16.0% under the same month of 1945. This estimate, based on advance reports from eighty-six Class I railroads, whose revenues represent 80.2% of total operating revenues, the Association of American Railroads pointed out, covers only operating revenues and does not touch upon the trends in operating expenses, taxes, or final income results. Estimated freight revenues in July, 1946, were less than in July, 1945 by 13.1%, while estimated passenger revenues decreased 26.4%.

**Paper and Paperboard Production** — Paper production in the United States for the week ended Aug. 10 was 103.4% of mill capacity as against 105.2% for the preceding week and 93% in the like 1945 week, according to the American Paper & Pulp Association. Paperboard output for the current week was 96% against 98% in the preceding week and 94% for the corresponding week a year ago.

**Business Failures Decline** — Commercial and industrial failures in the week ending Aug. 15 fell off from the high number reported in the previous week but continued to be more than three times as numerous as in the corresponding week of last year. Dun & Bradstreet, Inc. reports that 17 concerns failed as compared with 27 a week ago and 5 in the same week of 1945.

The week's decline occurred entirely in failures involving liabilities in excess of \$5,000. These large failures fell off from 25 in the previous week to 12 this week. They were, however, four times as frequent as a year ago when only 3 large failures were reported. Small failures with losses under \$5,000 numbered 5, up from the 2 both last week and a year ago.

Concerns failing in manufacturing were about three times as numerous as in any other trade or industry group. At 11, manufacturing failures were only 1 below the number reported a week ago and were five times as high as in the comparable week of 1945. Retail trade, the only other group with as many as 3 concerns failing, showed the sharpest decline from last week's level; retail failures were down to half the number reported a week ago.

One Canadian failure was reported, the same as in last week and in the corresponding week a year ago.

**July Building Permits Rise Sharply** — The estimated value of building permits issued in 215 cities reporting to Dun & Bradstreet, Inc., turned upward in July, following three successive monthly declines. Aggregate permit valuations for last month increased 10.8% to \$213,589,071, from \$192,785,440 in June, and were 140.0% more than the \$89,001,398 for July last year.

New York City permits for July totaled \$41,388,802, up 131.5% over June, and more than five times greater than July a year ago.

**Wholesale Food Index Declines** — Marketing the first decline since the third week of May, the wholesale food price index, compiled by Dun & Bradstreet, Inc., fell 2 cents from last week's all-time peak to stand at \$5.30 on Aug. 13. This compared with \$4.09 on the corresponding date a year ago, a rise of 29.6%. There were six advances during the week against ten declines. Moving upward were wheat, oats, barley, lard, eggs, and steers. Recessions were noted in corn, rye, hams, bellies, butter, cheese, beans, hogs, sheep and lambs. The index represents the sum total of the price per pound of 31 foods in general use.

**Daily Wholesale Commodity Price Index** — The daily wholesale commodity price index, compiled by Dun & Bradstreet, Inc., moved within a somewhat narrower range during the past week as interest centered in possible actions to be taken by the Price Decontrol Board. The index rose slightly to 225.75 on Aug. 13, as compared with 225.41 a week earlier, and with the record high of 229.67 registered on July 16.

Activity in grain markets was limited, reflecting uncertainties regarding reimposition of price ceilings. Wheat was in good de-

mand and prices ruled steady at slightly above former ceilings despite estimates of a bumper yield. Oats finished slightly higher after early weakness. Available stocks of oats for the 1946-1947 crop year were officially estimated at 1,800,000,000 bushels, the largest on record. Corn was under considerable pressure and prices dropped sharply during the week. The latest report of the Department of Agriculture indicated a yield of 3,497,000,000 bushels of corn for this year, or about 290,000,000 above the previous record production in 1944. Rye was in tight supply but prices fell sharply due to fears of reinstatement of price controls. Bookings of bakery flour continued at a slow pace in contrast to the increased offerings of family flours which have the benefit of a higher ceiling. Hog values declined from the all-time highs established last week with receipts on a par with the preceding period, but well above a year ago. Activity in cash lard was slower.

Following the sharp gains recorded two weeks ago, cotton prices advanced moderately last week to reach new high ground for twenty-three years. The rise was influenced largely by the unexpectedly low official estimate of this year's cotton crop. The report, issued last Thursday by the Crop Reporting Board, forecast total cotton production for this season at 9,290,000 bales, as compared with private estimates ranging from 9,095,000 to 9,500,000 bales. A broad demand was noted in spot markets but volume of offerings remained limited. Reports as to the progress of the new crop continued spotty, with weather conditions, generally, still unfavorable except in the Atlantic and Central States and in southern Texas. Cotton textiles moved cautiously at the newly established OPA ceiling levels.

Hesitancy persisted in the raw wool market as the result of uncertainties in the price situation. Effective as of Aug. 5 to Sept. 20, a new official price list on greasy shorn domestic wools was issued by the CCC, under which 1943 wools were advanced to sell on a par with wools shorn in 1944, 1945, and 1946. A slight improvement was noted in sales of domestic wool in Boston and in Texas, with topmakers seeking increasing amounts in anticipation of a continued shortage of desired types of foreign wools. Imports of foreign wools at Eastern seaboard ports continued in good volume.

**Wholesale and Retail Trade** — Retail volume continued to rise during the past week and was considerably above that of the corresponding week a year ago when many retail stores closed in celebration of final victory, states Dun & Bradstreet, Inc., in its current review of trade. Selectivity was very pronounced as many shoppers insisted upon brand names and quality merchandise; consumer price resistance was negligible.

Food, the traditional best seller, was bought in quantity and dollar volume was sustained at the high level reached in the previous weeks. The supply of canned foods, dairy products, and meats rose slightly. The abundant supply of fresh fruit was further increased by additional receipts of apples. Interest in the huge supply of fresh vegetables remained high.

Apparel volume rose as consumer attention expanded to include Fall items as well as Summer clothes and sportswear. Sweaters, skirts and suits were eagerly sought. Fur coats continued to attract a large share of consumer attention as seasonal promotions sustained interest at a level well above that of a year ago. Interest in men's clothing and furnishings generally remained at the high level of the previous weeks. The supply of

suits, topcoats and overcoats rose slowly.

Interest in floor coverings, slightly higher than a week ago, was becoming increasingly selective regarding pattern and weave. Promotions of paper drapes received favorable consumer response, while shortages of fabric drapes remained acute. The supply of curtains increased slightly this week and attracted many consumers who were awaiting more liberal selections than had been previously available.

Furniture remained high on the list of best sellers and bedroom suites attracted increased attention while the demand for other types of furniture remained at a level well above that of a year ago. Hardware and electric appliances were frequently requested.

Retail volume for the country last week was estimated to be from 24 to 28% above that of the final war week a year ago. Regional percentage increases were: New England 24 to 28, East 27 to 31, Middle West 22 to 26, Northwest 28 to 32, South 23 to 27, Southwest 18 to 22, and Pacific Coast 25 to 29.

There was about almost no change in total wholesale volume the past week from the high level of the preceding week. Dollar volume continued to be exceptionally high in comparison with that of the corresponding week a year ago when V-J Day celebrations resulted in a mild decline in volume. New order volume remained high and deliveries continued to improve.

Department store sales on a

country-wide basis as taken from the Federal Reserve Board's index for the week ended Aug. 10, 1946, increased by 29% above the same period of last year. This compared with an increase of 30% in the preceding week. For the four weeks ended Aug. 10, 1946, sales increased by 30% and for the year to date by 28%.

Little change was noted in the level of retail sales here in New York the past week as compared with that of a week ago. However, a comparative figure with the like period of 1945 reflects a gain of 150% as a result of the two-day V-J holiday last year. A lively interest was noted in all lines for the week. Mill deliveries of rayon goods were quickened during the week and sales volume of fine cottons were accelerated by new prices for combed-yarn fabrics. Coat and dress deliveries were temporarily delayed by threats of the CPA to take action on alleged violations of style limitations. Some evidence of price shading by department stores in the sale of alcoholic beverages was noted in the week. With the exception of imported wines and liquors the price-cuts were negligible.

According to the Federal Reserve Bank's index, department store sales in New York City for the weekly period to Aug. 10, 1946, increased 37% above the same period last year. This compared with an increase of 33% (revised figure) in the preceding week. For the four weeks ended Aug. 10, 1946, sales rose by 34% and for the year to date 34%.

## From Washington Ahead of the News

(Continued from first page)

Bob should have been defeated. They look upon it as ingratitude upon the part of labor. It was in the case of Danaher and Wheeler.

Why they should be so excited now and beginning to ask about the ramifications of the CIO is a commentary on our Liberal writers. On just what do they base their affections? At the time of his defeat they were writing about what a wonderful Senator he had made, what a quiet, scientific and intelligent worker he had always been. They were heaping praise upon him because of his bill calling for a reorganization of Congress—a streamlining, if you please, by which all Congressmen got their salaries raised, with retirement benefits and increased expert clerical help—had been passed. This was an example, they said, of how a hard working thinker really served the people, as against such types as Bilbo and Rankin, and they always forget to mention in this category, Pepper and Guffey.

You would think that these Liberals, all being Intellectuals, men far above the rank and file, would know that this reorganization bill is a phoney except for the increased emoluments which it provided. If they did not know this, they are more ignorant than 90% of the members who voted for the bill, including those "dumb" members upon whom these Liberal writers are prone to heap scorn.

No Congress can legislate the rules or the organization of the next Congress. Each Congress is separate unto itself. So it will remain entirely to the next Congress whether it wants to adopt the streamlining provided for in LaFollette's bill, the reduction of the size of the committees, the abolition of seniority in the chairmanship of committees, etc. Each Congress does its own organizing. All in the world that the LaFollette bill has accomplished is increased wages, retirement privileges and other advantages for members. This writer is not opposed to any of them. But mostly they have been attempted before

when either the members were too frightened about public opinion to go through, or intimidated by public outcry such as Roosevelt set loose a few years ago when they passed a pension bill, similar to that now enacted, and caused agitators to start a "Bundles for Congress" campaign. Now under the guise of streamlining the body in accordance with the wishes of the Leftists and Liberals, et al, they have gotten their raise and other things.

It was quiet working, scientific thinking, Liberal Bob who put this over. We suppose that is what marks one Liberal who was an isolationist and opposed to Roosevelt and 100% pro-labor against others, who were isolationist and opposed to Roosevelt and 100% labor.

Frankly, these Liberals seem about as queer in their ratings as the Leftist CIO.

But what is interesting is this: Insofar as the goodwill of the Washington propagandists is concerned, Phil Murray and his CIO, have lost something. Regardless of how illogical it is, these Liberals, distinguished, as we said before, from the Leftists and Commies, but who mostly have played their game just as effectively as the latter can play it themselves—they are bitter about what has been done to Bob.

He was a personable fellow, but certainly no more so to this writer than Danaher or Wheeler. We can't imagine that there would be a choice of personalities. Nevertheless, his defeat seems to have brought an awakening to these Liberal writers. It may have a profound affect on them. And when Liberals are profoundly affected, it is not a small thing. Some of them reforming in the past have gone back and asked themselves why on earth they fell for the pro-Russia, the anti-Franco, the anti-Argentine bunk. The funny thing about a Liberal, when his eyes are opened, they are opened wide. Many of them switch completely over to the payroll of the National Association of Manufacturers.

## Bankers Dollar Acceptances Outstanding on June 29, \$191,719,000

The volume of bankers dollar acceptances outstanding on June 29, amounted to \$191,719,000, an increase of \$14,446,000 from the May 31 total, according to the monthly acceptance survey issued July 18 by the Federal Reserve Bank of New York. As compared with a year ago, the June 29 total represents a gain of \$84,826,000.

In the month-to-month comparison, imports and exports and those based on goods stored in or shipped between foreign countries were higher while domestic shipments, domestic warehouse credits and dollar exchange were lower. In the yearly analysis all the items were higher in June 1946, than a year ago.

The Reserve Bank's report follows:

| Federal Reserve District | June 29, 1946        | May 31, 1946         | June 30, 1945        |
|--------------------------|----------------------|----------------------|----------------------|
| 1 Boston                 | \$21,325,000         | \$21,576,000         | \$17,100,000         |
| 2 New York               | 124,831,000          | 110,504,000          | 63,882,000           |
| 3 Philadelphia           | 13,663,000           | 11,796,000           | 8,019,000            |
| 4 Cleveland              | 654,000              | 694,000              | 293,000              |
| 5 Richmond               | 1,127,000            | 1,023,000            | 1,169,000            |
| 6 Atlanta                | 3,529,000            | 3,864,000            | 2,733,000            |
| 7 Chicago                | 5,516,000            | 4,683,000            | 2,714,000            |
| 8 St. Louis              | 935,000              | 593,000              | 335,000              |
| 9 Minneapolis            | 178,000              | 290,000              | 66,000               |
| 10 Kansas City           | —                    | —                    | —                    |
| 11 Dallas                | 1,035,000            | 858,000              | 158,000              |
| 12 San Francisco         | 18,926,000           | 21,392,000           | 10,424,000           |
| <b>Grand Total</b>       | <b>\$191,719,000</b> | <b>\$177,273,000</b> | <b>\$106,893,000</b> |
| Increase for month       | \$14,446,000         | Increase for year    | \$84,826,000         |

|                                                               | June 29, 1946 | May 31, 1946  | June 30, 1945 |
|---------------------------------------------------------------|---------------|---------------|---------------|
| Imports                                                       | \$134,225,000 | \$123,743,000 | \$73,632,000  |
| Exports                                                       | 21,648,000    | 17,711,000    | 10,254,000    |
| Domestic shipments                                            | 9,940,000     | 10,718,000    | 9,787,000     |
| Domestic warehouse credits                                    | 17,238,000    | 17,744,000    | 10,517,000    |
| Dollar exchange                                               | 215,000       | 227,000       | 174,000       |
| Based on goods stored in or shipped between foreign countries | 8,453,000     | 7,130,000     | 2,529,000     |

The increase in acceptances created during June may be considered seasonal as since 1925 there have been 17 decreases as against 5 increases in that month. Importations of coffee, tobacco, olive oil, skins, and cork, and exportations of wheat, lard, textiles, cotton and other general merchandise accounted for a large part of the increase.

|                    |              |                 |              |             |               |
|--------------------|--------------|-----------------|--------------|-------------|---------------|
| Own bills          | \$64,540,000 | Bills of others | \$44,930,000 | Total       | \$109,470,000 |
| Increase for month |              |                 |              | \$1,127,000 |               |

| Days | Dealers' Buying Rates | Dealers' Selling Rates |
|------|-----------------------|------------------------|
| 30   | 3/4                   | 1 1/8                  |
| 60   | 3/4                   | 1 1/8                  |
| 90   | 3/4                   | 1 1/8                  |
| 120  | 3/4                   | 1 1/8                  |
| 150  | 3/4                   | 1 1/8                  |
| 180  | 3/4                   | 1 1/8                  |

The following table, compiled by us, furnishes a record of the volume of bankers' acceptances outstanding at the close of each month since June 1944:

| 1944     | 1945          | 1946     |               |         |               |
|----------|---------------|----------|---------------|---------|---------------|
| June 30  | \$111,675,000 | Feb. 28  | \$126,269,000 | Jan. 31 | \$166,352,000 |
| July 31  | 138,692,000   | Mar. 31  | 127,512,000   | Feb. 28 | 166,852,000   |
| Aug. 31  | 109,632,000   | Apr. 30  | 116,825,000   | Mar. 30 | 162,790,000   |
| Sept. 30 | 111,101,000   | May 31   | 104,356,000   | Apr. 30 | 168,879,000   |
| Oct. 31  | 114,953,000   | June 30  | 106,893,000   | May 31  | 177,273,000   |
| Nov. 30  | 115,336,000   | July 31  | 116,717,000   | June 29 | 191,719,000   |
| Dec. 30  | 128,944,000   | Sept. 29 | 134,533,000   |         |               |
| Jan. 31  | 129,743,000   | Oct. 31  | 134,592,000   |         |               |
|          |               | Aug. 31  | 128,035,000   |         |               |
|          |               | Nov. 30  | 144,790,000   |         |               |
|          |               | Dec. 31  | 154,349,000   |         |               |

