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How President Truman Can Regain His Lost Prestige

By ALEXANDER WILSON*

Writer reviews "Big Four" Ministers' Conferences and the UN meetings and then offers five "audacious" proposals to increase President Truman's prestige as a peace maker. Believes his suggestions would hasten peace settlement with Germany, Austria and Japan and promote establishment of order and stability in a war-wracked world. Provides an answer to the question "Is there any solution for War?"

The sudden resignation of Secretary of State James F. Byrnes, Jan. 7, has served to focus the attention of our countrymen and the outside world on the failure or success of our efforts up to this time at the Peace Conference.

Over a year and a half has now elapsed snce World War II came to an end in Europe and a year and five months have gone by since Japan surrendered and yet no start has been made by the Allied Nations towards permanent peace settlements with Germany and Japan, our erstwhile enemies. The ministers representing Britain, Russia and the United States have spent all their time on the problems affecting Italy and the smaller Axis countries as well as participating in the provocative discussions of the United Nations Organization.

Alexander Wilson

To some extent, the public mind has been confused and surfeited at times by the flow of oratory and contentious argument emanating from the sessions of the United Nations meetings while the more pressing business of drafting peace with Germany and Japan has been sidetracked.

To many observers it has seemed that the efforts of the "Big Four" peace ministers were distracted from the more impor-

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*Writer of "Why a New League of Nations Will Not Insure Permanent Peace," in "The Chronicle," March 9, 1944, and a "Reply to Critics" of this article, March 30, 1944 and "Peace by Force in an Uncivilized World," Nov. 16, 1944, and "Are Americans Isolationists?" Jan. 11, 1945 and "The Failure of the White Man's Civilization," March 22, 1945.

New Economic Doctrines in Wake of War

By WILLIAM A. IRWIN*

Economist, American Bankers Association

ABA economist traces effects of World War I on new political and economic movements. Sees veritable transformation in economic teaching as result of ideas and writings of Lord Keynes and Sir William Beveridge, and ascribes reversion against rugged individualism in Britain as most portentous change in past 50 years. Holds Americans, however, still believe in individual initiative, in private property and accumulation of wealth, but warns unless remedy for business cycle and unemployment are found, our system of private enterprise is not safe.

World War I left in its train not only a heavy burden of debt but also a ferment of discontent. There was widespread unemployment and business dislocation throughout the world. Nowhere was this worse than in Russia where, in addition, there had long existed a considerable volume of radical economic and political doctrine. Great poverty and political repression coincided there, and when the moment seemed ripe for it the "proletarian revolution" took place. The Soviet system was inaugurated. To a large extent it was distinctly Marxist, and this meant that Capital and all its works was an accursed thing. Private property was expropriated. The accumulation of wealth was virtually prohibited. The "state" became the be-all and the end-all of human effort and existence. The individual existed for it. It was not his servant but his master.

William A. Irwin

In Italy somewhat similar conditions of unemployment and dislocation existed. There the new political organization (when it came) took a different form, that

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*Part of an address of Mr. Irwin before the 28th Mid-Winter Trust Conference, American Bankers Association, New York City, Feb. 4, 1947.

Tariff Program Saved by Senators' Compromise

Vandenberg - Millikin proposals set forth new procedures for negotiating and amending reciprocal-trade agreements. Advocate Presidential obligatory power to withdraw or modify any concession if it injures the domestic economy. Suggested procedure for "escape" clauses detailed.

With the avowed objective of staving off any drastic changes in the government's reciprocal trade agreement program, Senator

A. H. Vandenberg   Eugene D. Millikin

Arthur H. Vandenberg, President pro tempore of the Senate and Chairman of its Foreign Relations Committee, and Senator Eugene D. Millikin, Chairman of the Senate Finance Committee, on Feb. 7 put forward the following definite proposals for administrative changes in tariff adjustment procedures. In the best informed circles it is assumed that this compromise, having the approval of the State Department, will be put into effect by the Administration—particularly as such action does not require legislation.

The Joint Statement

Because of our mutual interest in the foreign and domestic as-

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GENERAL CONTENTS

*Not available this week.

As We See It

EDITORIAL

HOW GOES THE BATTLE?

