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Federal Financial Operations in Fiscal Year Ending June 30, 1946

Secretary of Treasury Snyder reviews receipts, expenditures and changes in public debt with previous year comparisons. Expenditures reduced $35.4 billions, but net deficit is just under $42 billions. Public debt increased $10½ billions in year ending June 30, 1946.

The following is the official statement of financial operations of the United States Government during the fiscal year ending June 30, 1946, as published in the Treasury monthly Bulletin, August, 1946:

John W. Snyder

Summary

The Treasury closed its books with a deficit of $22.0 billion as compared with a deficit of $53.9 billion last year, excluding transactions in checking accounts of governmental corporations. Operations in governmental corporation accounts (other than sales and redemptions of obligations in the market) resulted in net receipts for the year of $1.0 billion, as compared with net receipts for the preceding fiscal year of $0.4 billion.

The public debt, including publicly held guaranteed obligations, stood at $269.9 billion on June 30, as compared with $259.1 billion a year ago, an increase of $10.8 billion. The general fund cash balance at the close of the year amounted to $14.2 billion, which was $10.5 billion below the balance on June 30, 1945. The year was marked by drastic reductions in government expenditures due to the cessation of hostilities, by a substantial improvement in the budgetary outlook, and by the commencement of debt retirement on March 1.

Receipts

Net receipts after deducting $1.2 billion for the Federal Old-Age and Survivors Insurance Trust Fund, amounted to $43.0 billion, which is $3.4 billion less than the year before. Total expenditures amounted to $65.0 billion as compared with $100.4 billion last year, a reduction of $35.4 billion.

The reduction in receipts was accounted for largely by a decrease in income taxes. Income taxes withheld by employers under the current Tax Payment Act of 1943 amounted to $9.4 billion as compared with $10.3 billion the year before. Other income taxes amounted to $21.5 billion as compared with $24.9 billion in 1945.

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Monopoly and the Public Dollar

By EDWARD P. HODGES*
Special Assistant to the Attorney General

Asserting basic requirement for good government is good management of its economic affairs, Mr. Hodges lays stress on importance of economy in purchasing of supplies by public agencies. Contends there exists monopoly practices in supplying governments and points to identical prices, the withholding of offerings, and the like, as indications of this. Sees relief from situation in suits to restrain monopolies, the halting of collusive bidding, and in investigations of all identical bids. Urges vigorous enforcement of the Sherman Anti-Trust Act.

The American nation is now emerging from the greatest war effort of its history. In the aftermath of war and victory this country is engaged in the tremendous task of reconversion to establish the foundations of an enduring peace and a lasting prosperity.

Edward P. Hodges

It is axiomatic that one essential to the welfare of a free society is good government, and a basic requirement of good government is good management of its economic affairs. The times do not permit this statement to be taken as a commonplace. It is important that we demonstrate the efficiency of democracy in peace as well as in war. And if democracy is to succeed, it must have the abiding faith and unqualified support of the people of the nation. The processes of government touch the lives of the vast majority of citizens most closely at the local level. Lengthy eulogies about our political institutions mean little to them if they are confronted by waste and inefficiency. Their picture of how the governmental process operates is derived largely from the way local officials administer the economic affairs with which they are entrusted.

The magnitude of the job in-

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*An address by Mr. Hodges before the National Institute of Government Purchasing, Inc., Chicago, Ill., Aug. 19, 1946.

When to Buy!

By ROGER W. BABSON

Mr. Babson warns that because of lack of adjustment between wages and prices, there is bound to be deterioration in quality of products, and urges buyers have patience and wait. Holds, if wages continue to rise, living costs will rise, and no OPA can stop it. Says ample supply of goods may not come before 1948.

Many businesses are still feeling the effects of the strikes in the steel and coal industries. Shortages of raw materials, plus increased costs of production due to wage increases and OPA regulations on sales do not give incentive to mass production of goods. Some companies have preferred to remain out of the active market rather than risk getting into trouble with the OPA. Typical of this kind have been the big meat packers. Recently, with OPA restrictions off, some of the packers, after several months absence from the market, were again bidding for livestock.

Roger W. Babson

The price rises which have come in the wake of higher wages have not yet proved discouraging to those who have war savings to spend. This clamor for already scarce goods helps make the situation worse. Although one big company, close to 1941 production, is turning out thousands of washing machines and refrigerators daily and the production of other commodities is speedily ris-

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GENERAL CONTENTS

Editorial

The Financial Situation

There is one simple but vitally important fact which the events upon the international scene during the first postwar year should have taught even the dreamers of Utopia. That truth is that the great powers (or in some instances, at least, the smaller powers), either have not yet reached the point at which they are willing to forego their interests, not to say their ambitions, even to the point of assuming the risk of permitting world opinion, after full discussion, to adjudicate them. The notion that a point in world history had been reached where these difficulties which have for centuries been causing war could be controlled in some such way is, of course, the cornerstone on which it has been hoped to erect the United Nations organization. It remains to be seen what, if anything, this ambitious venture can accomplish, but it is now evident enough that the foundations upon which its promoters have been building, or trying to build, are not sound and solid, if indeed they really exist at all.

Recent Indicators

The developments of the past few weeks have been particularly pointed in this regard. The Marshal Tito incidents are typical. If this dictator had been acting wholly upon his own initiative and responsibility, his behavior would have been less important but would have given clear indications of what one small nation was thinking and intended to do about "world cooperation." What the matter actually reveals—so far as the facts, or essentially the same facts had not already been made clear—was how little idea Russia has of abandoning ancient rules of conduct and maneuver in world affairs for any new idealistic means of controlling the conflicts of mankind. These incidents from beginning to

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From Washington Ahead of the News

By CARLISLE BARGERON

It seems ironic, but something which the Republicans sought to do for years, destroy the myth of Roosevelt's bigness or greatness, is in the process of being done by his friends. They don't intend to be doing this. It is a commentary on their own intellect that what they are writing admiringly about their hero can be interpreted by others in no other way than to show his utter smallness, his lack of depth, his incapacity for the job which he held.

First, there is his son, Elliot, who has written a book, chapters of which are being run in "Look" magazine. Elliot undoubtedly thinks that the description he gives of his father's meeting with Churchill at sea in 1941 shows his dominance over the British Prime Minister, his ability to handle himself in international politics. Instead, it reveals Roosevelt as a playboy who thought he was tremendously smart, as he undoubtedly did. The night before Churchill comes aboard the American man-of-war, Roosevelt is laughingly telling Elliot what he intends to do to him in the battle of wits. From Elliot's story the impression is gotten that his father was rehearsing what he planned to say when Churchill said such and such a thing. He taunted Churchill about Britain's colonial policy. At the time the American people were being told that the British Empire was our bulwark against Hitler. We had to see that it did not fall, for our own sake. This was our only possible justification for entering the war. Yet we learn from Elliot, and indeed from others—and we haven't the slightest doubt—that had the great FD lived, he would now be bent upon destroying that empire through agitation and pressure for the establishment of "democracy" in Egypt, India and the like.

Carlisle Bargeron

There is not the slightest doubt that he would be right in there with Russia shouting about Britain's "imperialism." From Elliot and Mrs. Perkins we learn that the great master mind had not the slightest understanding of Russia, not the slightest idea that it

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Even So, What Then?

"The board found that meat prices have risen unreasonably above June 30 ceilings plus subsidy. Reports of these unreasonable price increases were received by the board from a wide variety of sources.

"The reported price advances ranged in the case of livestock, from 20% to 50%, in the case of wholesale meat prices, from 35% to 80%, and corresponding increases have been reported in the case of retail meat prices. A part of these increases is attributable to the lapse of subsidies. However, for the most part prices reported were beyond question unreasonably above ceilings, plus subsidies.

"The board has found that the supply of meat has been and will continue to be short in relation to demand at reasonable prices. It is estimated that production of meat will be somewhat smaller than in the comparable period last year. It is well known that consumer demand has far exceeded meat supplies over the last several years."—Price Decontrol Board.

Along with millions of others, we must question the accuracy of these findings. But suppose they were true, how could we ever shake off this yoke of bureaucratic control if we must wait for basic change in these demand-supply relationships, which, of course, tend to be frozen under existing conditions?

Truman Plan for Increasing Refugee Quotas Finds Congressmen Cool

A White House statement on Aug. 16 announced that President Truman was considering asking Congress for special legislation to permit the entry into the United States as permanent residents, of European refugees, including Jews, and that he hoped that countries other than the United States would extend further hospitality to displaced persons from Europe. However, the Associated Press, which reported this announcement from Washington, stated on the following day that appearances were that little immediate support from recess-scattered Congressmen could be expected for the proposal. These advices reported that Senator Charles O. Andrews (D.-Fla.), a member of the Senate Immigration Committee, had declared that "in my judgment the Immigration Committee will not be in favor of increasing the quotas." The Senator added, "If we continue to admit these peoples in increasing numbers, eventually we would be in the same fix as other countries."

A similar position was said to have been taken by the ranking minority member of the House Immigration Committee, Representative Noah M. Mason of Illinois, who was reported to have said that "the attitude of our Committee has been all along that we should not open the doors of the nation to an extra number of immigrants over and above the quota which is already established and has been since 1924." Representative Ed Gosset of Texas, ranking Democratic member of the Immigration Committee, was reported to be "vigorously" opposed to any increase in immigration quotas. Approval of the President's plan was voiced by Senator Glen H. Taylor (D.-Idaho), who is quoted as saying: "The population problems in Europe are insoluble unless the gates of all countries, including our own, are opened to allow a fair and proportionate number of these victims of Hitlerism."

Tugwell Gets New Puerto Rican Post

Rexford G. Tugwell, who resigned as a Governor of Puerto Rico on June 30, has been appointed chief of a newly created center of social science investigations at the University of Puerto Rico at a salary as yet undetermined, according to Associated Press advices from San Juan on Aug. 20, published in the New York "Herald Tribune." These advices continued:

"Mr. Tugwell, who arrived here Aug. 17, will retain his post as a Professor of Political Science with the University of Chicago.

Airmail Rate Reduced To 5 Cents Oct. 1

An airmail postage rate of five cents an ounce between all United States territory and members of the armed forces abroad will become effective Oct. 1, under a regulation issued Aug. 14 by Postmaster General Robert E. Hannegan. The existing rate is 6 cents a half-ounce. Mr. Hannegan's regulation was issued immediately after President Harry S. Truman had signed the legislation on Aug. 14 reducing the domestic air mail rate from 8 cents to 5 cents an ounce. The new domestic rate, also effective Oct. 1, makes 5-cent air mail postage applicable to all United States territory wherever located and involves reductions from rates now ranging as high as 90 cents an ounce. The Post Office Department anticipates that the reduced domestic rate will bring an unprecedented air mail volume. An active promotion of air mail is planned. The Post Office advices also said:

"With members of the United States armed forces stationed in all parts of the world, the Post Office Department, on Dec. 23, 1941, established a rate of 6 cents a half-ounce for air mail to or from the armed forces. Such mail otherwise would have been subject to much higher foreign air mail rates.

"The bill which became law Aug. 14 treats all air mail destined to United States territory as domestic air mail. Mr. Hannegan's regulation extends this principle to members of the United States armed forces regardless of where they are located. The regulation also covers civilian personnel authorized to receive mail through Army or Navy post offices.

"The Post Office Department cited examples to illustrate the effect of the new 5-cent U. S. flag rate. The present air mail postage between the United States mainland and the Canal Zone is 10 cents a half ounce; Canton Island, 25 cents; Guam, 35 cents; Hawaii, 15 cents. Existing air mail postage between Puerto Rico and Guam is 43 cents a half-ounce and between Guam and the Canal Zone it is 45 cents a half-ounce."

Bulletin Issued By 'Journal of Commerce'

The New York "Journal of Commerce" has begun the issuance of a new weekly, "Import Bulletin," the first issue of which appeared on Aug. 19.

As noted in advices received from the paper, the "Bulletin" contains full details of the week's imports into the Port of New York—(1) by vessel, (2) by product, and (3) by point of origin with names of importers and quantities imported. It also contains a tabulated summary of articles imported, along with news highlights of the significant new import materials and finished products that have come into the harbor during the week. It is added that "as soon as the multiple technical details involved are overcome, we hope to include the majority of other U. S. ports in this new service."

In an advance notice of its new publication, the "Journal of Commerce" said:

"The new 'Import Bulletin' will list all the cargoes of every ship entering the Port of New York during the week, broken down by vessel as well as by product. The manifest of each vessel will be separated alphabetically by product and will show the quantity of each shipment, point of origin and name of consignee. A convenient cross index will speed the locating of practically any commodity among the week's arrivals. Other innovations such as the inclusion of other ports along the Eastern seaboard are planned for the coming months.

"In addition, each weekly issue will contain a completely tabulated summary of the articles imported and will spotlight the significant new import materials and finished products that have come into the harbor. It is expected to prove a substantial source of profit information for ship operators, warehousemen, forwarders, importers and all manufacturers and dealers using import materials.

"Distribution of the new 'Import Bulletin' will be limited to subscribers of the 'Journal of Commerce' only, many of whom have already enrolled as subscribers. This special import service has always had a very high value to a number of our import-minded readers, even though it obviously does not interest all of our 33,000 subscribers. After overcoming the obstacle of how to render this service at a nominal cost, we are able to offer this new 'Import Bulletin' in tabloid form at an annual subscription price of $25. Sample copies of the first issue will be available to any subscriber interested in this new service."

Reserve Board Amends Regulation W

The Board of Governors of the Federal Reserve System took action on Aug. 13 to amend Regulation W relating to consumer credit in two respects—the announcement stating:

"The first enlarges the scope of the regulation by making it applicable to all consumer credits up to $2,000 instead of only those up to $1,500. The second reduces the maximum maturity from 18 months to 15 months for instalment loans that are not connected with the purchase of consumers' durable or semi-durable goods. Instalment credits for the purchase of such goods remain subject to a maximum maturity of 12 months, or 15 months in the case of automobiles." The amendment becomes effective Sept. 3.

Average Annual Income in U. S.

The average per capita income of individuals in the United States increased from $575 in 1940 to an all-time high of $1,150 in 1945, the Department of Commerce said on Aug. 22. Despite the sharp contraction in war production after V-J Day, the per capita income increased slightly in 1945, rising 2% from the 1944 level of $1,113, said the report, which continued:

"Per capita income payments include wages and salaries, income from unincorporated business and farms, net rent, dividends, interest, royalties and other items such as veterans' benefits and military family-allowance and dependency allotments.

"The most striking gains in average income during the war years were made by States in the Southeast, Southwest and Northwest regions, areas of relatively low average incomes, the Department of Commerce said. In the high-income regions of New England and the Middle East, the advance in per capita income was much less than the national average. Therefore, wartime developments resulted in some narrowing of the wide prewar differences among States and regions in per capita income.

"However, in 1945 there was still a wide variation in per capita income among the various States, ranging from a top of $1,595 for New York to a low of $556 for Mississippi.

"In addition to New York, other States at the top of the per capita income list were California, $1,480; Connecticut, $1,449; Washington, $1,407; Delaware, $1,381; New Jersey, $1,373; District of Columbia, $1,361; Illinois, $1,360, and Massachusetts, $1,321.

"Rhode Island, Ohio, Michigan, Maryland, Nevada and Oregon fell in the $1,200-$1,300 bracket; Pennsylvania, Indiana, Wisconsin, Iowa, Kansas, Nebraska, North Dakota, Montana and Colorado in the $1,100-$1,200 bracket, and Maine, Vermont, Minnesota, Missouri, South Dakota, Wyoming, Utah and Idaho in the $1,000-$1,100 bracket.

"Per capita income in 1945 was below $1,000 in all of the Southern States, in the Southwestern States of Texas, Oklahoma, New Mexico, and Arizona, and in West Virginia and New Hampshire.

"Florida, New Hampshire, Texas, Arizona and Virginia were in the $900-$1,000 bracket; West Virginia, Oklahoma, New Mexico and Tennessee in the $800-$900 bracket; North Carolina, Alabama, Georgia, Louisiana and Kentucky in the $700-$800 bracket; South Carolina and Arkansas in the $600-$700 bracket, and Mississippi, $556.

"In general, there was relatively little change from 1944 to 1945 in the per capita income of the various States. For most States the change varied between a decline of 3% and an increase of 5%.

"The greatest increases were in South Dakota, 16%; Iowa and Minnesota, 10%; Colorado and New Hampshire, 9%; District of Columbia, West Virginia and Tennessee, 7%.

"The greatest declines were in Michigan, 6%, and Washington, 5%."

Analysis of Federal Trade Commission's Findings

An analysis of Federal Trade Commission findings and court decisions under the Robinson-Patman Act has been made available to its members by the Association of National Advertisers, New York. The analysis was prepared especially for A.N.A. by William H. Leahy, attorney and General Counsel of the Dennison Manufacturing Company. The analysis lists the corporate name of the respondent or complainant in each case, gives the nature of the decision and finding and briefly summarizes the import of the decision or finding. The seven page report contains as an appendix a digest of the Robinson-Patman Anti-Discrimination Act.

Consumers' Price Index Of Labor Dept. Up in June

Retail prices of goods and services used by moderate-income city families advanced 1.2% between mid-May and mid-June—the last month before suspension of OPA controls. Said a report issued Aug. 2 by the U. S. Department of Labor, Bureau of Labor Statistics. The report added this: "Higher prices were reported for all groups of items in the family budget. The consumers' price index prepared by the Bureau was 133.3% of the 1935-39 average in mid-June, and 35.2% higher than in Aug. 1939. Retail prices have advanced 2.4% in the quarter between mid-March and mid-June." Continuing the report said:

"June food prices were 2.1% above May as retail prices of dairy and cereal and bakery products rose sharply. Meat prices reported were 0.4% higher on the average. In June shortages of meat continued to be so acute that it was impossible again to obtain an adequate number of price quotations to compute a reliable measure of change in retail meat prices and therefore the June food index understates somewhat the actual rise in food costs. In order that indexes for food and for all commodities could be published, meat prices were assumed to have remained unchanged since they were last reported in 23 of the 56 cities regularly surveyed for food prices. The July index will be based on the usual number of price quotations and will reflect increases in the prices of meat that have occurred since meat prices were last collected.

"The average price of cereal and bakery products increased 6%, reflecting the higher ceiling prices allowed by OPA to compensate for increased grain and other production costs. The cost of dairy products rose 6.6% on the average after the ceiling prices of butter, cheese, milk, and canned milk prices were adjusted in early June. Fresh fruit and vegetable prices dropped 1.5%; eggs moved up seasonally almost 5%.

"June 15 prices were also higher for all other principal groups of living essentials. Clothing prices advancing for the 36th consecutive month, rose 1.0%. Prices for all men's apparel were higher, with light wool suits and cotton suits retailing at 11 and 19% higher this season than last. House furnishings costs advanced 1.6% during the month as slightly higher prices were reported for furniture, towels, and sheets. Miscellaneous goods and services rose 0.6% because of increased costs of medical care, newspapers, haircuts, and automobile liability insurance.

"Bituminous coal prices increased 1.6% between May and June as some retailers took the average 40.5 cents a ton higher ceilings allowed by OPA in June. The 91 cents per ton increase allowed for anthracite coal will be shown in the index in July. Electricity costs were reduced 9% on the average to consumers in Minneapolis.

"Residential rents advanced 0.1% between March and June, continuing the increase begun in the first quarter of 1946. Rents increased on the average in 10 of the 18 cities surveyed during June; were slightly lower in 4 cities; and remained unchanged in four."

Repayment of FDIC Funds Urged in Report

A proposal that the Federal Deposit Insurance Corporation be required to return to the Treasury $150,000,000 advanced to the Corporation at its inception thirteen years ago was advanced in a report to Congress by the General Accounting Office. The report, which was prepared by T. Coleman Andrews, Director of the Corporation Audits Division, said that return of the funds would not impair the operation of the FDIC. It was also proposed that the $139,299,566.99 put up by the Federal Reserve Banks for the initial deposit guaranty fund, into which the Treasury's $150,000,000 also went, be returned to the Banks. Reporting this, Associated Press advices from Washington August 17 continued:

Mr. Andrews recommended that Congress authorize the FDIC's directors to return the Government and the Federal Reserve money "if, in their opinion, such action is advisable." A bill to do that was introduced near the close of the last session, but not acted upon.

The FDIC official said such a return would probably be agreeable to the FDIC if provision were made for transfer over a sufficient period of time—possibly four years—so there would be no abrupt disturbance of the corporation's balances.

The report on the FDIC spoke of its operation as "well managed by its Board of Directors," commented that "its accounting system is well conceived and its accounts are well supervised and kept."

"Although the corporation, since its inception in 1933, has paid out almost $300,000,000 in claims, loans to merged banks, and purchases of assets from merged insured banks, actual losses sustained plus estimated losses, are calculated to amount to only 11.5% of such payments," the report said.

"It is noteworthy that, although the insurance protection to each depositor is limited to $5,000, the corporation's legally authorized practice of making loans to or purchasing assets from merged insured banks in lieu of paying claims to depositors in closed banks results in each depositor's being fully protected against loss."

Meanwhile, the report said, the FDIC has built up a sizable surplus from assessments levied on banks and "it may now be considered that this source of funds is and will be adequate to cover the risk of losses on bank deposit insurance."

"It seems reasonable," the report added, "that the banks whose depositors are insured should eventually contribute all of the funds required for this insurance."

In War Assets Post

The appointment of Northrup Clarey as Deputy Administrator to head the new office of Information and Advertising of the War Assets Administration was announced on Aug. 19 by Robert M. Littlejohn, WAA head.

"Mr. Clarey," continued advices from the "United Press" from Washington on Aug. 19, "a graduate of Williams College, was in charge of advertising, public relations and publications for the Standard Oil Company of New Jersey for many years and was assistant to the President when he retired at the end of 1945." The advices added:

"Mr. Littlejohn also announced the appointment of Frank E. Feliz, formerly a special assistant in charge of war assets public relations, as director of information. He said Carl K. Hart, director of advertising, has resigned to return to private business in Chicago but will continue to serve until Aug. 31. His successor has not been named."

Shearer in FDIC Post

The Board of Directors of Federal Deposit Insurance Corporation has announced the appointment of Russell E. Shearer as Assistant Chief, of the Division of Examination, with headquarters in Washington. Mr. Shearer will have primary responsibility for the educational and training program of the Corporation's examining force, said the FDIC's announcement of Aug. 9, which continued:

"Mr. Shearer has been with FDIC since Nov. 1933, except for three years military service. Before the war he was Assistant Supervising Examiner in the St. Louis, Richmond, and Columbus offices of the Corporation. The educational and training program of the Corporation will make available to all members of its examining force all correspondence courses of the American Institute of Banking. In addition, the program will include orientation courses for newly appointed assistant examiners and courses of specialized resident study at universities in Money and Banking, Economics, Credit Analysis, Bank Accounting, Auditing and Operation and related subjects. All fees and tuition costs will be paid by the Corporation."

Mr. Shearer graduated from Illinois Wesleyan University with an LLB degree and has been a member of the Illinois Bar since 1922. The announcement also stated:

"He entered the Army as a Major and served two years in the European Theater, principally in the Fiscal Branch of the Military Government Section of the Seventh and Third U. S. Armies and with the 80th Infantry Division headquarters. Following the surrender he was responsible for the restoration of the restricted banking system, the account blocking program, and the supervision of insurance companies, stock exchanges, and all other private financial institutions in the Third Army area of Bavaria. At the time of his recent release to inactive duty he held the rank of Lieutenant Colonel."

Vets Loans Now 8.6% Assets of Lending Inst.

Home loans to World War II veterans have expanded at such a rapid rate that they now constitute 8.6% of the assets of the country's specialized home-owner financing institutions. This fact was revealed in the seventh quarterly survey conducted by the United States Savings and Loan League as to the GI loans made by savings and loan associations and co-operative banks. In two states, Alabama and Kansas, the savings and loan associations' veterans loans now constitute more than 15% of their total assets, said an announcement Aug. 25 from the League.

Henry P. Irr, Baltimore, President of the United States Savings and Loan League, says that approximately 146,438 GI loans had been made by the associations as a group by June 30. The total they had loaned to veterans had reached an estimated $775,076,000 by that date, according to the returns from the savings and loan institutions. How much the second quarter of 1946 added to the amount borrowed by the GI's was demonstrated in a comparison of this seventh with the previous sixth quarterly survey, Mr. Irr said. As of March 31, the total loans to veterans were shown at 73,672 in the League's survey. Since they had made 146,438 by June 30, the associations made as many loans in the April-May-June period as they had in all the previous 21 months the GI Bill of Rights had been in effect.

Report Govt. Agencies Starting Economies

A number of Government agencies have announced compliance with President Truman's economy drive, according to Associated Press Washington advices of Aug. 17. The Maritime Commission has met the President's request to reduce new ship construction by 50% by cutting new ship building to less than $50,000,000. Three Mediterranean passenger liners are to be deferred, together with two 900-foot liners for the American President Line's Pacific trade and two Latin-American passenger ships. Personnel decreases by both the Maritime Commission and War Shipping Administration it is stated, have already been started. By next June 30, when WSA ceases to function, it is anticipated that the present 9,000 employees will be cut 3,000.

The Public Roads Administration (and Federal Works Agency, of which it is a part), is reported to have sent letters to all states requesting that they hold road contracts to a minimum so as to hold down the matching funds which the government must supply.

The Interior Department expects to reduce an authorized $200,000,000 reclamation bureau program to $85,000,000, as requested. Virtually no new reclamation projects of any size will be started this year.

The Agriculture Department is expected to require weeks to work out a definite program of economies. Indicating the status of other agencies, Associated Press advices from Washington, as given in the New York "Herald Tribune" said:

Army—reports it is "complying fully" with the public works moratorium, will reduce flood control, river and harbor work from $309,000,000 to $185,000,000 as requested.

War Department officials said they are "co-operating fully" with Mr. Truman's instructions to seek ways of cutting $1,000,000,000 off the planned $9,000,000,000 of military outlays, but are not far enough along to report progress.