## Changes in Holdings of Recquired Stock of N. Y. Stock & Curb Listed Firms

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

| Company and Class of Stock                      | Shares Previously Reported | Shares Per Latest Report |
|-------------------------------------------------|----------------------------|--------------------------|
| Armour and Company, common                      | 1                          | None                     |
| Atlas Corp., common                             | 98,523                     | 197,634                  |
| Borden Company (The), common                    | 193,456                    | 197,558                  |
| Burlington Mills Corp., common                  | 73,464                     | 75,464 (1)               |
| City Investing Co., 5 1/2% ser. cum. preferred  | 310                        | 590                      |
| Collins & Aikman Corp., common                  | 2,200                      | 2,585                    |
| Cuban-American Sugar Co. (The), 7% preferred    | 5,750                      | 5,764                    |
| International Minerals & Chemical Corp., common | 22,639                     | 20,039                   |
| Jewel Tea Co., Inc., common                     | 1,530                      | 1,516                    |
| Johnson & Johnson, 2nd pfd. 4% series A         | 1,070                      | 1,067                    |
| Common                                          | 22,429                     | 23,345 (2)               |
| National Cylinder Gas Co.                       | 5,720                      | 15,130                   |
| National Distillers Products Corp., common      | 23                         | 28                       |
| Outboard Marine & Manufacturing Co., common     | 46                         | 46                       |
| Plymouth Oil Co., common                        | 7,484                      | 8,484                    |
| Purity Bakeries Corp., common                   | 11,490                     | 10,940                   |
| Sheaffer (W. A.) Pen Co., common                | 2,574                      | 2,604                    |
| Sinclair Oil Corp., common                      | 954,155                    | 954,155                  |
| Sutherland Paper Co., common                    | None                       | 400                      |
| United Merchants and Manufacturers, common      | 54,544                     | None                     |
| Waldorf System Incorporated, common             | 35,510                     | 25,710                   |
| White (S. S.) Dental Mfg. Co. (The), common     | 1,262                      | 1,202                    |

(1) 2-for-1 split-up. Effective date is April 9, 1946.  
(2) Decrease represents shares delivered under the Employees' Extra Compensation Plan.

The New York Curb Exchange made public on Aug. 15 the following changes in holdings of reacquired stock as reported to it by issuers of fully listed securities traded on that exchange:

| Company and Class of Stock                                  | Shares Previously Reported | Shares Per Latest Report |
|-------------------------------------------------------------|----------------------------|--------------------------|
| American Cities Pwr. & Lt. Corp. (A opt. div. series, 1936) | 2,550                      | 200                      |
| American Cities Pwr. & Lt. Corp. (Cv. A opt. div. series)   | 2,100                      | None                     |
| American General Corp., common                              | 6,131                      | 11,708                   |
| Equity Corp. (83 conv. preferred)                           | 77,145                     | 79,220                   |
| Grocery Store Products Co. (capital)                        | 77                         | 79                       |
| Hartford Rayon Corp., v.t.c. common                         | 3,488                      | 13,613                   |
| Hussmann-Ligotier Co., \$2.25 preferred                     | None                       | 275                      |
| Hygrade Food Products Corp., common                         | 32,970                     | 43,070                   |
| King-Sealey Corp., common                                   | 82                         | 722                      |
| Morris Plan Corp. of America, common                        | 137                        | 159                      |
| New York Merchandise Co., Inc., common                      | 131,231                    | 134,431                  |
| Niagara Share Corp., B. common                              | 253,668                    | 256,168                  |

## Wholesale Prices Up 1.7% in Week Ended Aug. 10, 1946 Labor Dept. Reports\*

"Higher prices for agricultural and industrial commodities were responsible for a rise of 1.7% in primary market prices during the week ended Aug. 10," said the Bureau of Labor Statistics of the U. S. Department of Labor on Aug. 15. The advices added that "at 127.1% of the 1926 average, the index of commodity prices, prepared by the Bureau was 12.8% higher than before temporary suspension of OPA controls and 20.5% higher than at the end of the war. During the past 2 weeks, the index has advanced 2.4%." The Bureau further reported:

"Farm Products and Foods. Primary market prices of farm products, many of which are still uncontrolled, rose 3.7% during the week. Prices of hogs and lambs were higher with good demand for choice grades. Prices of cattle, ewes and wethers and most grains decreased. Prices increased for potatoes in most markets. Prices of onions were higher and lemons and oranges decreased. Cotton quotations rose from about 32 cents to 34 cents per pound (8%). On the average prices of farm products were 15.7% higher than at the end of June and 26.5% higher than last year.

"Price increases for dairy products, fresh fruits and vegetables and meats, which more than offset lower prices for cereal products, caused an advance of 1.2% in food prices. Butter quotations were higher with improved demand. Higher prices of pork cuts and lamb reflected increased livestock prices. Prices of mutton in less demand than other meats, dropped sharply, and dressed poultry prices decreased. Prices of wheat flour averaged 12% lower as new ceilings were announced below former quotations. Prices of rye flour dropped sharply. Food prices were 27% higher than at the end of June and 34.7% above a year ago.

"Other Commodities. Sharp price increases for cotton goods and petroleum products were chiefly responsible for an advance of 1.5% for all commodities other than farm products and foods. Prices for cotton goods advanced, following OPA ceiling increases to cover the higher costs of raw cotton. Increases for crude petroleum, gasoline, fuel oil and paraffin, exempt from OPA control, ranged from 7 to 23%. Prices of some hides and skins dropped sharply from the high levels of uncontrolled prices. Building material prices averaged slightly higher, as increases for brick, cement, wallboard and hardware, reflecting OPA ceiling adjustments, more than offset sharp decreases for some paint materials with restoration of OPA controls. Prices of silver were up sharply with an OPA increase following the increase in the Treasury buying price and solder and babbitt metal were also higher. Soy-bean oil, in short supply, rose in price and there were further advances for boxboard. Soap prices decreased with restoration of OPA ceilings. Prices of all commodities other than farm products and foods have increased 2% during the last 2 weeks and 5% since the end of June."

### CHANGES IN WHOLESALE PRICES BY COMMODITY GROUPS FOR WEEK ENDED AUG. 10, 1946 (1926=100)

| Commodity group—                                   | Percentage changes to Aug. 10, 1946, from— |          |           |           |           |          |           |           |
|----------------------------------------------------|--------------------------------------------|----------|-----------|-----------|-----------|----------|-----------|-----------|
|                                                    | 8-10 1946                                  | 8-3 1946 | 7-27 1946 | 7-13 1946 | 8-11 1945 | 8-3 1945 | 7-13 1945 | 8-11 1945 |
| All commodities                                    | 127.1                                      | 125.0    | 124.1     | 120.7     | 105.7     | +1.7     | +5.3      | +20.2     |
| Farm products                                      | 162.3                                      | 156.5    | 157.3     | 153.9     | 128.3     | +3.7     | +5.5      | +26.5     |
| Foodstuffs                                         | 144.0                                      | 142.3    | 140.7     | 134.0     | 106.9     | +1.2     | +7.5      | +34.7     |
| Hides and leather products                         | 138.3                                      | 143.0    | 144.0     | 129.1     | 118.5     | -3.3     | +7.1      | +16.7     |
| Textile products                                   | 114.6                                      | 110.8    | 109.5     | 108.8     | 99.1      | +3.4     | +5.3      | +15.6     |
| Fuel and lighting materials                        | 96.6                                       | 92.5     | 90.2      | 90.1      | 85.2      | +4.4     | +7.2      | +13.4     |
| Metal and metal products                           | 113.5                                      | 113.1    | 113.3     | 113.0     | 104.8     | +0.4     | +0.4      | +8.3      |
| Building materials                                 | 132.4                                      | 132.0    | 132.6     | 131.8     | 117.3     | +0.3     | +0.5      | +12.9     |
| Chemicals and allied products                      | 98.2                                       | 98.1     | 100.3     | 98.4      | 95.2      | +0.1     | -0.2      | +6.2      |
| Housefurnishings                                   | 113.4                                      | 113.0    | 112.5     | 110.7     | 106.2     | +0.4     | +2.4      | +6.8      |
| Miscellaneous commodities                          | 101.7                                      | 101.6    | 101.7     | 99.3      | 94.6      | +0.1     | +3.5      | +7.5      |
| Raw materials                                      | 145.7                                      | 140.6    | 140.2     | 137.2     | 117.7     | +3.6     | +6.2      | +23.8     |
| Semi-manufactured                                  | 110.4                                      | 109.0    | 109.0     | 107.5     | 95.3      | +1.3     | +2.7      | +15.8     |
| Manufactured products                              | 121.3                                      | 120.6    | 119.3     | 115.3     | 102.0     | +0.6     | +5.2      | +18.9     |
| All commodities other than farm products           | 119.3                                      | 118.1    | 116.8     | 113.3     | 100.7     | +1.0     | +5.3      | +18.5     |
| All commodities other than farm products and foods | 110.8                                      | 109.2    | 108.6     | 106.9     | 99.9      | +1.5     | +3.6      | +10.9     |

### PERCENTAGE CHANGES IN SUBGROUP INDEXES FROM AUG. 3, 1946 TO AUG. 10, 1946

|                       | Increases | Decreases                 |     |
|-----------------------|-----------|---------------------------|-----|
| Petroleum products    | 11.3      | Meats                     | 1.4 |
| Cotton goods          | 7.2       | Other building material   | 0.7 |
| Fruits and vegetables | 6.7       | Furnishings               | 0.5 |
| Other farm products   | 5.4       | Cement                    | 0.4 |
| Livestock and poultry | 4.4       | Fertilizer materials      | 0.4 |
| Dairy products        | 3.4       | Oils and fats             | 0.3 |
| Nonferrous metals     | 2.1       | Paper and pulp            | 0.3 |
| Brick and tile        | 2.0       | Iron and steel            | 0.2 |
| Other miscellaneous   | 1.6       | Other foods               | 0.2 |
| Lumber                |           |                           | 0.1 |
| Hides and skins       | 10.8      | Leather                   | 4.5 |
| Cereal products       | 5.9       | Grains                    | 2.8 |
| Cattle feed           | 5.5       | Paint and paint materials | 0.5 |

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

## President Signs Foreign Service Bill — Increases Pay of Envoys

The United States foreign service is to be expanded and strengthened and top diplomats salaries are to be increased from \$17,500 to \$25,000 under legislation signed by President Truman on Aug. 13. Sponsors of the measure are said to anticipate that the salary increase will attract high-calibre negotiators into the State Department with compensation comparable to industrial levels. In addition to providing a \$7,500 yearly raise for Ambassadors and Ministers in the larger countries, the Associated Press stated in its dispatch from Washington, the bill also makes it possible for lower-ranking foreign-service officers to receive a maximum \$13,500 salary.

"2. Retire service officers who fail to gain promotions."  
"3. Bring American attaches home once every two years, to keep them in closer touch with domestic events."

As to the President's comments with the signing of the bill, the Associated Press reported: "While we strive to reach international agreement on the large and confused issues," Mr. Truman said in a statement, "we can make progress by trying to perfect those instruments of international relations which it lies in our power to improve." It was significant that the measure came to him at a time when the labors of Secretary of State Byrnes at the Paris peace conferences "are demonstrating how great a stake the United States has in world affairs," he said, and added: "This Administration is doing everything possible to back up our participation in the United Nations and its ancillary organizations, and in the International Bank and the International Monetary Fund. This Foreign Service legislation is consistent with all our efforts in this field."

"The bill, the President said, creates a new model service to replace the out-moded plan laid down in 1924: 'One of the basic reforms is a revision of the salary structure so that a man without independent means can serve his country as an Ambassador or Minister or in any Foreign Service position as effectively as a wealthy man,' the President said. "At the same time that the bill improves compensation it subjects the service to more rigid requirements in regard to promotion and training; it seeks to keep our diplomats and consuls from losing touch with American life and thought by providing more frequent and varied assignments in this country; and it tries to make the service truly representative of the whole Government by making it possible for the best qualified men and women in the country, in or out of the Government, to have tours of duty with the Foreign Service in any of its ranks."

## New Albanian Currency

A new Albanian currency law went into effect July 15, 1946, says an announcement from the State Department at Washington Aug. 13, which also states: "The law provides that a person in Albania receiving remittances in the form of checks, bills of exchange and money orders will receive 2.77 Albanian francs per dollar, less the bank's commission. This compares with the former rate of 25 Albanian francs to the dollar."

"It is understood that Albanian authorities open and inspect all parcels entering Albania from abroad. Wherever currency is encountered it is confiscated by the authorities. In such cases where the packages are forwarded to the addressees the latter have no means of knowing that friends and relatives have made an effort to forward currency to them."

## Removal of Parcel Post Restrictions Outside U. S.

Postmaster Albert Goldman announced that effective Aug. 6, the provisions of Order No. 17471, dated April 20, 1942, entitled "Limits of Weight and Dimensions of Mail for Delivery Outside the United States," which remain in force were removed. As a result of the removal of the limitations imposed by this order, it is announced, parcel post packages may be accepted for mailing to foreign countries without restriction as to frequency of mailing subject to the limits of weight indicated in Part II of the 1941 Postal Guide as amended, with some necessary exceptions, further information about which, may be obtained at any post office.