Last week the Conference of Public Relations Executives here in New York City found that the American system of free enterprise is locked in a life-and-death struggle with the advocates of planned economy. Within a day or two word came that a research study nearing completion at the Industrial Relations Center of the University of Chicago "strikingly confirms" the findings of the public relations executives. The object of investigation out of which this conclusion is said to be growing is the relations between the General Motors Corporation and United Automobile Workers (CIO).

For our part, we can not imagine why there should be any doubt in any informed mind about the validity of the findings of public relations executives, or the slightest surprise that a careful study of what has been going on either in the automobile industry or anywhere else in the American economic system for a decade or more, should yield solid support for that conclusion. It has been rather more than evident for a long while past that active, aggressive elements in this country had their heads set upon a "planned economy" for us all, and that for a number of years at least were definitely in the saddle. To those who make it a practice of looking carefully beneath the surface of things it has been hardly less clear that lined up steadfastly with the planners were a great many very glib and persuasive talkers and writers who unremittingly avowed their allegiance to a free enterprise system which simply could not co-exist with the type of society or economy they were ardently advocating.

The crucial question of the day which most interests dispassionate and patriotic citizens at present, is not so much

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From Washington Ahead of the News

By CARLISLE BARGERON

One thing that is becoming quite clear is that the Republicans are not yet sure of themselves. Apparently they are still scratching themselves and asking if what happened on Nov. 5 is true. The opposition has only to let out a loud cry and they become cautious.

This is proving to be particularly true in the matter of tax reduction. This is something they bodly promised in the campaign and continued to boldly promise the first few weeks after their victory. They are becoming increasingly nervous, however, and backtracking all over the place. Only Knutson, the cocky head of the House Ways and Means Committee, is holding up. At the outset he said a tax reduction of 20% across-the-board and he is holding to that. But his support is falling away from him. The opposition has raised the old demagoguery of a reduction that will most benefit the little fellow. Nothing seems fairer than a uniform reduction for all the brackets. The cry that this helps the big fellow more than the little fellow but emphasizes the fact that the big fellow is paying the higher tax. It could not possibly help him otherwise.

Carlisle Bargeron

This seems so clear that it is surprising that our old friends, the Republicans, the salt of the earth boys, the stabilizing influences, etc., would bow to the clamor. They have seen this so-called little fellow pass his taxes on to the employer by increasing his "take home" pay. And while the country was so solicitous about him in the reconversion period, he was out squandering his savings on costume jewelry. In short, the Republicans of all people should know that while this little fellow is quite a worthwhile individual, in the mass he is largely irresponsible and not be coddled in problems affecting the whole economy. Manifestly, a reduction in the higher tax brackets will be of more impor-

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Remove Tariff on Copper?

By HON. JAMES T. PATTERSON*
U. S. Congressman from Connecticut

Calling attention to copper metal shortage and its adverse effect on industrial production, Rep. Patterson urges immediate removal of the 4 cents per pound tariff duty to increase supply from abroad. Cites rising price of copper and foresees insufficient domestic output to meet current needs.

During the war it became evident that there was, with the possible exception of petroleum, no more vital and essential commodity than copper. This non-corrosive metal went into shells and cartridges. It went into every plane, every automobile, every ship. Without copper, we could not have won the war. The government called upon every possible source of domestic production to increase its output. Abandoned mines were pumped out; subsidies were paid to high-cost producers. All supplies and all uses of copper came under government control. The two price purchasing plan saved the American people billions of dolars, for there was one price for the low-cost producers and another price, not including subsidies, for the high-cost producers. This device, however, although it produced the maximum possible output within the United States, also stimulated depletion of our reserves and of our copper resources. Besides, before we actually entered the war, we exported tens of thousands of tons of our copper to other nations. Notwithstanding, we could not possibly produce all the copper we required.

James T. Patterson

So, the government imported copper from other producing centers. Under one Executive Order, copper came in duty free. In addition, the Metals Reserve Company actually paid a duty of $80 per ton on imported copper and made it available to American consumers. Thus, we were able to get through imports added to our domestic production, an amount sufficient for our wartime needs.