Navy—Hopes to report "some time next week" on Mr. Truman's request that $650,000,000 be cut from its $5,800,000,000 planned outlays.

Ill., Wis., Home Lending Higher in July

Illinois and Wisconsin savings, building and loan associations kept the Federal Home Loan Bank of Chicago half again as busy this July as last, A. R. Gardner, President, reported on Aug. 14. "New advances to these community home-lending institutions from the reserve bank totaled $1,983,174 this July, as against $1,049,240 in July, 1945. The Bank closed the month with credit outstanding to 188 different associations, compared with only 127 borrowing institutions 12 months earlier," said the announcement of the Bank, which also stated:

"Dollar volume of repayments was 33% heavier than in July a year ago," Mr. Gardner said, but added "that this was a natural increase since the outstanding loans as of mid-years were 55% greater than they had been in mid-1945." He pointed also to the increasing proportion of longer-term loans in the Bank's portfolio, an indication of the fact that the associations are getting more of their advances for financing long-term home ownership programs in their localities, whereas their prevalent wartime reason for new advances was seasonal credit needs. Loans for more than one year's maturity account for 20% of the advances now outstanding where they were only 1.9% this time last year.

The State of Trade

The Nation's return to price control is once again bringing about that state of confusion which was so prevalent under the old law and which played so much havoc with marketing procedure by its undue interference with the normal flow of goods into consumers' hands. The initial decisions of the Price Decontrol Board businessmen and other interested persons feels is the first step toward resumption of the black market in meat, since on the basis of past performance they conclude the government is incapable of rolling back meat prices without diverting the supply into the black market. What holds for meat applies in the case of other commodities.

During the brief period between June 30 and July 26, of this year furnished ample evidence that when controls were lifted, goods were in more abundant supply and prices with some exceptions held pretty much at reasonable levels. In a statement on the Decontrol Board's decisions, President William K. Jackson of the National Chamber of Commerce had this to say:

"The marketing of livestock increased greatly during the interval of freedom from OPA control. In free and open competition, operating through flexible prices, the black market could not compete with legitimate business.

"The marketing system built up and tested through long experience again worked for the mutual benefit of consumer and producer.

"The regulator of this delicately balanced marketing machinery is the price. The just price is a price that will balance supply and demand. And the final voice in the making of a just price is the consumer."

Thus far the functioning of the three-man Decontrol Board has given some encouragement to business, since it has shown evidence of favoring freedom for the market in administering the law.

In a leading editorial in the Sept. 1st issue, bearing the caption "Facts Under Foot," "Boots and Shoe Recorder," semi-monthly shoe trade publication has the following to say of price control:

"Much of the responsibility for the bewilderment among manufacturers and distributors rests with official agencies which have neglected to examine causes and have been content to saw the air about superficial effects." Continuing, it adds that during the first half of 1946 the shoe industry achieved a record breaking production of civilian footwear and shoes were produced at a rate during this period which gave promise of a speedy balance in supply and demand. Production, the magazine states, "should have been the urgent and foremost objectives before every government agency when price control was re-established."

"Between July 1 and July 26," the publication pointed out, "prices of raw material, leather and shoes advanced, primarily because value in the free market in this country began to reflect higher world market levels. It may be true that some of the increases were precipitate, but that is one of the attributes of a free enterprise system, and the offsetting advantage of action bringing reaction should not be overlooked. A substantial volume of merchandise was sold and delivered during the free price period. On July 26, when control was re-established and ceiling prices were rolled back to the June 30 level, all producers and suppliers were set back on their heels. Was it surprising that a price drop ranging up to 40% and 50% in raw materials should have induced temporary paralysis? At any other time price changes of such magnitude would have frozen the industry until somehow or other traders and producers could see their way clear to doing business at new levels."

"Federal inspected slaughter during June, 1946," the magazine notes, "had been only 451,000 head, the smallest total for any month on record; that in May the federal inspected slaughter had been only 676,000 head? These totals were less than half the inspected slaughter a year ago. It is a fact, unambiguous and undeniable, that before June 30 livestock and meat controls had diverted cattle from legitimate packers and had also induced the withholding of livestock.

"When controls ended at the beginning of July, inspected slaughter shot up sharply to 1,239,000 head, but many of the hides from the animals could not become available until the latter part of August and early September. A minimum of 30 days is required to cure hides after slaughter and before they can be shipped to the tanneries for the production of sole and upper leather. Consequently, it was inevitable that some time during August a drop in the domestic flow of supply would have occurred, reflecting curtailed slaughter in the previous months. This crisis could only have been solved by a rational and sane approach, by co-operation and good will between the agencies of government and every branch of industry."

The restoration of livestock and meat price controls on Aug. 23 poses a problem with dangerous implications for the shoe and leather industries, this shoe trade authority observes and concludes as follows:

"In the bluntest sense, therefore, enforcement of livestock and meat ceilings and slaughter controls will be the crux of the supply outlook in domestic hides and skins. If cattle and calves move to legitimate packers and if the black market is suppressed, then the heavy movement of livestock during the late summer and fall will be certain to make itself felt in the availability of leather-making raw material. However, should controls be inadequate and livestock once again become the object of intense and widespread black market operation, there will be a repetition of the loss to the industry and the country of essential and vital raw material. Should that happen, there can be no mistake in pointing to where the responsibility rests."

Overall industrial production continued the slight improvement noted in previous weeks with many industries maintaining output close to postwar peak levels.

Total retail volume rose during the past week, being far above that of the like week of 1945 when postwar celebrations changed shopping days into holidays Household furnishings and fall apparel were among the best sellers for the week. There was a gradual emergence of consumer selectivity in the week that was particularly noticeable in connection with the demand for goods that were previously scarce.

Little change was noted for the second successive week in wholesale volume. However, it remained much above that of the corresponding holiday-shortened week a year ago. Steady improvement in deliveries was apparent in almost all lines with backlog of orders large and order volume sustained at the high level of previous weeks.

Steel Industry—Fears that the

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The Financial Situation

(Continued from first page)

end were wholly typical of "power politics."

It is now clear, as should have been foreseen and, indeed, was foreseen, that what is known as "world opinion" of itself is much less effective in determining the course of any nation's conduct than many of our day dreamers have been fondly hoping and supposing. In the hard realm of world politics "world opinion" is effective in the degree that it is believed to have the force of arms behind it, and no more. Some world organizations, as, for example, the British Empire, are so situated, geographically or otherwise, that "world opinion" must be given a much greater degree of importance when measured in terms of physical force, actual or potential, than is the case with others, such for example, Russia. The British Empire is world-wide; it has a thousand potential enemies, and many strategically weak spots which must be guarded at all costs and which are open to possible attack by a great variety of peoples and forces. It must continue more or less intact or not continue at all.

Russia, on the other hand, is a compact land area of immense dimensions, vulnerable from the outside in existing circumstances hardly at all. More nearly than any national organization at present, or perhaps more nearly so than any nation in recorded history, it is self-sustaining. Losses of parts of its periphery, at almost any point or points would not be fatal—as was proved when German might marched across virtually of its theretofore vital industrial areas.

Russia a Problem

Russia, therefore, is relatively insensitive to "world opinion"—the more so, doubtless, since Russian authorities see to it that the rank and file of the people know only what it is desired that they know and are told only what they "should be told." There is, accordingly, no evident way in which to "build a fire" behind the powers that be in that mighty and coldly realistic land. Russian leaders cherish—the Russian people do not count—the ambitions of the Czarist regimes. They care not a fig what other nations and other peoples may think of them, save only in the degree such opinions can marshall force against them in such degree as to be of major consequence. They have long ago convinced themselves that virtually all other peoples of the world and certainly all the governmental authorities of all the major powers are rapacious and bent upon the "exploitation" of the masses — in short, that what all these people and all these governments think of Russia is of no consequence and in any event is hostile in the premises. Only if and when "world opinion" appears to be reaching a point where it threatens to marshall force of dangerous power against the Soviet is the matter to be given serious attention.

"Power Politics"

This attitude, of course, is the essence of "power politics," and, let it be frankly admitted, is found not only in Russia. It is most in evidence there for the reasons just set forth, but it exists elsewhere, too—a fact which must not at any time be lost to sight. Indeed, if one power so large and so strong as Russia insists upon clinging to "power politics," it would be rather worse than foolish for the remainder of the world to abandon it in favor of some idealistic mechanism for control of the basic conflicts of interest still found throughout the length and breadth of the globe. It is certainly not a pleasant prospect—one in which "power politics" must in the postwar world be met with "power politics." That way has led to wars throughout the centuries. It was, of course, responsible for the most costly and destructive war of all times which came to a bloody close only about a year ago.

It would, however, be folly to adopt a policy of combatting "power politics" with pious phrases. Such a course would be an invitation to destruction. If Russia, insists, as she apparently is determined to do and as many another nation in the past has done, upon continuing to exploit her position and power for the purpose of aggressive development of Russian domination, there is but one thing which the other nations of the world which are threatened by that course to do. That is to do all that may be necessary to convince the Russian authorities that they can and will match Russian power, not for the purpose of encroaching upon what may legitimately be regarded as Russian interests, but to stem the tide of Russian envelopment now running at flood tide.

It is all very well, as the Roosevelt regime was so intent upon doing, to convince Mr. Stalin and the others that no one has any designs on anything that can reasonably be termed Russian. That non-aggression, territorial or other, certainly so far as anything Russian is concerned, is definitely the policy and plans of the other large powers which apparently are the objects of great suspicion in Russia. All that is important, if it can be accomplished — which recently has begun to appear impossible, but far more important in this world in which we must now all live, is the necessity of making it quite clear to the power-mad governors in Russia that the remainder of the world can and will use force in the degree necessary to prevent them from gobbling up half the universe. We have long regretted our readiness to meddle in affairs in other parts of the world where we had no direct interests of importance. We still regret it. We still think that we should make it one of the cornerstones of our foreign policy to withdraw as promptly and fully as possible from situations which really are none of our affair. We have no sympathy with any pax Americana notions or any that are of a similar nature.

We do think, however, that lives will be saved in the end by being careful not to let Russia get the impression that we should prefer to let her do anything anywhere in the world rather than to oppose force with force.

Russia and Uruguay Sign Trade Accord

Under date of Aug. 9 United Press advices from Moscow, reported that Uruguay and Russia signed on that day the first formal commercial treaty that the Soviet Union has ever concluded with an American nation. The United Press account as given in the New York "Times" went on to say.

The treaty is based upon "most-favored-nation treatment," and covers friendship, trade and navigation for a period of three years. It may be renewed upon six months' notice before the expiration date. Ambassador Emilio Frugoni signed for Uruguay in Spiridonovka Palace and the Minister of Foreign Trade, Anastas Mikoyan, signed for Russia.

Specific technical details will be worked out by a Soviet mission to be dispatched to Montevideo and a Uruguavan mission that will come here.

Under the treaty Russia receives the right to send a trade mission of one representative and two assistants, all having diplomatic status, to Uruguay. Russia also may send twenty employes attached to the trade mission.

Russia will undertake to ship to Uruguay oil, coal and timber, while Uruguay agrees to ship to the Soviet Union vegetable oils, meat, wool, fats and hides.

The volume of trade was not discussed during negotiations, and no limits were set.

The treaty lays down broad principles of trade between the nations. It does not attempt to cover in detail such technical problems as shipping facilities and freight charges.

Nor does the agreement concern itself with guaranteed shipments of various categories of merchandise. The quantity of items shipped will depend upon the number of tankers and freighters available at a given time.

Income Tax Cuts Urged

Representative Carl T. Curtis (R.-Neb.) criticized the Treasury Department for continuing to employ tax experts who, according to Mr. Curtis, seek to use the revenue laws to effect a redistribution of wealth. Mr. Curtis, a member of the tax-writing Ways and Means Committee of the House, declared that such experts had been repudiated by the Congress even while it has been under Democratic control, and he went on to propose that further substantial tax reductions be made in 1947. A special dispatch from Washington to the New York "Times" on Aug. 19 gave the following remarks of Mr. Curtis which had been distributed by the Republican National Committee:

"For several years a Democratic Congress has ignored tax recommendations offered by alleged experts brought into the Treasury by former Secretary Henry Morgenthau. The top-side of the Treasury, including men like Snyder and Under-Secretary Gardner, is certainly a big improvement over the unlamented Morgenthau setup, but the glib young men down the line are still there.

"Their mania for reaching the socialistic objective of complete redistribution of wealth through tax legislation has not been cured by successive repudiations by the Congress. They are now thrown into a state of panic by a Republican pledge to cut individual income taxes 20% for 1947 if the voters elect a Republican Congress in November.

"This mental state of frustration is reflected clearly by in accurate background information these so-called experts furnished a writer for The Chicago "Sun" this week. Championing the Treasury's repudiated tax thinking, the writer accused Republicans of sponsoring a flat 5% reduction in 1946 personal income taxes when the Revenue Act of 1945 was passed. He charged this provision 'gave nothing to anyone except those at the top.'

"The true facts are this particular provision was sponsored in the Democratic-controlled Senate Finance Committee by the Senate Democratic leader, Senator Alben W. Barkley.

"It seems incredible for Administration underlings to be bushwhacking Barkley. Heretofore such a slaphappy situation has been limited to the staff of the Democratic National Committee.

"The Treasury has made practically no contribution whatever to constructive tax legislation for several years. Secretary Snyder should recognize this situation and clean out his tax study department from top to bottom. The time to do it is now in anticipation of really constructive tax legislation when the Eightieth Congress gets under way."

Air Force to Reduce Civil Workers

The War Department's first effort to respond to President Truman's request for Government economies was the announcement on Aug. 22 of a 20% reduction in the number of Army Air Forces civilian employees and a promise of substantial cuts by other Army branches, Associated Press Washington advices stated. Preparations commenced as early as last April for an Army postwar reorganization program. The present announcement indicates that Air Forces civilian employees are to be reduced from 163,000 to 131,000 between Oct. 1 and Jan. 1. High and low salaried employees are to be treated equally in proportion to numbers, according to a statement by Gen. Carl Spaatz.

N. Y. Board of Trade Dinner Oct. 23

"BUSINESS SPEAKS" is the theme of the Annual Dinner of the New York Board of Trade, to be held in the Grand Ballroom of the Waldorf-Astoria on the evening of Oct. 23rd. In the initial announcement of the Dinner, Ralph E. Dorland, President of the Board, stated on Aug. 15:

"Private American Enterprise is on trial throughout the world. If it is worth preserving, it is worth fighting for. The New York Board of Trade is devoting its entire energies in support of enlightened Private Enterprise."

A Special Commitee, under the Chairmanship of H. L. Brooks, Vice-President of the Board and Chairman of the Executive Committee, has been named to conduct this affair. Other members of the Committee are: Harold M. Altshul, Ketcham & Co.; Warren L. Baker, Socony Vacuum Oil Co.; John F. Budd, Custom House Guide; Harry J. Carpenter, Guaranty Trust Co.; Fred J. Emmerich, Block International Corp.; Leonard Ginsberg, Hearn Dept. Stores, Inc.; Percy C. Magnus, Magnus, Mabee & Reynard, Inc.; Robert B. Magnus, Magnus, Mabee & Reynard, Inc.; William H. Stonaker, Mill Factors Corp.; Arthur Snyder, Alfred M. Best Co., Inc.; C. A. Slocum, Millburn Mills, Inc.; H. W. Schaefer, H. W. Schaefer Co.; William T. Van Atten, Dun & Bradstreet, Inc.; E. T. T. Williams, Becton Dickinson & Co.; Ralph E. Dorland, Ex-Officio, The Dow Chemical Co.; P. Wesley Combs, Jr., Wm. Esty & Co.; George E. Shea, Jr., Barron's; Sidney Weiss, A. W. Lewin & Company.

This will be the 74th Annual meeting of the Board which was founded at Cooper Union in 1872. The Board's membership includes approximately 2,000 leading American business firms.

Reserve Board Adopts Revised Regulation C

The Board of Governors of the Federal Reserve System made known on Aug. 13 the adoption effective Aug. 31, 1946, of a revised version of Regulation C, Acceptance by Member Banks of Drafts or Bills of Exchange. The Board's advices state:

"The regulation governs the acceptance of drafts or bills drawn against domestic or foreign shipments of goods or secured by warehouse receipts covering readily marketable staples and the acceptance of drafts or bills drawn for the purpose of creating dollar exchange. The revision has been made in order to simplify and clarify the regulation. In making the revision, the Board has had the benefit of suggestions received from a number of member banks experienced in acceptance credit procedure and from the Federal Reserve Banks.

"While the Board, in stating the requirements that must be met, has endeavored to lay down broad principles that should be observed, it should be emphasized that mere technical compliance with the provisions of the regulation will not necessarily afford an accepting bank protection from loss. Sound acceptance practice depends primarily upon the exercise by accepting banks of good credit judgment. The principal reliance for the maintenance of sound practices must be placed upon that judgment and the continued development of seasoned policies in this field of extension of bank credit."

Steel Operations Continue At a High Level—Users Drawing Heavily on Pig Iron Supplies

"Price and production controls which were successful in the steel industry during the war are falling far short of producing a normal and healthy peacetime steel distribution," according to "The Iron Age," national metalworking paper, which further states in its issue of today (Aug. 29) in part as follows:

"The proof of this is that one year after the war's end finds the steel industry and its consumers in a state of anxiety neurosis, or maybe more descriptive, postwar slap-happiness.

"In the war period output was concentrated on specific products with not too many changes in sizes, shapes and quantities. This production was pushed forward regardless of price or sacrifice. Peacetime economy being a horse of a different color requires all kinds of sizes, shapes, products and a tremendous increase in the number of orders and consumers.

"Faced with a shortage of supplies, many customers both large and small have been driven to black markets for some steel items and have been forced to engage in a system of bartering which has become almost fantastic during the past several months. While the steel industry is free from any evidence of black market operations, some firms have been forced to engage in barter operations involving for the most part scrap supplies.

"Just as in other commodities, steel black market operations are difficult to expose because they work undercover, and although the amount of steel being handled by this method is small compared to total steel shipments, it does flourish in many parts of the country. More conducive to upsetting the general scheme of distribution, however, are the bartering methods which some of the smaller steel producers and even the larger ones are required to use in order to get enough material to keep their manufacturing plants or their jobs in operation.

"Carrying the situation to an extreme have been cases where even plumbing contractors have purchased unprepared scrap, passed it through the channels and have been assured such items as bath tubs and other material needed to complete projects.

"Another major factor which has upset the proper division of steel supplies has been the necessity for steel companies to concentrate their output on items which show a profit and to cut the output or eliminate those items on which the profit is too low or the loss too great. This elimination of products and withdrawal from certain market areas has left a substantial number of steel consumers without a normal source of supply and with little or no inventories.

"An example of this situation is the warehouse industry. Warehouses during the war were the main standby of small manufacturers and a chief support in the balancing of parts or products needed by large consumers. Today the warehouses have been hard hit by the reduction in the output of some steel products and the inability to obtain anywhere near their requirements from their current or former sources.

"An important steel product, concrete reinforcing bars, always a main item in almost every large warehouse, is in so short supply today that many construction activities involving roads, utilities, factory buildings and other large undertakings are being definitely threatened. No amount of effort on the part of many warehousemen has produced an increase in steel requirements, but as an actual fact shipments are beng cut to the bone in many instances.

"While steel shipping and distribution remain in a turmoil, the steel ingot rate continues at a high level.

"The scrap situation continues serious, but steel companies are drawing more heavily upon pig iron supplies which for steelmaking purposes were stepped up substantially in July with further improvement in August. A showdown on the scrap price controversy is expected to materialize from the meeting being held this week between OPA and scrap industry representatives. Until something definite comes from such meetings, however, scrap which is being held will be released slowly."

The American Iron and Steel Institute on Aug. 26 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 89.4% of capacity for the week beginning Aug. 26, compared with 89.7% one week ago, 89.6% one month ago and 74.5% one year ago. This represents a decrease of 0.3 point, or 0.3% from the preceding week. The operating rate for the week beginning Aug. 26 is equivalent to 1,575,600 tons of steel ingots and castings, compared to 1,580,900 tons one week ago, 1,579,100 tons one month ago, and 1,364,600 tons one year ago.

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

"A serious interruption of ore shipments due to the Maritime Union's strike could result in an iron ore shortage.

"Maximum operation of the Great Lakes Fleet during the remainder of the season will be necessary to assure an adequate supply of ore to carry the iron and steel industry through till next spring. However, iron ore and coal shipments were affected only slightly by the first week of the attempt by the National Maritime Union-CIO to tie up lake shipping. Actually, at the week's end only about 15% of the ore, coal and grain fleet was immobilized.

"OPA has authorized the General Steel Products Industry Advisory Committee to go ahead with the collection of data to support a petition for a steel price increase under the new price control law. Although the Advisory Committee has not formally requested an increase in prices, top reconversion officials are reported to believe that an across-the-board increase of $1.50 a ton on steel products will be allowed under the Barkley amendment to the new price control law. These same officials have estimated that under the defeated Taft amendment the allowable increase would have averaged $4 a ton.

"The Advisory Committee also has discussed with OPA officials the decontrol of some steel products, but action on this is being held up pending completion of decontrol regulations. Items which may be decontrolled are those which are in fairly plentiful supply.

"From Pittsburgh it is reported that substantial inquiries for steel mill equipment from foreign countries are being received by American builders. It is believed that in most cases these inquiries are being prompted by loans from the United States to foreign governments. Since little foreign steel production equipment was destroyed during the war, the present inquiries seem to be for equipment to increase existing facilities. It is thought in some quarters that this foreign expansion may result into a major competitive factor for the domestic steel industry.

"Although steel producers generally are still well behind on their commitments, flow of steel to consumers and jobbers is at peak for the year to date. How much longer present rate of shipments will be maintained or increased, will depend in large measure on supply of raw materials, particularly scrap, and the outlook is not promising. With overall supply of these materials as acute as ever and with consumers' stocks at the lowest point reached since before the war indications point to a decline in steel production unless new remedial measures can be applied promptly, especially with regard to scrap, on the price of which dealers and Washington continue at odds.

"Plate production in some districts, curtailed for weeks because of pig and scrap shortages, has declined further and an important producer now operating at 40% to 50% is considering suspending entirely within a week or two.

"The situation in pig iron shows some signs of betterment, temporarily at least, with two Eastern stacks changing from foundry grades to basic, giving steel mills in that area a better supply of iron. At the same time scrap supply is smaller."

To Establish Castle Clinton Monument

Acting Secretary Oscar L. Chapman, of the Department of the Interior, announced on Aug. 17 that Castle Clinton, historic landmark situated in Battery Park, New York City, will become a national monument as soon as title to the structure is vested in the Federal Government in accordance with the bill signed by President Truman on Aug. 12. It was noted in the announcement that at present Castle Clinton is the property of the City of New York. The Department's advices point out that:

"Castle Clinton was famous to generations of Americans as Castle Garden and is intimately associated with the growth of the United States. Constructed over a period of years, beginning in 1808, as a fortification for the defense of New York Harbor, it served as the military headquarters of the United States Army in New York during the War of 1812. Ceded to the city a few years later and renamed Castle Garden, it became a central point for the nation's public and social life. The structure housed the New York City Aquarium for many years until 1941; this and other records of the historic structure are indicated as follows by the Department of the Interior:

"One after another the American Presidents were received here, and noted foreign visitors such as General Lafayette and Louis Kossuth. It was in Castle Garden that Samuel F. B. Morse gave his first demonstration of the telegraph and P. T. Barnum introduced Jenny Lind, the Swedish nightingale, to America.

"From 1855 to 1890 Castle Clinton was the principal immigration station for the United States, receiving over two-thirds of the immigrants arriving during that period. Through its gates passed some 8,000,000 future Americans whose grandchildren and great grandchildren have in this day fought to preserve the common national heritage. In a sense, Castle Clinton is the ancestral Jamestown or Plymouth Rock to a large section of the present-day American population. In its latest phase, this structure, which had served in turn as fortification, restaurant, lecture hall, and immigration station, housed the New York City Aquarium, and will be remembered by many on account of the remarkable marine exhibits that were displayed there."

From the Department's advices we also quote:

"With little effort and relatively small expense the thick circular red sandstone walls of the original fort, still perfectly intact, can be brought to view and permanently preserved. It will then be possible once again for millions of American citizens to visit and enjoy the historic associations and the setting of this national landmark as they have for generations past.

"The President's signature on the bill, which was first introduced by Congressman Sol Bloom, brings to a successful climax the long fight by many prominent individuals and organizations to save Castle Clinton from destruction. It had been slated for demolition in connection with the construction of the Battery-Brooklyn vehicular tunnel.

"All restoration and development work to be undertaken by the National Park Service will be delayed until after the tunnel has been completed. Meanwhile, the City of New York, through Mayor William O'Dwyer, has indicated its willingness to cooperate in the protection of the building and to take steps necessary to safeguard it from damage while the construction of the tunnel is in progress.

"Among the organizations to whom much credit should be given in the movement which culminated in legislation which makes possible the establishment of Castle Clinton National Monument are: The American Scenic and Historic Preservation Society, the New York Historical Society, the Chamber of Commerce of the State of New York, the New York chapter of the American Institute of Architects, the Society of Landscape Engineers, the Regional Plan Association, and many of the New York newspapers."

The Commerce and Industry Association of New York also figured in the efforts to preserve the structure. The bill was passed by the House July 25 and by the Senate on July 30.

C. R. Porter Dies

Claude R. Porter, a member of the Interstate Commerce Commission since 1928, died on Aug. 17 six days after the sudden death of a son, George B. Porter. The Commissioner was stricken at his office on Aug. 15 with a cerebral hemorrhage it was reported in Associated Press advices from Washington on Aug. 17, which also said:

"Claude Rodman Porter had been prominent as a Federal prosecutor and as a leader in the Democratic party in Iowa before he went to the Interstate Commerce Commission, on which he had served since 1928. He was appointed by President Coolidge and reappointed three times serving as Chairman in 1932."