### Moody's Bond Prices and Bond Yield Averages

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

| 1946—<br>Daily<br>Averages | U. S.<br>Govt.<br>Bonds | Avg.<br>Corpo-<br>rate* | Corporate by Ratings* |        |        |        | Corporate by Groups* |        |        |
|----------------------------|-------------------------|-------------------------|-----------------------|--------|--------|--------|----------------------|--------|--------|
|                            |                         |                         | Aaa                   | Aa     | A      | Baa    | R. R.                | P. U.  | Indus. |
| Aug. 20                    | 123.39                  | 118.40                  | 123.13                | 120.63 | 118.20 | 112.37 | 115.24               | 119.00 | 121.46 |
| 19                         | 123.39                  | 118.40                  | 122.92                | 120.63 | 118.20 | 112.37 | 115.24               | 119.00 | 121.46 |
| 17                         | Stock Exchange Closed   |                         |                       |        |        |        |                      |        |        |
| 16                         | 123.49                  | 118.40                  | 122.92                | 120.63 | 118.20 | 112.37 | 115.24               | 119.00 | 121.25 |
| 15                         | 123.49                  | 118.40                  | 122.92                | 120.63 | 118.20 | 112.37 | 115.24               | 119.00 | 121.25 |
| 14                         | 123.52                  | 118.40                  | 123.13                | 120.63 | 118.20 | 112.37 | 115.24               | 119.00 | 121.25 |
| 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 | 115.24               | 119.00 | 121.46 |
| 10                         | Stock Exchange Closed   |                         |                       |        |        |        |                      |        |        |
| 9                          | 123.49                  | 118.60                  | 123.13                | 120.84 | 118.20 | 112.56 | 115.24               | 119.00 | 121.46 |
| 8                          | 123.49                  | 118.60                  | 123.13                | 120.63 | 118.20 | 112.56 | 115.24               | 119.00 | 121.46 |
| 7                          | 123.49                  | 118.60                  | 123.13                | 120.63 | 118.20 | 112.56 | 115.24               | 119.00 | 121.46 |
| 6                          | 123.45                  | 118.60                  | 123.13                | 120.84 | 118.20 | 112.56 | 115.43               | 119.00 | 121.25 |
| 5                          | 123.45                  | 118.60                  | 123.13                | 120.84 | 118.20 | 112.56 | 115.43               | 119.00 | 121.46 |
| 3                          | Stock Exchange Closed   |                         |                       |        |        |        |                      |        |        |
| 2                          | 123.45                  | 118.60                  | 123.13                | 120.84 | 118.20 | 112.56 | 115.43               | 119.00 | 121.25 |
| 1                          | 123.49                  | 118.60                  | 123.13                | 120.84 | 118.20 | 112.56 | 115.43               | 119.00 | 121.25 |
| July 26                    | 123.77                  | 118.60                  | 123.13                | 121.04 | 118.40 | 112.56 | 115.63               | 119.20 | 121.46 |
| 19                         | 123.83                  | 118.81                  | 123.34                | 121.25 | 118.40 | 112.37 | 115.63               | 119.20 | 121.46 |
| 12                         | 124.14                  | 118.80                  | 123.56                | 121.25 | 118.60 | 112.56 | 116.02               | 119.20 | 121.46 |
| 5                          | 124.24                  | 118.80                  | 123.34                | 121.25 | 118.60 | 112.37 | 115.82               | 119.20 | 121.46 |
| June 28                    | 124.11                  | 118.80                  | 123.34                | 121.25 | 118.40 | 112.56 | 116.02               | 119.20 | 121.46 |
| 21                         | 124.17                  | 118.80                  | 123.34                | 121.25 | 118.40 | 112.56 | 116.02               | 119.20 | 121.46 |
| 14                         | 124.17                  | 118.80                  | 123.34                | 121.25 | 118.40 | 112.56 | 116.02               | 119.20 | 121.25 |
| 7                          | 124.02                  | 118.80                  | 123.13                | 121.25 | 118.40 | 112.56 | 116.02               | 119.00 | 121.25 |
| May 31                     | 123.99                  | 118.80                  | 122.92                | 121.46 | 118.40 | 112.56 | 116.22               | 119.00 | 121.04 |
| 24                         | 123.99                  | 118.80                  | 123.13                | 121.46 | 118.40 | 112.56 | 116.22               | 119.00 | 121.04 |
| 17                         | 124.14                  | 118.60                  | 122.71                | 121.46 | 118.20 | 112.56 | 116.20               | 119.00 | 121.04 |
| 10                         | 123.83                  | 118.80                  | 122.92                | 121.46 | 118.60 | 112.75 | 116.41               | 119.20 | 121.04 |
| 3                          | 124.49                  | 119.00                  | 122.92                | 121.67 | 118.60 | 113.12 | 116.61               | 119.41 | 121.04 |
| Apr. 26                    | 124.33                  | 119.00                  | 123.34                | 121.25 | 118.40 | 113.12 | 116.41               | 119.41 | 121.04 |
| Mar. 29                    | 125.61                  | 119.82                  | 123.99                | 122.29 | 119.41 | 114.27 | 117.40               | 120.22 | 122.09 |
| Feb. 21                    | 126.02                  | 120.22                  | 123.34                | 121.88 | 119.00 | 114.27 | 116.41               | 120.22 | 122.09 |
| Jan. 25                    | 126.28                  | 119.00                  | 123.12                | 121.25 | 119.00 | 113.31 | 115.63               | 119.41 | 122.09 |
| High 1946                  | 126.28                  | 120.02                  | 124.20                | 122.50 | 119.61 | 114.46 | 117.60               | 120.43 | 122.50 |
| Low 1946                   | 123.39                  | 117.60                  | 121.46                | 119.82 | 117.40 | 112.19 | 114.46               | 117.80 | 120.63 |
| 1 Year Ago                 |                         |                         |                       |        |        |        |                      |        |        |
| Aug. 20, 1945              | 121.75                  | 115.82                  | 120.84                | 119.00 | 116.02 | 107.98 | 112.56               | 115.63 | 119.41 |
| 2 Years Ago                |                         |                         |                       |        |        |        |                      |        |        |
| Aug. 18, 1944              | 119.84                  | 112.56                  | 118.60                | 117.20 | 112.37 | 103.30 | 106.92               | 114.08 | 117.20 |

| 1946—<br>Daily<br>Averages | U. S.<br>Govt.<br>Bonds | Avg.<br>Corpo-<br>rate* | Corporate by Ratings* |      |      |      | Corporate by Groups* |       |        |
|----------------------------|-------------------------|-------------------------|-----------------------|------|------|------|----------------------|-------|--------|
|                            |                         |                         | Aaa                   | Aa   | A    | Baa  | R. R.                | P. U. | Indus. |
| Aug. 20                    | 1.52                    | 2.73                    | 2.50                  | 2.52 | 2.74 | 3.04 | 2.89                 | 2.70  | 2.58   |
| 19                         | 1.52                    | 2.73                    | 2.51                  | 2.62 | 2.74 | 3.03 | 2.89                 | 2.70  | 2.58   |
| 17                         | Stock Exchange Closed   |                         |                       |      |      |      |                      |       |        |
| 16                         | 1.51                    | 2.73                    | 2.51                  | 2.62 | 2.74 | 3.04 | 2.89                 | 2.70  | 2.59   |
| 15                         | 1.51                    | 2.73                    | 2.51                  | 2.62 | 2.74 | 3.04 | 2.89                 | 2.70  | 2.59   |
| 14                         | 1.51                    | 2.73                    | 2.50                  | 2.62 | 2.74 | 3.04 | 2.89                 | 2.70  | 2.59   |
| 13                         | 1.51                    | 2.73                    | 2.51                  | 2.62 | 2.74 | 3.03 | 2.89                 | 2.70  | 2.59   |
| 12                         | 1.51                    | 2.73                    | 2.51                  | 2.62 | 2.74 | 3.03 | 2.89                 | 2.70  | 2.58   |
| 10                         | Stock Exchange Closed   |                         |                       |      |      |      |                      |       |        |
| 9                          | 1.51                    | 2.72                    | 2.50                  | 2.61 | 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                    | 2.73                    | 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 | 2.89                 | 2.70  | 2.59   |
| 5                          | 1.51                    | 2.72                    | 2.50                  | 2.61 | 2.74 | 3.03 | 2.89                 | 2.70  | 2.58   |
| 3                          | Stock Exchange Closed   |                         |                       |      |      |      |                      |       |        |
| 2                          | 1.51                    | 2.72                    | 2.50                  | 2.61 | 2.74 | 3.03 | 2.89                 | 2.70  | 2.59   |
| 1                          | 1.51                    | 2.72                    | 2.50                  | 2.61 | 2.74 | 3.03 | 2.89                 | 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                    | 2.73                    | 2.50                  | 2.60 | 2.73 | 3.03 | 2.87                 | 2.69  | 2.58   |
| 12                         | 1.47                    | 2.71                    | 2.48                  | 2.59 | 2.73 | 3.04 | 2.87                 | 2.69  | 2.58   |
| 5                          | 1.46                    | 2.71                    | 2.49                  | 2.59 | 2.73 | 3.03 | 2.85                 | 2.69  | 2.58   |
| June 28                    | 1.47                    | 2.71                    | 2.49                  | 2.59 | 2.73 | 3.03 | 2.85                 | 2.69  | 2.58   |
| 21                         | 1.46                    | 2.71                    | 2.49                  | 2.59 | 2.73 | 3.03 | 2.85                 | 2.69  | 2.58   |
| 14                         | 1.46                    | 2.71                    | 2.49                  | 2.59 | 2.73 | 3.03 | 2.85                 | 2.69  | 2.58   |
| 7                          | 1.47                    | 2.71                    | 2.50                  | 2.59 | 2.73 | 3.03 | 2.85                 | 2.69  | 2.58   |
| May 31                     | 1.43                    | 2.71                    | 2.51                  | 2.58 | 2.73 | 3.03 | 2.84                 | 2.70  | 2.60   |
| 24                         | 1.43                    | 2.71                    | 2.50                  | 2.58 | 2.73 | 3.03 | 2.84                 | 2.70  | 2.60   |
| 17                         | 1.47                    | 2.72                    | 2.52                  | 2.58 | 2.74 | 3.03 | 2.84                 | 2.70  | 2.60   |
| 10                         | 1.49                    | 2.71                    | 2.51                  | 2.58 | 2.72 | 3.02 | 2.83                 | 2.69  | 2.60   |
| 3                          | 1.44                    | 2.70                    | 2.51                  | 2.57 | 2.72 | 3.00 | 2.82                 | 2.68  | 2.60   |
| Apr. 26                    | 1.45                    | 2.70                    | 2.49                  | 2.59 | 2.73 | 3.00 | 2.83                 | 2.68  | 2.60   |
| Mar. 29                    | 1.36                    | 2.66                    | 2.46                  | 2.54 | 2.68 | 2.94 | 2.78                 | 2.64  | 2.51   |
| 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                  | 1.52                    | 2.77                    | 2.58                  | 2.66 | 2.78 | 3.05 | 2.93                 | 2.75  | 2.62   |
| Low 1946                   | 1.31                    | 2.65                    | 2.45                  | 2.53 | 2.67 | 2.93 | 2.77                 | 2.63  | 2.53   |
| 1 Year Ago                 |                         |                         |                       |      |      |      |                      |       |        |
| Aug. 20, 1945              | 1.68                    | 2.86                    | 2.61                  | 2.70 | 2.85 | 3.28 | 3.03                 | 2.87  | 2.68   |
| 2 Years Ago                |                         |                         |                       |      |      |      |                      |       |        |
| Aug. 18, 1944              | 1.81                    | 3.03                    | 2.72                  | 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, 1941 issue of the "Chronicle" on page 2508.

### June Portland Cement Output 62% Higher

Production of 14,489,000 barrels of cement in June, 1946, reported to the Bureau of Mines, U. S. Department of the Interior, was 62% greater than that reported for June, 1945. Shipments of 14,558,000 barrels were 44% greater than those reported for the corresponding month of 1945. These figures testify impressively to the strong upward trend in construction. Mill stocks on June 30 were 1% lower than on May 31, 1946, and 36% lower than a year ago. Clinker production of 14,453,000 barrels in June, 1946, was 72% above that reported for June, 1945. The industry operated at 73% of capacity in June, 1946, compared with 45% a year earlier. Cumulative figures for the first half of 1946 show a gain of 64% in production, 69% in shipments and 67% in clinker production compared with the first six months of 1945.

Demand for cement, as indicated by mill shipments, was higher than in June, 1945, in all continental districts, but was lower in Puerto-Rico. In two districts and Hawaii shipments were more than double those of June, 1945.

| Period End. June 30— | 1946—Month—1945— | 1946—6 Mos.—1945— |
|----------------------|------------------|-------------------|
| Finished cement:     |                  |                   |
| Production           | 14,489,000       | 8,929,000         |
| Shipments            | 14,558,000       | 10,083,000        |
| Stocks (June 30)     | 11,888,000       | 18,535,000        |
| Capacity used        | 73%              | 45%               |
| Clinker:             |                  |                   |
| Production           | 14,453,000       | 8,416,000         |
| Stocks (June 30)     | 4,912,000        | 5,273,000         |

\*Includes figures for Hawaii for May and June only. New plant first started reporting in May, 1945.

### Department Stores Sales in New York Federal Reserve District in June, 37% Above Year Ago

The Federal Reserve Bank of New York announced on July 19 that June sales of department stores in the Second (New York) Federal Reserve District increased 37% over a year ago. The combined sales for January to June, 1946, were up 34% from the similar period of the previous year. Stocks of merchandise on hand in department stores at the end of June, 1946 were 16% over those of 1945.

The apparel stores in the New York Reserve District reported a 31% gain in the net sales in June. Their stocks on hand at the close of the month were 22% over the figures for June 1945.

The following is the bank's tabulation:

|                                                                 | Percentage change from preceding year |                 |               |
|-----------------------------------------------------------------|---------------------------------------|-----------------|---------------|
|                                                                 | June, 1946                            | Jan.-June, 1946 | June 30, 1946 |
| Department stores—                                              |                                       |                 |               |
| Second District                                                 | +37                                   | +34             | +16           |
| New York City                                                   | +39                                   | +35             | +15           |
| Northern New Jersey                                             | +41                                   | +36             | +23           |
| Newark                                                          | +39                                   | +34             | +22           |
| Westchester and Fairfield Counties                              | +39                                   | +34             | +32           |
| Bridgeport                                                      | +38                                   | +29             | +34           |
| Lower Hudson River Valley                                       | +36                                   | +34             | +30           |
| Poughkeepsie                                                    | +34                                   | +35             | +25           |
| Upper Hudson River Valley                                       | +35                                   | +35             | +21           |
| Albany                                                          | +31                                   | +18             | +11           |
| Schenectady                                                     | +32                                   | +31             | +8            |
| Central New York State                                          | +25                                   | +25             | +14           |
| Mohawk River Valley                                             | +19                                   | +20             | +13           |
| Utica                                                           | +35                                   | +33             | +5            |
| Syracuse                                                        | +30                                   | +33             | —             |
| Northern New York State                                         | +28                                   | +26             | +9            |
| Southern New York State                                         | +30                                   | +30             | +14           |
| Binghamton                                                      | +22                                   | +17             | +13           |
| Elmira                                                          | +30                                   | +27             | +15           |
| Western New York State                                          | +32                                   | +29             | +18           |
| Buffalo                                                         | +7                                    | +10             | +20           |
| Niagara Falls                                                   | +30                                   | +27             | +9            |
| Rochester                                                       | +31                                   | +30             | +22           |
| Apparel stores (chiefly New York City)                          |                                       |                 |               |
| 26 shopping days in June, 1946, 25 shopping days in June, 1945. |                                       |                 |               |

|                                            | 1945 |      | 1946 |      |
|--------------------------------------------|------|------|------|------|
|                                            | June | Apr. | May  | June |
| Sales (average monthly), unadjusted        | 159  | 223  | 219  | 217  |
| Sales (average daily), unadjusted          | 155  | 219  | 214  | 222  |
| Sales (average daily), seasonally adjusted | 169  | 219  | 226  | 241  |
| Stocks, seasonally adjusted                | *166 | 182  | 192  | 192  |
| Stocks, unadjusted                         | 176  | 180  | 190  | 205  |

|  | 1945 |  |
|--|------|--|
|--|------|--|

### Weekly Coal and Coke Production Statistics

The production of bituminous coal continues, as in the three weeks past, to show little change in trend. The total output in the week ended Aug. 10, as estimated by the United States Bureau of Mines, was 12,300,000 net tons, an increase of 45,000 tons over the preceding week and a gain of 810,000 tons, or 7%, over the corresponding week of 1945. During the calendar year through Aug. 10, 1946, the cumulative production of soft coal was approximately 303,875,000 net tons, which was a decrease of 16.4% below the 363,452,000 tons mined in the comparable period of 1945 through Aug. 11.