All that has now changed. The only copper coming into the United States now is copper which was purchased by the Metals Reserve Company under contracts entered into before Nov. 10, 1946. The supply of such copper will presently cease. Besides, the government has drawn upon our stock pile of copper and has permitted its sale to the industry, but before the end of March, that stock pile will have completely disappeared.

I do not suppose it is possible for anyone to tell exactly how much copper will be required over the next three years. I do not suppose it is possible for anyone to tell exactly how much domestic copper will be produced in the same period. It has reasonably been estimated, however, that our requirements will run around 1,400,000 tons per year, while our production is estimated at about 900,000 tons per year. Obviously, we will be short 500,000 tons per year, and that deficit can only be made up by imports.

You may say, "All right, go ahead and import 500,000 tons of copper per year." Right there, is where the Congress becomes concerned. It is a little known fact that there is an excise tax of 4 cents per pound on imported copper. 4 cents per pound per ton produces a levy of $80 per ton, in addition to the cost of the copper. Obviously, an increase in the cost of a vital raw material like copper at the rate of $80 per ton will inevitably be reflected in an increase in prices of all items using the copper. Such an additional inflationary factor at this time can have a most serious impact, for it will run into every home in the United States. A manufacturer, for example, cannot say that this item was made from domestic copper and will bear one price, and then sell the same item at a higher price on the ground that it is made from imported copper. No, the price increase will run to all items. Moreover, the really big operator will be able to go into the world market and buy copper while the small operator will not be able to get it at all. Resistance to higher prices will also drive many users to seek lower cost substitutes which, in the long run, might run to a considerable percentage of our ordinary domestic use and thus a partial market, at least, would be lost to our domestic producers. If copper cannot be obtained, unemployment will follow, not only in Waterbury, Connecticut, but in every industrial center, large and small, throughout the United States. For example, for the lack of 20,000 tons of copper, your manufacturer will not produce 1,000,000 automobiles. Differing only in degree, the lack of copper will create a bottleneck in the production of refrigerators, of electric motors, of cable, of wire, of plumbing supplies, and, literally, of thousands of articles. We need copper for our GI housing program. You can't even enter your own house to turn on an electric light switch without realizing the importance of copper. Again, in the national defense field, copper will be an absolute prerequisite to any preparedness program for the defense of our nation just as it has been in the last war. We need to import copper to assure ourselves of an adequate supply for our own protection.

The Congress, if it chooses to do so, can sit idly by and do nothing to protect American workers, American business, the American economy as a whole, against this serious threat. On the other hand, the Congress can take affirmative action and insure the success of our reconversion program. For example, it can repeal the excise tax of $80 per ton and allow copper to be brought into the United States, at least until such time as domestic consumption levels off in reasonable ratio to American production. It has seemed to me that such a step is the most desirable, particularly because three large American producers produce approximately 80% of our American copper output and use most of it themselves. The inevitable result is that all the rest of American industry is bound to bid for the remaining 20% of American production. The possibilities of price rigging inherent in such a situation are obvious. As a matter of fact, it may be pertinent to observe that during the war the price of domestic copper was 12 cents a pound. Early in November it went to 14⅜ cents a pound. On Nov. 12 it went to 17½ cents a pound. I notice in the New York "Times" for Jan. 29 an article which says that the domestic price is now 20½ cents a pound, "the highest price commanded by the red metal since 1929." The New York "Times' " article also says that "increased prices for raw copper must be passed along by boosting the prices of copper products." The bill which I have prepared is designed to remove the excise tax on imported copper, but my proposed amendment to existing law as set forth in Section 3425 of the Internal Revenue Code does not affect any other of the items treated in that section.

*From an address by Rep. Patterson in House of Representatives, Feb. 3, 1947.

'47 Session of School Of Banking at U. of Wis.

The 1947 session of the School of Banking at the University of Wisconsin, will be held at Madison, Wis., June 2-14, it is announced by Harry C. Hausman Chairman of the Board of Trustees of the School, and Secretary of the Illinois Bankers Association, Chicago. The School is sponsored by the Central States Conference. It is stated that the number of applications already received and the rate at which they are coming in indicates that the enrollment for the 1947 Freshman Class of the School will be much larger than originally planned. Mr. Hausman urges banks which plan to send men to the School this coming summer to forward their applications at once to Walt G Coapman, Registrar, School of Banking, and Secretary, Wisconsin Bankers Association, 312 East Wisconsin Avenue, Milwaukee, in order that plans may be made for their accommodation.