From the New York "Times" of Aug. 18 we take the following:

"Mr. Porter's career on the Interstate Commerce Commission was highlighted by his authorship of a unification plan for the nation's railroads. Devised in 1929, the plan called for a four-system consolidation of the Eastern roads, excluding New England. After many hearings a four system consolidation for the East was approved by the commission in 1932, although it was never put into effect.

"Mr. Porter served in the Iowa House of Representatives from 1896 to 1900 and in the Iowa Senate from 1900 to 1904.

"But he was unsuccessful in his bids for major public office, although he made many. He was the Democratic candidate for Governor in 1906, 1910 and 1918. Also, unsuccessfully, he ran for the United States Senate five times, in 1908, 1909, 1911, 1920 and 1926. In the last campaign he was defeated in a hard-fought contest by Smith W. Brookhart.

"Mr. Porter was appointed United States Attorney for the Southern Iowa District in 1914 by President Wilson and, although a Democrat, was reappointed by President Harding."

Home Building Volume Declines 16 Per Cent

The effect of inadequate home building materials and supplies, and in some areas shortages of building craftsmen, was reflected in a 16% drop in contracts awarded for residential construction in the 37 States east of the Rocky Mountains in July, it was reported on Aug. 19 by F. W. Dodge Corporation, a fact-finding organization for the construction industry.

July residential contracts totaled $281,227,000, compared with $332,248,000 in June, and brought the total for the first seven months of this year to $1,914,700,000. During the corresponding seven months of last year residential contracts totaled $243,782,000 in the States east of the Rockies.

Public housing contracts were an important part of the July volume, with $31,917,000, or 11% of the total of all residential contracts, being listed as publicly owned. Home builders believe that one factor in this sizable volume of publicly owned housing may be attributable to the top priorities given to public housing, as compared with priorities issued for privately owned home construction, the Dodge Corporation reported.

While home building contract volume was receding, non-residential construction contracts showed a modest gain from $273,207,000 in June to $283,635,000 in July. Commercial, educational, science, hospital and institutional building volume showed gains. Manufacturing building contracts declined but still represented the most active kind of non-residential building investment, with a July total of $129,302,000.

The Dodge Corporation reported that 28% of all construction contracts in July was listed as publicly owned, and that 21% of the total for the first seven months of the year was awarded by various municipal, State and Federal agencies.

Yugoslav Share in UNRRA Aid

Aid to Yugoslavia by the United Nations Relief and Rehabilitation Administration amounted to $327,577,000 in food, clothing, agricultural, and industrial machinery and other supplies in the period April 15, 1945 to July 31, 1946, it was revealed on Aug. 22. The amount constitutes about three-quarters of the $429,500,000 allocated by the relief agency to Yugoslavia. Only two of the 17 countries receiving UNRRA aid have been allocated greater amounts, China with $535,000,000 and Poland with $474,000,000. Washington dispatches Aug. 22 to the New York "Herald Tribune" reporting these figures pointed out that 72% of UNRRA's resources of $2,700,000,000 has been contributed by the United States, most of the remainder coming from the United Kingdom and Canada. In addition the United States gave $32,000,000 of materials to Yugoslavia through lend-lease during the war, of which about half consisted of agricultural and industrial commodities and half of munitions items.

According to Associated Press advices from Washington Aug. 21.

A report on file with the House appropriations committee listed the shipments to Yugloslavia in five categories, as follows:

Food: 1,113,655 tons, valued at $127,228,000. Clothing: 64,645 tons, at $55,711,000. Agricultural Rehabilitation: 74,533 tons at $14,396,000. Industrial Rehabilitation: 296,565 tons at $44,507,000. Medication and Sanitation: 5,572 tons at $10,748,000.

Federal Financial Operations in Fiscal Year 1946

(Continued from first page)

Miscellaneous receipts for fiscal year 1946 included proceeds from sales of surplus property under the Act of Oct. 3, 1944, amounting to $0.5 billion. Approximately $1.2 billion was received on account of renegotiation of war contracts as compared with $2.0 billion for fiscal year 1945.

See Table I at the end of this article for a comparison of budgetary receipts for the fiscal years 1945 and 1946. A history of receipts from 1937 to date appears on page 5. For a detailed analysis of internal revenue collections see pages 64, 66, 67.

Expenditures

Expenditures have declined substantially since V-E Day. The following table shows comparative expenditures by quarters.

(In billions of dollars)

Period—	—Fiscal Year— 1945	1946	Change
July 1-Sept. 30	24.2	22.5	— 1.6
Oct. 1-Dec. 31	24.3	16.1	— 8.2
Jan. 1-Mar. 31	25.1	13.0	—12.1
Apr. 1-June 30	26.9	13.4	—13.4
Total	100.4	65.0	—35.4

Although actual hostilities ended 10½ months before the close of the fiscal year 1946, war spending did not stop. These expenditures amounted to $43.5 billion for the year compared with the peak of $90.0 billion in the previous fiscal year. Liquidation of war is costly. The demobilization of millions of men and their mustering-out pay, and outlays to terminate war contracts, contributed to keep war spending at a high rate. It is interesting to note, however, that expenditures for war activities amounted to more than $7.3 billion in July 1945, the month preceding V-J Day, and have dropped to $2.4 billion for June 1946, the month just ended, and will continue at a declining rate. These figures do not include net war outlays of the Reconstruction Finance Corporation, which amounted to $0.3 billion in the fiscal year 1946.

There were decreases under all major categories of war expenditures, as follows: War Department, $22.5 billion; Navy Department, $14.9 billion; Treasury Department, principally for lend-lease purchases, $0.8 billion; U. S. Maritime Commission, $2.5 billion; War Shipping Administration, $0.7 billion; and decreases under other miscellaneous categories aggregating $0.7 billion. There were some offsetting increases, the largest of which amounted to $0.6 billion for payments for United Nations Relief and Rehabilitation Administration.

Expenditures classified as General, including transfers to trust accounts, amounted to $16.5 billion, an increase of $6.1 billion compared with 1945. Of this increase, $4.6 billion or about 76% is accounted for by expenditures that are war related and sometimes referred to as "aftermath of war," i.e., interest on the public debt, refunds of taxes and duties, and veterans' benefits (including transfers to the National Service Life Insurance Fund shown under "transfers to trust accounts, etc." In addition, a substantial amount of general expenditures were made to carry out responsibilities of the postwar period. Chief among these was $500 million paid to the Commodity Credit Corporation to be used for postwar price support of agriculture; $674 million for subscription to capital stock of the Export-Import Bank; and $159 million for subscription to the International Bank for Reconstruction and Development. The remaining categories of other general expenditures showed a net increase of only $152 million, due to the receipt in 1946 of repayments of $165 million capital and surplus from the Federal Land Banks and the Federal Farm Mortgage Corporation, as compared with $63 million in 1945, and the fact that no provision was made for payments in 1946 to restore the capital impairment of the Commodity Credit Corporation, whereas in 1945 there was an expenditure of $257 million for this purpose.

Additional information on expenditures is presented in Tables 1, 2, and 3 at the end of this article, and on pages 5 and 6.

Public Debt

The gross public debt amounted to $269.4 billion on June 30, 1946, as compared with $258.7 billion at the close of last year, an increase of $10.7 billion. This increase is accounted for by a deficit of $22.0 billion, a decrease in the general fund balance of $10.5 billion, and an excess of receipts in trust accounts, etc, amounting to $0.8 billion.

Of the increase in the public debt during the fiscal year 1946, $8.2 billion was represented by interest-bearing public issues, and $3.5 billion by interest-bearing special issues to trust accounts administered by the Treasury; these increases being offset by a net decrease of $1.0 billion in matured debt on which interest has ceased, and noninterest-bearing debt, the later item decreasing $1.0 billion on account of excess profits tax refund bonds.

Of the public issues, marketable obligations increased $8.3 billion as follows: outstanding Treasury bonds increased $12.9 billion; certificates of indebtedness increased $0.7 billion, while Treasury notes and other marketable securities decreased $5.3 billion.

In the nonmarketable group, outstanding United States Savings Bonds increased $3.4 billion, while Treasury savings notes decreased $3.4 billion.

A comparison of the public debt outstanding on June 30, 1945 and June 30, 1946, classified by types of issues is presented in Table 4 at the end of this article. Pages 23 to 25 contain additional information relating to the public debt from June 30, 1937 to date.

The direct debt reached its peak on Feb. 28, 1946, when it amounted to $279.2 billion. Due to prompt cancellation of war contracts, speedy demobilization of the armed forces, and curtailment of war emergency agencies, combined with other factors which improved the budgetary outlook, a substantial part of the money raised during the Victory Loan was not required to finance government expenditures. Consequently, since the end of February a substantial debt reduction program has been under way. From March 1 to June 30, 1946, $19.0 billion of marketable issues matured or were called for redemption. Of this amount $10.2 billion were paid off in cash (exclusive of the $2.0 billion pay-off of the Treasury notes maturing July 1 which was announced on June 14, 1946). To the extent that the maturing obligations were not paid off, they were refunded into ⅞% one-year certificates of indebtedness. Table 5 at the end of this article shows the disposition of the marketable issues matured or called between March 1 and June 30, 1946. For offerings and disposition of Treasury bonds, notes, and certificates of indebtedness beginning with the Fifth War Loan see pages 32 and 33.

Of the $19.0 billion marketable debt maturing or called for payment from March 1 through June 30, commercial banks reporting in the Treasury Survey of Ownership of United States Government Securities held about 50%; another 18% was held by Federal Reserve Banks; and 32% by nonbank investors and nonreporting banks. Table 6 shows the ownership distribution of the matured and called issues according to the latest reports received by the Treasury Survey of Ownership prior to the date of payment in each case. Additional information on ownership of government securities is presented in the chapter beginning on page 48.

Average Interest Rate

Interest payments on the public debt during the fiscal year 1946 amounted to $4.7 billion, an all-time high, which is $1.1 billion more than was paid in 1945. The average interest rate on the interest-bearing debt increased from 1.936% on June 30, 1945, to 1.996% on June 30, 1946. This increase in the general average was due to several factors, one of which was the retirement of $6.6 billion of ⅞% certificates of indebtedness since the end of February. Special issues which carried an average interest rate on June 30, 1946 of 2.448%, or about ½% above the general average, were increased during the year by $3.5 billion. The monthly trend of interest rates during the fiscal year 1946 for the several types of interest-bearing securities is shown in Table 7. The computed interest charge and computed interest rate on the public debt from 1937 to date is presented on page 27.

Savings Bonds

While sales of savings bonds decreased and redemptions increased in the fiscal year 1946 compared with the previous year, sales (including accrued discount) exceeded redemptions by $3.5 billion. Sales have held up remarkably well, notwithstanding the termination of the war loan drives, averaging better than $650 million a month since January 1946. Redemptions, contrary to the fears of many, have not been unreasonable. They reached their high point in March 1946, when redemptions of all series of savings bonds amounted to about $634 million, followed by $621 million in April, $552 million in May, and $519 million in June. Possibly an even better gauge is a comparison of redemptions with amounts outstanding. Redemptions of Series E Bonds stated as a percentage of the amount of E Bonds outstanding amounted to 1.45% in June 1946, and were lower on this basis than in any month since July 1945.

The redemption of savings bonds should be viewed in the light of the fact that these bonds are non transferable and are redeemable at any time after fixed periods (60 days for Series E Bonds) from date of issue. These features were especially incorporated in the bonds to adapt them primarily for the investment of savings of individuals of limited means and so that they could be readily redeemed to meet emergencies without loss of principal. Complete data on the sales and redemptions of savings bonds are shown on pages 36 to 44.

Guaranteed Debt

On June 30, 1946, as was the case on June 30, 1945, only two groups of unmatured obligations of governmental corporations and credit agencies, guaranteed as to principal and interest, except those held by the Secretary of the Treasury, remained outstanding, totalling $467 million as compared with $409 million on June 30, 1945. The unmatured obligations include $424 million of demand obligations of the Commodity Credit Corporation issued to commercial banks in connection with commodity transactions, and $43 million of debentures issued by the Federal Housing Administration in connection with mortgage insurance. During the year the securities of governmental corporations and credit agencies held directly by the Treasury decreased from $12.2 billion to $11.7 billion.

A statement of guaranteed obligations outstanding is included in the report.

BUDGETARY RECEIPTS AND EXPENDITURES, FISCAL YEARS 1945 AND 1946

(In millions of dollars)

	1945	1946	Change
RECEIPTS—			
Internal revenue:			
Income tax:			
Withheld by employers (Current Tax Payment Act of 1943)	10,289	9,392	— 897
Other	24,884	21,493	—3,391
Miscellaneous internal revenue	6,949	7,725	+ 776
Social security taxes	1,494	1,418	— 76
Taxes upon carriers and their employees	285	283	— 2
Railroad unemployment insurance contributions	13	13	----
Customs	355	435	+ 80
Miscellaneous receipts	3,470	3,480	+ 10
Total receipts	47,740	44,239	—3,501
Deduct net appropriations to Federal Old-Age and Survivors Insurance Trust Fund	1,283	1,201	— 82
Net receipts	46,457	43,038	—3,419
EXPENDITURES—			
General:			
Departmental (not otherwise classified)	881	957	+ 76
Agriculture Department:			
Agricultural Adjustment Agency	281	292	+ 11
Commodity Credit Corporation:			
Postwar price support of agriculture	----	500	+ 500
Restoration of capital impairment	257	----	— 257
Other	145	121	— 24
Bretton Woods Agreements Act: Internat'l Bank	----	159	+ 159
Export-Import Bank of Washington—capital stock	----	674	+ 674
Federal Security Agency:			
Social Security Board	455	516	+ 61
Other	94	108	+ 14
Federal Works Agency	100	122	+ 22
Interior Department—Reclamation Projects	50	61	+ 11
National Housing Agency	12	40	+ 28
Panama Canal	9	18	+ 9
Post Office Department (deficiency)	1	161	+ 160
Railroad Retirement Board	6	6	----
River and harbor and flood control	142	168	+ 26
Surplus property disposal agencies	11	†	— 11
Tennessee Valley Authority	20	29	+ 9
Treasury Department:			
Interest on the public debt	3,617	4,722	+1,105
Refunds of taxes and duties:			
Excess Profits Tax Refund Bonds	894	88	— 806
Other	821	2,947	+2,126
Veterans' Administration	934	2,871	+1,937
Total general expenditures	8,730	14,559	+5,829

(In millions of dollars)

	1945	1946	Change
War Activities:			
War Department	50,399	27,852	—22,547
Navy Department	30,047	15,161	—14,886
Agriculture Department	1,198	1,041	— 157
Federal Security Agency	122	60	— 62
Federal Works Agency	185	91	— 94
National Housing Agency	70	80	+ 10
Treasury Department	1,462	695	— 767
United States Maritime Commission	3,227	694	— 2,533
War Shipping Administration	2,042	1,367	— 675
Aid to China	140	120	— 20
Payments for United Nations Relief and Rehabilitation Administration	114	664	+ 550
Surplus property disposal agencies	†	106	+ 106
Other	1,022	611	— 411
Total war activities expenditures	90,029	48,542	—41,487
Transfers to trust accounts, etc.:			
Adjusted service certificate fund	9	----	— 9
Federal contributions to District of Columbia	6	6	----
Government employees' retirement funds (United States share)	197	247	+ 50
National service life insurance fund	1,117	1,381	+ 264
Railroad retirement account	309	292	— 17
Railroad unemployment insurance administration fund transfers to unemployment trust fund (Act Oct. 10, 1940)	9	10	+ 1
Surplus Commodity stamps, agriculture	*	—18	— 18
Total transfers to trust accounts, etc.	1,646	1,918	+ 272
Total expenditures (excl. pub. debt retirements)	100,405	65,019	—35,386
Net deficit	53,948	21,981	—31,967

*Less than $500,000. †Included under "General" in 1945 and "War activities" in 1946.

Morris Plan Bankers To Meet Oct. 21-23

Maple T. Harl, Chairman of the Federal Deposit Insurance Corporation, will appear on the program of the annual joint national convention of the Morris Plan Bankers Association and the Consumer Bankers Association, to be held at the Cavalier Hotel, Virginia Beach, Va., Oct. 21-23, it was announced from Washington on Aug. 26 by Joseph E. Birnie, President of The Bank of Georgia, Atlanta, and President of the Morris Plan Bankers Association. Dr. Ernst A. Dauer, in charge of the analysis of bank operations and consumer credit activities on the staff of the Federal Deposit Insurance Corporation, will also be on the program, President Birnie announced.

At the same time, general convention chairman Malcolm C. Engstrom, Vice-President and Comptroller of The Bank of Virginia at Richmond, announced the appointment of Fred R. Waldron, Executive Vice-President of The Morris Plan Company of Terre Haute, Ind., as Chairman of the Program Committee and Harry E. Small, Executive Vice-President of The Morris Plan Bank of Cleveland, a chairman of the Nominations Committee.

Gen. Devers' Proposals For U. S. Security

In a prepared address at Gettysburg, Pa., on Aug. 14, Gen. Jacob L. Devers, commander of the Army Ground Forces, set forth a five-point program for United States leadership in world affairs which he considered a means of assuring for this country national security. In the following order the General indicated these as "musts" for the achievement of such an end, Associated Press advices stated:

"1. We must put our own house in order.

"2. We must clarify and define our course of action in international affairs.

"3. We must have knowledge and understanding of the nations and of their ways of thinking and their motives.

"4. We must work to establish a world organization.

"5. We must see that our armed forces have the means to accomplish their missions."

Asserting that America cannot be secure unless the rest of the world is secure, the General declared that, conversely, the rest of the world will not know security unless America has hers.

The State of Trade

(Continued from page 1183)

steel ingot rate would fall sharply because of a scrap shortage are not expected to be borne out in the near future at least, according to "The Iron Age," national metalworking paper, in its review of the steel trade the past week. 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, the magazine added.

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. Scrap shipments to dealers yards throughout the country, however, have shown an increase in recent 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, states "The Iron Age." However, the supply of scrap in the hands of steel firms is at a low point compared with the current operating rates and 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 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 open hearths, the magazine notes.

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, although the labor controversy on the Great Lakes could easily develop into a definite threat to steel output this winter.

Little progress was made at the meeting two weeks ago between the Steel Industry Advisory Committee and the OPA over what constitutes "a reasonable profit" and what year should be taken as a criterion. Nevertheless, indications are that a new steel price increase involving eight or nine products may be granted.

The steel industry is also anxious that the OPA as soon as possible decontrol alloy steels the supply of which it is claimed does not warrant keeping them under OPA price supervision, but states "The Iron Age," it is expected the OPA will utilize the full 60 days allowed by law to cogitate over the validity of its request.

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 89.4% of capacity for the week beginning Aug. 26 as against 89.7% one week ago, 89.6% one month ago and 74.5% one year ago. This represents a decrease of 0.3 point or 0.3% from the preceding week. This week's operating rate is equivalent to 1,575,600 tons of steel ingots and castings, compared to 1,580,900 tons one week ago, 1,579,100 tons one month ago and 1,364,600 tons one year ago.

Electrical Production — The Edison Electric Institute reports that the output of electricity advanced to 4,422,242,000 kwh. in the week ended Aug. 17, 1946, from 4,411,717,000 kwh. in the preceding week. Output for the week ended Aug. 17, 1946, exceeded that of the same week in 1945 by 12.3%.

Consolidated Edison Co. of New York reports system output of 183,700,000 kwh. in the week ended Aug. 18, 1946, compared with 149,500,000 kwh. for the corresponding week of 1945, or an increase of 26.1%. Local distribution of electricity amounted to 173,000,000 kwh., compared with 145,700,000 kwh. for the corresponding week of last year, an increase of 18.7%.

Railroad Freight Loadings — Car loadings of revenue freight for the week ended Aug. 17, 1946, totaled 887,570 cars, the Association of American Railroads announced. This was a decrease of 11,514 cars or 1.3% below the preceding week and 234,738 cars, or 36% above the corresponding week in 1945 which included V-J Day holiday. Compared with the similar period of 1944, an increase of 947 cars, or 0.1% is shown.

Paper and Paperboard Production — Paper production in the United States for the week ended Aug. 17 was 104.5% of mill capacity as against 103.4% for the preceding week and 67.8% in the like 1945 week, according to the American Paper & Pulp Association. Paperboard output for the current week was 98% against 96% in the preceding week and 67% for the corresponding week a year ago.

Business Failures Remain Low —No change occurred in commercial and industrial failures in the week ending Aug. 22, reports Dun & Bradstreet, Inc. Concerns failing numbered 17, the same as in the previous week and one above the 16 reported in the corresponding week of 1945.

All except two of this week's failures involved liabilities of $5,000 or more. Rising from 12 last week to 15 in the week just ended, these larger failures also exceeded the 12 occurring in the comparable week a year ago. On the other hand, small failures with losses under $5,000 were down to two from five both in the previous week and last year.

Retail failures, two times as numerous as in last week, comprised about ½ the total failures reported during the week. Up from three a week ago and in the comparable week of last year, failures in this trade numbered eight. Concerns failing in manufacturing declined sharply; there were only ¼ as many failures in this industry as in the previous week and less than half the number reported in the same week a year ago. No marked change occurred in failures in any other trade or industry group.

Canadian failures numbered two, as compared with one in the previous week and one in the corresponding week of 1945.

Wholesale Food Price Index Sets All-Time High — Although the price of a greater number of commodities decreased than increased during the week, the wholesale food price index, compiled by Dun & Bradstreet, Inc., rose four cents to a new all-time high of $5.34 on Aug. 20. This was two cents above the previous peak of $5.32 on Aug. 6, 1946, and 31% above the $4.08 on the corresponding date a year ago. The commodities rising in price were rye, coffee, beans, eggs, steers, and sheep. Items decreasing in price were wheat, corn, oats, barley, butter, potatoes, hogs, 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., declined gradually during the past week after a moderate rise early in the week. The index was 224.82 on Aug. 20, close to the 225.75 on Tuesday of last week, and 29% above the 174.54 registered on the corresponding day a year ago.

Activity in leading grain markets was slow last week pending the announcement of the government pricing policy. The volume of trading in grain futures on the Chicago Board of Trade showed little change from the low of the previous week. Cash and futures prices of wheat held close to old ceilings. Crop reports continued to indicate a bumper harvest of wheat for this season. Offerings of flour were scarce as mills shipped against old contracts. The September export program included 380,000 long tons of flour. Prices of the active deliveries of oats futures dropped to a seasonal low last week. Cash prices for old crop corn fell off again last week and prices bid on the new crop were generally low and below ceilings in effect June 30. Hog prices changed frequently during the week and similar grades sold at varying prices. Prices on several grades of steers were at all-time peaks last week with prices higher generally on most varieties of cattle.

Active contracts in the cotton futures market declined in price last week after a two-week period of rising prices. On the New York Cotton Exchange active contracts fell off 17 to 148 points for the week compared to increases of 165 to 226 points in the previous week. Buying in the spot markets was light last week, as mills delayed placement of orders until September textile price ceilings are anounced by the OPA. Removal of the export subsidy on cotton was urged by the State Department, but the Department of Agriculture made no comment. Domestic cotton consumption dropped to about 725,000 bales in July from 793,000 in June, compared to 673,000 bales consumed in July of last year. Whether conditions in the cotton belt were mixed last week with reports of serious weevil damage in some sections. Little new business was transacted in carded gray cotton cloth markets, though some deliveries were executed against old contracts.

Domestic wools were in active demand in the Boston wool market last week. Prices on good types were at ceiling levels, while those on defective varieties dropped slightly from prices in the previous week. Foreign wools, when available, sold at full allowable prices with demand particularly strong for South American, Cape, and Australian wools. The Commodity Credit Corporation appraised 13,832,445 pounds of domestic wool for purchase the week ended Aug. 9, bringing the total appraisal of 1946 wools to 182,083,411 pounds, 10% less than the total a year ago.

Wholesale and Retail Trade—Total retail volume throughout the country increased slightly during the past week with dollar volume far exceeding that of the first week of peace a year ago when extended V-J Day celebrations affected the shopping routine of many consumers. The selectivity that has been evident in the high demand of recent weeks continued to increase last week, according to Dun & Bradstreet, Inc., in its survey of trade.

Heavy consumer buying maintained food volume at the high level of the previous week with the supply of food generally abundant. In addition to the wide selections of fresh fruits and vegetables that were available, there was an ample supply of meat, poultry and fish. A sudden rise in the demand for coffee resulted in an apparent shortage in some scattered localities. Stocks of fats, oils and soap were increasing slowly.

Apparel continued to attract a large share of consumer attention as fall selections were expanded by increased receipts at the retail level. Plaid skirts and sportswear, suits of neutral tone, and furtrimmed coats aroused the interest of many undergraduate shoppers. The demand for accessories was high with millinery and footwear eagerly sought. The retail volume of men's suits rose slightly the past week as selections continued to increase slowly. The supply of shirts, underwear, pajamas and other men's furnishings was larger and consumer demand was more discriminating than in many previous weeks.

Home furnishings and household appliances remained high among the best sellers last week. The curtailment of seasonal furniture promotions in some localities as stocks became limited resulted in only a slight decline in dollar volume from the previous week. Hardware was frequently sought. There was almost no change in the limited supply of piece goods, curtains and draperies the past week.

Retail volume for the country last week was estimated to be from 43 to 47% above that of the holiday-shortened week a year ago. Regional percentage increases were: New England 42 to 46, East 46 to 50, Middle West 40 to 44, Northwest 45 to 49, South 43 to 47, Southwest 38 to 42 and Pacific Coast 44 to 48.

Total wholesale volume for the week remained at almost the same high level of the previous week and was considerably above that of the first postwar week one year ago. There was a small but noticeable improvement in deliveries and new order volume was maintained at a high level.

