

ADDRESS BEFORE
ANNUAL MEETING OF
NORRISTOWN CHAMBER OF COMMERCE

February 4, 1947
6:30 p.m., City Hall,
Norristown

add
handling
problem in this

Spirit determines the
future - essay contest
- 1 -

John Ledingen y headlin
worry, worry had
second worse

Introduction

"should not consume more than 25-40 min
of time

Allen Glenn's request for 25-40 minute talk.

Hard for economist - "a textbook wired for
sound."

Unlike radio, where standard unit is 15 minutes,
standard unit is one hour.

Harvard man or equivalent.

Squeeze the universe - past, present, future -
into a half hour.

What to include and what to leave out.

Making decisions wears me out (post holes,
plowing, apple sorting).

I. How well off are we?

A. Labor market

1. Strikes and threats of strikes
2. Yet employment at 58 million
3. Montgomery County

*Unempl -10 -4
Laborer +8
Unemp. +5
Emp.*

a. Manufacturing employment:

1939 - 41,100
Dec. 1946 - 59,000 - Just under
1943 peak of 59,100

b. Well diversified:

Metals and textiles
In Norristown also food products

B. Income and outgo

1. We know of shortages: housing, automobiles, durable goods; yet -
2. National income at \$164 billion vs. \$71 billion in 1939
3. Montgomery County manufacturing pay rolls
1939 - \$50 million
Dec. 1946 - \$147 million (annual rate)

C. Trade

1. Prices have gone up but retail sales have doubled
2. Debits in Norristown
1939 - \$116 million
1946 - \$271 million

*1501. Ave 1939
40-50k*

D. Conclusion: How well off are we? Better than ever before but not as much as some of the "records" we have made will indicate.

II. Where do we go from here?

43	
5	F
17	43
23	30

- A. The prophets of doom
 - 1. Predicted post V-J slump - wrong
 - 2. Now excited about inventories - analysis
 - 3. Inadequate wages - profits spent

- B. Meaning of present confusion
 - 1. Reassertion of rights
 - 2. Democracy has indeed won the victory

- C. Our future lies in our own hands
 - Rights - responsibilities
 - Income and liquid assets
 - Pressure still upward
 - More apt to blow off the ceiling than to break through the floor

- D. Montgomery County - elements of strength
 - 1. Unimportance of agriculture
 - 2. Importance of services
 - 3. Diversity of manufacturing

Perhaps I am merely an expert who talks more and more about less and less - who is nearing the end where he talks forever about nothing

LIQUID ASSETS
(Estimated)

(Billions of dollars)	Dec. 1939	June 1946	Increase
<u>Personal (including corporate trustees)</u>			
Currency	4.2	20.8	+ 16.6
Demand deposits	8.3	28.2	+ 19.9
Time deposits	24.3	47.7	+ 23.4
U. S. Government securities	8.9	55.3	+ 46.4
Total	45.7	152.0	+ 106.3
<u>Business (corporate and unincorporated)</u>			
Currency	1.6	4.8	+ 3.2
Demand deposits	12.6	34.7	+ 22.1
Time deposits	2.0	3.2	+ 1.2
U. S. Government securities	3.2	27.8	+ 24.6
Total	19.4	70.5	+ 51.1

INFLATION POTENTIALS

(1939 average = 100)	P e a k	L a t e s t
<u>Physical magnitudes</u>		
Construction.....	July 1942 - 286	207
Employment (nonagricultural).....	Mar. 1943 - 132	132
Industrial production.....	Oct. 1943 - 227	167
<u>Prices</u>		
Consumers (cost of living).....	May 1943 - 126	153
Wholesale prices.....	May 1943 - 135	181
<u>Monetary magnitude</u>		
Deposits and currency outside banks.	June 1943 - 179	275