From the announcement in the matter we quote:

"The first-year students take Basic Economic Problems, Investments I, Commercial Bank Credit and Law. The second-year students take Commercial Bank Administration, Investments II Urban Real Estate Financing, and Agricultural Economics and Agricultural Credit. Herbert V. Prochnow, Director of the School, and Vice-President of the First National Bank of Chicago, announces the following courses for the third-year men, the first graduating class of the School: Trust Department Operation and Management Investments III, Country Banking, Departmental Administration (covering savings, personnel, foreign, travel and safe deposit departments), Public Relations and Advertising and World Banking Systems and Problems. All classes take the evening Seminars, dealing with current economic, banking and monetary problems."

Director Prochnow also announces the following additions to the faculty of the School: K. J. McDonald, President of the Iowa Trust & Savings Bank, Estherville, Iowa, who served as Chairman of the Country Bank Operations Commission of the American Bankers Association for the first two years of its organization, will have charge of the course in Country Banking. Francis M. Knight, Vice-President of the Continental Illinois National Bank & Trust Company, will lecture on the subject of Government Bonds; John Grier, Vice-President of The First National Bank of Chicago, who was on the faculty last year, will again lecture on Government Bonds.

The Financial Advertisers Association will organize the course in Public Relations and Advertising, and Dale Brown, immediate Past-President of the Financial Advertisers Association, and Assistant Vice-President of the National City Bank of Cleveland, will direct the course. He will be assisted by bank public relations officials. Eugene P. Gum, President of the Central States Conference, and Secretary of the Oklahoma Bankers Association, reports that there will be students in attendance from other widely scattered States as well as from all of the 16 States in the Conference.

How Will Such Nonsense Now Be Received?

"In a substantial sense the problem of guaranteeing wages is a problem of supplementing unemployment insurance. Unfortunately, such supplementation is not legal under existing legislation, except perhaps in a few States, since guaranteed wage payments are regarded as earnings and therefore disqualify the recipient for unemployment compensation benefits.

"But assuming that supplementation becomes possible, the liberalization of unemployment insurance payments might well have the same stimulating effect on wage guarantees as the creation of old age and survivors insurance had on the inauguration of the voluntary retirement annuity systems."

* * *

"That loss [of real income following 1929], if it had been productively used, would have been sufficient to build all the railroads in the country; to have substantially rebuilt the cities, and to have permitted the replacement of all obsolete and obsolescent equipment in the entire country.

"But this was not done. The principal loser but by no means the only one was the American worker. Total unemployment, and the partial loss of income through reduced hours of work, which affected millions of workers, also threatened the security of other millions."

* * *

"But widespread guaranteed wage plans * * * will aid in removing the dead hand of fear from labor-management relations and from the economy, permitting the lifting of those restraints on productivity which have been characteristic of employment insecurity.

"The guarantee of wages is not a panacea, but a tool, and a tool which becomes sharper, not duller, with wide and more intensive use."—Report on guaranteed wages to the Advisory Board of the OWMR.

Here are some extracts almost at random from a report of strictly New Deal origin. The reception now accorded it will serve as one indication of the progress we are making back to economic security.

Provident Trust of Phila. Plans Seminars

W. Logan MacCoy, President has announced that Provident Trust Company of Philadelphia is sponsoring a series of seminars designed to be helpful to banks throughout the State which have trust departments. The first seminar will be held on Feb. 14, in the offices of the Provident Trust Company. In making this announcement, Mr. MacCoy stated, "It has been our opinion for some time that much benefit would be derived if trust men met to discuss questions of current interest. These meetings will provide an opportunity for trust officers of Pennsylvania banks to exchange ideas and explore common problems. Attendance will be limited to small groups to encourage the fullest participation by those present."