Department store sales on a country-wide basis as taken from the Federal Reserve Board's index for the week ended Aug. 17, 1946, increased by 90% above the same period of last year. In using year ago comparisons for this week allowance should be made for the fact that last year stores closed for one or two days during the celebration of the Japanese acceptance of the Potsdam Declaration. This compared with an increase of 30% (revised figure) in the preceding week. For the four weeks ended Aug. 17, 1946, sales increased by 43% and for the year to date by 29%.

The volume of retail trade here in New York the past week was strong as department store volume, according to estimates advanced 40% ahead of a year ago. A rise of more than 85% in new registrations reflected the increasing flow of new cars into this area. Deliveries in apparel lines displayed strength in the week with the exception of higher price categories. Some seasonal improvement was noted in food sales.

In the wholesale field buyers' arrivals in the markets reflected a decided increase as stores endeavored to speed up merchandise shipments for early season selling.

According to the Federal Reserve Bank's index, department stores sales in New York City for the weekly period to Aug. 17, 1946, increased 156% above the same period last year, as a result of the two-day holiday at that time. This compared with an increase of 37% in the preceding week. For the four weeks ended Aug. 17, 1946, sales rose by 40% and for the year to date by 24%.

Industry Men to Stay On Wage Board

Both the industry members of the National Wage Stabilization Board disclosed recently that they sought to resign from the Board during the price control extension battle, but said they are staying on at President Truman's request, it was reported from Washington on Aug. 7 by the Associated Press, which continued:

The two members, Earl N. Cannon and A. Colman Barrett, said that they believe the Board's tripartite system, with members representing the public, labor and management, was "inconsistent with the normal precepts of the administration of Government in peacetime." They said they believed that industry generally shared this opinion.

President Truman asked both men to stay on, in a letter dated Aug. 1 and made public by the Board. The resignations were submitted July 18.

"It is clear," the President wrote, "that effective administration of a program of wage stabilization will continue to be a matter of basic importance to domestic economy.

"There is also the possibility, to which you allude in your letter, that modifications in the present controls will be necessary."

Cotton Spinning for July

The Bureau of the Census announced on Aug. 22 that, according to preliminary figures, 23,861,914 cotton spinning spindles were in place in the United States on July 31, 1946, of which 21,985,298 were operated at some time during the month, compared with 21,942,878 in June, 21,958,496 in May, 21,972,784 in April, 21,957,254 in March, 21,628,793 in February, 21,629,882 in January, 21,551,960 in December, 21,605,060 in November, 21,721,792 in October, 21,911,746 in September, 22,170,180 in August, and 22,029,282 in July 1945. The aggregate number of active spindle hours reported for the month was 8,002,194,236 an average of 335 per spindle in place, compared with 8,787,430,064, an average of 368 per spindle in place for last month and 7,925,813,588 an average of 343 per spindle in place, for July 1945. Based on an activity of 80 hours per week, cotton spindles in the United States were operated during July 1946 at 95.3% capacity. The percent, on the same activity basis, was 115.1 for June, 110.5 for May, 109.7 for April, 101.7 for March, 113.1 for February, 110.7 for January, 101.5 for December, 104.6 for November, 105.0 for October, 111.8 for September, 100.5 for August, and 102.0 for July 1945.

Graduate School of Banking To Have Reunion

Graduates and students of The Graduate School of Banking in attendance at the forthcoming A.B.A. Convention in Chicago and those residing in the Chicago area will have a get-together dinner during the convention, it was announced on August 20 by Kenneth R. Wells, Assistant Vice-President of the American National Bank and Trust Company of Chicago, who is General Chairman for the reunion. The affair will be held in the North Ballroom of the Hotel Stevens on September 24. The dinner will be preceded by a social hour. William G. F. Price, Vice-President of the American National Bank and Trust Company of Chicago and a member of the Credits faculty of The Graduate School of Banking, will be toastmaster. Dr. Harold Stonier, director of the school will be the only speaker. Requests for reservations may be sent to Mr. Wells.

Monopoly and the Public Dollar

(Continued from first page)

volved in administering fiscal and economic policy is readily apparent from the volume of money handled. In 1940 $15,800,000,000, or 16.3% of our total national product, went into local and federal taxes. In 1945, this figure had reached $49,300,000,000, or 24.7% of the total gross national product.

Government Procurement

Among the foremost of these economic activities is the purchasing of supplies by public agencies —an activity which in its ramifications is as complex as the conduct of foreign affairs or the safeguarding of military security. Perhaps no other governmental function so directly concerns the average taxpayer. He has an immediate stake in the way public money is spent and the policies and directions which govern expenditure. He has a lively regard for value received and wants genuine economy, the receipt of the highest possible value at the least possible cost, to be the consistent aim of policy. Therefore, government purchasing as a profession demands an extraordinary degree of training, skill and know-how. Concerning the broad field of government purchasing, I know enough to be silent before a group of distinguished experts. However, in the phase of the matter in which I work I may be able to be helpful.

Government as a purchaser is a consumer with special characteristics. In most instances government is a mass purchaser. Indeed in many cases it may be the only user, or at least the largest user of many types of products, just as it is in so many ways the sole supplier of particular services.

In this sense, when a government agency enters the market as a consumer it represents all consumers. If the market is not free, if prices are controlled by monopoly groups, if price discrimination exists, or if suppliers attempt by collusion to exact exorbitant and arbitrary returns, the government agency is placed in double jeopardy as not only the agency, but the public interest in its broadest sense is injured. The government as purchaser is especially vulnerable to the tactics of price conspiracy and collusion as it is often without recourse because public needs are urgent.

Taking Advantage of Government

There have been deliberate efforts to take advantage of the government. Many students of the problems of government purchasing have attested to the prevalence and the effects of monopoly practices in this field. The late Herman Oliphant, who served as General Counsel for the Treasury and the representative of that department on the Temporary National Economic Committee, was a consistent and eloquent advocate of the importance of preserving the competitive system of free enterprise. He stated that he had time and again discovered that when the government entered the market to purchase a wide range of materials it was unable to obtain competitive bids, and encountered monopoly practices and monopoly prices in all their many variations. This same condition was noted by the late President Roosevelt in his message creating the Temporary National Economic Committee. He said that in instance after instance the government was confronted with bids "identical to the last cent."

In studies made by the Temporary National Economic Committee, it was found that there were three major types of Federal bid openings in which identical bidding occurred. In the first type, all bids were identical in every respect. It is inconceivable that such bids could have been made independently or competitively in good faith. In another class of bid openings, it was found that of all bids received, two or more of the supposedly lowest bids were identical. The third group consisted of bids in which there was some variation, but in which identical figures occurred so frequently as to suggest collusion.

Suspects Monopoly

The philosophy of monopoly is clearly discernible in all of these circumstances. The monopolist reasons that since the government must choose from among available bidders, prices can be conveniently rigged at non-competitive figures. The Temporary National Economic Committee discovered that in markets and industries as diverse in their behavior and as widely separated in their characteristics as fruit, fish, furniture, paper, ammunition, petroleum, cement, salt, metals, electrical equipment, plumbing supplies, motor vehicles, and pottery, identical bids were submitted on occassions so numerous that they can be accounted for in no other way than by the presence and power of monopolistic combination. It was observed also that in many instances industries which were ordinarily competitive suddenly displayed all the traits of monopoly when the government sought to purchase a commodity.

In effect, these instances represent a form of private tax placed upon the public—a tax paid to the power of monopoly in industry. It is bad enough ordinarily that a monopoly group should find it possible to take advantage of the general consumer by dominating markets and eliminating competition. But when, in a democracy, monopoly flaunts its power by seeking to compel government to accept its terms, it challenges the supremacy of the will of the majority; it constitutes an attack upon the foundations of our government.

Relief from the Situation

It has been strongly urged as a remedy for such practices that the government withheld purchases from companies shown to be guilty of monopoly dealings. Government ownership has also been suggested as a remedy. Real relief, however, must come first from an awareness upon the part of government purchasing agencies of the dangers and methods of monopoly.

With this in mind it may prove useful to outline what the Antitrust Division has done and is doing to assist you in combatting these enemies of free enterprise.

Municipalities, the exclusive purchasers of parking meters, had been the victims of a combination to fix prices, terms and conditions of sale through the formation and operation of a patent pool. The principal means used were: (a) acquiring patents to suppress competition; (b) agreeing not to extend patent licenses to manufacturing competitors not parties to the pool, and by threatening such manufacturers with patent infringement suits; (c) agreeing to maintain minimum prices, terms and conditions of sale; (d) coercing cities by patent infringement suits to confine their purchases of parking meters to members of the combination. Te net effect of this illegal activity was the suppression of competition with the result that cities and municipalities were required to pay arbitrary, non-competitive prices established by the combine, and to accept the collusive terms and conditions of selling and servicing the equipment. Against such a powerful combination, municipalities were virtually helpless.

The Department of Justice filed suit and achieved the elimination of these abuses. By final decree of the court, the illegal patent licensing agreements were dissolved, compulsory licensing of the patents was ordered on a reasonable royalty basis, and the defendants were enjoined from instituting or threatening to institute patent infringement suits against users or purchasers of parking meters, and from merging in other illegal practices. This action has enabled cities to purchase in a truly competitive market at prices determined solely by normal marketing conditions.

Program to Halt Collusive Bidding

We now have under way a program of investigation designed specially to halt collusive bidding and to break up monopoly in the sale of those items purchased in large quantities by government agencies. This investigation has already resulted in the filing of two anti-trust actions involving commodities used extensively by city, state and federal governments. The case of mimeographing machinery and supplies is a typical example of the way government purchasing agencies have been victimized. An indictment was returned on July 22 of this year against five corporations and six individuals, charging them with conspiring to restrain and monopolize the stencil duplicating industry. The practices engaged in by the defendants in this case ran the gamut of anti-trust violations. Practically every improper means was employed to achieve and maintain a monopoly position. A civil complaint was also filed with the indictment requesting injunction against the continuance of the defendants' illegal practices, cancelling the illegal agreements, seeking dissipation of the effects of patent abuses, and seeking such dissolution of the principal defendant company as will end the monopoly. It is the earnest hope of the Department that the termination of the case will see the destruction of this concerted front with which government has been forced to deal at great disadvantage.

The use of specialty business forms in accounting and business offices of city, state and federal governments has grown to increasing proportions in the past few years. The direct experience of the Department of Justice in purchasing convinced it that competition in the industry had been stifled and that as a result the prices of this product were maintained at an unreasonably high level by the activities of an important company. This manufacturer attempted to monopolize the market by leasing certain patented devices in such a way as to compel the lessees to purchase specialty business forms only from this same manufacturer. So necessary are these patented devices in certain tabulating and statistical operations that purchasing agents have been forced to accede to the conditions of the manufacturer in making their purchases of these business forms, the alternative being failure to obtain the devices.

To correct this situation and to restore free and normal competition in the industry, suit was filed during the past month to invalidate these restrictive arrangements and prevent any future attempts at monopolization.

Other situations under investigation involve products vitally necessary to government operations and to public health and safety. Each case arose from a complaint concerning identical bidding and the general investigation which followed revealed the existence of conspiracies and monopolies indulging in practically all the practices declared illegal by the court.

It has been discovered, for instance, that small companies have been purchased in order to remove them as a source of competition, that suppliers of parts have been required by exclusive contracts to supply all their materials to the dominant company or companies, and that patent infringement suits, or threats of same, have been filed against competitors less secure financially.

One frequent and undesirable practice is for monopolists to submit restrictive specifications for approval to government purchasing agencies hoping thereby to make it impossible for competition to govern the selection of the low bidder. Another not uncommon practice of the monopolists bidding on government purchase orders is to lower bids in areas where competition has dared to fight. When such selective attack has removed the challenge of competition, bids are restored to their previous high level. Another common device is the rotation of bids among the companies party to the conspiracy. In such cases where one concern has been designate to receive the award, other conspirators submit fictitious bids. In other instances, cities have been allocated exclusively to one concern, while other cities are divided among the other conspirators. Protective bids are always submitted to insure the operation of a controlled system. Some monopolists have even used their commanding position to bring injunction suits against municipalities, enjoining them from awarding bids to a lower competitor.

Plan to Forestall Monopoly

Our experience in combatting the unlawful methods used in selling to government permits us to suggest a course of action that might be followed profitably by purchasing officials in order to forestall the monopolist. Identical bids should be investigated. Receipt of only one bid where numerous invitations were sent, or the refusal of companies to bid on different pretexts, should immediately raise suspicion. Specifications should be drawn by disinterested parties. Care should be taken to prevent the insertion of language which has the effect of excluding all but one concern from bidding. It is often convenient to rely upon two or three "name" companies. However, invitations to bid should be sent to small as well as large companies. To expose certain fictitious bidding the concern submitting a bid should always be required to name the manufacturer.

Vigorous enforcement of the Sherman Act and other anti-trust statutes not only eliminates the evil of tampered prices, but makes possible the emergence of new suppliers. In other words, competition is maintained not only by prohibiting monopolistic practices, but also by opening the market to new producers. This two-fold effect represents one of the basic principles upon which free enterprise rests. The need for a government program designed to achieve this end was stated by President Truman last January in his address to Congress on the state of the Union. "We must have an over-all anti-monopoly policy which can be applied by all agencies of the government in exercising the functions assigned to them — a policy designed to encourage the formation and growth of new and freely competitive enterprise."

It is particularly important at this time for city, state and federal governments to be able to obtain their requirements in markets free from monopoly rule. Changes in local conditions traceable to the effects of war have created many acute postwar problems. States and cities are striving to promote industrial growth, to increase facilities for education, to improve housing, or to engage in public works which could not be undertaken during the war years. Funds available for this purpose are always limited. It is consequently a matter of keen interest to all to know that the commodities they must have and the prices they must pay are not subject to the power of national or international monopoly groups. The responsibility for the fight against monopoly, like all civic responsibility, begins in local afafirs.

In the years immediately ahead, the necessity of combatting monopolistic practices will be much greater than ever before. The concentration of economic power in many industries, the disappearance of small producers during the war years, and the scarcities occasioned by war and reconversion, all will affect the conditions under which purchases are made. Government purchasing agencies will find themselves dealing in many seller's markets and, moreover, in many markets in which the seller possesses monopoly control. Time alone will not correct these conditions unless there is a determined and united endeavor both during and after reconversion to stimulate competition and to enforce the laws against cartels, combinations and monopolies in all their forms. Democracy cannot be better served.

Coffee Memo Signed By U. S. and Brazil

The Department of State announced on Aug. 21 that a memorandum of understanding had been signed by Brazilian Ambassador Carlos Martins and Assistant Secretary Spruille Braden on the subject of coffee prices and supplies, containing the following provisions:

1. The Government of the United States will take immediate steps to increase green coffee price ceilings by 8.32 cents per pound ex-dock New York above the ceilings announced by the United States Government December 27, 1941 in price schedule RPS 50.

2. The Government of Brazil will not increase its minimum export prices or its export taxes on coffee above present levels.

3. The Government of Brazil will not alter its exchange rates in such a way as to increase the cost of coffee to the buyer or otherwise restrict the flow of coffee.

4. Should such action be necessary to assure an adequate flow of coffee under this arrangement, the Government of Brazil, upon the request of the Government of the United States, will place coffee on the market at the prices provided for in this arrangement up to a total of 3,000,000 bags. The Government of Brazil may be called upon to supply up to 500,000 bags of such coffee per month. The grades of this coffee will range from Santos 2s to Santos 5s, inclusive, the percentage of each grade to approximate the proportion of such grades exported to the United States during 1941 and the cup quality of the coffee to be soft or better.

5. The Government of Brazil will, in general, refrain from taking any action likely to encourage withholding of coffee from the market.

6. This arrangement will endure until March 31, 1947, or so long as coffee is subject to price control in the United States, whichever is the shorter period.

This understanding replaces an understanding of similar tenor signed June 26, and reflects the new increase in coffee ceilings announced by the Office of Price Administration on August 14.

The action of the OPA on Aug. 14 called for an increase in the retail price of coffee of from 10 to 13 cents a pound.

Moody's Bond Prices and Bond Yield Averages

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

MOODY'S BOND PRICES
(Based on Average Yields)

1946— Daily Averages	U. S. Govt. Bonds	Avge. Corpo-rate*	Corporate by Ratings* Aaa	Aa	A	Baa	Corporate by Groups* R. R.	P. U.	Indus.
Aug. 27	123.14	118.40	122.92	120.43	118.20	112.56	115.04	119.00	121.46
26	123.27	118.40	122.92	120.63	118.20	112.56	115.04	119.00	121.46
24	Stock Exchange Closed								
23	123.30	118.40	122.92	120.84	118.20	112.37	115.04	119.00	121.46
22	123.27	118.40	122.92	120.63	118.20	112.37	115.04	119.00	121.25
21	123.36	118.40	123.13	120.63	118.20	112.37	115.24	119.00	121.46
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	112.56	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	118.80	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	119.00	121.25
7	124.02	118.80	123.13	121.25	118.40	112.56	116.02	119.00	121.25
May 31	123.99	118.80	122.92	121.46	118.40	112.56	116.22	119.00	121.04
24	123.99	118.80	123.13	121.46	118.40	112.56	116.22	119.00	121.04
17	124.14	118.60	122.71	121.46	118.20	112.56	116.20	119.00	121.04
10	123.83	118.80	122.92	121.46	118.60	112.75	116.41	119.20	121.04
3	124.49	119.00	122.92	121.67	118.60	113.12	116.61	119.41	121.04
Apr. 26	124.33	119.00	123.34	121.25	118.40	113.12	116.41	119.41	121.04
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	123.14	117.60	121.46	119.82	117.40	112.19	114.46	117.80	120.63
1 Year Ago Aug. 27, 1945	122.09	115.82	120.63	119.00	116.02	108.34	112.56	115.63	119.41
2 Years Ago Aug. 25, 1944	119.88	112.75	118.80	117.40	112.19	103.30	106.74	114.27	117.20

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

1946— Daily Averages	U. S. Govt. Bonds	Avge. Corpo-rate*	Corporate by Ratings* Aaa	Aa	A	Baa	Corporate by Groups* R. R.	P. U	Indus
Aug. 27	1.54	2.73	2.51	2.63	2.74	3.03	2.90	2.70	2.58
26	1.53	2.73	2.51	2.62	2.74	3.03	2.90	2.70	2.58
24	Stock Exchange Closed								
23	1.52	2.73	2.51	2.61	2.74	3.04	2.90	2.70	2.58
22	1.53	2.73	2.51	2.62	2.74	3.04	2.90	2.70	2.59
21	1.52	2.73	2.50	2.62	2.74	3.04	2.89	2.70	2.59
20	1.52	2.73	2.50	2.62	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	2.72	2.50	2.62	2.74	3.03	2.89	2.70	2.58
6	1.51	2.72	2.50	2.61	2.74	3.03	2.88	2.70	2.58
5	1.51	2.72	2.50	2.61	2.74	3.03	2.88	2.70	2.58
3	Stock Exchange Closed								
2	1.51	2.72	2.50	2.61	2.74	3.03	2.88	2.70	2.59
1	1.51	2.72	2.50	2.61	2.74	3.03	2.88	2.70	2.59
July 26	1.49	2.73	2.50	2.60	2.73	3.03	2.87	2.69	2.58
19	1.49	2.71	2.49	2.59	2.73	3.04	2.87	2.69	2.58
12	1.47	2.71	2.48	2.59	2.72	3.03	2.85	2.69	2.58
5	1.46	2.71	2.49	2.59	2.72	3.04	2.86	2.69	2.58
June 28	1.47	2.71	2.49	2.59	2.73	3.03	2.85	2.69	2.58
21	1.46	2.71	2.49	2.59	2.73	3.03	2.85	2.69	2.58
14	1.46	2.71	2.49	2.59	2.73	3.03	2.85	2.70	2.59
7	1.47	2.71	2.50	2.59	2.73	3.03	2.85	2.70	2.59
May 31	1.48	2.71	2.51	2.58	2.73	3.03	2.84	2.70	2.60
24	1.48	2.71	2.50	2.58	2.73	3.03	2.84	2.70	2.60
17	1.47	2.72	2.52	2.58	2.74	3.03	2.84	2.70	2.60
10	1.49	2.71	2.51	2.58	2.72	3.02	2.83	2.69	2.60
3	1.44	2.70	2.51	2.57	2.72	3.00	2.82	2.68	2.60
Apr. 26	1.45	2.70	2.49	2.59	2.73	3.00	2.83	2.68	2.60
Mar. 29	1.36	2.66	2.46	2.54	2.68	2.94	2.78	2.64	2.55
Feb. 21	1.33	2.67	2.49	2.56	2.70	2.94	2.83	2.64	2.55
Jan. 25	1.31	2.70	2.50	2.59	2.70	2.99	2.87	2.68	2.55
High 1946	1.54	2.77	2.58	2.66	2.78	3.05	2.93	2.76	2.62
Low 1946	1.31	2.65	2.45	2.53	2.67	2.93	2.77	2.63	2.53
1 Year Ago Aug. 27, 1945	1.65	2.86	2.62	2.70	2.85	3.26	3.03	2.87	2.68
2 Years Ago Aug. 25, 1944	1.81	3.02	2.71	2.78	3.05	3.55	3.35	2.94	2.79

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

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

Cotton Ginned from 1946 Crop Prior to Aug. 16

The Census report issued on Aug. 23, compiled from the individual returns of the ginners, shows as follows the number of bales of cotton ginned from the growth of 1946 prior to Aug. 16, 1946, and comparative statistics to the corresponding date in 1945 and 1944.

RUNNING BALES
(Counting round as half bales and excluding linters)

State—	1946	1945	1944
United States	*283,535	*231,527	*164,557
Alabama	871	6.875	536
Florida	133	764	273
Georgia	5,613	5.819	5.781
Louisiana	516	1,350	2,281
Texas	276,199	216,156	154.758
All other States	203	563	928

*Includes 171,641 bales of the crop of 1946 ginned prior to Aug. 1 which was counted in the supply for the season of 1945-44 compared with 132,737 and 48,183 bales of the crops of 1945 and 1944.

The statistics in this report include no round bales for 1946; none for 1945 and none for 1944.

The statistics for 1946 in this report are subject to revision when checked against the individual returns of the ginners being transmitted by mail.

National Fertilizer Assoc. Commodity Price Index Advances to Another New High Peak

The wholesale commodity price index compiled by the National Fertilizer Association and made public on Aug. 26, registered a substantial gain in the week ended Aug. 24, 1946 when it reached the new high level of 176.4, advancing from 174.7 in the preceding week. The index has risen 16.3% since the last week of June, the week the OPA was suspended, and is 24.8% higher than a year ago. A month ago the index stood at 170.8 and a year ago at 141.3, all based on the 1935-1939 average as 100. The Association's report went on to say:

During the latest week four groups of the composite index advanced and one declined. The farm products group showed the greatest advance, rising 2.3%. The cotton subgroup declined. The grains subgroup advanced only fractionally with prices mixed; wheat prices declined and prices for corn, oats, and rye advanced. The livestock index advanced sharply with cattle and hog prices soaring to new highs, and higher quotations for lambs, sheep, calves, eggs, fluid milk and live poultry. The foods index again advanced with prices for butter, flour, dried prunes, and dressed fowl higher and potatoes lower. The metals index advanced slightly with higher prices for finished steel more than offsetting lower prices for brass sheets. The miscellaneous commodities index rose with feedstuff prices mixed and higher prices for news roll paper. The textiles index declined slightly. All of the remaining groups of the index were unchanged.

During the week 24 price series in the index advanced and eight declined; in the preceding week 27 advanced and 11 declined; in the second preceding week 22 advanced and 18 declined.

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

% Each Group Bears to the Total Index	Group	Latest Week Aug. 24, 1946	Preceding Week Aug. 17, 1946	Month Ago July 27, 1946	Year Ago Aug. 25, 1945
25.3	Foods	188.4	185.1	181.4	144.3
	Fats and Oils	227.8	223.8	205.9	145.2
	Cottonseed Oil	202.3	202.3	202.3	163.1
23.0	Farm Products	224.1	219.0	212.4	167.2
	Cotton	338.3	341.0	318.6	211.4
	Grains	211.4	210.6	220.3	158.9
	Livestock	212.9	204.2	195.7	163.2
17.3	Fuels	154.2	154.2	138.6	134.5
10.8	Miscellaneous commodities	146.5	146.0	154.2	132.8
8.2	Textiles	204.7	205.4	196.6	156.6
7.1	Metals	124.5	124.4	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	128.3	125.8
.3	Fertilizer materials	122.5	122.5	121.0	118.3
.3	Fertilizers	120.8	120.8r	119.8	119.9
.3	Farm machinery	115.1	115.1	115.1	104.8
100.0	All groups combined	176.4	174.7	170.8	141.3

*Indexes on 1926-1928 base were: Aug. 24, 1946, 137.4; Aug. 17, 1946, 136.1; and Aug. 25, 1945, 110.1. rRevised.

Curb Short Positions Lowest in August

The total short position in stocks traded on the New York Curb Exchange declined sharply by 70,813 shares, or 44%, during the past month, the exchange announced on Aug. 22. Total short positions stood at 90,417 shares on Aug. 15, 1946, the lowest monthly figure reported since Aug. 15, 1945, when the short position totaled 86,686 shares. On July 15, 1946, the short position amounted to 161,230 shares, an increase of 24,047 shares over June 1946.

The report shows that only three issues of the total 851 issues traded on the Curb Exchange on Aug. 15, 1946, showed a short position in excess of 5,000 shares, compared with five issues on July 15, 1946. Only 179 of the 851 issues showed any short position on Aug. 15. Short position in bonds, which has slowly decreased in recent months, was entirely eliminated as of Aug. 15.