Production of Pennsylvania anthracite for the week ended Aug. 10, 1946, as estimated by the Bureau of Mines, was 1,255,000 tons, an increase of 43,000 tons (3.5%) over the preceding week. When compared with the output in the corresponding week of 1945 there was an increase of 71,000 tons, or 6.0%. 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. 10, 1946, showed an increase of 3,200 tons when compared with the output for the week ended Aug. 3, 1946; but it was 10,400 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 |             |
|-----------------------------|------------|------------|------------|----------------|-------------|
|                             | 1946       | 1946       | 1945       | 1946           | 1945        |
| Bituminous coal & lignite—  |            |            |            |                |             |
| Aug. 10, 1946               | 12,300,000 | 12,255,000 | 11,490,000 | 303,875,000    | 363,452,000 |
| Aug. 3, 1946                | 1,207,000  | 1,165,000  | 1,138,000  | 1,915,000      | 1,637,000   |
| Total, including mine fuel— | 12,300,000 | 12,255,000 | 11,490,000 | 303,875,000    | 363,452,000 |
| Daily average—              | 2,050,000  | 2,043,000  | 1,915,000  | 1,637,000      | 1,920,000   |

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

|                          | Week Ended    |              |               | Calendar Year to Date |               |
|--------------------------|---------------|--------------|---------------|-----------------------|---------------|
|                          | Aug. 10, 1946 | Aug. 3, 1946 | Aug. 11, 1945 | Aug. 10, 1946         | Aug. 11, 1945 |
| Penn. Anthracite—        | 1,255,000     | 1,212,000    | 1,184,000     | 36,518,000            | 33,760,000    |
| Total, incl. coal. fuel— | 1,255,000     | 1,212,000    | 1,184,000     | 36,518,000            | 33,760,000    |
| Commercial prod.—        | 1,207,000     | 1,165,000    | 1,138,000     | 35,109,000            | 32,460,000    |
| Beehive Coke—            |               |              |               |                       |               |
| United States total—     | 112,300       | 109,100      | 122,700       | 2,221,300             | 3,763,500     |

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

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

| State                          | Week Ended   |               |              | Total      |
|--------------------------------|--------------|---------------|--------------|------------|
|                                | Aug. 3, 1946 | July 27, 1946 | Aug. 4, 1946 |            |
| Alabama                        | 380,000      | 405,000       | 396,000      | 1,181,000  |
| Alaska                         | 7,000        | 7,000         | 5,000        | 19,000     |
| Arkansas and Oklahoma          | 85,000       | 82,000        | 95,000       | 262,000    |
| Colorado                       | 101,000      | 102,000       | 134,000      | 337,000    |
| Georgia and North Carolina     | 1,000        | 1,000         | 1,000        | 3,000      |
| Illinois                       | 1,352,000    | 1,429,000     | 1,422,000    | 4,203,000  |
| Indiana                        | 492,000      | 510,000       | 504,000      | 1,506,000  |
| Iowa                           | 31,000       | 32,000        | 46,000       | 109,000    |
| Kansas and Missouri            | 128,000      | 118,000       | 129,000      | 375,000    |
| Kentucky—Eastern               | 1,105,000    | 1,207,000     | 761,000      | 3,073,000  |
| Kentucky—Western               | 350,000      | 420,000       | 353,000      | 1,123,000  |
| Maryland                       | 55,000       | 54,000        | 34,000       | 143,000    |
| Michigan                       | 4,000        | 5,000         | 2,000        | 11,000     |
| Montana (bitum. & lignite)     | 72,000       | 60,000        | 84,000       | 216,000    |
| New Mexico                     | 26,000       | 26,000        | 27,000       | 79,000     |
| North & South Dakota (lignite) | 31,000       | 33,000        | 35,000       | 99,000     |
| Ohio                           | 806,000      | 712,000       | 713,000      | 2,231,000  |
| Pennsylvania (bituminous)      | 3,044,000    | 3,080,000     | 2,741,000    | 9,165,000  |
| Tennessee                      | 133,000      | 132,000       | 126,000      | 391,000    |
| Texas (bituminous & lignite)   | 1,000        | 1,000         | 2,000        | 4,000      |
| Utah                           | 141,000      | 137,000       | 127,000      | 405,000    |
| Virginia                       | 380,000      | 398,000       | 310,000      | 1,088,000  |
| Washington                     | 21,000       | 20,000        | 27,000       | 68,000     |
| West Virginia—Southern         | 2,473,000    | 2,456,000     | 1,947,000    | 6,876,000  |
| West Virginia—Northern         | 893,000      | 915,000       | 1,016,000    | 2,824,000  |
| Wyoming                        | 142,000      | 158,000       | 177,000      | 477,000    |
| Other Western States           | 1,000        |               |              | 1,000      |
| Total bituminous & lignite     | 12,255,000   | 12,500,000    | 11,214,000   | 35,969,000 |

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

### Latest Summary of Copper Statistics

The Copper Institute on Aug. 12 released the following statistics pertaining to production, deliveries and stocks of duty-free copper.

#### SUMMARY OF COPPER STATISTICS REPORTED BY MEMBERS OF THE COPPER INSTITUTE

(In Tons of 2,000 Pounds)

| U. S. Duty Free Copper | Production |           | Deliveries to Customers |         | Refined Stocks End of Period | Stock Increase (+) or Decrease (-) |
|------------------------|------------|-----------|-------------------------|---------|------------------------------|------------------------------------|
|                        | *Crude     | Refined   | Domestic                | Export  |                              |                                    |
| Year 1939              | 836,074    | 818,289   | 814,407                 | 134,152 | 159,485                      | + 17,785                           |
| Year 1940              | 992,293    | 1,033,710 | 1,001,886               | 48,537  | 142,772                      | - 41,417                           |
| Year 1941              | 1,016,996  | 1,065,667 | 1,545,541               | 307     | 76,564                       | - 48,671                           |
| Year 1942              | 1,152,344  | 1,135,708 | 1,635,236               |         | 65,309                       | + 16,636                           |
| Year 1943              | 1,194,699  | 1,206,871 | 1,643,677               |         | 52,121                       | - 12,172                           |
| Year 1944              | 1,056,180  | 1,098,788 | 1,636,295               |         | 66,780                       | - 42,608                           |
| Year 1945              | 841,667    | 843,113   | 1,517,842               |         | 76,512                       | + 1,446                            |
| 7 Mos., 1946           | 291,908    | 246,086   | 621,776                 | 909     | 101,183                      | + 45,817                           |
| Jan., 1945             | 73,754     | 67,726    | 145,904                 |         | 59,715                       | + 6,028                            |
| Feb., 1945             | 67,496     | 69,950    | 172,585                 |         | 57,142                       | - 2,454                            |
| Mar., 1945             | 76,537     | 76,395    | 218,488                 |         | 51,861                       | + 142                              |
| Apr., 1945             | 74,392     | 75,436    | 161,111                 |         | 55,453                       | + 1,044                            |
| May, 1945              | 74,469     | 85,319    | 139,203                 |         | 63,841                       | - 10,850                           |
| June, 1945             | 72,271     | 74,377    | 94,031                  |         | 70,738                       | + 2,106                            |
| July, 1945             | 72,855     | 72,995    | 88,661                  |         | 76,166                       | - 140                              |
| Aug., 1945             | 68,253     | 69,127    | 86,840                  |         | 80,316                       | - 874                              |
| Sept., 1945            | 64,091     | 45,145    | 83,478                  |         | 68,675                       | + 18,946                           |
| Oct., 1945             | 69,322     | 70,363    | 104,104                 |         | 73,913                       | - 1,041                            |
| Nov., 1945             | 65,586     | 70,218    | 119,973                 |         | 74,425                       | - 4,632                            |
| Dec., 1945             | 62,641     | 66,062    | 103,464                 |         | 76,512                       | - 3,421                            |
| Jan., 1946             | 58,178     | 69,008    | 115,601                 |         | 72,799                       | - 10,830                           |
| Feb., 1946             | 41,667     | 49,923    | 86,089                  | 909     | 74,339                       | + 8,256                            |
| Mar., 1946             | 41,832     | 20,139    | 58,590                  |         | 70,249                       | + 21,693                           |
| Apr., 1946             | 29,280     | 18,989    | 75,756                  |         | 65,448                       | + 10,291                           |
| May, 1946              | 31,897     | 20,551    | 93,647                  |         | 75,754                       | + 11,346                           |
| June, 1946             | 32,785     | 23,870    | 95,267                  |         | 79,145                       | + 8,915                            |
| July, 1946             | 56,264     | 43,606    | 96,826                  |         | 101,183                      | + 12,658                           |

\*Mine or smelter production or shipments, and custom intake including scrap. †Beginning March, 1941, includes deliveries of duty paid foreign copper for domestic consumption. ‡At refineries on consignment and in exchange warehouses, but not including consumers' stocks at their plants or warehouses. §Computed by difference between mine and refined production. NOTE—Statistics for the month of June, 1946, have been revised.

### National Fertilizer Association Commodity Price Index Continues Upward Trend

The wholesale commodity price index compiled by The National Fertilizer Association, and made public on Aug. 19, rose to a new high level in the week ended Aug. 17, 1946, when it advanced to 174.7 from 173.4 in the preceding week. This index has advanced for 22 of the past 24 weeks; it remained the same in one of the weeks and in the other it declined slightly. A month ago the index stood at 171.3 and a year ago at 141.7, all based on the 1935-1939 average as 100. The Association's report added:

Five of the composite groups of the index advanced and one declined during the latest week. The foods index registered the largest gain and advanced to a new high point. Prices were mixed with higher quotations for canned vegetables, dressed beef, veal, lamb and pork, and macaroni more than offsetting the lower quotations for butter, ham and bellies. The farm products group remained unchanged with higher prices for cotton, grains, eggs, and cattle just offsetting lower prices for calves, hogs and lambs. The fuels index advanced sharply due to higher prices for gasoline. The textiles index advanced. The rise in the metals index was due to higher silver prices. The fertilizer index advanced reflecting the higher ceiling prices authorized by OPA. The only group that declined was the miscellaneous commodities group with the advance in calfskins, lubricating oil, book paper and paper board not sufficient to offset the decline in feedstuffs.

During the week 27 price series in the index advanced and 11 declined; in the preceding week 22 advanced and 18 declined; in the second preceding week 21 advanced and 28 declined.

#### WEEKLY WHOLESALE COMMODITY PRICE INDEX

| % Each Group Bears to the Total Index | Group                     | Latest Preceding Month Year |                    |               |               |
|---------------------------------------|---------------------------|-----------------------------|--------------------|---------------|---------------|
|                                       |                           | Week Aug. 17, 1946          | Week Aug. 10, 1946 | July 20, 1946 | Aug. 18, 1945 |
| 25.3                                  | Foods                     | 185.1                       | 181.5              | 179.8         | 144.9         |
|                                       | Fats and Oils             | 223.8                       | 226.7              | 201.5         | 145.0         |
|                                       | Cottonseed Oil            | 202.3                       | 202.3              | 202.3         | 162.4         |
| 23.0                                  | Farm Products             | 219.0                       | 219.0              | 214.1         | 167.4         |
|                                       | Cotton                    | 241.0                       | 339.2              | 338.0         | 212.2         |
|                                       | Grains                    | 210.6                       | 208.7              | 239.0         | 158.8         |
|                                       | Livestock                 | 204.2                       | 205.2              | 189.1         | 163.4         |
| 17.3                                  | Fuels                     | 154.2                       | 151.5              | 138.6         | 134.5         |
| 10.8                                  | Miscellaneous commodities | 146.0                       | 147.8              | 154.3         | 133.9         |
| 8.2                                   | Textiles                  | 205.4                       | 204.2              | 207.4         | 156.7         |
| 7.1                                   | Metals                    | 124.4                       | 124.1              | 125.3         | 108.9         |
| 6.1                                   | Building materials        | 177.4                       | 177.4              | 186.4         | 153.8         |
| 1.3                                   | Chemicals and drugs       | 127.5                       | 127.5              | 123.3         | 125.8         |
| 1.3                                   | Fertilizer materials      | 122.5                       | 122.5              | 121.0         | 118.3         |
| 1.3                                   | Fertilizers               | 1120.6                      | 119.8              | 119.8         | 119.9         |
| 1.3                                   | Farm machinery            | 115.1                       | 115.1              | 109.0         | 104.8         |
| 100.0                                 | All groups combined       | 174.7                       | 173.4              | 171.3         | 141.7         |

\*Indexes on 1926-1928 base were: Aug. 17, 1946, 136.1; Aug. 10, 1946, 135.1; and Aug. 18, 1945, 110.4 †Preliminary.

### Real Estate Financing at Record High

Real estate financing activity climbed to the highest level on record during the first six months of this year. The estimated \$4,788,000,000 of nonfarm mortgages of \$20,000, or less recorded during this half year period represented a gain of 87% over the January-June period of 1945 and exceeded by 1% the value of such mortgages recorded during the entire year 1941, according to the Federal Home Loan Bank Administration, in its June Mortgage Recording Letter, issued Aug. 6, which continued:

"Among the factors contributing to this upswing in activity were the continuing great demand on the part of veterans and others for existing houses, the sharp increase in residential construction, further rises in real estate prices which were reflected in larger mortgage loans, and the increased number of high percentage home loans being made under the GI Bill.

| Type of mortgage     | Amounts in Millions |                        | Percent of Total |                        |
|----------------------|---------------------|------------------------|------------------|------------------------|
|                      | June 1946           | % Chg. from June, 1945 | June 1946        | % Chg. from June, 1945 |
| Sav. & Loan Assns.   | \$308               | + 75                   | 33.6             | + 34.6                 |
| Insurance companies  | 40                  | + 83                   | 4.3              | + 4.4                  |
| Banks & trust cos.   | 245                 | + 169                  | 26.8             | + 18.8                 |
| Mutual savings banks | 50                  | + 170                  | 5.5              | + 3.5                  |
| Individuals          | 169                 | + 39                   | 18.4             | + 26.3                 |
| Others               | 105                 | + 82                   | 11.4             | + 12.4                 |
| Total                | \$917               | + 88                   | 100.0            | + 100.0                |

"Reflecting recent shifts in the competitive position of the various types of mortgage lenders, commercial banks boosted their share of total recordings from 18.8% during the first half of 1945 to 24.3% this year, and mutual savings banks increased their share from 3.5 to 4.8%. Savings and loan associations, continuing their leadership in the home mortgage field, accounted for 34.9% of recordings during the first six months of this year compared with 34.4% in 1945.

"From an all-time high of \$964,000,000 reached in May, recordings dropped 5% during June to \$917,000,000."

### U. S.-Argentina Accept Bolivian Govt.

Formal recognition of the new Government of Bolivia, which seized control after a revolution on July 21, was extended on Aug. 12 by the United States Government, according to announcement by Acting Secretary of State Dean Acheson who said that the State Department is informed that the government of the South American nation is now composed of a three-man junta of University Professors headed by Acting President Nestor Guillen. In reporting the announcement, special advices to the New York "Times" from Washington added that Mr.

Acheson had listed Cuba, Venezuela, Uruguay, Chile, Peru and Paraguay as having already recognized the new Bolivian Government. A United Press dispatch from Buenos Aires on Aug. 12 stated that Argentina had announced on that date recognition of the Bolivian Revolutionary Junta.

From the Associated Press Washington advices, Aug. 12, we quote the following:

"The Junta already has given assurances it will abide by Bolivia's international obligations and has effectively taken over administration of the mountainous country. It has recalled all political exiles and plans to hold general elections soon."

### American Owned Life Ins. at Record High

Life insurance owned by American families reached an estimated \$163,000,000,000 at mid-year, a new record representing an increase of \$8,000,000,000 since Jan. 1, which is the largest for any similar period in the history of the business, it was reported by the Institute of Life Insurance on June 28. "Today's total of life insurance protection the report pointed out, represents an increase of almost \$40,000,000,000 over the amount owned in this country when we went into the war," Holgar J. Johnson, Institute President, said.