Carl W. Fenninger, Vice-President, will preside at the meetings Topical discussions and the Provident officers who will lead them are: "Trust Administration and Operations," Louis W. Van Meter. Vice-President; "Trust Investments," Mr. Fenninger and Robert Coltman, Assistant Vice-President; "Taxation," John E. Williams, Trust Tax Officer, an authority and writer on tax matters; "Business Development Programs," William B. Bullock, Vice-President, and Francis C. Trimble, Estate Planning Officer.

An outline of "Real Estate and Mortgage Investments" by Neil A. Thomas, Assistant Real Estate Officer, will complement the discussion of Trust Investments. Common problems under existing laws will be examined together with possible application of statutes likely to be submitted to the State Legislature. The latter include the proposed Estates Act, the Wills Act and the Intestate Act.

House Committee Would Ban 3rd Term

The House Judiciary Committee, by a vote of 20 to 6, has approved a proposal to amend the Constitution to limit to eight years the maximum which any President might remain in the White House. The group voted for approval, according to Associated Press Washington advices, on Feb. 4, a day after its subcommittee had voiced approval. Written by Representative Earl C. Michener (R., Mich.), Chairman of the Judiciary Committee, the amendment, said the Associated Press, would limit Presidential tenure to two terms of four years each, whether consecutive or not, and construe a term to mean all or part of one. A Vice-President succeeding to the Presidency because of a vacancy could be elected only for one additional four-year term.

An amendment offered by Representative Walter (D., Pa.), to limit the tenure to a single term of six years was rejected at the closed committee session by a vote reported as 19 to 7.

Before the amendment could become effective it would have to be approved by two-thirds of the House and Senate, and ratified by at least 36 of the 48 States. Republicans have indicated their certainty of mustering the required two-thirds vote in the House.

Congress Committee Takes No Issue With President's Economic Report

Senator Taft presents statement of Joint Congressional Committee on President's short-range and long-range recommendations. Committee holds basic problem is to prevent depressions and maintain full employment.

Sen. Robert A. Taft (R.-Ohio), as Chairman of the Joint Congressional Committee on the Economic Report, made recently by President Truman under the so-called "Full Employment Act" passed last year, presented the following statement of the committee to the Senate on Jan. 31:

The Joint Committee on the Economic Report was established under the terms of section 5 of Public Law 304, approved Feb. 20, 1946. Section 5, as amended by Public Law 601, approved Aug. 2, 1946, reads in part, as follows:

"Sec. 5. (a) There is hereby established a Joint Committee on the Economic Report, to be composed of seven members of the Senate, to be appointed by the President of the Senate, and seven members of the House of Representatives, to be appointed by the Speaker of the House of Representatives. The party representation on the joint committee shall as nearly as may be feasible respect the relative membership of the majority and minority parties in the Senate and House of Representatives.

"(b) It shall be the function of the joint committee—

"(1) to make a continuing study of matters relating to the economic report;

"(2) to study means of coordinating programs in order to further the policy of this act; and

"(3) as a guide to the several committees of the Congress dealing with legislation relating to the economic report, not later than Feb. 1 of each year (beginning with the year 1947), to file a report with the Senate and the House of Representatives containing its findings and recommendations with respect to each of the main recommendations made by the President in the Economic Report, and from time to time to make such other reports and recommendations to the Senate and House of Representatives as it deems advisable."

Although the act became a law Feb. 20, 1946, the President did not appoint the Council of Economic Advisors provided for by section 4 of the act until July 25, 1946. This joint committee was not appointed until just before Congress adjourned, and it was not practicable to set up a staff or begin the work during the last Congress. Five members of the committee were not elected to the Eightieth Congress, and it was necessary to reconstitute and reorganize the committee this month. No staff has yet been appointed. The problems to be considered by the committee are the most complex economic problems which the country faces, and it is vitally important that the best possible staff and consultants be procured in order that the best possible studies may be made. The committee is now engaged in canvassing the qualifications of a number of men for this work, but as yet has not selected these men or begun the necessary studies.