The report in part follows:

Security—	Short Position Aug. 15	Short Position July 15	Increase	Decrease
Cities Service Co., common	5,950	4,435	1.515	
Claude Neon Lights, Inc., common	6,400	4,398	2,002	
Pan American Airways Corp., warrants	8,900	9,950		1,050
Total short position, stocks	90,417	161,230		70,813
Total short position, bonds	0	2		2

Veterans Now Using $2 Billions in Credit

Approximately two billion dollars in credit has already been extended to war veterans to aid them in buying a home or establishing themselves in business, or in farming, according to Chester R. Davis, Chairman of the Committee on Service for War Veterans of the American Bankers Association, who is also Vice-President and Trust Officer of the Chicago Title and Trust Company, Chicago, Ill. In making this known Aug. 6, the ABA advices further said:

"A report from the Veterans Administration on loans closed and disbursed shows that on July 19, all lenders had made a total of 217,466 guaranteed loans to veterans in an aggregate amount of $1,022,095,713. Of this total the Veterans Administration commitments for guarantee on insurance amounted to $464,812,187. A spot check of 4,000 banks shows that for every dollar of guaranteed loans made, banks are extending an equal amount of credit to veterans without the guaranteed provisions," Mr. Davis said.

On the basis of the definite figure supplied by the Veterans Administration on guaranteed loans, it is shown that of all guaranteed loans made, 190,630 were home loans in a principal amount of $941,379,332. The average size of home loans made to veterans is less than $5,000. There have also been 19,254 guaranteed business loans made amounting to $53,889,744. These loans average less than $3,000.

The 7,582 farm loans which have been made for a total of $23.826,637 were, for the most part, loans made to veteran farmers for purchase of equipment. However, despite the high price of farm land, many banks report that they have successfully aided veterans in buying a farm at figures which are not inflated.

The Veterans Administration also reports that 42,637 applications for loans to veterans are now in process. This figure includes many cases pending and many other cases which have been approved on which final closing statements have not been received.

When to Buy!

(Continued from first page)

ing, the demand for most things is still greater than the supply.

Insist on Good Quality

It may be some time before prices can be adjusted into better balance with wages and the old law of supply and demand can again operate. In the meantime, there are bound to be some compromises with quality. Higher wages and costs, plus price ceilings, have encouraged these compromises. Wise housewives will object to paying the same old price, or a higher one, for poorer materials. Although department store sales have increased greatly over a year ago, a tendency to bypass shoddy merchandise has begun to be apparent. In many lines, as in the furniture business where there is a shortage of seasoned lumber, the output will probably be designed to fill the demand and not necessarily for enduring satisfaction.

Have Patience to Wait

How long must we wait to buy? The United States Department of Agriculture says food commodity price rises may be stopped with a bumper crop this coming harvest. It claims that if the good weather continues, the U. S. should have a 28% greater corn supply than in the normal year. Corn syrup and starch are, for example, now up 25% in price. These should come down. With good crops in other countries, our harvest should be a large factor in easing the world food situation. Then the grains and all their products, including bread, should begin to be less expensive.

Patience to wait was rewarded recently in Florida where the public's antipathy to a high price for butter caused a rivalry between two stores. This made their price of butter fall from seventy-seven to nineteen cents a pound in one day! Some food retailers are trying hard to "hold the line," and are in certain cases urging customers not to buy. Of course buyers' strikes in any degree, can not last long against foods, or we go hungry. But on all the non-food commodities, those of us who have the patience to wait will sometime be rewarded by cheaper, or at least, better goods.

The Revived OPA

The 18% food price rise after the original OPA was made invalid brought resistance all over the country in the form of buyers' strikes. Labor gave every indication of planning more strikes for more wage increases and used the buyers' strikes as a deliberate weapon to encourage a revived OPA. Perhaps this modified form of price control will prove a deterrent to further labor demands.

It is estimated that, in any case, the cost of living must continue to go up if wages are again increased. No OPA can stop it. With OPA prices would still rise. This, therefore, is a period in which to buy only what we need unless we are sure there will be no more strikes. The time to buy is when the supply of goods is ample and businesses are competing in improving their products with an eye to enticing the public. This ideal state of affairs may not come before 1948 although remember what I wrote last week about fish!

Moody's Daily Commodity Index

Tuesday, Aug. 20	346.6
Wednesday, Aug. 21	343.8
Thursday, Aug. 22	351.4
Friday, Aug. 23	352.3
Saturday, Aug. 24	352.3
Monday, Aug. 26	338.9
Tuesday, Aug. 27	336.2
Two weeks ago, Aug. 13	348.2
Month ago, July 27	342.6
Year ago, Aug. 27, 1945	254.2
1945 High, Dec. 27	265.0
Low, Jan. 24	252.1
1946 High, Aug. 1	356.3
Low, Jan. 2, 1946	264.7

Trading on New York Exchanges

The Securities and Exchange Commission made public on Aug. 21 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 Aug. 3, 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 Aug. 3 (in round-lot transactions) totaled 1,656,830 shares, which amount was 18.53% of the total transactions on the Exchange of 4,471,550 shares. This compares with member trading during the week ended July 27 of 1,992,950 shares or 16.97% of the total trading of 5,871,260 shares.

On the New York Curb Exchange, member trading during the week ended Aug. 3 amounted to 289,920 shares, or 13.67% of the total volume on that exchange of 1,060,605 shares. During the week ended July 27 trading for the account of Curb members of 546,790 shares was 16.64% of the total trading of 1,643,490 shares.

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

WEEK ENDED AUG. 3, 1946

	Total for Week	†%
A. Total Round-Lot Sales:		
Short sales	168,160	
‡Other sales	4,303,390	
Total sales	4,471,550	
B. Round-Lot Transactions for Account of Members, Except for the Odd-Lot Accounts of Odd-Lot Dealers and Specialists:		
1. Transactions of specialists in stocks in which they are registered—		
Total purchases	457,260	
Short sales	104,200	
‡Other sales	355,080	
Total sales	459,280	10.25
2. Other transactions initiated on the floor—		
Total purchases	52,110	
Short sales	16,600	
‡Other sales	184,600	
Total sales	201,200	2.83
3. Other transactions initiated off the floor—		
Total purchases	252,370	
Short sales	33,660	
‡Other sales	200,950	
Total sales	234,610	5.45
4. Total—		
Total purchases	761,740	
Short sales	154,460	
‡Other sales	740,630	
Total sales	895,090	18.53

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

WEEK ENDED AUG. 3, 1946

	Total for Week	†%
A. Total Round-Lot Sales:		
Short sales	16,770	
‡Other sales	1,043,835	
Total sales	1,060,605	
B. Round-Lot Transactions for Account of Members:		
1. Transactions of specialists in stocks in which they are registered—		
Total purchases	102,385	
Short sales	8,040	
‡Other sales	103,445	
Total sales	111,485	10.08
2. Other transactions initiated on the floor—		
Total purchases	6,625	
Short sales	1,310	
‡Other sales	12,400	
Total sales	13,710	0.96
3. Other transactions initiated off the floor—		
Total purchases	26,535	
Short sales	5,100	
‡Other sales	24,080	
Total sales	29,180	2.63
4. Total—		
Total purchases	135,545	
Short sales	14,450	
‡Other sales	139,925	
Total sales	154,375	13.67
C. Odd-Lot Transactions for Account of Specialists—		
Customers' short sales	0	
§Customers' other sales	60,594	
Total purchases	60,594	
Total sales	57,876	

*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—Lead and Zinc Users Hit by Price Uncertainty—Copper Sales Up

"E. & M. J. Metal and Mineral Markets," in its issue of Aug. 22 stated: "Recent restoration of ceiling prices on lead and zinc is retarding the flow of these metals to consumers, and curtailment in manufacturing operations appears to be imminent. The situation in zinc is more acute than in lead. Demand for all of the major non-ferrous metals is active. Copper deliveries this month have increased sharply, reflecting increased production, following the recent ending of labor disputes. An agreement has been reached with Bolivian producers of tin concentrates under which purchases will be made at somewhat higher prices, retroactive to Jan. 1, 1946." The publication further went on to say in part as follows:

Copper

Deliveries of copper to domestic consumers during August are expected to increase substantially over tonnages moved in recent months, thanks to the resumption of work at mines, mills, smelters, and refineries. Some observers believe that deliveries may exceed 100,000 tons.

The contract for the purchase of 30,000 tons of Chilean copper by the Government has been signed. News from Rhodesia was more encouraging, and there was a strong possibility that strikes in that area will be settled soon.

Beginning Aug. 23, domestic smelters and refineries treating foreign metal will be permitted to sell the metal at the price obtaining in the foreign market.

Lead

September allocations of lead were reviewed by members of the industry and the CPA in Washington yesterday. In view of the fact that a substantial tonnage of lead has been locked up by producers, owing to the high cost of metal acquired in the period when the price was 9½c., the quantity available for September is expected to fall short of expectations. Requests for lead from consumers, as for some time past, continue well in excess of available supplies. The "kitty," or set-aside for September metal, remains unchanged at 25%.

Sales of lead last week amounted to 2,659 tons, against 1,857 tons in the preceding week.

Zinc

Producers of zinc were disappointed last week that nothing has yet been done by OPA about adjusting the ceiling price of zinc upward. The delay in acting on the matter has resulted in a widespread dearth in offerings of zinc. Consumers of both Prime Western and Special High Grade will have to restrict their operations still further unless the situation is corrected soon, the industry has learned. The Office of Metals Reserve has not changed its position in reference to releasing zinc from the Government's holdings, and metal from that source is not expected to become available until after producers again take on business at a normal rate.

Prime Western zinc has sold in the foreign market at prices ranging from 10¼c. to 10½c. per pound.

The strike at the mines of the New Jersey Zinc Co. at Franklin and Ogdensburg, N. J., was settled Aug. 17. Wages will be increased 18½c. an hour, but demands for a closed shop were turned down.

Tin

The RFC, Bolivian producers, and representatives of the Bolivian Government have agreed on continuation of the tin purchase program on Aug. 21. The revised base price was established at 62½c. per pound of tin contained, retroactive to Jan. 1, 1946, with bonus payments to producers participating in the program in the event that exports to the United States are maintained at the rate of 17,600 metric tons of tin for the year. The bonus will amount to a maximum of 1c. per pound on Jan.-June exports, and 3c. in the July-Dec. period.

About 1,000 tons of tin arrived here last week from Japan, all of which went to the Metals Reserve.

The market situation in tin was unchanged last week. Straits quality tin for shipment, in cents per pound, was nominally as follows:

	Aug.	Sept.	Oct.
Aug. 15	52.000	52.000	52.000
Aug. 16	52.000	52.000	52.000
Aug. 17	52.000	52.000	52.000
Aug. 19	52.000	52.000	52.000
Aug. 20	52.000	52.000	52.000
Aug. 21	52.000	52.000	52.000

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

Quicksilver

Domestic production of quicksilver during the second quarter amounted to 7,000 flasks, which compares with 5,550 flasks in the Jan.-March period, the Bureau of Mines reports. General imports in the second quarter totaled 4,599 flasks, against 1,256 flasks in the first quarter. Domestic consumption was estimated at 8,400 flasks for the April-June period, which contrasts with 7,000 flasks in the first quarter. Stocks in the hands of consumers and dealers increased 1,800 flasks during the quarter, to 12,700 flasks.

The price situation in the New York market was unchanged last week, quotations holding at $98 to $100 per flask. In regard to metal captured from the Germans, it was learned last week that this lot is in firm hands and earmarked at present for the foreign market.

Silver

Demand for silver remains at a high level, but with supplies sufficient to take care of the volume of business that has materialized at prevailing prices, the tense situation that existed here over the first half of the year has virtually disappeared. The New York Official price continued at 90⅛c. London was unchanged at 55½d.

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

	—Electrolytic Copper— Dom. Refy.	Exp. Refy.	Straits Tin, New York	—Lead— New York	St. Louis	Zinc St. Louis
Aug. 15	14.150	16.150	52.000	8.250	8.100	8.250
Aug. 16	14.150	15.950	52.000	8.250	8.100	8.250
Aug. 17	14.150	15.950	52.000	8.250	8.100	8.250
Aug. 19	14.150	16.175	52.000	8.250	8.100	8.250
Aug. 20	14.150	16.175	52.000	8.250	8.100	8.250
Aug. 21	14.150	16.175	52.000	8.250	8.100	8.250
Average	14.150	16.096	52.000	8.250	8.100	8.250

Average prices for calendar week ended Aug. 17 are: Domestic copper f.o.b. refinery, 14,150¢; export copper, f.o.b. refinery, 16.046¢; 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 0.225c. per pound above the refinery basis.

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

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

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

Quotations for lead reflect prices obtained for common lead only

Jackson to Rejoin Supreme Court

After a call on President Truman at the White House on Aug. 15, Associate Justice Robert H. Jackson, American prosecutor at the Nuremberg war crimes trials, who recently returned to this country, told reporters that he plans to be present when the Supreme Court reconvenes in October. However, Mr. Jackson added, according to Associated Press Washington advices, that he expects to return to Germany for the handing down of decisions by the war crimes tribunal, probably some time next month.

NYSE Odd-Lot Trading

The Securities and Exchange Commission made public on Aug. 21, a summary for the week ended Aug. 10, 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. 10, 1946

	Total Per Week
Odd-Lot Sales by Dealers— (Customers' purchases)	
Number of orders	22,683
Number of shares	638,530
Dollar value	$29,811,169
Odd-lot Purchases by Dealers— (Customers' sales)	
Number of Orders:	
Customers' short sales	101
*Customers' other sales	19,327
Customers' total sales	19,428
Number of Shares:	
Customers' short sales	3,591
*Customers' other sales	535,887
Customers' total sales	539,478
Dollar value	$24,890,767
Round-Lot Sales by Dealers—	
Number of Shares:	
Short sales	200
†Other sales	117,600
Total sales	117,800
Round-Lot Purchases by Dealers—	
Number of shares	233,410

*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."

NYSE Short Interest To August 15 Reported

The New York Stock Exchange made public on Aug. 20 the following announcement:

The short interest as of the close of business on the Aug. 15, 1946 settlement date, as compiled from information obtained by the New York Stock Exchange from its members and member firms, was 732,649 shares, compared with 849,698 shares on July 15, 1946, both totals excluding short positions carried in the odd-lot accounts of all odd-lot dealers. As of the Aug. 15, 1946 settlement date, the total short interest in all odd-lot dealers' accounts was 36,281 shares, compared with 50,881 shares on July 15, 1946.

The Exchange's report added:

"Of the 1,308 individual stock issues listed on the Exchange on Aug. 15, 1946, there were 46 issues in which a short interest of 5,000 or more shares existed, or in which a change in the short position of 2,000 or more shares occurred during the month."

The following table compiled by us shows the amount of short interest during the past year:

1945—	
June 15	1,554,069
July 13	1,420,574
Aug. 14	1,305,780
Sept. 14	1,327,109
Oct. 15	1,404,483
Nov. 15	1,566,015
Dec. 15	1,465,798
1946—	
Jan. 15	1,270,098
Feb. 15	1,181,222
Mar. 15	1,015,772
Apr. 15	994,375
May 15	1,022,399
June 15	867,891
July 15	849,698
Aug. 15	732,649

Spain Names Embassy Aide

Luis Garcia Guijarro was appointed commercial counselor of the Spanish Embassy in Washington on Aug. 14 on the recommendation of the Ministry of Industry and Commerce, according to United Press advices from Madrid appearing in the New York "Times."

Daily Average Crude Oil Production for Week Ended Aug. 17, 1946 Increased 21,300 Bbls.

The American Petroleum Institute estimates that the daily average gross crude oil production for the week ended Aug. 17, 1946, was 4,842,750 barrels, an increase of 21,300 barrels per day over the preceding week and 68,750 barrels in excess of the daily average figure of 4,774,000 barrels estimated by the United States Bureau of Mines as the requirement for the month of August, 1946. The current figure, however, was 91,100 barrels per day lower than the output reported for the week ended Aug. 18, 1945. Daily production for the four weeks ended Aug. 17, 1946, averaged 4,867,900 barrels. The Institute further reports as follows:

Reports received from refining companies indicate that the industry as a whole ran to stills on a Bureau of Mines basis approximately 4,907,000 barrels of crude oil daily and produced 15,202,000 barrels of gasoline; 1,787,000 barrels of kerosene; 5,346,000 barrels of distillate fuel, and 8,389,000 barrels of residual fuel oil during the week ended Aug. 17, 1946; and had in storage at the end of the week; 87,036,000 barrels of finished and unfinished gasoline; 17,087,000 barrels of kerosene; 48,917,000 barrels of distillate fuel, and 51,827,000 barrels of residual fuel oil.

DAILY AVERAGE CRUDE OIL PRODUCTION (FIGURES IN BARRELS)

	*B. of M. Calculated Requirements August	State Allowables Begin. Aug. 1	Actual Production Week Ended Aug. 17, 1946	Actual Production Change from Previous Week	4 Weeks Ended Aug. 17, 1946	Week Ended Aug. 18, 1945
**New York-Penna.	48,000		51,100	+ 1,400	50,650	46,100
Florida	----		200	+ 50	200	200
**West Virginia	8,400		8,450	+ 450	7,650	7,100
**Ohio—Southwest	7,600		5,850	+ 150	4,450	5,200
Ohio—Other			2,550	----	2,500	2,700
Indiana	19,000		17,450	— 300	18,100	13,450
Illinois	215,000		204,500	— 6,250	209,100	205,100
Kentucky	31,000		30,450	— 600	30,900	28,850
Michigan	47,000		47,050	— 2,100	46,950	47,000
Nebraska	800		†750	----	750	850
Kansas	260,000	270,000	†277,450	+16,500	268,500	275,700
Oklahoma	384,000	387,220	†383,550	+ 1,050	382,700	391,000
Texas—						
District I			19,500	----	19,500	----
District II			155,100	----	156,350	----
District III			486,550	----	497,150	----
District IV			224,250	----	225,850	----
District V			43,050	----	43,500	----
East Texas			317,000	----	316,150	----
Other Dist. VI			105,600	----	106,550	----
District VII-B			32,650	----	32,400	----
District VII-C			27,900	----	27,950	----
District VIII			490,600	----	524,250	----
District IX			132,700	----	131,200	----
District X			84,800	----	84,950	----
Total Texas	2,120,000	‡2,164,526	2,119,700	----	2,165,800	2,223,300
North Louisiana			84,350	+ 750	83,700	69,350
Coastal Louisiana			303,800	----	302,400	295,700
Total Louisiana	380,000	427,000	388,150	+ 750	386,100	365,050
Arkansas	78,000	78,766	74,450	+ 750	73,850	79,950
Mississippi	60,000		71,300	+ 2,650	66,950	55,100
Alabama	2,200		1,150	+ 50	1,150	950
New Mexico—So. East	99,000	106,000	100,050	----	99,550	102,450
New Mexico—Other			450	----	500	450
Wyoming	110,000		113,050	+ 1,600	111,900	115,950
Montana	24,000		24,600	— 50	24,550	20,400
Colorado	30,000		40,600	+ 2,100	38,000	10,700
California	850,000	§847,400	879,900	+ 3,100	876,100	936,300
Total United States	4,774,000		4,842,750	+21,300	4,867,900	4,933,850
**Pennsylvania Grade (included above)			65,400	+ 2,000	63,750	58,400

*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. In some areas the weekly estimates do, however, include small but indeterminate amounts of condensate which is mixed with crude oil in the field.

†Oklahoma, Kansas, Nebraska figures are for week ended 7:00 a.m., Aug. 14, 1946.

‡This is the net basic allowable as of Aug. 1 calculated on a 31-day basis and includes shutdowns and exemptions for the entire month. 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 STILLS; PRODUCTION OF GASOLINE; STOCKS OF FINISHED AND UNFINISHED GASOLINE, KEROSINE, GAS OIL AND DISTILLATE FUEL AND RESIDUAL FUEL OIL, WEEK ENDED AUG. 17, 1946

(Figures in thousands of barrels of 42 gallons each)

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

District—	% Daily Refin'g Capac. Report'g	Crude Runs to Stills Daily Av.	Crude Runs to Stills % Operated	§Gasoline Product'n at Ref. Inc. Nat. Blended	‡Finish'd and Unfin. Gasoline Stocks	‡Stocks of Kerosine	‡Stks. of Gas Oil & Dist. Fuel Oil	‡Stks. of Resid. Fuel Oil
East Coast	99.5	740	88.2	1,939	22,056	7,243	15,975	9,925
Appalachian—								
District No. 1	76.3	102	71.3	286	2,183	389	496	265
District No. 2	84.7	63	101.6	228	927	78	113	158
Ind., Ill., Ky.	87.4	789	90.7	2,765	15,571	2,765	7,189	4,745
Okla., Kan., Mo.	78.3	371	79.1	1,359	7,740	1,247	3,150	1,411
Inland Texas	59.8	224	67.9	924	2,605	440	537	821
Texas Gulf Coast	89.2	1,241	101.2	3,575	13,525	2,306	7,302	5,450
Louisiana Gulf Coast	97.4	343	106.9	1,151	4,677	1,377	2,667	1,543
No. La. & Arkansas	55.9	61	48.4	152	1,597	350	477	168
Rocky Mountain—								
District No. 3	19.0	12	92.3	40	90	20	43	48
District No. 4	70.9	117	70.9	412	1,416	180	503	731
California	85.5	844	84.9	2,371	14,649	692	10,465	26,562
Total U. S. B. of M. basis Aug. 17, 1946	85.8	4,907	88.3	15,202	*87,036	17,087	48,917	51,827
Total U. S. B. of M. basis Aug. 10, 1946	85.8	4,806	86.5	14,696	87,016	16,507	48,030	51,613
U. S. B. of M. basis Aug. 18, 1945		5,100		16,129	†85,983	12,359	38,799	45,216

*Includes unfinished gasoline stocks of 8,437,000 barrels. †Includes unfinished gasoline stocks of 10,907,000 barrels. ‡Stocks at refineries, at bulk terminals, in transit and in pipe lines. §In addition, there were produced during the week ended Aug. 17, 1946, a total of 1,787,000 barrels of kerosine, 5,346,000 barrels of gas oil and distillate fuel oil and 8,239,000 barrels of residual fuel oil, which compares with 1,919,000 barrels, 5,735,000 barrels and 8,201,000 barrels, respectively, in the preceding week and 1,672,000 barrels, 5,180,000 barrels and 9,910,000 barrels, respectively in the week ended Aug. 18, 1945.

Weekly Coal and Coke Production Statistics

The total production of soft coal in the week ended Aug. 17, 1946, as estimated by the United States Bureau of Mines, was 11,990,000 net tons, a decrease of 356,000 tons, or 2.9%, from the preceding week. In the week ended Aug. 18, last year, when time worked at the mines was equivalent to approximately 4.6 days, the total output amounted to 6,194,000 tons. This latter period included the V-J Day holiday. During the calendar through Aug. 17, 1946, the cumulative production of soft coal was approximately 315,911,000 net tons, which was a decrease of 14.5% when compared with the 369,646,000 tons mined in the comparable period of 1945 through Aug. 18.

Output of Pennsylvania anthracite for the week ended Aug. 17, 1946, as estimated by the Bureau of Mines, was 1,089,000 tons, a decrease of 166,000 tons (13.2%) from the preceding week. When compared with the production in the corresponding week of 1945 there was an increase of 591,000 tons, or 118.7%. The calendar year to date shows an increase of 9.8% 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. 17, 1946 showed an increase of 8,600 tons when compared with the output for the week ended Aug. 10, 1946; and it was 47,400 tons more than for the corresponding week of 1945.

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

Bituminous coal & lignite—	Week Ended Aug. 17, 1946	Week Ended *Aug. 10, 1946	Week Ended Aug. 18, 1945	Jan. 1 to Date †Aug. 17, 1946	Jan. 1 to Date Aug. 18, 1945
Total, including mine fuel	11,990,000	12,346,000	6,194,000	315,911,000	369,646,000
Daily average	1,998,000	2,058,000	‡1,347,000	1,649,000	1,906,000
No. of cars load. f.o.b. mines	199,509	205,204	103,277	5,319,928	6,126,636

*Revised. †Subject to current adjustment. ‡Average based on 4.6 days.

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

	Week Ended ‡Aug. 17, 1946	Week Ended §Aug. 10, 1946	Week Ended Aug. 18, 1945	Calendar Year to Date Aug. 17, 1946	Calendar Year to Date Aug. 18, 1945	Calendar Year to Date Aug. 21, 1937
Penn. Anthracite—						
*Total, incl. coll. fuel	1,089,000	1,255,000	498,000	37,607,000	34,258,000	32,927,000
†Commercial produc.	1,047,000	1,207,000	479,000	36,156,000	32,939,000	31,281,000
Beehive Coke—						
United States total	120,900	112,300	73,500	2,342,200	3,837,000	2,297,300

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

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

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

State—	Week Ended Aug. 10, 1946	Week Ended Aug. 3, 1946	Week Ended Aug. 11, 1945
Alabama	385,000	380,000	382,000
Alaska	7,000	7,000	5,000
Arkansas and Oklahoma	77,000	85,000	90,000
Colorado	106,000	101,000	138,000
Georgia and North Carolina	1,000	1,000	1,000
Illinois	1,355,000	1,352,000	1,297,000
Indiana	484,000	492,000	491,000
Iowa	27,000	31,000	40,000
Kansas and Missouri	110,000	128,000	128,000
Kentucky—Eastern	1,210,000	1,105,000	902,000
Kentucky—Western	398,000	350,000	355,000
Maryland	46,000	55,000	34,000
Michigan	3,000	4,000	2,000
Montana (bitum. & lignite)	56,000	72,000	92,000
New Mexico	28,000	26,000	27,000
North & South Dakoa (lignite)	29,000	31,000	38,000
Ohio	716,000	806,000	744,000
Pennsylvania (bituminous)	3,206,000	3,044,000	2,798,000
Tennessee	146,000	133,000	137,000
Texas (bituminous & lignite)	2,000	1,000	2,000
Utah	132,000	141,000	125,000
Virginia	398,000	380,000	327,000
Washington	25,000	21,000	24,000
†West Virginia—Southern	2,376,000	2,473,000	2,083,000
‡West Virginia—Northern	862,000	893,000	1,044,000
Wyoming	160,000	142,000	184,000
§Other Western States	1,00	1,000	*
Total bituminous & lignite	12,346,000	12,255,000	11,490,000

†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.