The advices from the Institute added:

"Purchases of new life insurance in the first half of the year were estimated at \$11,000,000,000, nearly half again as large as in the first half of 1945 and practically twice as large as in the first half of pre-war 1941. Greatest gains have been in the purchase of ordinary insurance, though group insurance has shown a marked recovery from the early set-back which followed upon V-J Day.

"With the increase in insurance owned, total assets of the life insurance business, largely representing policy reserves, will have increased to \$46,500,000,000 at mid-year. This is an increase of about \$2 billion since the first of the year.

"Holdings of U. S. Government securities increased \$900,000,000 in the half year to approximately \$21,400,000,000. These securities still absorb a major part of available funds, accounting for almost half of the investments made by the companies in the first six months of this year.

"Payments to policyholders and beneficiaries by the country's life insurance companies will total about \$1,450,000,000 in the first half of the year, an increase of more than \$75,000,000 over such payments in the first half of 1945 and \$225,000,000 more than in the corresponding period of 1943. The increase over last year is due in large part to the greater volume of payments of policy cash surrender values, meeting emergency needs of policyholders. These aggregate over \$150,000,000 for the first six months of this year, up about \$40,000,000 over the first half of last year. They are still, however, about half the volume of such calls just prior to the war.

"Death benefit payments, which accounted for a large part of the increase in payments in the first half of 1945, when war claims were more than 10% of total death benefits, have been at about the same level this year with only a small carryover of war claims included.

"Payments to living policyholders are about \$775,000,000 for the first half of the year, about \$75,000,000 more than in the first six months of 1945. This year the payments to living policyholders are running more than half of total payments to policyholders and beneficiaries."

### Moody's Daily Commodity Index

|                         |       |
|-------------------------|-------|
| Tuesday, Aug. 13, 1946  | 348.2 |
| Wednesday, Aug. 14      | 351.1 |
| Thursday, Aug. 15       | 351.1 |
| Friday, Aug. 16         | 350.3 |
| Saturday, Aug. 17       | 349.6 |
| Monday, Aug. 19         | 349.7 |
| Tuesday, Aug. 20        | 346.6 |
| Two weeks ago, Aug. 6   | 349.0 |
| Month ago, July 20      | 343.6 |
| Year ago, Aug. 20, 1945 | 253.4 |
| 1945 High, Dec. 27      | 265.0 |
| Low, Jan. 24            | 252.1 |
| 1946 High, Aug. 1       | 356.3 |
| Low, Jan. 2             | 264.7 |

### Trading on New York Exchanges

The Securities and Exchange Commission made public on Aug. 14, figures showing the volume of total round-lot stock sales on the New York Stock Exchange and the New York Curb Exchange and the volume of round-lot stock transactions for the account of all members of these exchanges in the week ended July 27, continuing a series of current figures being published weekly by the Commission. Short sales are shown separately from other sales in these figures.

Trading on the Stock Exchange for the account of members (except odd-lot dealers) during the week ended July 27 (in round-lot transactions) totaled 1,992,950 shares, which amount was 16.97% of the total transactions on the Exchange of 5,871,260 shares. This compares with member trading during the week ended July 20 of 1,754,565 shares or 17.34% of the total trading of 5,058,460 shares.

On the New York Curb Exchange, member trading during the week ended July 27 amounted to 546,790 shares, or 16.64% of the total volume on that exchange of 1,643,490 shares. During the week ended July 20 trading for the account of Curb members of 453,820 shares was 16.28% of the total trading of 1,393,115 shares.

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

| WEEK ENDED JULY 27, 1946                                                                                                     |                  | Total for Week | % |
|------------------------------------------------------------------------------------------------------------------------------|------------------|----------------|---|
| <b>A. Total Round-Lot Sales:</b>                                                                                             |                  |                |   |
| Short sales                                                                                                                  | 188,440          |                |   |
| Other sales                                                                                                                  | 5,682,820        |                |   |
| <b>Total sales</b>                                                                                                           | <b>5,871,260</b> |                |   |
| <b>B. Round-Lot Transactions for Account of Members, Except for the Odd-Lot Accounts of Odd-Lot Dealers and Specialists:</b> |                  |                |   |
| <b>1. Transactions of specialists in stocks in which they are registered—</b>                                                |                  |                |   |
| Total purchases                                                                                                              | 611,220          |                |   |
| Short sales                                                                                                                  | 115,220          |                |   |
| Other sales                                                                                                                  | 557,780          |                |   |
| <b>Total sales</b>                                                                                                           | <b>673,000</b>   | <b>10.93</b>   |   |
| <b>2. Other transactions initiated on the floor—</b>                                                                         |                  |                |   |
| Total purchases                                                                                                              | 75,050           |                |   |
| Short sales                                                                                                                  | 16,450           |                |   |
| Other sales                                                                                                                  | 145,580          |                |   |
| <b>Total sales</b>                                                                                                           | <b>162,030</b>   | <b>2.02</b>    |   |
| <b>3. Other transactions initiated off the floor—</b>                                                                        |                  |                |   |
| Total purchases                                                                                                              | 198,430          |                |   |
| Short sales                                                                                                                  | 22,250           |                |   |
| Other sales                                                                                                                  | 250,970          |                |   |
| <b>Total sales</b>                                                                                                           | <b>273,220</b>   | <b>4.02</b>    |   |
| <b>4. Total—</b>                                                                                                             |                  |                |   |
| Total purchases                                                                                                              | 884,700          |                |   |
| Short sales                                                                                                                  | 153,920          |                |   |
| Other sales                                                                                                                  | 954,330          |                |   |
| <b>Total sales</b>                                                                                                           | <b>1,108,250</b> | <b>16.97</b>   |   |

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

| WEEK ENDED JULY 27, 1946                                                                                                     |                  | Total for Week | % |
|------------------------------------------------------------------------------------------------------------------------------|------------------|----------------|---|
| <b>A. Total Round-Lot Sales:</b>                                                                                             |                  |                |   |
| Short sales                                                                                                                  | 12,635           |                |   |
| Other sales                                                                                                                  | 1,630,855        |                |   |
| <b>Total sales</b>                                                                                                           | <b>1,643,490</b> |                |   |
| <b>B. Round-Lot Transactions for Account of Members, Except for the Odd-Lot Accounts of Odd-Lot Dealers and Specialists:</b> |                  |                |   |
| <b>1. Transactions of specialists in stocks in which they are registered—</b>                                                |                  |                |   |
| Total purchases                                                                                                              | 194,175          |                |   |
| Short sales                                                                                                                  | 8,685            |                |   |
| Other sales                                                                                                                  | 196,150          |                |   |
| <b>Total sales</b>                                                                                                           | <b>204,835</b>   | <b>12.14</b>   |   |
| <b>2. Other transactions initiated on the floor—</b>                                                                         |                  |                |   |
| Total purchases                                                                                                              | 13,295           |                |   |
| Short sales                                                                                                                  | 200              |                |   |
| Other sales                                                                                                                  | 23,000           |                |   |
| <b>Total sales</b>                                                                                                           | <b>23,200</b>    | <b>1.11</b>    |   |
| <b>3. Other transactions initiated off the floor—</b>                                                                        |                  |                |   |
| Total purchases                                                                                                              | 46,115           |                |   |
| Short sales                                                                                                                  | 1,900            |                |   |
| Other sales                                                                                                                  | 63,270           |                |   |
| <b>Total sales</b>                                                                                                           | <b>65,170</b>    | <b>3.39</b>    |   |
| <b>4. Total—</b>                                                                                                             |                  |                |   |
| Total purchases                                                                                                              | 253,585          |                |   |
| Short sales                                                                                                                  | 10,785           |                |   |
| Other sales                                                                                                                  | 282,420          |                |   |
| <b>Total sales</b>                                                                                                           | <b>293,205</b>   | <b>16.64</b>   |   |
| <b>C. Odd-Lot Transactions for Account of Specialists—</b>                                                                   |                  |                |   |
| Customers' short sales                                                                                                       | 0                |                |   |
| Customers' other sales                                                                                                       | 87,390           |                |   |
| <b>Total purchases</b>                                                                                                       | <b>87,390</b>    |                |   |
| <b>Total sales</b>                                                                                                           | <b>93,709</b>    |                |   |

\*The term "members" includes all regular and associate Exchange members, their firms and their partners, including special partners. In calculating these percentages the total of members' purchases and sales is compared with twice the total round-lot volume on the Exchange for the reason that the Exchange volume includes only sales. Round-lot short sales which are exempted from restriction by the Commission's rules are included with "other sales." Sales marked "short exempt" are included with "other sales."

### Non-Ferrous Metals—Foreign Copper & Lead Bought—Action on Zinc Ceiling Soon Likely

"E. & M. J. Metal and Mineral Markets," in its issue of Aug. 15, stated: "The foreign market for copper developed further strength as it became known that contracts for large tonnages were either closed or in process of being signed. Both the United States and the United Kingdom were involved in the transactions. With the strike at Northern Rhodesian mines not yet settled, and uncertainty over the labor situation at Braden, in Chile, a factor, offerings of copper from foreign sources were insufficient to meet the heavy demands. In the domestic market for non-ferrous metals, there was renewed hope that OPA will act soon to lift the ceiling on zinc. The matter is being studied, according to Washington advices. Lead business was restricted, owing to a muddled price situa-

tion." The publication further went on to say in part as follows: **Copper** Contracts are being prepared by the Government for the purchase of 30,000 tons of copper from Chilean producers for delivery over the third quarter. The price named is said to be 15 3/4¢, f.o.b. port of shipment, Chile. The Brit-

ish purchased copper for last quarter delivery on the same terms. The New York equivalent appreciably, beginning with Aug. 9 and several sellers were holding out for 16 1/4¢ f.a.s. New York, with actual business at that level. However, foreign business was booked throughout the week at prices ranging from 16¢ to 16 1/4¢, f.a.s. New York basis.

The domestic situation was unchanged, with shortages in various shapes continuing. Demand was excellent.

Deliveries of refined copper in July amounted to 96,826 tons, of which total Metals Reserve supplied 75,258 tons. With most strikes settled, production of both crude and refined increased. Stocks also increased, but this resulted largely from the fact that some producers were not in a position to ship copper on the basis of 14 1/2¢ until they complied with the new wage pattern.

**Lead** The Metals Reserve purchased 22,500 tons of lead from foreign sources (Canada, Mexico, and Peru) for delivery over the third quarter on the basis of 9 1/2¢ per pound, United States ports. The metal is to be delivered at the rate of 7,500 tons a month.

In moving the ceiling price of lead in the domestic market back to the 8 3/4¢ New York basis, the available supply has been reduced. There were no signs that OPA is ready to alter its position on lead.

Clinton H. Crane, President of St. Joseph Lead Co., addressed a formal request for price relief to John R. Steelman, director of the Office of War Mobilization and Reconversion, on Aug. 6. Reasons stated by Mr. Crane for a higher price are: (1) that sufficient secondary lead may again be available; (2) to lessen the wide gap between the ceiling price and the foreign market; (3) to lessen use of lead in non-essential applications; (4) to develop production of lead from a long-term point of view, and (5) to unfreeze the heavy tonnage of lead that was made from concentrates and scrap purchased at the 9 1/2¢ price.

Sales of lead for the last week totaled 1,857 tons.

#### Zinc

Pending action by OPA in regard to correcting the price situation in zinc, business during the last week was limited almost entirely to sales at "price on date of shipment." Metals Reserve, as in the preceding week, refused to release metal for August shipment because of the dearth of offerings by producers. The industry expects the ceiling to move back

to at least 9 1/2¢, East St. Louis, within the next 30 days. Consumers feel strongly that something will have to be done to start the flow of metal before that time.

#### Tin

New contracts of the Tin Sales Corporation provide that the settlement basis shall be the OPA ceiling price on date of shipment, or, in the absence of price control, the price quoted in the American Metal Market. This action was viewed as a precautionary step, because, under the law, OPA expires June 30, 1947.

Production of tin at the Longhorn smelter in Texas City during July was 3,853 tons, against 3,548 tons in July last year.

Shipments of tin concentrates from Bolivia in June contained 2,483 metric tons of tin, of which 572 tons was moved by Patino. Total shipments in the first half of 1946 came to 17,653 tons, against 21,476 tons in the same period last year.

The United States has recognized the new Bolivian Government, it was announced Aug. 12. An agreement on terms for obtaining Bolivian concentrates is expected shortly.

Quotations here were unchanged last week. Forward metal of Straits quality was nominally as follows:

|         | August | Sept.  | Oct.   |
|---------|--------|--------|--------|
| Aug. 8  | 52.000 | 52.000 | 52.000 |
| Aug. 9  | 52.000 | 52.000 | 52.000 |
| Aug. 10 | 52.000 | 52.000 | 52.000 |
| Aug. 12 | 52.000 | 52.000 | 52.000 |
| Aug. 13 | 52.000 | 52.000 | 52.000 |
| Aug. 14 | 52.000 | 52.000 | 52.000 |

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

#### Quicksilver

Demand for quicksilver was moderate last week, but the price situation was generally viewed as unchanged. Spot quotations covered a range of \$98 to \$100 per flask, depending on quantity. On nearby metal, \$97 was asked on round lots. Advices from San Francisco indicate that production in this country may drop to 1,000 flasks a month, unless prices show some improvement in the near future. Production in July was estimated at 1,600 flasks.

Spanish and Italian producers have not been pressing metal on an unwilling market, which tends to steady the situation in the European sector. Rumors that 8,200 flasks of captured German metal, now reported to be in the hands of a private party, may come to this country attracted interest.

#### Silver

Silver has been moving into consumption rather freely, with little opposition to the price from the jewelry trade. The New York official quotation continued at 90 1/2¢ an ounce troy. London held to 55 1/2¢ throughout the week.

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

|         | Electrolytic Copper— |            | Straits Tin, |          | Lead—     |           | Zinc      |
|---------|----------------------|------------|--------------|----------|-----------|-----------|-----------|
|         | Dom. Refy.           | Exp. Refy. | New York     | New York | St. Louis | St. Louis | St. Louis |
| Aug. 8  | 14.150               | 15.925     | 52.000       | 8.250    | 8.100     | 8.250     | 8.250     |
| Aug. 9  | 14.150               | 16.050     | 52.000       | 8.250    | 8.100     | 8.250     | 8.250     |
| Aug. 10 | 14.150               | 16.050     | 52.000       | 8.250    | 8.100     | 8.250     | 8.250     |
| Aug. 12 | 14.150               | 16.075     | 52.000       | 8.250    | 8.100     | 8.250     | 8.250     |
| Aug. 13 | 14.150               | 16.025     | 52.000       | 8.250    | 8.100     | 8.250     | 8.250     |
| Aug. 14 | 14.150               | 16.125     | 52.000       | 8.250    | 8.100     | 8.250     | 8.250     |
| Average | 14.150               | 16.042     | 52.000       | 8.250    | 8.100     | 8.250     | 8.250     |

Average prices for calendar week ended Aug. 10 are: Domestic copper f.o.b. refinery, 14.150¢; export copper, f.o.b. refinery, 15.967¢; 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 0.225¢ 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.

### NYSE Odd-Lot Trading

The Securities and Exchange Commission made public on Aug. 14, a summary for the week ended Aug. 3, of complete figures showing the daily volume of stock transactions for odd-lot account of all odd-lot dealers and specialists who handled odd lots on the New York Stock Exchange, continuing a series of current figures being published by the Commission. The figures are based upon reports filed with the Commission by the odd-lot dealers and specialists.