The committee has considered the report of the Council of Economic Advisers to the President, made in December 1946 (S. Doc. No. 6), and the Economic Report of the President transmitted to the Congress on Jan. 8, 1947 (H. Doc. No. 49). It has particularly considered the recommendations of the President in the short-range program appearing on pages 20, 21, and 22 of his report. The committee agrees with the President that removal of wartime controls and the return to a freer economy places on business, farmers, labor, management, and consumers the main responsibility for working out price and wage relationships. The committee joins in the President's hope that business will reduce prices; that labor will refrain from excessive wage demands; and that both will bend every effort to increase productivity.

The basic problem which this committee has to consider is the method of preventing depressions so that substantially full employment may be continuously maintained. No problem before the American people is more vital to our welfare, to the very existence of our way of life, and to the peace of the world. It is the most complex and difficult of all the long-range domestic problems we have to face. It involves a study of price levels and wage levels and their relation to each other, a study of methods of preventing monopoly control in industry and labor from distorting prices and wages, a study of spending for consumption and for capital investment, a study of individual and corporate savings, and a study of many other economic forces bearing on a stable economy.

Until we have further studied and analyzed the basic considerations which underlie this problem, we do not feel we should become involved in controversy on current issues which have many aspects besides their effect on the prosperity of the country.

With regard to the President's long-range program, no immediate recommendations are necessary. The committee will proceed to consider his different proposals as rapidly as we can reach them, to determine whether they bear a relation to the principal task of this committee and, if they do, make recommendations to Congress with regard to them.

The committee notes with approval that the report places special emphasis upon an over-all policy directed toward the preservation in agriculture of the family-sized farm (p. 25) and in industry of free competitive enterprise (p. 28). The details of a program to prevent another agricultural depression and of an affirmative program, in the words of the report, "to enlarge the opportunities for efficient and enterprising small businesses" will be among the primary subjects of committee study.

Regardless of the recommendations of the report on which there may or may not be controversy, it is our desire to commend the compilation of statistics and economic facts which are contained in the President's report and furnish a substantial basis for further study.

Robert A. Taft, chairman; Jesse P. Woolcott, vice chairman; Joseph H. Ball, Ralph E. Flanders, Arthur V. Watkins, Joseph C. O'Mahoney, Francis J. Myers, John Sparkman, George H. Bender, Walter H. Judd, Robert F. Rich, Edward J. Hart, Wright Patman, Walter B. Huber.

Potts Member of Clearing House Committee

Frederic A. Potts President of the Philadelphia National Bank of Philadelphia, Pa., was elected to membership on the Philadelphia Clearing House Committee to succeed Evan Randolph, who resigned, it was stated in the Philadelphia "Evening Bulletin" of Jan. 21.

U. S. Participation in Management Congress Supported by C. & I.

Formation of a Commerce and Industry Committee to support U. S. participation in the forthcoming 8th International Management Congress to be held in Stockholm, Sweden in July, 1947, was announced at a luncheon at the Hotel Commodore in New York by William L. Batt, President of S. K. F. Industries, Inc., and of the International Committee of Scientific Management, sponsors of the Congress. The Stockholm assembly will be the first world management Congress to be held in eight years. Holgar J. Johnson, President of the Institute of Life Insurance, and Edgar Kobak, President of the Mutual Broadcasting System, were named Chairman and Vice-Chairman of the newly formed committee, whose function will be to acquaint American management generally with the purposes of the Congress and to enlist support of it. Among other members of the committee meeting yesterday were a number who helped sponsor the last International Congress, which took place in 1939 at Washington, D. C.

Speaking informally at the New York meeting, Mr. Batt, who throughout the war was Vice-Chairman of the War Production Board and is now Chairman of the Inter-Agency Policy Committee on rubber, reported on two recent trips to Europe. He hailed the forthcoming Congress as potentially of tremendous importance in filling Western Europe and North and South America's need for U. S. help in guidance in management skills and in techniques learned during the war.

Heads Dallas Clearing Assn.

J. B. Adoue, Jr., President of the National Bank of Commerce of Dallas, was elected president of the Dallas Clearing House Association at the annual meeting of the Association on Jan. 25. In its issue of Jan. 28 the Dallas "Times Herald" reporting this said:

Mayor Pro Tem of the City of Dallas and a widely known civic and business leader, Mr. Adoue succeeds Nathan Adams, Chairman of the Board of the First National Bank.