Mortgage Financing in New York District

Non-farm mortgage financing in the district served by the Federal Home Loan Bank of New York reached $516,957,000 during the first half of 1946, an increase of 88% over the same period last year, Nugent Fallon, President of the Bank, reported on Aug. 16. The total for the six months exceeded the figure for the entire year of 1941, the report said:

The increases are accounted for by the heavy demands for credit to finance the purchase of homes in today's scarcity market, Mr. Fallon said, together with climbing prices of real estate, a growing volume of new construction and a rise in the volume of loans partly guaranteed by the Veterans' Administration under the GI Bill of Rights. The average mortgage recorded in the District for the half year amounted to $4,564 as compared with $3,864 in the first half of 1945. The advices from the Bank further said:

The report, which covers the activity of all types of mortgage lending institutions and individuals, shows that all lenders experienced an increase over their financing in the January-June period of 1945. The largest share of the aggregate of lending for the 1946 half year—26.2%—was credited to individual lenders. Savings and loan associations rank second with 25.9%. The estimates are derived from county reports of none-farm mortgage recordings of up to $20,000, compiled by the Federal Home Loan Bank Administration at Washington.

Following are the approximate number and dollar amount of recordings, by type of lender, in the district of the Federal Home Loan Bank of New York, which embraces New Jersey, New York, Puerto Rico and the Virgin Islands, for the first half of 1946:

	Number	Amount	Percent
Savings and loan associations	28,974	$133,902,000	26%
Insurance companies	2,416	13,957,000	3
Banks and trust companies	19,067	91,780,000	18
Mutual savings banks	16,142	90,940,000	17
Individuals	36,535	135,571,000	26
Other mortgagees	10,129	50,807,000	10
Total	113,263	$516,957,000	100%

McCarren-Sumners Law Analyzed by Trade Group

For the guidance of businessmen affected directly or indirectly by the activities of more than 130 Federal bureaus and agencies, the Chamber of Commerce of the State of New York has prepared an analysis of the recently-enacted McCarren-Sumners law requiring these agencies to follow established business-like procedures. The analysis is being distributed to members of the Chamber and to several hundred leading Chambers of Commerce and other business organizations throughout the country. In a letter embodying the analysis, Arthur M. Reis, Chairman of the Executive Committee of the Chamber, said:

"I am bringing this legislation to your attention because I am sure you are interested in knowing exactly how it benefits you as a businessman. I am passing along to you an analysis of the law, as made by the Chamber's Research Department, in the belief that it is a helpful contribution towards a better understanding of the effects of this legislation."

The analysis points out, among other things, (a) that for the first time Federal agencies are required to follow court-like procedures in holding hearings; (b) that any party directly affected by an agency's decision can now appeal to the courts and that the courts must redress a wrong and set aside "arbitrary or capricious" decisions; and (c) that Congress has laid down specific rules for review of appeals under which the facts of a case, as well as the agency's evidence, must be considered and the courts determine independently all the applicable points of law.

Referring to the work of the New York Chamber and other interested groups in bringing about these reforms, M. Reis' letter said; "In January, 1940 it (the New York Chamber) strongly urged the Congress to enact the somewhat similar Logan-Walter Bill which passed both Houses of Congress in 1939 and again in 1940, but on both occasions was vetoed by the late President Roosevelt. We and other participating groups did not let ourselves become discouraged; rather we intensified our efforts. Success was attained only after a long up-hill battle."

July Freight Traffic Exceeded June by 10%

The volume of freight traffic handled by Class I railroads in the first seven months of 1946, measured in ton-miles of revenue freight, was approximately 23% under 1945 and 24% less than in the corresponding period two years ago, according to a preliminary estimate based on reports received from the railroads by the Association of American Railroads. Freight traffic in the first seven months of 1946 totaled approximately 327,600,000,000 ton-miles compared with 425,456,502,000 ton-miles in the like period of 1945. Compared with two years ago, the decrease was 104,500,000,000 ton-miles.

July traffic amounted to about 55,000,000,000 ton-miles, a decrease of 9.4% compared with July, 1945. The amount of traffic handled by the Class I railroads in July this year, however, was practically double the volume carried in July, 1939.

The following table summarizes revenue ton-mile statistics for the first seven months of 1946 and 1945 (000 omitted):

	1946	1945	% Decr.
1st 5 mos.	222,575,659	302,161,133	26.3
June	*50,000,000	62,574,789	20.1
July	†55,000,000	60,720,580	9.4
Tot., 7 mos.	327,600,000	425,456,502	23.0

*Revised estimate. †Preliminary estimate.

Revenue Freight Car Loadings During Week Ended Aug. 17, 1946 Decreased 11,514 Cars

Loading of revenue freight for the week ended Aug. 17, 1946 totaled 887,570 cars the Association of American Railroads announced on Aug. 22. This was an increase of 234,738 cars or 36% above the corresponding week in 1945 which included V-J Day holiday. It also was an increase of 947 cars or one-tenth of 1% above the same week in 1944.

Loading of revenue freight for the week of Aug. 17 decreased 11,514 cars or 1.3% below the preceding week.

Miscellaneous freight loading totaled 381,705 cars a decrease of 745 cars below the preceding week, but an increase of 89,353 cars above the corresponding week in 1945.

Loading of merchandise less than carload lot freight totaled 119,897 cars a decrease of 3,741 cars below the preceding week, but an increase of 29,381 cars above the corresponding week in 1945.

Coal loading amounted to 181,006 cars, a decrease of 4,655 cars below the preceding week but an increase of 91,003 cars above the corresponding week in 1945.

Grain and grain products loading totaled 50,310 cars, a decrease of 3,552 cars below the preceding week and a decrease of 3,587 cars below the corresponding week in 1945. In the Western Districts alone, grain and grain products loading for the week of Aug. 17 totaled 35,326 cars, a decrease of 2,084 cars below the preceding week and a decrease of 2,637 cars below the corresponding week in 1945.

Livestock loading amounted to 15,704 cars a decrease of 505 cars below the preceding week but an increase of 1,520 cars above the corresponding week in 1945. In the Western Districts alone loading of livestock for the week of Aug. 17 totaled 12,015 cars a decrease of 184 cars below the preceding week, but an increase of 1,332 cars above the corresponding week in 1945.

Forest products loading totaled 51,612 cars an increase of 1,955 cars above the preceding week and an increase of 14,196 cars above the corresponding week in 1945.

Ore loading amounted to 73,701 cars, an increase of 126 cars above the preceding week and an increase of 10,784 cars above the corresponding week in 1945.

Coke loading amounted to 13,635 cars a decrease of 397 cars below the preceding week, but an increase of 2,088 cars above the corresponding week in 1945.

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

	1946	1945	1944
4 weeks of January	2,883,620	3,003,655	3,158,700
4 weeks of February	2,866,710	3,052,487	3,154,116
5 weeks of March	3,982,229	4,022,088	3,916,037
4 weeks of April	2,604,552	3,377,335	3,275,846
4 weeks of May	2,616,067	3,456,465	3,441,616
5 weeks of June	4,062,911	4,366,516	4,338,886
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
Week of Aug. 17	887,570	652,832	886,623
Total	25,108,012	27,044,574	27,416,429

The following table is a summary of the freight carloadings for the separate railroads and systems for the week ended Aug. 17, 1946. During this period 112 roads reported gains over the week ended Aug. 18, 1945.

REVENUE FREIGHT LOADED AND RECEIVED FROM CONNECTIONS
(NUMBER OF CARS) WEEK ENDED AUG. 17)

Railroads	Total Revenue Freight Loaded 1946	1945	1944	Total Loads Received from Connections 1946	1945
Eastern District—					
Ann Arbor	364	313	245	1,335	1,247
Bangor & Aroostook	1,350	1,056	1,145	407	326
Boston & Maine	7,605	5,170	6,302	13,172	11,816
Chicago, Indianapolis & Louisville	1,427	956	1,384	2,114	1,953
Central Indiana	33	23	24	62	41
Central Vermont	1,105	875	1,035	1,999	1,988
Delaware & Hudson	5,131	2,716	4,765	10,822	9,780
Delaware, Lackawanna & Western	7,556	5,586	7,584	9,324	8,811
Detroit & Mackinac	396	202	244	237	133
Detroit, Toledo & Ironton	2,577	1,402	1,904	1,294	700
Detroit & Toledo Shore Line	404	237	349	2,662	2,024
Erie	12,682	9,371	13,046	15,479	13,650
Grand Trunk Western	4,954	2,931	3,598	7,532	7,074
Lehigh & Hudson River	69	137	144	2,765	2,405
Lehigh & New England	2,354	893	1,934	1,698	1,373
Lehigh Valley	8,767	5,594	8,211	8,275	9,380
Maine Central	3,025	2,085	2,317	2,789	2,722
Monongahela	5,418	3,386	5,884	268	288
Montour	2,645	1,332	2,563	26	20
New York Central Lines	52,377	37,763	50,837	51,569	39,829
N. Y., N. H. & Hartford	10,525	6,940	8,398	15,258	14,203
New York, Ontario & Western	904	794	1,256	2,714	3,094
New York, Chicago & St. Louis	7,308	4,680	6,561	13,518	12,400
N. Y., Susquehanna & Western	255	302	388	1,877	1,607
Pittsburgh & Lake Erie	6,958	4,647	7,425	8,725	6,251
Pere Marquette	6,920	4,393	5,237	6,886	6,677
Pittsburgh & Shawmut	1,285	455	1,015	49	11
Pittsburg, Shawmut & North	300	116	302	135	201
Pittsburgh & West Virginia	844	873	1,218	2,530	2,447
Rutland	402	253	363	1,165	1,069
Wabash	6,296	4,944	5,768	10,784	9,858
Wheeling & Lake Erie	6,019	3,867	5,812	4,056	3,874
Total	168,255	114,292	157,808	201,576	177,342
Allegheny District—					
Akron, Canton & Youngstown	601	501	738	1,461	1,024
Baltimore & Ohio	41,951	34,683	47,547	24,566	23,101
Bessemer & Lake Erie	5,694	4,108	6,045	2,600	1,643
Cambria & Indiana	1,403	233	1,351	10	8
Central R. R. of New Jersey	6,582	4,337	6,749	18,215	15,600
Cornwall	450	325	511	44	50
Cumberland & Pennsylvania	248	76	208	14	9
Ligonier Valley	76	61	153	15	54
Long Island	2,188	2,277	1,811	4,883	4,071
Penn-Reading Seashore Lines	1,784	1,346	1,878	1,911	2,075
Pennsylvania System	90,820	61,219	88,862	62,217	48,120
Reading Co.	14,688	9,479	14,085	24,334	22,022
Union (Pittsburgh)	19,058	10,646	18,809	6,559	5,137
Western Maryland	4,466	2,384	4,173	10,768	9,988
Total	190,209	131,675	192,940	157,997	132,902
Pocahontas District—					
Chesapeake & Ohio	35,404	17,710	30,192	14,780	11,307
Norfolk & Western	26,300	12,453	21,158	7,251	6,315
Virginian	4,664	2,418	4,365	1,511	2,009
Total	66,368	32,581	55,715	23,542	19,631
Southern District—					
Alabama, Tennessee & Northern	449	521	415	599	327
Atl. & W. P.—W. R. R. of Ala.	763	628	766	1,868	1,920
Atlanta, Birmingham & Coast	†	†	930	†	†
Atlantic Coast Line	13,624	9,824	10,678	8,600	8,816
Central of Georgia	3,902	3,304	3,683	4,306	4,104
Charleston & Western Carolina	533	443	473	1,409	1,515
Clinchfield	1,954	1,162	1,784	3,379	2,070
Columbus & Greenville	386	217	187	360	225
Durham & Southern	124	72	110	824	887
Florida East Coast	891	688	895	1,395	1,175
Gainesville Midland	100	45	57	83	111
Georgia	1,439	1,199	1,264	2,320	2,421
Georgia & Florida	617	16	680	752	1
Gulf, Mobile & Ohio	5,018	4,247	4,643	3,462	4,025
Illinois Central System	25,639	20,824	29,397	14,433	14,711
Louisville & Nashville	27,739	17,755	25,641	9,532	10,413
Macon, Dublin & Savannah	232	188	178	681	652
Mississippi Central	54	331	368	7	507
Nashville, Chattanooga & St. L.	3,856	2,912	3,007	3,822	3,699
Norfolk Southern	1,157	804	926	1,789	1,553
Piedmont Northern	417	337	359	1,668	1,048
Richmond, Fred. & Potomac	446	513	420	6,953	7,416
Seaboard Air Line	11,122	7,755	9,366	8,303	7,083
Southern System	27,105	20,513	24,349	25,299	30,692
Tennessee Central	783	538	722	847	767
Winston-Salem Southbound	136	132	137	1,021	1,116
Total	128,486	94,968	121,485	103,712	97,274
Northwestern District—					
Chicago & North Western	20,545	16,471	20,738	15,262	13,730
Chicago Great Western	2,527	1,993	2,863	3,499	3,159
Chicago, Milw., St. P. & Pac.	23,073	17,729	22,669	10,591	9,260
Chicago, St. Paul, Minn. & Omaha	4,175	3,227	3,526	4,256	4,390
Duluth, Missabe & Iron Range	24,643	23,413	27,440	349	236
Duluth, South Shore & Atlantic	755	847	1,051	610	513
Elgin, Joliet & Eastern	8,614	5,649	9,070	9,098	7,376
Ft. Dodge, Des Moines & South	488	280	392	144	61
Great Northern	21,318	19,713	25,781	7,377	8,027
Green Bay & Western	561	343	404	385	801
Lake Superior & Ishpeming	2,576	1,745	2,902	46	72
Minneapolis & St. Louis	2,471	1,854	2,230	2,612	2,364
Minn., St. Paul & S. S. M.	7,778	5,746	7,369	3,870	3,365
Northern Pacific	12,231	9,804	12,190	4,806	6,095
Spokane International	200	175	142	581	445
Spokane, Portland & Seattle	2,445	1,964	2,904	2,358	3,660
Total	134,910	110,953	141,551	66,344	63,554
Central Western District—					
Atch., Top. & Santa Fe System	26,953	22,836	27,643	11,911	13,339
Alton	2,661	2,931	3,520	3,842	3,082
Bingham & Garfield	202	102	206	34	54
Chicago, Burlington & Quincy	21,610	16,994	19,884	11,001	12,238
Chicago & Illinois Midland	3,231	1,269	2,766	611	835
Chicago, Rock Island & Pacific	13,629	11,050	13,517	12,105	12,576
Chicago & Eastern Illinois	2,892	1,911	2,829	3,217	4,396
Colorado & Southern	877	717	812	1,958	1,809
Denver & Rio Grande Western	3,783	2,883	4,437	4,910	6,248
Denver & Salt Lake	484	417	835	77	54
Fort Worth & Denver City	1,123	830	1,086	1,480	1,426
Illinois Terminal	1,863	1,676	2,308	1,770	1,995
Missouri-Illinois	1,394	1,040	1,343	495	648
Nevada Northern	1,264	859	1,687	102	88
North Western Pacific	1,115	816	1,239	845	918
Peoria & Pekin Union	19	16	3	0	0
Southern Pacific (Pacific)	32,974	26,882	34,184	10,815	12,784
Toledo, Peoria & Western	0	280	279	0	1,812
Union Pacific System	16,763	15,291	18,961	16,116	18,024
Utah	749	348	483	10	4
Western Pacific	2,000	1,587	2,191	3,202	4,739
Total	135,586	110,735	140,213	84,491	97,067
Southwestern District—					
Burlington-Rock Island	221	372	726	491	411
Gulf Coast Lines	3,888	3,500	5,539	2,519	2,208
International-Great Northern	2,167	2,272	2,487	3,007	3,027
‡K. O. & G., M. V. & O. C.-A.-A.	1,382	959	1,146	1,476	1,620
Kansas City Southern	3,256	3,460	5,246	3,033	2,852
Louisiana & Arkansas	2,639	2,500	4,044	2,209	2,437
Litchfield & Madison	348	263	289	1,520	1,268
Missouri & Arkansas	213	161	191	382	382
Missouri-Kansas-Texas Lines	5,656	5,446	6,223	3,972	4,260
Missouri Pacific	17,021	14,643	19,231	14,486	16,941
Quanah Acme & Pacific	151	93	82	212	318
St. Louis-San Francisco	10,332	8,552	10,026	7,934	7,485
St. Louis-Southwestern	2,720	2,906	3,413	4,371	5,566
Texas & New Orleans	9,321	7,845	12,504	5,624	5,427
Texas & Pacific	4,328	4,543	5,659	6,678	7,032
Wichita Falls & Southern	77	89	75	65	58
Weatherford &. W. & N. W.	36	19	45	9	35
Total	63,756	57,628	76,911	57,988	61,327

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

NOTE—Previous year's figures revised.

Second Quarter Rayon Production Declined

Domestic rayon production in the second quarter this year amounted to 212,200,000 pounds, a figure only slightly below the record first quarter level but 5.8% above second quarter 1945, it was stated by the "Rayon Organon," published by the Textile Economics Bureau, Inc., on Aug. 9. In view of the adverse effects of the coal, rail, and other strikes during the second quarter, the report added the maintenance of rayon output at this high level was a notable achievement. Total rayon production for the first six months of this year at 425,000,000 pounds set a new half-year mark, exceeding first half output last year by 8% and second half 1945 production by 7%

The Textile Bureau's announcement of Aug. 9 further said:

Rayon filament yarn production at 166,900,000 pounds during the second quarter was 1% below first quarter output. Because of coal shortages at several viscose rayon yarn plants, as well as the reduced operations of caustic soda and other raw material suppliers as a result of the coal strike, second quarter viscose cupra yarn ouput was 2½% below first quarter level. In contrast, second quarter acetate yarn production attained a new quarterly record, exceeding the former peak level established in the first quarter by 2%. Similarly the production of staple fiber in the April-June period set a new record, surpassing the first quarter output by 4%.

Despite the lower output of filament yarn, shipments of this yarn to domestic trades in the second quarter amounted to 165,300,000 pounds, a new record. This accomplishment was made possible by a further depletion in the already low stocks of yarns in the hands of producers. Deliveries of textile-type yarns during the second quarter was 1% above the first quarter, while shipments of tire-type yarns to tire manufacturers declined 1% below first quarter level.

Exports of rayon yarn by producers during the second quarter at 3,300,000 pounds showed no change from the first quarter level. However, yarn exports by producers for the first six months of this year were 44% below those of the first half of 1945.

July Rayon Shipments Increase

At the same time the Textile Economics Bureau also reported that total domestic rayon shipments in July at 67,400,000 pounds 2% above June and 8% above July last year. From the "Organon" advices Aug. 9 we also quote:

"Filament yarn shipments in July amounted to 51,800,000 pounds, the same as in June; shipments of viscose-cupra yarn increased 4% above June, but acetate yarn shipments declined by 9%. This decrease in acetate yarn deliveries may be attributed chiefly to a decline in output as a result of an extended strike at one acetate yarn plant. July staple fiber shipments of 15,600,000 pounds were 10½% above the June level.

"At the end of July, producer-held stocks of rayon amounted to 10,200,000 pounds, of which 6,000,000 pounds were viscose-cupra yarn, 2,000,000 pounds acetate yarn, and 2,200,000 pounds staple fiber."

Commerce Dept. Aid To Small Business

A strengthened and expanded program of assistance to small business by the Department of Commerce was announced on Aug. 15 by Secretary Henry A. Wallace.

A factor in the announcement was the information that he has appointed Laurence F. Arnold, former Director of the Office of Small Business, as Assistant to the Secretary for Small Business, effective Aug. 1. Mr. Wallace said:

"In his new capacity, Mr. Arnold will be responsible for generally giving leadership to and coordinating the small business activities of the Department, including not only the activities of the Office of Small Business, but those of other bureaus and offices which are making important contributions to the small business program of the Department. He will direct all appropriate resources of the Department of Commerce toward building of a well-balanced and permanent prosperity, through a unified program of assistance to small business. We cannot have prosperity unless small business prospers and expands."

This program it is indicated will be brought to small businessmen throughout the nation by 75 Commerce field offices under the expanded field establishment announced by Secretary Wallace several weeks ago. Mr. Arnold who takes over the new office of Assistant to the Secretary for Small Business, is a former Illinois banker and businessman. He was a member of the Illinois General Assembly from 1923 to 1927 and again from 1933 to 1937. In 1936, he was elected to Congress where he served three terms. He was a Director and Acting General Manager of the Smaller War Plants Corporation when it was liquidated in Jan. 1946.

Succeeding Mr. Arnold as Director of the Office of Small Business is James L. Kelly, Secretary Wallace announced. Mr. Kelly a native of Bucyrus, Ohio, spent twelve years as the head of his own small manufacturing concern in Mt. Gilead, Ohio before he began his career in the government service in 1933. Prior to his new appointment, he was Director of the Disposal Policy Division of the War Assets Administration. Earlier, he was a Chief Examiner with the Budget Bureau.

RFC Aid to Small Business Reported

Continuing to gain headway, the Reconstruction Finance Corporation's program to assist small business resulted in 36,409 inquiries being received from enterprises in all sections of the country during April and May, an increase of nearly 50% over Feb. and March, when 24,503 such requests were received according to an RFC announcement issued Aug. 15, which continued:

"In his bi-monthly small business activities report to Congress and the President, for the period April 1 through May 31, 1946, Charles B. Henderson, Chairman of the RFC Board today attributed the upswing in inquiries to a general quickening of understanding of the types of small business assistance made available by the Corporation, in cooperation with banks and other lending institutions, and to the progress that is being made in industrial reconversion.

"During the period covered by the report, RFC acted upon 5,652 applications for surplus property assistance, completing 2,742 transactions involving $11,753,000, of which more than 50% were for veterans.

"Of 12,052 inquiries for financial assistance in one form or another, 7,133 were handled directly by RFC. Of the balance, 2,852 were referred to banks, in keeping with the provisons of the RFC Act, as amended. Of this number, banks made loans in 338 cases and 539 applications were referred back to the Corporation for further consideration. A total of 2,067 inquiries were of a type handled by other Government Departments and Agencies and RFC personnel cleared the way for speedy reference of such applications to the proper person or office.

"Of the total number of inquiries received by RFC, about two-thirds, or 24,357, were from enterprises seeking business management advice and counsel involving banking, credit, accounting, engineering, and for help in obtaining surplus property."

Collett With OWMR

John R. Steelman, director of the Office of War Mobilization and Reconversion, in announcing the reorganization of this bureau with the Office of Economic Stabilization, on Aug. 8 made known the appointment of Judge John Caskie Collet in an "overall capacity" with the OWMR. Judge Collet, who is a Missouri jurist, and who recently returned to Washington with President Truman from Missouri, was formerly Director of Economic Stabilization. According to Mr. Steelman, Judge Collet will help him administer the reconversion and stabilization functions of the office, "as long as he can remain away from his judicial post."

The New York "Times" of Aug. 9, in its advices in the matter, said:

"In addition to Judge Collet, Mr. Steelman will have a special assistant, three deputy directors and a general counsel, as well as a small administrative staff under the new setup. The Office of Economic Stabilization was merged with the OWMR when Mr. Steelman was appointed its director.

"Under the reorganization the top staff of the OWMR will consist of Harold Stein, deputy for production, stabilization and war liquidation; Donald Kingsley, deputy for fiscal policy, employment and social security, and Anthony Hyde, the present deputy director for information and reports, in addition to Commander Joseph L. Miller, special assistant to Mr. Steelman, and Edward J. Hayes, general counsel."

Wholesale Prices Rose 0.9% in Week Ended Aug. 17, 1946 Labor Department Reports*

"Wholesale prices rose 0.9% during the week ended Aug. 17, largely because of higher prices for foods," said the Bureau of Labor Statistics of the U. S. Department of Labor on Aug. 22. The advices added that "most commodity groups averaged slightly higher, despite downward adjustments to OPA ceilings for a few commodities. At 128.3% of the 1926 average, the index of commodity prices in primary markets prepared by the Labor Bureau was 13.8% above the end of June when price controls were suspended and 21.6% higher than at the end of the war." The Bureau further reported:

Farm Products and Foods. Average primary market prices of farm products rose 0.6% as increases for fresh fruits and vegetables, eggs, and raw cotton more than offset declines for grains, livestock and poultry. Egg prices increased seasonally and cotton quotations were up on reports of a short crop. Good demand for better qualities caused price advances for white potatoes. Buyer resistance to recent high prices and uncertainty regarding price controls after Aug. 20 were reflected in lower prices for most livestock. Corn quotations declined from recent peaks but prices of other grains were higher, as the shortage of railroad cars reduced shipments to market. The group index for farm products was 16.4% above the last week in June and 28.6% higher than at the end of the war.

Food prices, in large part still exempt from OPA control, rose 3.4% during the week. Cereal products were up 4.2% because of further increases for bread, reflecting earlier OPA adjustments, for rye flour, exempt from OPA control and for oatmeal, reflecting a recent ceiling increase. There were continued advances in prices of meats, butter, and cheese. Prices of powdered milk were higher. Edible tallow prices declined from recent high levels, but prices of lard and oleomargarine were higher. Since the end of June food prices have advanced 31.3% to a level 40.1% higher than at the end of the war.

Other Commodities. Average prices of all commodities other than farm products and foods were unchanged during the week. Prices of some cotton goods increased with advances in OPA ceilings to cover higher costs of raw cotton, while prices of cotton flannel dropped below recent uncontrolled prices. Shoe prices averaged slightly lower with reductions to ceiling for several types. Prices of sewing machines, stoves and agricultural implements were increased to new ceilings. There were advances for some petroleum products, fire and silica brick, track bolts, butts, and large rivets, all of which are exempt from OPA control. Prices of blasting powder, ammonium sulphate, and silver nitrate increased. Toluene prices decreased. There were declines for some cattle feeds and fertilizer materials. Common brick, plaster board, lime, and chrome yellow pigment were up with OPA ceiling increases. The group index for all commodities other than farm products and foods was 5.1% higher than at the end of June and 10.7% above a year ago.