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

| Week Ended Aug. 3, 1946                |              | Total |
|----------------------------------------|--------------|-------|
| <b>Odd-Lot Sales by Dealers—</b>       |              |       |
| (Customers' purchases)                 |              |       |
| Number of orders                       | 26,023       |       |
| Number of shares                       | 736,903      |       |
| Dollar value                           | \$34,642,298 |       |
| <b>Odd-Lot Purchases by Dealers—</b>   |              |       |
| (Customers' sales)                     |              |       |
| Number of Orders:                      |              |       |
| Customers' short sales                 | 143          |       |
| Customers' other sales                 | 19,129       |       |
| Customers' total sales                 | 19,272       |       |
| Number of Shares:                      |              |       |
| Customers' short sales                 | 5,520        |       |
| Customers' other sales                 | 532,366      |       |
| Customers' total sales                 | 537,886      |       |
| Dollar value                           | \$25,968,119 |       |
| <b>Round-Lot Sales by Dealers—</b>     |              |       |
| Number of Shares:                      |              |       |
| Short sales                            | 180          |       |
| Other sales                            | 91,660       |       |
| Total sales                            | 91,840       |       |
| <b>Round-Lot Purchases by Dealers—</b> |              |       |
| Number of Shares:                      |              |       |
| Short sales                            | 315,660      |       |
| Other sales                            | 1,115,340    |       |
| Total sales                            | 1,431,000    |       |

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

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

### House Group to Survey Alaska, Far East

Announcement was made on Aug. 10 of the departure by plane of members of the House Military Affairs Committee on a six weeks' trip to Alaska, the Pacific and the Far East for the purpose of studying surplus war property disposition, demobilization, military government in occupied areas, Army morale and sites for permanent military bases. Members who signed up for all or part of the trip, according to Associated Press Washington advices, were

Representatives Ewing Thomson, Republican, of Texas; John E. Sheridan, Democrat, of Pennsylvania; J. Lindsay Almond, Democrat, of Virginia; Robert F. Sikes, Democrat, of Florida; Melvin Price, Democrat, of Illinois; Philip J. Philbin, Democrat, of Massachusetts, and Resident Commissioner Jesus T. Pinero of Puerto Rico; Representatives Dewey Short of Missouri, Paul W. Shafer of Michigan, Thomas E. Martin of Iowa, J. Leroy Johnson of California, Charles R. Clason of Massachusetts and Charles H. Elston of Ohio, all Republicans.

### Johnson Budget Officer

Secretary Snyder on Aug. 7 announced the appointment of Willard L. Johnson as Budget Officer of the Treasury Department, succeeding Charles R. Schoeneman, who died on July 1. Mr. Johnson, a native of Richmond, Va., was educated at Northwestern University, Chicago, and South-eastern University, Washington. He went with the Treasury Department in 1935, and until 1942 occupied executive positions in the Bureau of Accounts. The Treasury Department also said:

"He was appointed a Colonel in the United States Army in 1942, and served as officer in charge of Fiscal Activities and Accountable Disbursing Officer, Office of Dependency Benefits, Newark, N. J., until his discharge early this year. Since February, Mr. Johnson has been in charge of fiscal activities at Treasury's Procurement Division."

Daily Average Crude Oil Production for Week Ended Aug. 10, 1946 Decreased 59,950 Bbls.

The American Petroleum Institute estimates that the daily average gross crude oil production for the week ended Aug. 10, 1946, was 4,821,450 barrels, a decrease of 59,950 barrels per day from the preceding week and 112,600 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 4,806,000 barrels of crude oil daily and produced 14,696,000 barrels of gasoline; 1,919,000 barrels of kerosene; 5,735,000 barrels of distillate fuel, and 8,201,000 barrels of residual fuel oil during the week ended Aug. 10, 1946; and had in storage at the end of the week; 87,016,000 barrels of finished and unfinished gasoline; 16,507,000 barrels of kerosene; 48,030,000 barrels of distillate fuel, and 51,613,000 barrels of residual fuel oil.

Table with columns: State, B. of M. Calculated Requirements August, Actual Production Week Ended Aug. 10, 1946, Change from Previous Week, 4 Weeks Ended Aug. 10, 1946, Week Ended Aug. 11, 1945. Rows include New York-Penna., Florida, West Virginia, Ohio-Southwest, Ohio-Other, Indiana, Illinois, Kentucky, Michigan, Nebraska, Kansas, Oklahoma, Texas (Districts I-X), North Louisiana, Coastal Louisiana, Total Louisiana, Arkansas, Mississippi, Alabama, New Mexico-S. East, New Mexico-Other, Wyoming, Montana, Colorado, California, Total United States, and Pennsylvania Grade.

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. As requirements may be supplied either from stocks or from new production, contemplated withdrawals from crude oil inventories must be deducted from the Bureau's estimated requirements to determine the amount of new crude to be produced.

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. With the exception of several fields which were exempted entirely and of certain other fields for which shutdowns were ordered for from 5 to 10 days, the entire State was ordered shut down for 5 days, no definite dates during the month being specified; operators only being required to shut down as best suits their operating schedules or labor needed to operate leases, a total equivalent to 5 days' shutdown time during the calendar month.

Recommendation of Conservation Committee of California Oil Producers.

CRUDE RUNS TO STILL; PRODUCTION OF GASOLINE; STOCKS OF FINISHED AND UNFINISHED GASOLINE, KEROSENE, GAS OIL AND DISTILLATE FUEL AND RESIDUAL FUEL OIL, WEEK ENDED AUG. 10, 1946

Table with columns: District, % Daily Crude Runs to Still, % Daily Gasoline Produced, % Daily Kerosene Produced, % Daily Gas Oil Produced, % Daily Residual Fuel Oil Produced, % Stocks of Gasoline, % Stocks of Kerosene, % Stocks of Gas Oil, % Stocks of Residual Fuel Oil. Rows include East Coast, Appalachian, District No. 1, District No. 2, Ind., Ill., Ky., Okla., Kan., Mo., Inland Texas, Texas Gulf Coast, Louisiana Gulf Coast, No. La. & Arkansas, Rocky Mountain, District No. 3, District No. 4, California, Total U.S. B. of M. basis Aug. 10, 1946, Total U.S. B. of M. basis Aug. 3, 1946, U.S. B. of M. basis Aug. 11, 1945.

Includes unfinished gasoline stocks of 8,518,000 barrels. Includes unfinished gasoline stocks of 10,988,000 barrels. Stocks at refineries, at bulk terminals, in transit and in pipe lines. In addition, there were produced during the week ended Aug. 10, 1946, a total of 1,919,000 barrels of kerosene; 5,735,000 barrels of gas oil and distillate fuel oil and 8,201,000 barrels of residual fuel oil, as against 1,899,000 barrels, 5,856,000 barrels and 8,273,000 barrels, respectively, in the preceding week and 1,589,000 barrels, 4,947,000 barrels and 9,416,000 barrels, respectively, in the week ended Aug. 11, 1945.

Civil Engineering Construction Totals \$129,096,000 for Week

Civil engineering construction volume in continental United States totals \$129,096,000 for the week ending Aug. 15, 1946, as reported by "Engineering News-Record." This volume is 8% above the previous week, 163% above the corresponding week of last year and 4% above the previous four-week moving average. The report issued on Aug. 15, went on to say:

Private construction this week, \$101,189,000 is 47% above last week and 336% above the week last year. Public construction, \$27,907,000, is 45% below last week and 8% greater than the week last year. State and municipal construction, \$24,817,000, 43% below last week, is 265% above the 1945 week. Federal construction, \$3,090,000, is 56% below last week and 84% below the week last year.

Total engineering construction for the 33-week period of 1946 records a cumulative total of \$3,533,221,000, which is 194% above the total for a like period of 1945. On a cumulative basis, private construction in 1946 totals, \$2,145,602,000, which is 480% above that for 1945. Public construction, \$1,387,619,000, is 67% greater than the cumulative total for the corresponding period of 1945 whereas state and municipal construction, \$883,679,000, to date, is 347% above 1945. Federal construction, \$503,940,000, dropped 21% below the 33-week total of 1945.

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

Table with columns: Aug. 15, 1946, Aug. 8, 1946, Aug. 16, 1945. Rows include Total U. S. Construction, Private Construction, Public Construction, State & Municipal, Federal.

In the classified construction groups, bridges, highways, public buildings and commercial buildings gained this week over the previous week. Three of the nine classes recorded gains this week over the 1945 week as follows: bridges, highways and commercial buildings.

New Capital

New capital for construction purposes this week totals \$36,080,000 and is made up of \$24,290,000 in state and municipal bond sales, \$10,153,000 in corporate securities, and \$1,637,000 in federal appropriations for departmental construction. New capital for the 33-week period of 1946 totals \$2,472,395,000, 62% more than the \$1,523,208,000 reported for the corresponding period of 1945.

Electric Output for Week Ended Aug. 17, 1946 12.3% 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. 17, 1946, was 4,422,242,000 kwh., which compares with 3,939,195,000 kwh. in the corresponding week a year ago, and 4,411,717,000 kwh. in the week ended Aug. 10 1946. The output for the week ended Aug. 17, 1946, exceeded that of the same week in 1945 by 12.3%.

PERCENTAGE INCREASE OVER SAME WEEK LAST YEAR

Table with columns: Major Geographical Divisions, Week Ended, Aug. 17, Aug. 10, Aug. 3, July 27. Rows include New England, Middle Atlantic, Central Industrial, West Central, Southern States, Rocky Mountain, Pacific Coast, Total United States.

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, June 8, June 15, June 22, June 29, July 6, July 13, July 20, July 27, Aug. 3, Aug. 10, Aug. 17, Aug. 24, Aug. 31.

Bank Debits for Month of July

The Board of Governors of the Federal Reserve System issued on Aug. 12 its usual monthly summary of "bank debits" which we give below:

Table with columns: Federal Reserve District, July 1946, July 1945, -3 Months Ended- July 1946, July 1945. Rows include Boston, New York, Philadelphia, Cleveland, Richmond, Atlanta, Chicago, St. Louis, Minneapolis, Kansas City, Dallas, San Francisco, Total, 334 centers.

\*Included in the national series covering 141 centers, available beginning in 1945.

Greenwood Announces A. I. B. Appointments

The completion of appointments to seven national committees of the American Institute of Banking, educational section of the American Bankers Association, was announced on July 12 by George J. Greenwood, Jr., newly elected national President of the Institute, according to a report issued by the American Bankers Assn., which continued:

Mr. Greenwood, who is Assistant Manager of The Bank of California National Association, in Portland, disclosed that two new committees have been created this year. The former Debate and Public Speaking Committee is this year divided into two separate committees; also, the former Membership and Publicity Committee now becomes the Membership and Enrollment Committee, and a separate Publicity Committee has been formed. The committees and their chairmen are as follows:

The Debate Committee, headed by E. Francis De Vos of the Federal Reserve Bank of St. Louis; the Forum and Seminar Committee, headed by John H. Duerk, Howard Savings Institute, Newark, N. J.; Membership and Enrollment Committee of which C. Edward Berryman of the Marine Trust Company in Buffalo, N. Y., is Chairman; Publicity Committee with Kathryn C. O'Connor of Putnam & Co., Hartford, Conn., as Chairman; Public Relations Committee, lead by D. C. Armano of the American Trust Company, San Francisco, Calif.; Public Speaking Committee with Roland Bratton, The Fort Worth National Bank, Fort Worth, Tex., as Chairman; and the Women's Committee with Alice I. Jones, Third National Bank & Trust Company, Scranton, Pa., Chairman.

In addition to the national committees there are six Executive Council committees. They are:

Budget Committee, Educational Advisory Committee, Nominating Committee, Chapter Administration Committee, Program Committee, and Transportation Committee.

Savings Bank Deposits Up for 50th Month

A net gain in savings deposits of \$62,340,070 for July was reported on Aug. 14 by the 131 New York State Mutual Savings Banks. This represents the 50th consecutive month in which savings banks have experienced a net gain in savings, bringing total deposits to \$8.8 billion, according to the announcement issued by the Savings Banks Association of New York State.

The gain in the number of new accounts, the announcement also said, totaling 24,686, exceeds the 23,129 gain in July a year ago. This brings the total open accounts to a new high of 6,865,879. The advices from the Association further said:

The gain of \$62 million in dollar deposits was exclusive of the semi-annual dividend of approximately \$53 million credited in interest to depositors. The interest for the first six months of 1946 was equivalent to an average rate of 8% per depositor. The number of transactions in money handled and in accounts opened and closed were of record-breaking proportions, second only to January this year which were the highest ever recorded in well over a century of mutual savings banks' existence. The ratio of deposits to withdrawals was 1.24.

Sale of United States bonds and stamps for July were \$16,154,131, exceeding the sales of June by 68%. Redemptions in July totaled \$10,627,584 which is a decrease of 14% over redemptions in June.

## Revenue Freight Car Loadings During Week Ended Aug. 10, 1946 Increased Only 689 Cars

Loading of revenue freight for the week ended Aug. 10, 1946 totaled 899,084 cars the Association of American Railroads announced on Aug. 15. This was an increase above the corresponding week of 1945 of 29,082 cars, or 3.3%, and an increase above the same week in 1944 of 3,903 cars or 0.4%.

Loading of revenue freight for the week of Aug. 10 increased 689 cars or one-tenth of 1% above the preceding week.

Miscellaneous freight loading totaled 382,450 cars, a decrease of 1,402 cars below the preceding week, but an increase of 318 cars above the corresponding week in 1945.

Loading of merchandise less than carload lot freight totaled 123,638 cars, an increase of 175 cars above the preceding week, and an increase of 16,806 cars above the corresponding week in 1945.

Coal loading amounted to 185,661 cars, an increase of 1,139 cars above the preceding week and an increase of 16,274 cars above the corresponding week in 1945.

Grain and grain products loading totaled 53,862 cars, a decrease of 2,530 cars below the preceding week and a decrease of 9,632 cars below the corresponding week in 1945. In the Western Districts alone, grain and grain products loading for the week of Aug. 10 totaled 37,410 cars, a decrease of 337 cars below the preceding week and a decrease of 4,387 cars below the corresponding week in 1945.

Livestock loading amounted to 16,209 cars, a decrease of 644 cars below the preceding week but an increase of 1,283 cars above the corresponding week in 1945. In the Western Districts alone loading of livestock for the week of Aug. 10 totaled 12,199 cars, a decrease of 631 cars below the preceding week, but an increase of 1,019 cars above the corresponding week in 1945.

Forest products loading totaled 49,657 cars, an increase of 845 cars above the preceding week and an increase of 3,299 cars above the corresponding week in 1945.

Ore loading amounted to 73,575 cars, an increase of 2,545 cars above the preceding week and an increase of 730 cars above the corresponding week in 1945.

Coke loading amounted to 14,032 cars, an increase of 561 cars above the preceding week, and an increase of 4 cars above the corresponding week in 1945.