R. L. Thornton, active Chairman of the Board of the Mercantile National Bank, was elected Vice-President, a post held by Mr. Adoue during the past year.

In addition to his business and political functions, Mr. Adoue served during the past year as Vice-President of the Community Chest and Council, Inc. He headed the Dallas Community Chest drive for successive years in 1942-43.

Fred S. Mansfield, Secretary-Manager of the Dallas Clearing House Association, and Gary A. Jones and Ivan C. Patterson, Assistant Secretary-Managers, were re-elected.

Hoover on Food Survey

Former President Herbert Hoover who left New York by plane for Germany, on Feb. 2, to undertake at the request of President Truman a survey of the food situation in the American and British occupation zones arrived at Frankfort on Feb. 4. Mr. Hoover was accompanied by Hugh Gibson, former Ambassador to Belgium, and Dr. D. A. Fitzgerald, Secretary General of the International Emergency Food Council, advices to the New York "Times" stated.

The former President was not certain as to how long he would be gone on this third postwar food mission, the purpose of which is to find some way of aiding Germans and Austrians in the western zones to feed themselves and reduce the American taxpayers' burden.

The State of Trade

In the field of industrial production it was noted that total output last week held close to the very high levels that characterized it in recent weeks. There was little evidence of the usual seasonal decline in employment. In the week ended Jan. 25 total continued claims for unemployment compensation fell more than 1%, while initial claims slumped almost 15%. For the period from December to January the Census Bureau reported a decline of 920,000 persons from the employment rolls. It should be pointed out that some 710,000 of this total represented seasonal curtailment of agricultural work. The remainder were engaged in non-agricultural employment which experienced the customary drop following the close of the Christmas holidays. The rise in unemployment for the period just mentioned, the Census Bureau revealed, numbered 300,000 persons, bringing the total to 2,400,000.

The latest available indicators of industrial and business activity show fractionally lower to moderately higher changes. In the case of steel ingot production a slight decline occurred last week along with electric power output and daily average crude oil production. Loadings of revenue freight, bituminous coal output and lumber production were all higher for the week. In the case of lumber for the week ended Jan. 25, output rose for the fourth consecutive week being up more than 3%, while shipments increased about 10.5% and orders by 6%. It is also worthy to note that price declines were in evidence in some types of lumber the past week. Flour production too, showed an increase of nearly 2% in the week ended Jan. 25, while butter and cheese output held close to the level of the preceding week and were well above that of a year ago. Meat production declined for the first time this year in the week ended Jan. 25, being down about 15%, but notwithstanding the drop, it was double the output of the corresponding 1946 week.

There was a noticeable improvement in the supply of durable goods with household and electrical appliances more plentiful last week than in many previous weeks. In the matter of steel, many manufacturers pressed for increased shipments but few new orders were accepted for delivery beyond the first half of this year. The available supply of copper wire scrap was reported to be more liberal than in previous weeks, but other scrap stocks generally were limited. Further increases in output of home appliances were hampered in some cases by the limited stocks of steel and the difficulty of obtaining additional small electric motors, but notwithstanding these shortages, production generally was near the high levels of past weeks.

Consumer caution and continued resistance to high prices were reflected in the slight decline in total retail volume last week. Dollar volume in the week ended last Wednesday continued to compare favorably with that of a year ago. Interest in durable goods generally was sustained at a high level, while both food and apparel volume dropped fractionally.

Wholesale volume was slightly below that of the preceding week but it remained considerably above that of the corresponding week a year ago. Trading was light and order volume was limited generally to reorders. Buyers continued to be cautious in regard to both price and quality.

Steel Industry—Unbridled bidding between steel companies for scrap located in districts remote from the mills has caused one of the worst cases of maldistribution in scrap market history and at the same time precipitated some of the highest delivered prices for scrap on record, "The Iron Age," national metal-working paper, reveals in its summary of the steel trade for the past week. Practically every large mill is and has been going into territory far removed from the point of consumption, bidding up prices to which must be added substantial freight charges in order to deliver the material to the openhearths.