CHANGES IN WHOLESALE PRICES BY COMMODITY GROUPS
FOR WEEK ENDED AUG. 17, 1946
(1926=100)

						Percentage changes to Aug. 17, 1946, from—		
Commodity group—	8-17 1946	8-10 1946	8-3 1946	7-20 1946	8-18 1945	8-10 1946	7-20 1946	8-18 1945
All commodities	128.3	127.1	125.0	142.2	105.5	+0.9	+ 3.3	+21.6
Farm products	163.3	162.3	156.5	159.2	127.0	+0.6	+ 2.6	+28.6
Foods	148.9	144.0	142.3	142.0	106.3	+3.4	+ 4.9	+40.1
Hides and leather products	138.4	138.3	143.0	139.3	118.5	+0.1	— 0.6	+16.8
Textile products	114.9	114.6	110.8	109.5	99.1	+0.3	+ 4.9	+15.9
Fuel and lighting materials	96.5	96.6	92.5	90.2	85.3	—0.1	+ 7.0	+13.1
Metal and metal products	113.7	113.5	113.1	113.2	104.8	+0.2	+ 0.4	+ 8.5
Building materials	132.7	132.4	132.0	132.5	117.8	+0.2	+ 0.2	+12.6
Chemicals and allied products	98.3	98.2	98.1	100.0	95.3	+0.1	— 1.7	+ 3.1
Housefurnishings goods	114.0	113.4	113.0	112.5	106.2	+0.5	+ 1.3	+ 7.3
Miscellaneous commodities	101.0	101.7	101.6	98.8	94.6	—0.7	+ 2.2	+ 6.8
Raw materials	146.3	145.7	140.6	141.4	116.9	+0.4	+ 3.5	+25.1
Semi-manufactured	110.5	110.4	109.0	108.5	95.4	+0.1	+ 1.8	+15.8
Manufactured products	122.9	121.3	120.6	118.9	102.1	+1.3	+ 3.4	+20.4
All commodities other than farm products	120.6	119.3	118.1	116.6	100.8	+1.1	+ 3.4	+19.6
All commodities other than farm products and foods	110.8	110.8	109.2	107.8	100.1	0	+ 2.8	+10.7

PERCENTAGE CHANGES IN SUBGROUP INDEXES FROM
AUG. 10, 1946 TO AUG. 17, 1946

Increases			
Other foods	10.8	Other textile products	1.0
Cereal products	4.2	Dairy products	0.7
Other farm products	2.9	Leather	0.6
Fruits and vegetables	2.1	Agricultural implements	0.5
Other miscellaneous	1.6	Iron and steel	0.4
Brick and tile	1.4	Other building materials	0.4
Furnishings	1.0	Cotton goods	0.2
Meats	1.0	Chemicals	0.2
Clothing	0.2		
Decreases			
Cattle feed	13.0	Grains	0.8
Livestock and poultry	1.9	Shoes	0.2
Fertilizer materials	0.1		

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

Statutory Debt Limitation as of June 30, 1946

The Treasury Department made public on July 9 its monthly report showing that the face amount of public debt obligations issued under the Second Liberty Bond Act (as amended) outstanding on June 30, 1946 totaled $268,932,355,302, thus leaving the face amount of obligations which may be issued subject to the $275,000,000,000 statutory debt limitation at $6,067,644,698. In another table in the report, the Treasury indicates that from total gross public debt and guaranteed obligations of $269,898,484,032 should be substracted $966,128,730 (outstanding public debt obligations not subject to debt limitation). Thus the grand total of public debt obligations outstanding as of June 30, 1946 amounted to $268,932,355,302.

The Treasury Department's announcement follows:

Section 21 of the Second Liberty Bond Act, as amended, provides that the face amount of obligations issued under authority of that Act, and the face amount of obligations guaranteed as to principal and interest by the United States (except such guaranteed obligations as may be held by the Secretary of the Treasury, "shall not exceed in the aggregate $275,000,000,000 outstanding at any one time. For purposes of this section the current redemption value of any obligation issued on a discount basis which is redeemable prior to maturity at the option of the holder shall be considered as its face amount."

The following table shows the face amount of obligations outstanding and the face amount which can still be issued under this limitation:

Total face amount that may be outstanding at any one time			$275,000,000,000
Outstanding June 30, 1946—			
Obligations issued under Second Liberty Bond Act, as amended:			
Interest bearing:			
Treasury bills	$17,038,939,000		
Certificates of indebtedness	34,803,825,000		
Treasury notes	24,972,292,100		
		$76,815,056,100	
Bonds—			
Treasury	$119,322,903,950		
Savings (current redemp. value)	49,034,697,588		
Depositary	426,851,000		
		168,784,452,538	
Special funds—			
Certificates of indebtedness	$10,794,500,000		
Treasury notes	11,537,344,000		
		22,331,844,000	
Total interest bearing		$267,931,352,638	
Matured, interest ceased		370,645,825	
Bearing no interest:			
War savings stamps	95,976,331		
Excess profits tax refund bonds	57,995,649		
		153,971,980	
Total		$268,455,970,443	
Guaranteed obligations (not held by Treasury)—			
Interest bearing:			
Debentures: FHA	$42,525,336		
Demand obligations: CCC	424,146,648		
		$466,671,984	
Matured, interest ceased		9,712,875	
		$476,384,859	
Grand total outstanding			268,932,355,302
Balance face amount of obligations issuable under above authority			$6,067,644,698

RECONCILEMENT WITH STATEMENT OF THE PUBLIC DEBT—JUNE 30, 1946
(Daily Statement of the U. S. Treasury, July 1, 1946)

Outstanding June 30, 1946:		
Total gross public debt		$269,422,099,173
Guaranteed obligations not owned by the Treasury		476,384,859
Total gross public debt and guaranteed obligations		$269,898,484,032
Deduct—Other outstanding public debt obligations not subject to debt limitation	$966,128,730	$268,932,355,302

Commercial Paper Outstanding in July

Reports received by the Federal Reserve Bank of New York from commercial paper dealers show a total of $130,800,000 of open market paper outstanding on July 31, 1946, compared with $121,400,000 on June 28, 1946, and $106,800,000 on July 31, 1945 the Bank reported on Aug. 13.

The following are the totals for the last two years:

1946—	$	1945—	$
July 31	130,800,000	July 31	106,800,000
Jun 28	121,400,000	Jun 29	100,800,000
May 30	126,000,000	May 31	102,800,000
Apr 30	148,700,000	Apr 30	118,300,000
Mar 29	171,500,000	Mar 30	146,700,000
Feb 28	178,200,000	Feb 28	157,300,000
Jan 31	173,700,000	Jan 31	162,400,000
1945—		1944—	
Dec 31	158,900,000	Dec 30	166,000,000
Nov 30	156,100,000	Nov 30	166,900,000
Oct 31	127,100,000	Oct 31	141,700,000
Sep 28	111,100,000	Sep 29	140,800,000
Aug 31	110,200,000	Aug 31	140,900,000
		July 31	142,900,000

Electric Output for Week Ended Aug. 24, 1946 8.0% 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. 24, 1946, was 4,444,040,000 kwh., which compares wih 4,116,049,000 kwh. in the corresponding week a year ago, and 4,422,242,000 kwh. in the week ended Aug. 17, 1946. The output for the week ended Aug. 24, 1946, exceeded that of the same week in 1945 by 8.0%.

PERCENTAGE INCREASE OVER SAME WEEK LAST YEAR

	Week Ended—			
Major Geographical Divisions—	Aug. 24	Aug. 17	Aug. 10	Aug. 3
New England	11.2	25.9	4.4	5.3
Middle Atlantic	7.2	13.8	0.3	*2.0
Central Industrial	10.4	15.6	*1.0	*3.6
West Central	11.9	11.7	6.7	2.8
Southern States	6.6	7.9	0.3	*2.3
Rocky Mountain	6.8	15.4	9.9	6.2
Pacific Coast	4.4	7.3	*2.8	*3.6
Total United States	8.0	12.3	0.4	*1.8

*Decrease.

DATA FOR RECENT WEEKS (Thousands of Kilowatt-Hours)

Week Ended—	1946	1945	% Change under 1945	1944	1932	1929
May 4	4,011,670	4,397,330	— 8.8	4,233,756	1,436,928	1,698,942
May 11	3,910,760	4,302,381	— 9.1	4,238,375	1,435,731	1,704,426
May 18	3,939,281	4,377,221	—10.0	4,245,678	1,425,151	1,705,460
May 25	3,941,865	4,329,605	— 9.0	4,291,750	1,381,452	1,615,085
June 1	3,741,256	4,203,502	—11.0	4,144,490	1,435,471	1,689,925
June 8	3,920,444	4,327,028	— 9.4	4,264,600	1,441,532	1,699,227
June 15	4,030,058	4,348,413	— 7.3	4,287,251	1,440,541	1,702,501
June 22	4,129,163	4,358,277	— 5.3	4,325,417	1,456,961	1,723,428
June 29	4,132,680	4,353,351	— 5.1	4,327,359	1,341,730	1,592,075
July 6	3,741,006	3,978,426	— 6.0	3,940,854	1,415,704	1,711,625
July 13	4,156,386	4,295,254	— 3.2	4,377,152	1,433,903	1,727,225
July 20	4,293,280	4,384,547	— 2.1	4,380,930	1,440,386	1,732,031
July 27	4,352,489	4,434,841	— 1.9	4,390,762	1,426,986	1,724,728
Aug. 3	4,351,011	4,432,304	— 1.8	4,399,433	1,415,122	1,729,667
Aug. 10	4,411,717	4,395,337	+ 0.4	4,415,368	1,431,910	1,733,110
Aug. 17	4,422,242	3,939,195	+12.3	4,451,076	1,436,440	1,750,056
Aug. 24	4,444,040	4,116,049	+ 8.0	4,418,298	1,464,700	1,761,594
Aug. 31		4,137,313		4,414,735	1,423,977	1,674,588

Market Value of Bonds on New York Stock Exch.

The New York Stock Exchange announced on June 12, that as of the close of business May 31, there were 957 bond issues, aggregating $137,762,502,097 par value listed on the New York Stock Exchange, with the total market value of $143,943,768,509. This compares with the figures, as of April 30, of 964 bond issues, aggregating $138,518,806,226 par value; total market value $143,904,400,671; average price 103.89.

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

Group—	May 31, 1946 Market Value $	Average Price $	April 30, 1946 Market Value $	Average Price $
U. S. Government (incl. N. Y. State, Cities, etc.)	128,168,798,755	104.78	127,977,586,294	104.62
U. S. companies:				
Amusement	7,358,475	102.50	7,412,318	103.25
Automobile	3,895,000	102.50	3,895,000	102.50
Aviation	11,750,000	117.50	11,400,000	114.00
Chemical	2,926,000	104.50	2,901,500	103.63
Electrical equipment	20,350,000	101.75	20,350,000	101.75
Farm machinery	20,426,250	104.75	20,085,000	103.00
Financial	56,698,610	101.45	56,759,694	101.56
Food	246,650,067	104.57	245,576,154	104.12
Land and realty	14,756,645	94.29	14,452,040	92.35
Machinery and metals	3,997,170	103.50	8,715,338	102.39
Mining (excluding iron)	62,399,797	96.55	62,958,155	95.96
Paper and publishing	29,158,248	103.19	29,116,899	103.04
Petroleum	324,526,250	104.11	432,154,596	103.47
Railroad	8,108,723,438	97.64	8,134,361,674	97.80
Retail merchandising	1,932,552	143.38	2,740,730	122.00
Rubber	79,025,000	104.50	79,913,750	103.78
Shipping services	19,968,491	103.87	19,947,968	103.77
Steel, iron and coke	235,535,535	104.32	234,746,945	103.97
Textiles	41,900,000	104.75	41,600,000	104.00
Tobacco	238,402,217	106.11	243,459,075	105.59
Utilities:				
Gas and electric (operating)	2,910,882,894	107.06	2,919,982,554	106.93
Gas and electric (holding)	51,217,875	107.38	50,815,125	106.25
Communications	1,012,519,569	111.49	1,009,192,170	110.84
Miscellaneous utilities	135,232,613	89.07	118,127,435	86.34
U. S. companies oper. abroad	118,218,445	95.04	163,347,281	97.24
Miscellaneous businesses	24,035,000	104.50	23,977,500	104.25
Total U. S. companies	13,782,486,141	101.01	13,957,988,901	101.00
Foreign government	1,330,983,175	76.41	1,324,502,076	75.92
Foreign companies	661,500,438	101.14	644,323,400	102.14
All listed bonds	$143,943,768,509	104.49	143,904,400,671	103.89

The following table, compiled by us, gives a two-year comparison of the total market value and the total average price of bonds listed on the Exchange:

	Market Value $	Average Price $		Market Value $	Average Price $
1944—			1945—		
Apr. 29	95,305,318,075	100.31	May 31	114,857,381,979	103.01
May 31	93,849,254,814	100.62	June 30	114,767,523,198	103.45
June 30	96,235,324,054	100.53	July 31	130,074,758,528	102.97
July 31	102,284,657,208	100.71	Aug. 31	129,748,212,202	102.49
Aug. 31	102,328,885,992	100.74	Sep. 29	128,511,162,933	102.60
Sep. 30	102,017,012,414	100.61	Oct. 31	128,741,461,162	103.16
Oct. 31	101,801,493,498	100.71	Nov. 30	129,156,430,709	103.28
Nov. 30	101,377,604,946	100.92	Dec. 31	143,110,515,509	103.64
Dec. 31	112,620,708,662	101.35	1946—		
1945—			Jan. 31	145,555,685,231	104.75
Jan. 31	114,019,500,804	101.91	Feb. 28	146,523,982,940	105.19
Feb. 28	114,881,605,628	102.58	Mar. 30	146,180,821,869	104.75
Mar. 31	114,831,886,516	102.53	Apr. 30	143,904,400,671	103.89
Apr. 30	115,280,044,243	103.10	May 31	143,943,768,509	104.49

Civil Engineering Construction Totals $96,979,000 for Week

Civil engineering construction volume in continental United States totals $96,979,000 for the five-day week ending Aug. 22, 1946, as reported by "Engineering News-Record." This volume is 25% below the previous week, 322% above the corresponding four-day week of last year and 23% below the previous four-week moving average. The report issued on Aug. 22, continued as follows:

Private construction this week, $56,185,000 is 44% below last week and 916% above the week last year. Public construction, $40,794,000 is 46% above last week and 127% greater than the week last year. State and municipal construction, $37,433,000, 51% above last week, is 339% above the 1945 week. Federal construction, $3,361,000, is 9% above last week and 64% below the week last year.

Total engineering construction for the 34-week period of 1946 records a cumulative total of $3,630,200,000, which is 196% above the total for a like period of 1945. On a cumulative basis, private construction in 1946 totals $2,201,787,000, which is 487% above that for 1945. Public construction, $1,428,413,000, is 68% greater than the cumulative total for the corresponding period of 1945, whereas state and municipal construction, $921,112,000, to date, is 346% above 1945. Federal construction, $507,301,000, dropped 21% below the 34-week total of 1945.

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

	Aug. 22, 1946 (five days)	Aug. 15, 1946 (five days)	Aug. 23, 1945 (four days)
Total U. S. Construction	$96,979,000	$129,096,000	$22,990,000
Private Construction	56,185,000	101,189,000	5,034,000
Public Construction	40,794,000	27,907,000	17,956,000
State & Municipal	37,433,000	24,817,000	8,518,000
Federal	3,361,000	3,090,000	9,438,000

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

New Capital

New capital for construction purposes this week totals $13,012,000 and is made up of $12,146,000 in state and municipal bond sales and $866,000 in corporate securities. New capital for the 34-week period of 1946 totals $2,485,407,000, 58% more than the $1,569,340,000 reported for the corresponding period of 1945.

Supply and Distribution of Domestic and Foreign Cotton in the United States—Season of 1945-46

The preliminary report for the several items of the Supply and Distribution of Cotton in the United States for the 12 months ending July 31, 1946, is presented in the following tabular statements. Number I shows the principal items of supply and distribution; Number II the comparative figures of stocks held on July 31, 1945 and 1946; and Number III further details concerning the supply and the distribution. The quantities are given in running bales, except that round bales are counted as half bales and foreign cotton in equivalent 500-pound bales. LINTERS ARE NOT INCLUDED.

I.—COTTON GINNED, IMPORTED, EXPORTED, CONSUMED, AND DESTROYED IN THE UNITED STATES FOR THE 12 MONTHS ENDING JULY 31, 1946.

	Bales
Ginnings, from Aug. 1, 1945 to July 31, 1946	8,852,357
Net imports	342,036
Net exports (Does not include War Dep't Shipments)	3,530,909
Consumed	9,166,060
Destroyed (baled cotton)	60,000

II.—STOCKS OF COTTON IN THE UNITED STATES JULY 31, 1946 and 1945

(Bales)	1946	1945
In consuming establishments	2,282,118	1,963,512
In public storages and at compresses	4,464,546	8,375,199
Elsewhere (partially estimated)[1]	775,000	825,000
Total	7,521,664	11,163,711

III.—SUPPLY AND DISTRIBUTION OF DOMESTIC AND FOREIGN COTTON IN THE UNITED STATES FOR THE 12 MONTHS ENDING JULY 31, 1946

(Bales)	1946	1945
SUPPLY		
Stocks on hand Aug. 1, 1945, total		11,163,711
In consuming establishments	1,963,512	
In public storages and at compresses	8,375,199	
Elsewhere (partially estimated)[1]	825,000	
Net imports (total less 6,447 re-exports, year ending July 31)		342,036
Ginnings during 12 months, total		8,852,357
Crop of 1945 after July 31,1945	8,680,716	
Crop of 1946 to Aug. 1, 1946	171,641	
Aggregate supply		20,358,104
DISTRIBUTION		
Net exports (total less no re-imports, year ending July 31)		3,530,909
Consumed		9,166,060
Destroyed (baled cotton)		60,000
Stocks on hand July 31, 1946, total		7,521,664
In consuming establishment	2,282,118	
In public storages and at compresses	4,464,548	
Elsewhere (partially estimated)[1]	775,000	
Aggregate distribution		20,278,633
Excess of Supply over Reported Distribution[2]		79,471

[1]Includes cotton for export on shipboard but not cleared; cotton coastwise; cotton in transit to ports, interior towns, and mills; cotton on farms, etc.

[2]Excess of supply over reported distribution probably due in part to cotton exported but not included in the regular export declaration.

Note: Foreign cottons included in above items are 196,845 bales consumed; 123,939 on hand Aug. 1, 1945; and 152,668 on hand July 31, 1946.

Supply and Distribution Statistics for Linters
Quantities are in running bales
(Not included in cotton statistics above)

Stocks of linters August 1, 1945, were 378,551 bales; production during twelve months ending July 31, 1946—994,146; imports 212,681; exports 22,389; consumption 1,051,104; destroyed 500; and stocks July 31, 1946—422,200.

Weekly Statistics of Paperboard Industry

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

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

STATISTICAL REPORTS—ORDERS, PRODUCTION, MILL ACTIVITY

Period 1946—Week Ended	Orders Received Tons	Production Tons	Unfilled Orders Remaining Tons	Percent of Activity Current	Cumulative
May 4	229,120	174,501	605,288	101	96
May 11	155,747	165,911	591,206	97	96
May 18	159,370	162,563	595,427	92	96
May 25	131,133	152,203	565,225	93	96
June 1	142,001	139,693	567,068	85	96
June 8	186,073	160,607	591,496	96	96
June 15	196,211	161,240	567,087	98	96
June 22	157,746	163,148	560,916	97	96
June 29	166,050	166,841	558,129	98	96
July 6	180,587	118,542	596,425	70	95
July 13	127,832	141,476	599,527	87	95
July 20	149,547	158,210	588,429	94	95
July 27	149,865	161,405	575,590	95	95
Aug. 3	215,730	167,192	620,354	98	95
Aug. 10	156,766	163,034	610,459	99	95
Aug. 17	158,304	166,363	600,674	98	95

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

Decontrol Board Aids

Announcement was made on Aug. 6 of the appointment to positions with the new Price Decontrol Board, of three former aides of Chester Bowles, formerly Economic Stabilizer. They include, according to Associated Press Washington advices: Walter S. Salant, of New York, Mr. Bowles' economic adviser until OPA expired and who will serve the new board in the same capacity; Brice Clemon of Hartford, Conn., former executive assistant to Mr. Bowles, who will serve as Acting Secretary of the Board, and Delmar Beman, who served as information director when Mr. Bowles was OPA head. He will act as director of information for the Decontrol Board.

The new board named David Cobb its General Counsel.

A fifth appointment is Harold Leventhal, Washington attorney, who was named adviser on procedural matters.

By voice vote, without debate, the Senate on July 29 confirmed President Truman's appointees for the three-man Price Decontrol Board, "Journal of Commerce" advices from Washington stated. The board consists of: Roy L. Thompson, President and the Federal Land Bank of New Orleans, named as Board Chairman; Daniel W. Bell, Washington banker and former Acting Director of the Budget and Under-Secretary of the Treasury, and George H. Mead, of Dayton, Ohio, Chairman of the Board of the Mead Corporation, pulp and paper manufacturers, and member of the Advisory Board of the Office of War Mobilization and Reconversion.

The board, which has the power to designate what commodities and other items are to continue under Office of Price Administration control, had as its first task the decision on recontrol Aug. 20 of most of the important items exempted until that date by the new law.

Fed. Judges' Pay Upped

Under legislation signed by President Truman on July 31, salaries of the nation's 300 Federal judges will be increased by $5,000 annually, from District Judges on up to the Supreme Court. Thus, the Associated Press reported from Washington, Chief Justice Vinson will receive $25,500 annually, and the Associated Judges $25,000. The pay of Circuit Court Judges goes up to $17,500, and that of District Judges to $15,000. The Associated Press added.

One constitutional effect of the bill is to ban the appointment of present members of Congress to the Federal judiciary until next January at the earliest. In the case of some Senators they will have to wait as long as four-and-a-half years—until their present terms expire—before becoming eligible for any Federal Judgeship.

Under the Constitution (Article 1, Section 6), "No Senator or Representative shall, during the time for which elected, be appointed to any civil office under the authority of the United States which shall have been created or the emoluments whereof shall have been increased during that time." Department of Justice officials told a reporter that all the present members of the House become eligible for the judiciary at the expiration of their present terms next January, but that Senators whose terms continue beyond that time will have to wait.

The bill was passed by the Senate on July 17, and by the House without amendment July 20.

Operating Banks in U. S. Increased in '46

The number of banks operating in the United States and possessions increased by 15 during the first six months of 1946, Chairman Maple T. Harl of Federal Deposit Insurance Corporation announced on August 12. This increase, Mr. Harl said, is as large as that for the full calendar year 1945, the first year since 1934 when the number of operating banks increased. The announcement further says:

"During the first six months of 1946, there were established 73 new banks. Fifty-eight were lost through merger or voluntary liquidation. All but ten of the newly established banks were admitted to insurance.

"The 73 new banks opened in the first half of 1946 were widely distributed geographically. One or more new banks were opened in 26 States and Alaska. The States with the largest number opened were Illinois with 9; Georgia with 8; Texas with 6; and Iowa with 4. These are all States in which branch banks are prohibited except that in Iowa paying and receiving stations are permitted in towns without other banking facilities.

"Of the 14,740 banks in operation at the end of June 1946, 13,526, or 92% with deposits of approximately $150 billion were insured by the Federal Deposit Insurance Corporation."

Mr. Harl also stated that the number of insured banks increased by 32 during the first half of the year. In addition to the 73 new banks, 21 previously operating non-insured banks were admitted to insurance. Fifty insured banks ceased operating because of merger or voluntary liquidation and two withdrew from insurance, one by withdrawal from the Federal Reserve System without continuation of deposit insurance, and one by succession by a non-insured bank. The number of branch banking offices in operation on June 30, 1946, was less than the number on Dec. 31, 1945, Mr. Harl added, because of the closing of a large number of "facilities" which operated to serve our armed forces under arrangements with the Treasury.

Chairman Harl further stated that the country has been relatively free from bank failures since its inception. In fact, 27 months have now elapsed since a bank failure occurred in the United States. The last closing on account of inability to meet depositors' demands occurred in May 1944.

Lumber Movement—Week Ended August 17, 1946

According to the National Lumber Manufacturers Association, lumber shipments of 414 mills reporting to the National Lumber Trade Barometer were 3.6% below production for the week ending Aug. 17, 1946. In the same week new orders of these mills were 10.3% below production. Unfilled order files of the reporting mills amounted to 64% of stocks. For reporting softwood mills, unfilled orders are equivalent to 25 days' production at the current rate, and gross stocks are equivalent to 37 days' production.

For the year to date, shipments of reporting identical mills exceeded production by 2.8%; orders by 1.3%.

Compared to the average corresponding week of 1935-1939, production of reporting mills was 7.5% above; shipments were 13.2% above; orders were 2.0% above.

Cottonseed Receipts to July 31

On Aug. 13 the Bureau of Census issued the following statement showing cottonseed received, crushed and on hand, and cottonseed products manufactured, shipped out, on hand and exported for the 12 months ended July 31, 1946 and 1945.