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

|                     | 1946              | 1945              | 1944              |
|---------------------|-------------------|-------------------|-------------------|
| 4 weeks of January  | 2,883,620         | 3,003,655         | 3,158,700         |
| 4 weeks of February | 2,866,710         | 3,052,487         | 3,154,116         |
| 5 weeks of March    | 3,982,229         | 4,022,088         | 3,916,037         |
| 4 weeks of April    | 2,604,552         | 3,377,335         | 3,275,846         |
| 4 weeks of May      | 2,616,067         | 3,456,465         | 3,441,616         |
| 5 weeks of June     | 4,062,911         | 4,366,518         | 4,338,886         |
| 4 weeks of July     | 3,406,874         | 3,379,284         | 3,459,830         |
| Week of Aug. 3      | 898,395           | 863,910           | 889,594           |
| Week of Aug. 10     | 899,084           | 870,002           | 895,181           |
| <b>Total</b>        | <b>24,220,442</b> | <b>26,391,742</b> | <b>26,529,806</b> |

The following table is a summary of the freight carloadings for the separate railroads and systems for the week ended Aug. 10, 1946. During this period 79 roads reported gains over the week ended Aug. 11, 1945.

| Railroads                          | REVENUE FREIGHT LOADED AND RECEIVED FROM CONNECTIONS (NUMBER OF CARS) WEEK ENDED AUG. 10 |                |                | Total Loads Received from Connections |                |
|------------------------------------|------------------------------------------------------------------------------------------|----------------|----------------|---------------------------------------|----------------|
|                                    | 1946                                                                                     | 1945           | 1944           | 1946                                  | 1945           |
| <b>Eastern District—</b>           |                                                                                          |                |                |                                       |                |
| Ann Arbor                          | 333                                                                                      | 361            | 303            | 1,510                                 | 1,422          |
| Bangor & Aroostook                 | 1,328                                                                                    | 1,371          | 1,166          | 680                                   | 354            |
| Boston & Maine                     | 7,759                                                                                    | 7,190          | 6,499          | 12,895                                | 13,312         |
| Chicago, Indianapolis & Louisville | 1,398                                                                                    | 1,337          | 1,301          | 2,148                                 | 2,008          |
| Central Indiana                    | 39                                                                                       | 38             | 30             | 69                                    | 61             |
| Central Vermont                    | 1,151                                                                                    | 1,137          | 1,070          | 2,282                                 | 2,201          |
| Delaware & Hudson                  | 4,882                                                                                    | 4,895          | 5,013          | 10,860                                | 11,188         |
| Delaware, Lackawanna & Western     | 7,581                                                                                    | 7,807          | 8,020          | 9,579                                 | 9,914          |
| Detroit & Mackinac                 | 384                                                                                      | 230            | 232            | 239                                   | 160            |
| Detroit, Toledo & Ironton          | 2,399                                                                                    | 1,834          | 1,757          | 1,938                                 | 1,423          |
| Detroit & Toledo Shore Line        | 414                                                                                      | 347            | 312            | 2,988                                 | 2,423          |
| Erie                               | 13,209                                                                                   | 12,411         | 12,626         | 15,702                                | 15,958         |
| Grand Trunk Western                | 65                                                                                       | 157            | 147            | 7,925                                 | 7,767          |
| Lehigh & Hudson River              | 2,636                                                                                    | 2,234          | 2,088          | 1,641                                 | 1,605          |
| Lehigh & New England               | 8,714                                                                                    | 8,527          | 8,689          | 8,782                                 | 9,661          |
| Lehigh Valley                      | 2,974                                                                                    | 2,570          | 2,385          | 3,222                                 | 2,843          |
| Maine Central                      | 5,971                                                                                    | 5,973          | 6,166          | 291                                   | 306            |
| Monongahela                        | 2,601                                                                                    | 2,731          | 2,439          | 31                                    | 23             |
| Montour                            | 51,649                                                                                   | 51,594         | 51,031         | 52,598                                | 49,814         |
| N. Y. N. H. & Hartford             | 10,500                                                                                   | 10,368         | 9,260          | 15,171                                | 15,906         |
| N. Y. Ontario & Western            | 1,016                                                                                    | 977            | 1,250          | 2,734                                 | 3,351          |
| N. Y. Chicago & St. Louis          | 7,318                                                                                    | 6,638          | 6,639          | 13,734                                | 14,469         |
| N. Y. Susquehanna & Western        | 1,250                                                                                    | 439            | 379            | 1,537                                 | 2,179          |
| Pittsburgh & Lake Erie             | 6,688                                                                                    | 7,663          | 7,554          | 8,283                                 | 9,296          |
| Pore Marquette                     | 6,804                                                                                    | 5,289          | 5,375          | 7,071                                 | 7,002          |
| Pittsburgh & Shawmut               | 1,249                                                                                    | 866            | 920            | 44                                    | 31             |
| Pittsburgh, Shawmut & North        | 324                                                                                      | 183            | 366            | 114                                   | 321            |
| Pittsburgh & West Virginia         | 927                                                                                      | 1,050          | 1,446          | 2,253                                 | 2,502          |
| Rutland                            | 395                                                                                      | 371            | 348            | 1,253                                 | 1,082          |
| Washington                         | 6,493                                                                                    | 6,162          | 5,817          | 11,567                                | 10,790         |
| Wabash & Lake Erie                 | 6,432                                                                                    | 6,578          | 6,455          | 4,656                                 | 4,410          |
| <b>Total</b>                       | <b>168,685</b>                                                                           | <b>163,888</b> | <b>160,693</b> | <b>205,726</b>                        | <b>206,881</b> |
| <b>Allegheny District—</b>         |                                                                                          |                |                |                                       |                |
| Akron, Canton & Youngstown         | 650                                                                                      | 713            | 729            | 1,369                                 | 1,075          |
| Baltimore & Ohio                   | 42,957                                                                                   | 47,333         | 48,300         | 24,361                                | 25,300         |
| Beasler & Lake Erie                | 6,435                                                                                    | 5,566          | 6,905          | 2,146                                 | 2,370          |
| Cambria & Indiana                  | 1,632                                                                                    | 1,644          | 1,720          | 9                                     | 15             |
| Central R. R. of New Jersey        | 6,661                                                                                    | 6,421          | 7,034          | 17,028                                | 18,069         |
| Cornwall                           | 489                                                                                      | 482            | 565            | 70                                    | 35             |
| Cumberland & Pennsylvania          | 314                                                                                      | 163            | 195            | 11                                    | 7              |
| Egionier Valley                    | 50                                                                                       | 128            | 147            | 9                                     | 73             |
| Long Island                        | 2,494                                                                                    | 2,651          | 2,147          | 4,969                                 | 4,196          |
| Penn-Reading Seashore Lines        | 1,829                                                                                    | 1,864          | 1,963          | 1,994                                 | 2,211          |
| Pennsylvania System                | 92,076                                                                                   | 87,135         | 89,027         | 61,734                                | 59,940         |
| Reading Co.                        | 15,743                                                                                   | 14,467         | 14,737         | 23,575                                | 27,374         |
| Union (Pittsburgh)                 | 18,332                                                                                   | 17,717         | 19,157         | 7,490                                 | 6,990          |
| Western Maryland                   | 4,555                                                                                    | 4,109          | 4,089          | 11,493                                | 12,242         |
| <b>Total</b>                       | <b>194,234</b>                                                                           | <b>190,393</b> | <b>196,740</b> | <b>156,258</b>                        | <b>159,898</b> |
| <b>Pocahontas District—</b>        |                                                                                          |                |                |                                       |                |
| Chesapeake & Ohio                  | 35,028                                                                                   | 28,939         | 31,035         | 14,936                                | 14,201         |
| Norfolk & Western                  | 25,943                                                                                   | 20,141         | 22,491         | 7,240                                 | 7,305          |
| Virginian                          | 4,888                                                                                    | 4,517          | 4,617          | 1,412                                 | 2,210          |
| <b>Total</b>                       | <b>65,859</b>                                                                            | <b>53,597</b>  | <b>58,143</b>  | <b>23,588</b>                         | <b>23,716</b>  |

| Railroads                       | Total Revenue Freight Loaded |                |                | Total Loads Received from Connections |                |
|---------------------------------|------------------------------|----------------|----------------|---------------------------------------|----------------|
|                                 | 1946                         | 1945           | 1944           | 1946                                  | 1945           |
| <b>Southern District—</b>       |                              |                |                |                                       |                |
| Alabama, Tennessee & Northern   | 328                          | 551            | 369            | 358                                   | 277            |
| Atl. & W. P.—W. R. R. of Ala.   | 863                          | 793            | 801            | 2,434                                 | 2,153          |
| Atlanta, Birmingham & Coast     | 1                            | 1              | 1,003          | 1                                     | 1              |
| Atlantic Coast Line             | 13,176                       | 11,706         | 10,167         | 8,560                                 | 10,153         |
| Central of Georgia              | 3,892                        | 3,758          | 3,806          | 4,223                                 | 4,448          |
| Charleston & Western Carolina   | 556                          | 505            | 463            | 1,406                                 | 1,348          |
| Cinchfield                      | 1,760                        | 1,740          | 1,895          | 3,282                                 | 2,513          |
| Columbus & Greenville           | 351                          | 246            | 196            | 348                                   | 262            |
| Durham & Southern               | 75                           | 98             | 117            | 799                                   | 393            |
| Florida East Coast              | 839                          | 783            | 861            | 1,479                                 | 1,229          |
| Jacksonville Midland            | 114                          | 59             | 56             | 107                                   | 100            |
| Georgia & Florida               | 1,329                        | 1,370          | 1,043          | 2,159                                 | 2,578          |
| Gulf, Mobile & Ohio             | 709                          | 115            | 684            | 756                                   | 194            |
| Illinois Central System         | 4,471                        | 4,766          | 4,516          | 3,598                                 | 4,639          |
| Louisville & Nashville          | 27,241                       | 26,387         | 28,625         | 15,011                                | 16,898         |
| Macon, Dublin & Savannah        | 28,410                       | 25,002         | 26,204         | 9,819                                 | 11,708         |
| Mississippi Central             | 256                          | 232            | 185            | 687                                   | 723            |
| Nashville, Chattanooga & St. L. | 0                            | 500            | 328            | 0                                     | 478            |
| Norfolk Southern                | 3,640                        | 3,256          | 3,111          | 3,851                                 | 4,512          |
| Piedmont Northern               | 1,048                        | 992            | 807            | 1,781                                 | 1,570          |
| Richmond, Fred. & Potomac       | 395                          | 415            | 341            | 1,622                                 | 1,165          |
| Seaboard Air Line               | 4,047                        | 483            | 479            | 7,046                                 | 8,006          |
| Southern System                 | 10,077                       | 9,609          | 9,178          | 7,944                                 | 7,992          |
| Tennessee Central               | 27,126                       | 24,852         | 25,297         | 25,363                                | 23,676         |
| Winston-Salem Southbound        | 708                          | 616            | 704            | 757                                   | 949            |
|                                 | 127                          | 151            | 134            | 1,035                                 | 1,161          |
| <b>Total</b>                    | <b>127,895</b>               | <b>118,985</b> | <b>121,370</b> | <b>104,425</b>                        | <b>109,125</b> |

| Railroads                        | Total Revenue Freight Loaded |                |                | Total Loads Received from Connections |               |
|----------------------------------|------------------------------|----------------|----------------|---------------------------------------|---------------|
|                                  | 1946                         | 1945           | 1944           | 1946                                  | 1945          |
| <b>Northwestern District—</b>    |                              |                |                |                                       |               |
| Chicago & North Western          | 21,208                       | 20,451         | 20,138         | 15,227                                | 15,299        |
| Chicago Great Western            | 2,550                        | 2,457          | 2,829          | 3,376                                 | 3,732         |
| Chicago, Milw., St. P. & Pac.    | 23,458                       | 22,953         | 22,507         | 11,154                                | 11,003        |
| Chicago, St. Paul, Minn. & Omaha | 4,333                        | 3,803          | 3,582          | 4,295                                 | 4,560         |
| Duluth, Missabe & Iron Range     | 26,254                       | 26,285         | 27,411         | 333                                   | 312           |
| Duluth, South Shore & Atlantic   | 1,073                        | 964            | 985            | 671                                   | 585           |
| Elgin, Joliet & Eastern          | 8,529                        | 8,439          | 8,901          | 8,683                                 | 8,566         |
| Fr. Dodge, Des Moines & South    | 504                          | 410            | 394            | 145                                   | 84            |
| Green Bay & Western              | 22,499                       | 22,557         | 26,565         | 7,855                                 | 10,161        |
| Lake Superior & Ishpeming        | 518                          | 393            | 520            | 949                                   | 930           |
| Minneapolis & St. Louis          | 2,128                        | 1,922          | 2,328          | 61                                    | 66            |
| Minn., St. Paul & S. S. M.       | 2,389                        | 2,221          | 2,116          | 2,845                                 | 2,683         |
| Northern Pacific                 | 7,577                        | 7,539          | 6,971          | 3,772                                 | 3,437         |
| Spokane International            | 12,695                       | 11,921         | 11,564         | 5,075                                 | 7,058         |
| Spokane, Portland & Seattle      | 179                          | 222            | 161            | 488                                   | 651           |
|                                  | 2,438                        | 2,652          | 2,840          | 2,641                                 | 3,136         |
| <b>Total</b>                     | <b>138,332</b>               | <b>135,289</b> | <b>139,812</b> | <b>67,560</b>                         | <b>72,253</b> |

| Railroads                        | Total Revenue Freight Loaded |                |                | Total Loads Received from Connections |                |
|----------------------------------|------------------------------|----------------|----------------|---------------------------------------|----------------|
|                                  | 1946                         | 1945           | 1944           | 1946                                  | 1945           |
| <b>Central Western District—</b> |                              |                |                |                                       |                |
| Atch., Top. & Santa Fe System    | 27,608                       | 27,116         | 28,941         | 12,052                                | 15,145         |
| Alton                            | 3,098                        | 3,887          | 3,787          | 3,630                                 | 3,744          |
| Bingham & Garfield               | 226                          | 355            | 398            | 30                                    | 61             |
| Chicago, Burlington & Quincy     | 21,945                       | 20,495         | 20,832         | 11,627                                | 13,068         |
| Chicago & Illinois Midland       | 3,328                        | 3,031          | 3,115          | 719                                   | 870            |
| Chicago, Rock Island & Pacific   | 14,084                       | 13,161         | 13,728         | 13,294                                | 13,518         |
| Chicago & Eastern Illinois       | 2,914                        | 2,793          | 2,606          | 3,345                                 | 4,398          |
| Colorado & Southern              | 970                          | 827            | 749            | 1,734                                 | 2,179          |
| Denver & Rio Grande Western      | 3,450                        | 3,693          | 4,257          | 5,247                                 | 7,830          |
| Denver & Salt Lake               | 484                          | 596            | 815            | 85                                    | 47             |
| Fort Worth & Denver City         | 1,213                        | 820            | 1,016          | 1,389                                 | 1,512          |
| Minneapolis Terminal             | 2,003                        | 1,851          | 2,599          | 1,948                                 | 2,184          |
| Missouri-Illinois                | 1,267                        | 1,338          | 1,214          | 561                                   | 675            |
| Nevada Northern                  | 1,354                        | 1,462          | 1,646          | 94                                    | 98             |
| North Western Pacific            | 1,064                        | 1,052          | 1,116          | 950                                   | 1,117          |
| Peoria & Pekin Union             | 25                           | 12             | 0              | 0                                     | 0              |
| Southern Pacific (Pacific)       | 34,154                       | 33,945         | 34,372         | 10,177                                | 15,171         |
| Toledo, Peoria & Western         | 0                            | 274            | 268            | 0                                     | 0,067          |
| Union Pacific System             | 16,934                       | 18,256         | 18,289         | 17,649                                | 20,755         |
| Utah                             | 778                          | 644            | 493            | 6                                     | 3              |
| Western Pacific                  | 1,877                        | 2,981          | 2,283          | 3,491                                 | 5,442          |
| <b>Total</b>                     | <b>138,776</b>               | <b>138,089</b> | <b>142,524</b> | <b>88,028</b>                         | <b>109,884</b> |

| Railroads                      | Total Revenue Freight Loaded |        |       | Total Loads Received from Connections |       |
|--------------------------------|------------------------------|--------|-------|---------------------------------------|-------|
|                                | 1946                         | 1945   | 1944  | 1946                                  | 1945  |
| <b>Southwestern District—</b>  |                              |        |       |                                       |       |
| Burlington-Rock Island         | 232                          | 370    | 929   | 542                                   | 252   |
| Gulf Coast Lines               | 4,143                        | 4,161  | 5,624 | 2,259                                 | 2,356 |
| International-Great Northern   | 2,232                        | 2,388  | 2,484 | 2,971                                 | 3,395 |
| I. O. & G. M. V. & O. C. A. A. | 1,375                        | 1,321  | 1,010 | 1,648                                 | 1,779 |
| Kansas City Southern           | 3,351                        | 4,074  | 5,562 | 3,042                                 | 2,897 |
| Louisiana & Arkansas           | 2,784                        | 3,171  | 4,100 | 2,258                                 | 2,348 |
| Litchfield & Madison           | 387                          | 301    | 282   | 1,510                                 | 1,288 |
| Missouri & Arkansas            | 208                          | 166    | 157   | 318                                   | 450   |
| Missouri-Kansas-Texas Lines    | 5,993                        | 6,301  | 6,138 | 4,240                                 | 3,798 |
| Missouri Pacific               | 18,287                       | 18,136 |       |                                       |       |

## Items About Banks, Trust Companies

Guaranty Trust Company of New York announces the appointments of William J. Neil as Second Vice-President, and Elmer R. Coffeen, Joseph Katrausky, Gregory Korte, Herbert P. McCabe, and John Reis, Jr., as Assistant Treasurers. Mr. Neil was formerly an Assistant Secretary, and the others become officers of the bank for the first time.