COTTONSEED RECEIVED, CRUSHED AND ON HAND (TONS)

State—	Received at mills, Aug. 1-*July 31 1945-46	1944-45	Crushed Aug. 1-July 31 1945-46	1944-45	Stocks at mills, July 31 1945-46	1944-45
United States	3,161,894	4,362,633	3,260,708	4,254,149	117,968	219,340
Alabama	254,030	272,748	259,561	269,329	4,631	10,556
Arizona	†	54,223	48,398	53,973	†	377
Arkansas	328,712	469,419	366,802	432,893	8,236	46,326
California	†	118,729	127,968	118,830	†	2,093
Georgia	294,068	362,956	301,661	364,355	10,860	18,453
Louisiana	113,618	174,355	115,034	174,574	340	1,756
Mississippi	547,848	709,602	553,005	706,770	12,249	18,398
North Carolina	163,301	289,010	173,236	281,117	5,195	15,130
Oklahoma	95,847	218,163	93,266	219,098	3,708	1,127
South Carolina	177,870	231,821	180,357	232,981	2,025	4,512
Tennessee	264,344	347,846	266,920	343,433	11,614	14,190
Texas	674,852	980,857	701,737	933,554	57,314	84,199
All other states	247,404	126,904	72,763	125,242	1,796	2,223

*Includes 2,558 and 7,400 tons destroyed during 1945-46 and 1944-45, respectively. Does not include 219,340 and 118,256 tons on hand Aug. 1, 1945 and 1944, respectively, nor 60,507 and 79,193 tons reshipped during the seasons 1945-46 and 1944-45.
†Included in all other States.

COTTONSEED PRODUCTS PRODUCED, SHIPPED AND STOCKS

Products—	Season	Stocks at beginning of Season Aug. 1	Produced Aug. 1-July 31	Shipped Aug. 1-July 31	Stocks July 31
Crude oil	1945-46	*55,121	1,016,647	1,017,597	†23,493
(thousand pounds)	1944-45	29,759	1,324,039	1,321,352	55,121
Refined oil	1945-46	‡275,625	§952,003	------	‖263,360
(thousand pounds)	1944-45	239,934	1,199,694	------	275,625
Cake and meal	1945-46	52,258	1,433,504	1,453,378	32,384
(tons)	1944-45	28,050	1,954,111	1,929,903	52,258
Hulls	1945-46	61,697	783,162	819,309	25,550
(tons)	1944-45	14,793	984,218	937,314	61,697
Linter	1945-46	18,576	**988,583	971,651	††35,508
(running bales)	1944-45	61,920	1,250,914	1,294,258	18,576
Hull fiber	1945-46	323	16,902	16,722	503
(500-lb. bales)	1944-45	476	20,742	20,895	323
Grabbots, motes, &c.	1945-46	2,451	43,237	43,941	1,747
(500-lb. bales)	1944-45	10,025	50,665	58,239	2,451

*Includes 11,323,000 pounds at oil mills, 37,297,000 pounds at refining and manufacturing establishments and 6,501,000 pounds in transit.

†Includes 10,373,000 pounds at oil mills, 10,858,000 pounds at refining and manufacturing establishments and 2,262,000 pounds in transit.

‡Includes 257,591,000 pounds at refining and manufacturing establishments and 18,034,000 pounds held elsewhere and in transit.

§Produced from 1,055,735,000 pounds of crude oil.

‖Includes 246,183,000 pounds at refining and manufacturing establishments and 17,177,000 pounds held elsewhere and in transit.

**Includes 260,807 bales first cut, 626,386 bales second cut and 101,390 bales mill run.

††Includes 20,977 bales first cut, 13,693 bales second cut and 838 bales mill run.

New Capital Issues in Great Britain

The following statistics have been compiled by the Midland Bank Limited. These compilations of issues of new capital, which are subject to revision, *exclude* all borrowings by the British Government; shares issued to vendors; allotments arising from the capitalization of reserve funds and undivided profits; sales of already issued securities which add nothing to the capital resources of the company whose securities have been offered; issues for conversion or redemption of securities previously held in the United Kingdom; short-dated bills sold in anticipation of long-term borrowings; and loans of municipal and county authorities which are not specifically limited. In all cases the figures are based upon the prices of issue.

NEW CAPITAL ISSUES IN THE UNITED KINGDOM
[Compiled by the Midland Bank, Ltd.]
(£000 Omitted)

	Qtr. to Sept. 30	Qtr. to Dec. 31	Total for Half-Year to Dec. 31	Qtr. to Mar. 31	Qtr. to June 30	Total for Half-Year to June 30	Total for Year to June 30
	English Pounds						
1935-36	68,311	28,468	96,779	60,612	48,372	108,984	205,763
1936-37	40,143	68,094	108,237	49,543	47,873	97,416	205,653
1937-38	29,410	44,080	73,490	33,105	40,946	74,051	147,541
1938-39	19,020	25,026	44,046	24,887	32,258	57,145	101,191
1939-40	8,041	1,108	9,149	2,203	865	3,068	12,217
1940-41	533	495	1,028	826	454	1,280	2,308
1941-42	928	117	1,046	157	503	660	1,706
1942-43	2,147	1,100	3,247	963	2,768	3,731	6,978
1943-44	4,304	549	4,852	1,967	310	2,277	7,129
1944-45	1,979	3,319	5,299	1,872	5,062	6,934	12,233
1945-46	4,451	9,083	13,534	17,521	29,057	46,578	60,112

(£000 Omitted)

	Total	Geographical Distribution United Kingdom	British Overseas Countries	Foreign Countries
	English Pounds			
1936, 1st half	108,984	99,733	8,478	773
2d half	108,237	91,075	14,875	2,287
1937, 1st half	97,416	80,661	15,633	1,122
2d half	73,490	58,107	9,305	6,078
1938, 1st half	74,051	56,139	14,916	2,996
2d half	44,046	36,607	6,368	1,071
1939, 1st half	57,145	39,906	17,018	221
2d half	9,149	3,429	1,295	4,425
1940, 1st half	3,068	2,716	157	195
2d half	1,028	828	200	----
1941, 1st half	1,280	1,031	249	----
2d half	1,046	896	150	----
1942, 1st half	660	660	----	----
2d half	3,247	3,211	36	----
1943, 1st half	3,731	2,503	588	639
2d half	4,852	4,555	57	240
1944, 1st half	2,277	2,149	128	----
2d half	5,299	4,539	269	491
1945, 1st half	6,934	5,271	642	1,021
2d half	13,534	11,690	1,844	----
1946, 1st half	46,554	39,861	6,418	275
July—				
1936	24,403	20,713	3,537	153
1937	20,305	14,557	4,623	1,125
1938	15,188	11,202	3,958	28
1939	2,800	1,697	1,103	----
1946	32,129	29,431	770	1,928

Market Value of Stocks on New York Stock Exchange in June

The New York Stock Exchange announced on July 5 that as of the close of business on June 28 there were 1,298 stock issues aggregating 1,686,463,543 shares listed on the New York Stock Exchange, with a total market value of $80,929,333,989. This compares with the figures as of May 31 of 292 issues aggregating 1,666,270,936 shares, with a total market value of $84,043,436,932.

In making public the July 5 announcement, the Stock Exchange continued:

"As of the close of business June 28, New York Stock Exchange member total net borrowings amounted to $731,845,197 of which $390,338,558 represented loans which were not collateralized by U. S. Government issues. The ratio of the latter borrowings to the market value of all listed stocks on that date was therefore 0.48%. As the loans not collateralized by U. S. Government issues include all other types of member borrowings, these ratios will ordinarily exceed the precise relationship between borrowings on listed shares and their total market value."

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

Group—	June 28, 1946 Market Value $	Av. Price $	May 31, 1946 Market Value $	Av. Price $
Amusement	1,248,814,909	38.63	1,321,309,044	40.89
Automobile	6,079,925,006	47.45	6,439,069,831	50.89
Aviation	1,124,738,889	22.25	1,187,258,259	23.50
Building	1,185,337,811	49.09	1,242,669,099	52.27
Business and Office Equipment	744,882,331	55.88	768,909,939	57.68
Chemical	9,935,112,914	80.45	10,300,878,675	83.98
Electrical Equipment	2,280,548,916	42.46	2,395,776,884	44.60
Farm Machinery	1,072,754,541	75.28	1,105,054,563	77.55
Financial	1,483,440,302	30.04	1,538,462,922	31.29
Food	5,355,717,817	54.06	5,489,104,923	55.65
Garment	97,671,381	42.17	104,985,690	45.32
Land & Realty	89,326,686	14.28	96,435,605	15.42
Leather	367,807,394	41.43	389,365,030	45.38
Machinery & Metals	3,174,887,942	40.09	3,290,366,235	41.85
Mining (excluding iron)	2,358,085,817	36.84	2,486,904,315	38.85
Paper & Publishing	1,115,960,354	41.16	1,178,660,598	44.39
Petroleum	9,036,572,438	43.12	9,335,551,728	44.61
Railroad	6,267,005,935	55.07	6,433,104,860	56.53
Retail Merchandising	5,397,766,165	47.39	5,861,061,332	52.17
Rubber	881,847,886	74.98	926,967,099	80.88
Ship Building & Operating	197,915,985	28.64	203,031,362	32.80
Shipping Services	37,810,942	28.64	40,468,638	23.47
Steel, Iron & Coke	3,707,990,966	66.10	3,726,274,053	66.18
Textiles	1,231,829,677	55.45	1,321,064,423	60.15
Tobacco	1,803,915,930	62.14	1,885,314,142	64.95
Utilities:				
Gas & Electric (Operating)	3,655,776,515	38.18	3,709,000,511	38.79
Gas & Electric (Holding)	2,280,099,179	23.56	2,384,135,519	24.64
Communications	4,980,586,421	114.89	5,026,406,545	113.74
Miscellaneous Utilities	248,354,228	40.45	265,695,334	43.28
U. S. Cos. Operating Abroad	1,354,222,351	33.89	1,403,644,133	41.15
Foreign Companies	1,488,198,657	30.25	1,535,305,375	36.40
Miscellaneous Businesses	644,427,704	45.72	651,200,266	46.48
All Listed Stocks	80,929,333,989	47.99	84,043,436,932	50.44

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

	Market Value $	Average Price $		Market Value $	Average Price $
1944—			1945—		
June 30	53,067,698,691	35.55	July 31	61,242,460,874	39.65
July 31	52,488,254,469	35.07	Aug. 31	64,315,140,586	41.55
Aug. 31	53,077,487,308	35.40	Sept. 29	67,068,130,865	43.17
Sept. 30	52,929,771,152	35.75	Oct. 31	69,560,968,600	44.23
Oct. 31	53,086,843,093	35.84	Nov. 30	72,729,703,313	46.13
Nov. 30	53,591,644,063	36.14	Dec. 31	73,765,250,751	46.33
Dec. 30	55,511,963,741	37.20			
1945—			1946—		
Jan. 31	56,585,846,293	37.84	Jan. 31	78,467,733,341	48.61
Feb. 28	59,680,085,110	39.84	Feb. 28	74,164,879,781	45.79
Mar. 31	57,383,487,905	38.15	Mar. 30	77,932,414,601	47.88
Apr. 30	61,496,723,658	40.68	Apr. 30	80,943,361,516	49.22
May 31	62,430,603,026	40.64	May 31	84,043,436,932	50.44
June 30	62,636,685,716	40.68	June 28	80,929,333,989	47.99

United States Savings Bonds Issued and Redeemed Through July 31, 1946

(Dollar amounts in millions—rounded and will not necessarily add to totals)

	*Amount Issued	*Amount Redeemed	†Amount Outstdg.	% Redeemed of Amount Issued
Series A-D:				
Series A-1935 (matured)	$255	$238	$17	93.33
Series B-1936	460	265	‡195	57.61
Series C-1937	571	146	425	25.57
Series C-1938	640	140	500	21.88
Series D-1939	990	188	802	18.99
Series D-1940	1,181	196	985	16.60
Series D-1941	511	73	438	14.29
Total Series A-D	4,608	1,246	3,362	27.04
Series E:				
Series E-1941	1,437	259	1,178	18.02
Series E-1942	6,521	1,860	4,661	28.52
Series E-1943	10,681	3,613	7,068	33.83
Series E-1944	12,543	4,166	8,377	33.21
Series E-1945	9,817	2,813	7,004	28.65
Series E-1946 (7 mo.)	§2,398	223	§2,175	9.30
Total Series E	43,397	12,935	30,463	29.81
Unclassified Redemptions:				
Series A-E	----	114	—114	----
Total Series A-E	48,005	14,294	33,711	29.78
Series F and G:				
Series F and G-1941	1,524	150	1,374	9.84
Series F and G-1942	3,170	338	2,833	10.66
Series F and G-1943	3,345	330	3,015	9.87
Series F and G-1944	3,679	235	3,444	6.39
Series F and G-1945	3,140	88	3,052	2.80
Series F and G-1946 (7 mo.)	1,910	2	1,908	.10
Total Series F and G	16,768	1,143	15,625	6.82
¶Total all series	64,774	15,437	49,336	23.83

*Includes accrued discount.
†Current redemption values.
‡Includes matured bonds which have not yet been presented for redemption.
§Includes $47 millions reported on public debt statement as "unclassified sales."
¶Includes Series A-1935 (matured) and therefore does not agree with totals under interest-bearing debt on Public Debt Statement.

Items About Banks, Trust Companies

The Pennsylvania Exchange Bank, New York announced the opening on Aug. 26 of its new branch office at 20 West 48th Street. The new office, which is opposite Rockefeller Plaza, has been opened to handle the banks business in that section. The main office is located at 8th Avenue and 26th Street.

Authorization given the Peoples Industrial Bank of New York, on Aug. 13 by the State Banking Department to issue capital notes due Aug. 15, 1951, in the aggregate principal amount of $2,000,000. The bank is located at 249 West 34th Street, New York.

The Union Square Savings Bank, at 20 Union Square, N. Y. on Aug. 21 applied for permission from the New York State Banking Department to open a branch office at 243-7 First Avenue, in New York City, the Department announced on Aug. 23.

The filing of an order granted by the Supreme Court of New York State on Aug. 12, declaring the International Trust Company, New York dissolved and its corporate existance terminated, was announced on Aug. 16 by the New York State Banking Department.

An announcement on Aug. 16 by the New York State Banking Department stated that on Aug. 9 approval given to the Oyster Bay Trust Company of Oyster Bay, N. Y. to a Certificate of Elimination of converted shares and providing for a reduction of capital stock from $220,300, consisting of 10,000 shares of preferred stock "A" of the par value of $5 each, 2,000 shares of preferred stock "B" of the par value of $18.75 each and 6,640 shares of common stock of the par value of $20 each, to $182,800 consisting of 10,000 shares of preferred stock "A" of the par value of $5 each and 6,640 shares of common stock of the par value of $20 each.

The election of William H. Harder as manager of the bond department and George M. Marvin as Assistant Secretary of the Buffalo Savings Bank, Buffalo, N. Y., was announced on Aug. 20 by President Myron S. Short, according to the Buffalo "Evening News" advices of Aug. 20 which also said in part:

Mr. Harder, who has been manager of the Buffalo office of the First Boston Corporation since 1938, will take the new post about Nov. 1. . . . Mr. Marvin joined the bank in 1941 and has specialized in FHA-insured mortgages and veterans' loans. Prior to 1941 he was with the FHA's Buffalo office.

The Union Center National Bank, of Union, N. J. on Aug. 12 has increased its capital from $100,000 to $250,000. The increase, according to a report issued on Aug. 19 by the Comptroller of the Currency, is brought about through a stock dividend of $100,000 and by the sale of $50,000 of new stock.

George Gund, President of the Cleveland Trust Co., of Cleveland, Ohio, was made known that the stockholders at a special meeting on Aug. 21 approved the purchase of assets and liabilities of the First National Bank in Painesville, Ohio, and the Lorain Street Bank in Cleveland. According to the Cleveland "Plain Dealer," from which this is learned, this was a routine step in consummation of the deals which were announced some time ago.

The Comptroller of the Currency in its bulletin issued Aug. 26, announced that the Canton National Bank of Canton, Ohio, on Aug. 22 increased its capital from $400,000 to $500,000 by a stock dividend of $100,000.

Horton Clifford Rorick, Chairman of the Board of the Spitzer-Rorick Trust & Savings Bank, of Toledo, Ohio, died on Aug. 18, at the age of 79. According to Toledo advices to the New York "Times" of Aug. 20, Mr. Rorick, in 1902 joined the banking firm of Spitzer & Co., which after nine years assumed the name of Spitzer, Rorick & Co. In 1911 the firm became the Spitzer-Rorick Trust and Savings Bank, with Mr. Rorick as President. He became Chairman of the Board in 1941, at which time his elder son, Marvin Rorick, became President and a younger son, Ceilan H. Rorick, became Vice-President.

W. V. Carroll, Vice-President of Chicago Title and Trust Company, of Chicago, Ill, has resigned, effective Sept. 1, to become associated with Milton H. Callner in the field of realty investments. Well known for many years in Chicago financial circles, Mr. Carroll is a graduate of Northwestern University. His business experience includes association with A. G. Becker & Company, Frazier, Jelke & Company, and W. B. McMillan & Company. He became associated with Chicago Title and Trust Company as Financial Officer in 1928. Albert Y. Bingham, Vice-President of the Chicago Title & Trust will assume general supervision of trust investments in addition to continuing his present duties on company investments. A native Chicagoan, Mr. Bingham is a graduate of the University of Illinois. He became associated with Chicago Title and Trust Company in 1942.

The Uptown National Bank, of Chicago, Ill. on Aug. 12, increased its capital stock from $600,000 to $750,000 by sale of new shares, it was made known by the Comptroller of the Currency on Aug. 19.

An increase in the capital stock of the First National Bank, of Joliet, Ill., from $300,000 to $400,000 by sale of $100,000 of stock was announced by the Comptroller of the Currency on Aug. 26.

Announcement was made on Aug. 16 regarding the second suburban bank to be established in Fort Worth by interests associated with the Fort Worth National Bank, Fort Worth, Texas. The new bank for which charter has already been granted will be known as the West Side State Bank. It will have a capital of $125,000, surplus $100,000 and undivided profits $25,000, or total capital funds of $250,000. The officers of the new institution will be E. E. Bewley, President; C. F. Fry, Vice-President, and Phil Tillery, Cashier. Mr. Fry is now Assistant Cashier of the Fort Worth National Bank in charge of its Credit Department and Mr. Tillery is presently in the Personal Loan Department. Both have been with the Fort Worth National Bank for a number of years. Directors of the new bank are: E. E. Bewley, R. E. Harding, Ben Eastman, L. N. Wilemon, Raymond C. Gee, J. E. McKinney and C. F. Fry.

RFC Limits Time for War Damage Claims

The Reconstruction Finance Corporation announced on Aug. 9 that all claims for free compensation for loss or damage to property in the Territories or possessions of the United States must be presented to War Damage Corporation before Oct. 16, 1946. Such compensation is allowable only for losses that occurred after Dec. 6, 1941 and before July 1, 1942 as a result of enemy attack, said the Corporation's advices Aug. 9 which also had the following to say:

It is urged that all repatriated internees (except permanent residents of Guam) from the Pacific Island Naval bases on Wake, Guam, and other United States possessions, and the widows and next of kin or personal representatives of deceased internees, present their claims to War Damage Corporation's Claims Service Office at 300 Montgomery Street, San Francisco 4, Calif., 99 John Street, New York 7, N. Y., or 175 West Jackson Boulevard, Chicago 4, Ill., as promptly as possible, and not later than Oct. 15, 1946. Such claims may be presented by mail or in person, and the Claims Service Offices mentioned will render assistance to claimants in the preparation of claims, will furnish on request all necessary information and forms, and will refer claimants who are located at a distance from the principal Claims Service Offices to the locals Claims Service Offices nearest their places of residence.

This announcement is not applicable to claims for compensation for losses that occurred in the Philippine Islands, authority regarding which has been extended to the recently-organized Philippine War Damage Commission. It was stated that nothing in this announcement will operate to revive any right which has expired by reason of undue delay in presenting notice of loss or proof of loss.

July Cotton Consumption

The Census Bureau at Washington on Aug. 21 issued its report showing cotton consumed in the United States, cotton on hand and active cotton spindles in the month of July.

In the month of July, 1946, cotton consumed amounted to 729,958 bales of lint and 93,798 bales of linters as compared with 792,661 bales of lint and 82,954 bales of linters in June and 672,973 bales of lint and 103,747 bales of linters in July, 1945.

In the 12 months ending July 31, cotton consumption was 9,166,060 bales of lint and 1,051,104 bales of linters, which compares with 9,567,932 bales of lint and 1,481,329 bales of linters in the corresponding period of a year ago.

There were 2,282,118 bales of lint and 255,354 bales of linters on hand in consuming establishments on July 31, 1946, which compares with 2,280,942 bales of lint and 288,747 bales of linters on June 30, and 1,963,512 bales of lint and 246,564 bales of linters on July 31, 1945.

On hand in public storage and at compresses on July 31, 1946, there were 4,464,543 bales of lint and 56,347 bales of linters, which compares with 5,381,566 bales of lint and 60,776 bales of linters on June 30 and 8,375,199 bales of lint and 26,987 bales of linters on July 31, 1945.

There were 21,985,298 cotton spindles active during July, which compares with 21,942,878 cotton spindles active during June, 1946, and with 22,029,282 active cotton spindles during July, 1945.

From Washington Ahead of the News

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would be the problem it is today. His superficiality caused him to think that everything would be all right if he could only sell himself to Stalin, make him laugh. He did this, we are told, at Churchill's expense.

There is some question as to whether Mrs. Perkins didn't realize the tremendous smallness of her benefactor. He told her once that he didn't understand the Russians and wished she would find out all she could about them. She asked a lot of people and reported back to the Great Leader.

The old and widely smeared Cliveden Set of Britain and the Daladier government of France knew the score. They saw Hitler and Stalin as two equal menaces and it was their plan to play them off against each other. Churchill saw it this way, too, but he was so ambitious to be Prime Minister, that he joined up with those who wanted to attack Hitler. But when he became Prime Minister he still wanted to wage the war in a way that Russia would not come out the problem she is now. But "Papa" Roosevelt knew better. Churchill was just an old Tory for advocating the strategy which he did.

You can really get a pretty good picture of Roosevelt's size by the way he sought to impress son Elliot the night before his meeting with Churchill. A lot of us know Son Elliot and this writer can think of no one, except perhaps the crowd at the Stork Club, with the disposition or the time to want to impress Elliot on anything. It is almost inconceivable that the President of the United States would seek to impress Elliot, even though Elliot was his son. It is a fact, however, that Roosevelt went to great lengths to impress his subordinates. He was well educated, that is, he had gone to school a lot and had read a lot of books. He spoke French and it was his wont frequently to greet his subordinates with a French phrase. There is no doubt that this impressed them and that they took it for greatness. Invariably, following his trips he would regale these subordinates with stories about the "big" men he had met. Always the point would be that he dominated them.

If there should be any doubt about the pathetic nature of the legacy he has left us, one has only to contemplate the Yugoslavia episode. Only a few weeks ago we read that some American, visiting Belgrade, had gratified Tito's long expressed desire. He had given him a Tommy gun. Yet this little bandit is permitted to kill Americans and to hold others captive. There is tremendous excitement and a thrill of pride when we hear that an ultimatum has been issued by our government. Then we learn with utter disgust that in the event the ultimatum is not complied with, we intend to tell the United Nations about it. Stalin has a veto there against any action. But we are assured by the global thinkers that the airing before the United Nations will really put Tito and Russia on the spot before world opinion. What world opinion? The only world opinion that would know anything about it would be in this country, Britain and France, and we have our doubts as to that opinion in France.

The mightiest nation in the world stands helpless before a little bandit who is thrilled to get a Tommy gun. The mightiest nation in the world accepts a horde of uneducated, poorly civilized people, the Russians, where university learning is how to drive a truck, as an equal world power, and our statesmen spend all their time arguing and pleading with a little dialectic squirt, Molotov. And Mrs. Roosevelt, in her column, wonders where we have been remiss. What has become of that delightful *entente cordiale* which we had during the war, when we were giving the Russians everything they wanted? She can't understand it, yet she was only recently a powerful influence in our affairs.

Devaluation of Chinese National Currency

Stating that China's highly inflated national currency took another upward spiral on Aug. 19 in the wake of new exchange rates, Associated Press advices from Shanghai on that date as given in the New York "Journal of Commerce" went on to say:

Excitement prevaded the financial world as Premier T. V. Soong announced the new rate of 3,350 Chinese dollars would supplant the old rate of 2,020 to one United States dollar.

Premier Soong announced that the general objective of the new rate, together with removal of duties on exports authorized this week, was to restore a better balance between China's exports and imports and to stimulate domestic production.

He said the Chinese Government intends to sustain the domestic value of its newly revalued currency by operations in the gold market.

(An American loan to the Chinese Government to help stabilize its currency was one of the purposes of Gen. George Marshall's mission, provided settlement of issues between the Government and Communist Party was assured.)

It appeared that quick adjustment of prices to meet the new devaluation almost immediately offset benefits of the new rate.

Life Ins. Sales Show 73% Gain in July

Life insurance purchases in the United States in July showed an increase of 73% over purchases in the corresponding month of last year and were more than double the aggregate reported for July in prewar 1941, it is reported by the Life Agency Management Association of Hartford, Conn. Total purchases in July were $1,952,159,000, compared with $1,127,506,000 in July of last year and $946,249,000 in July, 1941, said the report. The Institute also says:

"Purchases of ordinary life insurance in July were $1,343,402,000, up 72% over July a year ago and well over twice the total in July, 1941. Industrial life insurance purchased in July amounted to $323,831,000, an increase of 38% over the corresponding month last year and 24% over July, 1941. Group life insurance purchases were $284,896,000 in July, an increase of 159% over July a year ago and 175% over the figure for July, 1941. These purchases represent new groups set up and do not include additions of insured personnel under group insurance contracts already in force.

"In the first seven months of the year total life insurance purchases were $12,427,722,000, an increase of 51% over the first seven months of 1945 and 92% over the corresponding period of 1941. Purchases of ordinary life insurance accounted for $9,103,226,000 of the seven months' aggregate, an increase of 61% over last year and well over twice the 1941 total. Industrial life insurance purchases represented $2,319,965,000 of the current year's total, an increase of 25%, as compared with last year, while group life insurance purchases amounted to $1,004,531,000, an increase of 33%, as compared with the first seven months of last year."