Frank K. Houston, Chairman of the Board of the Chemical Bank & Trust Company of New York, announces that Edward McLean Cummings will become connected with that bank on September 3 and will be associated with Huntington M. Turner, Vice-President, in handling the business of the bank in the States of Michigan, Illinois, Wisconsin, Minnesota, Nebraska, Iowa and the Dakotas. Mr. Cummings is the son of Walter J. Cummings, Chairman of the Board of the Continental Illinois National Bank & Trust Company of Chicago and is a graduate of Yale University. He served as a Lieutenant, Senior Grade, in the Navy during the War.

Murray S. Wilson, of New York City, died on Aug. 14 following a heart attack. He was in his sixtieth year. Mr. Wilson was a Vice President of The National City Bank of New York and represented the institution in the domestic territory where he was widely known. He was born in Caneyville, Ky., and attended the New York University School of Commerce. He was also a graduate of the American Institute of Banking, and his entire business career had been banking. He was associated with the Henryville State Bank of Henryville, Ind., as Assistant Cashier, the Bordon State Bank of Bordon, Ind., as Cashier and joined The National City Bank of New York in 1918 becoming a Vice President of the National City in 1931. Mr. Wilson was a member of the Association of Reserve City Bankers, the Newcomen Society, the Southern Society and the Kentucky Society.

John H. Brennen, Assistant Vice-President of Manufacturers Trust Company of New York, died on August 15, at his home, in New Rochelle, N. Y. He was 63 years old and had been with the bank for thirteen years. Mr. Brennen was born in Brooklyn. He began his banking career in 1900 with the Citizens Central National Bank, New York City. He became associated with the Manufacturers Trust Company in 1933 and was elected an Assistant Secretary in 1941, and Assistant Vice-President in 1944. He was connected with the bank's Business Development Department representing the bank in New York State, New Hampshire and Vermont. His grandfather, James Rodwell, was President of the Manufacturers National Bank of Brooklyn before that institution was merged with the Citizens Trust Company, also of Brooklyn, to form Manufacturers Trust Company. Mr. Brennen's father, the late John H. Brennen, was Treasurer of the City of Brooklyn before it was incorporated as one of the Boroughs of Greater New York.

Alphonse A. Laporte has been elected a Trustee and Vice President of the Dollar Savings Bank of the City of New York according to an announcement made by Robert M. Catharine, the bank's President. He is expected to undertake his duties as Vice-President shortly. Mr. Laporte, a graduate of the Columbia Law School, was associated for a number of

years with the law firm of Root, Clark, Buckner and Ballantine, and is now Vice-President and General Counsel of C.I.T. Financial Corporation.

The Bensonhurst National Bank of Brooklyn, N. Y., was authorized on August 7 by the Comptroller of the Currency to increase its capital from \$275,000 to \$400,000 by the sale of new stock. On June 27th last the Bensonhurst Bank previously increased its capital from \$250,000 to \$275,000 by a stock dividend, as reported in the "Chronicle" of July 18, page 412.

Announcement of the election of Roswell F. Thoma as a Director of the Liberty Bank of Buffalo, N. Y. was made on Aug. 13 by George G. Kleindinst, President. Mr. Thoma, the Buffalo "Evening News" states, is President of the Thoma Paper Box Company.

Martin J. Travers, Assistant Vice-President of the Marine Trust Company of Buffalo, N. Y. was elected Vice-President of the Power City Trust Company of Niagara Falls. He will assume his new position with the Marine Midland unit in the Falls Sept. 3, said the Buffalo "Evening News" of Aug. 12, in reporting Mr. Travers' promotion.

At a special meeting of the stockholders of the State Street Trust Company of Boston on Aug. 15, approval was given by the stockholders to the adoption of a Retirement Plan for the employees of the Company. The Plan is of the non-contributory type and applies to all those who have not reached the age of 30 at the time it will go into operation, September 1, 1946. Those in the latter group will receive individual consideration. The Plan provides for a normal retirement date for an employee at the age of 65.

The Somerville National Bank of Somerville, Mass. on July 30 increased its capital from \$150,000 to \$300,000 by the sale of new stock, according to the bulletin of the Comptroller of the Currency issued August 5.

Merger of the American Trust Co. of Morristown, N. J. into the Morristown Trust Co. has been approved by the boards of directors of the two banks, it was announced on August 13, and reported in the Newark "News" which in part also stated:

"George Munsick, President of Morristown Trust, and Clarence E. Beddow, President of American Trust, in announcing the plan, said it also has been approved by State Commissioner of Banking and Insurance Carey.

"The newly merged companies will retain the name of the Morristown Trust Co., and their banking business will be conducted at that bank's building at 30 Park Place, Morristown. Under the plan all of the present directors of both institutions will be members of the new board of directors.

"The combination of the banks will increase the total assets of the Morristown Trust Co. to approximately \$24,000,000.

"The plan will be submitted at an early date to the stockholders of the two institutions for approval. It provides that the common stockholders of the American Trust Co. shall each receive two shares of stock of the Morristown Trust for each share of common stock of American Trust. The present stockholders of Morristown Trust Co. will retain their holdings of Morristown Trust stock and 4,000 additional shares

of such stock will be issued in exchange for the 2,000 outstanding common shares of American Trust Co.

"As a further part of the merger plan, American Trust will retire at par, plus all accrued dividends, its outstanding preferred stock in the amount of \$100,000.

"Until the merger becomes effective, both institutions will conduct business as usual at their respective banking houses.

"Mr. Munsick will continue as President of the merged banks and Mr. Beddow will become Vice-President. The only other change in officer personnel will be the addition of David B. Hill, present Secretary of American Trust Co., as auditor."

It is learned from the Philadelphia "Evening Bulletin" of Aug. 16 that the Broad Street Trust Company purchased control of the Mid-City Bank and Trust Company both of Philadelphia for \$2,549,160, following approval on Aug. 15 by the Securities and Exchange Commission of an application by Transit Investment Corp. to sell for \$90 a share its 24,924 shares in Mid-City.

The "Bulletin" further said:

"Purchase of these shares for \$2,243,160 and of another 3,400 shares in the same bank from the Bankers Securities Corp. at the same price per share, for \$306,000, comprises the total purchase price.

"Hubert J. Horan, Jr., President of Broad Street Trust, said yesterday that notices would be sent out to holders of the remaining 1,676 shares of Mid-City stock that Broad Street Trust is offering \$90 a share for their holdings.

"Mr. Horan, also a director of Transit Investment Corp., said that following the transaction, T. I. S. gave notice that bonds outstanding against the Mitten Building would be called for redemption September 15.

"The sale had been held up on July 30 when the SEC ruled that an offer of \$85 a share did not appear to be "fair and reasonable." The Commission's opinion yesterday said: "We conclude that the terms of the proposed transactions, including the consideration of \$90 per share, are reasonable and fair, and do not involve overreaching on the part of any person concerned."

Bladen Jackson Darneille, formerly President of the Suburban National Bank, Silver Spring, Md., and recently discharged from naval service, has become associated with the Maryland Trust Company, Baltimore in the development of new business, it was stated on Aug. 16 in the Baltimore "Sun" which also said that Mr. Darneille was with the National City Bank of New York for 13 years.

William T. Ravenscroft, retired Vice-President of the First National Bank of St. Louis, Mo. died on Aug. 16, at the age of 77 years. The St. Louis "Globe Democrat" in reporting this said:

"Before coming to St. Louis, he was President of the Federal National Bank of Denver, Colo. He came to St. Louis in 1915 to become First Vice President of the St. Louis Union Bank & Trust Co., which was later merged with two other banks to form the First National Bank of St. Louis."

A call for tenders of First National Bank, Louisville, Ky., voting trust certificates is foreshadowed by the sale of First National's controlling block of stock in Madison-Southern National Bank & Trust Company, of Richmond, Ky. J. McFerran Barr, President of First National Bank, said on Aug. 16, according to Donald McWain, Financial Editor of the Louisville "Courier Journal," the advice from which we quote also stating:

"First National Bank, which for

17 years has owned 1,557 shares of approximately 60% of Madison-Southern's capital stock, sold its interest to a group of Richmond stockholders for approximately \$205,000, Mr. Barr said.

"Before the sale was effective, however, Madison-Southern Bank declared a special dividend of \$50,000 on its capital stock out of accumulated profits. First National's share of this dividend aggregated \$30,000, so that First National received a total of approximately \$235,000 from the transaction.

"First National certificates, traded in the local over-the-counter market, recently have been \$225 bid. From time to time in recent years, the trustees have authorized calls for tenders or purchase in the open market of the certificates, so that the number has been reduced."

An increase of \$600,000 in the capital of the First National Bank of Memphis, Tenn. on July 26, was announced on August 5 by the Comptroller of the Currency. The increase, which will raise the bank's capital from \$1,800,000 to \$2,400,000 will be effected by sale of new stock.

John A. Sibley, Atlanta attorney and Chairman of the Board of the Trust Company of Georgia, Atlanta, Ga., has been elected President of the Trust Company to succeed the late Robert Strickland, President from 1937 until his death on August 8, according to the Atlanta "Constitution" of August 14, which added that Mr. Sibley recently was elected Chairman when Thomas K. Glenn announced his retirement as Chairman and became Honorary Chairman. He will serve the institution as Chairman and President.

"My acceptance of the presidency," said Mr. Sibley the "Constitution" reported, "will afford the opportunity, without undue haste, to fill that position permanently at a later date."

Mr. Sibley has long been actively identified with the Trust Company of Georgia and its various business interests. He was, until his election to the Chairmanship of the Trust Company, a member of the law firm of Spalding, Sibley & Trouman, which has represented the Trust Company for many years.

The death of the former President, Robert Strickland, was mentioned in our August 15 issue, page 948.

Seven employees of the Citizens and Southern National Bank—three in Atlanta, three in Savannah and one in Augusta, Ga.—received promotions on August 13, according to an announcement by Mills B. Lane, Jr., President of the Bank.

The Atlanta "Constitution," from which this is learned, said: "In the Atlanta main office, Hugh W. Fraser, Jr., formerly Assistant Comptroller, assumes the newly created office of Assistant to the President. This promotion comes after 22 years with the Bank.

"Also, in Atlanta, Willis B. Jones, recently a Lieutenant Commander in the Navy, and George Tomberlin, recently a Captain in the Army, became Assistant Cashiers.

"In Savannah, Dennis M. Harvey becomes Vice-President at the C. and S. Bank main office and Barrett B. LeHardy, Trust Officer, at that office. There, also, J. E. Whittington was promoted to Assistant Cashier at the Broughton Street office.

"In Augusta, Maj. Reuben Rockwell becomes Assistant Cashier."

At a meeting of the Board of Directors of the Texas Bank & Trust Company, Dallas, Tex. on Aug. 13, Ray E. Hubbard was elected a director; it was reported by the Dallas "Times Herald," which said: "Mr. Hubbard, President of the Dallas Park Board and

of the Dallas Petroleum Club, has lived in Dallas since 1918, and has been active in civic and business phases of the city's life. A prominent oil man of the firm of G. E. Hubbard & Son, he is also owner of extensive real estate holdings in Dallas.

The election of A. H. Smith to the post of Vice-President of the California Bank of Los Angeles, the elevation of O. S. Aultman from Assistant Vice-President to Cashier and promotion of J. F. Johnson from Assistant Cashier to Assistant Vice-President was announced on Aug. 13 by Frank L. King, President, following the August meeting of the board of directors. The Los Angeles "Times" in making this known added that Mr. King also announced the election of J. W. Fromm to Assistant Cashier.

W. Erich Lucas, a Vice-President of the National Bank of Commerce of Seattle, Wash., died suddenly on August 14 at the age of 59. He was stricken with a coronary thrombosis on the way to his office, and died two hours later. An authority on Alaska and fisheries, Mr. Lucas also was responsible for building the Banks and Bankers Division to major importance in the Commerce organization. Soon after joining the National Bank of Commerce in August, 1921, he was made manager of the Foreign Department in addition to handling Alaska business. In January, 1925, he was elected Assistant Vice-President and placed in charge of a reorganized New Business Department. It was in this position that Mr. Lucas traveled extensively through the United States for many years in developing the Banks and Bankers division which he headed until two years ago. He became one of the most widely known bankers in the Pacific Northwest, and had been a Vice-President since 1930.

Born in Dunn, N. C., Mr. Lucas grew up in Van Buren, Ark., and attended Hendrix College at Conway, Ark. After working a few years in the Arkansas Valley Trust Company in Ft. Smith and the First State Bank of Bonanza, Ark., young Erich went to New York where he secured a position with the Harriman National Bank becoming an auditor in the bank. Two years later, at the time of the building of the Alaska Railroad, Mr. Lucas was selected to organize the Harriman National Bank of Alaska. He remained as its manager seven years, until joining the National Bank of Commerce of Seattle.

### Under-Secretary of Labor

President Truman's nomination on Aug. 1 of Keen Johnson, former Governor of Kentucky, as Under-Secretary of Labor was confirmed by the Senate on Aug. 2, just before the adjournment of Congress. In Associated Press advices from Washington Aug. 1, it was stated:

"Mr. Johnson, President of the 'Daily Register Publishing Company' of Richmond, Ky., will be the first Under-Secretary of Labor that the Department has had since it was organized in 1913. One of the first objectives of Secretary of Labor Schwollenbach, when he assumed office on July 1, 1945, was to reorganize the Department, creating additional assistant secretaryships and setting up an administrative post as Under-Secretary, the AP report went on.

"The reorganization legislation was signed last spring and three Assistant Secretaries were named almost immediately.

"Mr. Johnson became Governor of Kentucky when A. B. (Happy) Chandler went to the United States Senate in 1939. Mr. Johnson had been Lieut.-Governor under Gov. Chandler."