Practically all quotations in the major steel centers such as Pittsburgh, Chicago, Cleveland and Youngstown, the magazine adds, are almost meaningless in view of the inability of consumers to pick up tonnages there at current quotations. Representatives of Pittsburgh steel companies are paying as much as $36.00 to $39.00 a ton in order to bring material in from such points as New York, Boston and Philadelphia. In Chicago some large consumers are paying as much as $33.50 to $34.00 a ton delivered in order to bring material in from the Middle West and from Texas locations, while the local price remains static with little or no tonnage moving at that figure.

One of the basic reasons for the runaway scrap market is the tie-in and earmarked sales of scrap which grew up because of the tight steel situation. Some steel companies are still engaging in sales practices which require that the consumer of steel furnish a stipulated tonnage of scrap in order to obtain steel supplies. In some cases these same consumers, "The Iron Age" states, have entered the scrap market and bid the price up beyond what would have normally been the case had regular brokers and dealers been allowed to ply their trade in a normal manner.

Some major railroads have been unable to obtain some of the high scrap prices because of the customer relationship between steel companies and the railroads and due to the fact that the carriers are fearful to take any step which might react unfavorably on their ability to obtain steel supplies. Large manufacturers for the most part earmark their scrap for return to steel companies which supply them wth new steel. In most cases these manufacturers, "The Iron Age" points out, are not receiving some of the higher scrap prices which are representative of spot market sales and involve dealers' material which supplements the other scrap which normally flows to steel company furnaces.

Had it not been for an outlaw strike at the Aliquippa works of Jones & Laughlin Steel Corp. and a shortage of gas in the Pittsburgh district the national steel operating rate would have shown a slight increase last week.

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 93.7% of capacity for the week beginning Feb. 10, 1947, compared with 93.4% one week ago, 91.8% one month ago and 5.5% one year ago, the steel strikes accounting for a sharp curtailment of operations. This represents a decrease of 0.3 points from the previous week.

The week's operating rate is equivalent to 1,639,700 tons of steel ingots and castings and compares with 1,633,700 tons one week ago, 1,607,300 tons one month ago and 96,900 tons one year ago.

Electric Production.—The Edi-

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As We See It

(Continued from first page)

the existence or continuance of this struggle as the way the tide of battle seems to have been going of late. Are the planners still as strong as ever, still able very largely to have their way in substance even if they have to make some concessions as regards the shadows? Or did the elections of last autumn and the "swing to the right" attributed to the President since last November mark a turning of the tide?

In approaching these questions it is, of course, essential that it be fully and constantly recognized that the lines of battle are not merely between labor unions and employers. If that were the case, the whole situation would be vastly simpler than is actually the fact. The truth of the matter is, however, that many of the issues which separate employers and the union also divide government and, for that matter, the general public into opposing camps—or perhaps more accurately, into confused and confusing groups. To get our bearings in this situation it is necessary to take into full account all these aspects of the current state of affairs and to form some sort of judgment about the relative strength of the sundry elements constituting the opposing forces.

They Had Help

We may take it for granted that the unions would today be far less ambitious in their demands, and certainly far less successful in making claims of all sorts on management, had they not had such unlimited and, on the whole, such effective support from powerful political figures, the entourage they gathered about them, and the legislation which they were able to place upon the statute books of the nation. This, of course, is particularly true of Franklin D. Roosevelt, who for a dozen years dominated politics and popular thought in the United States. The prestige of political power and of pseudo-academic learning, was brought to the aid of the unions. The special pleading of Mr. Roosevelt himself on behalf of the "underprivileged" were enough to give the wage earner the support of large masses of people, a fact of which professional leaders of union labor were quick enough to take advantage. The "baiting" of business men which for a number of reasons became quite popular, and in the hands of the New Deal quite profitable, added to the effect.

But in addition to all these political tricks, which had for a great many years been repeatedly although never perhaps, so effectively employed, was the development and popularization of certain notions about "purchasing power." It would scarcely serve any good purpose to inquire into the origins of these strange notions about this always much misunderstood subject. Suffice to say that notions grew up during the depression of the 1930's which attributed the difficulties of that period to the want of "purchasing power." The theories have never been placed on any thoroughly systematic basis. If careful attempts had been made to do so, the absurdities of the doctrines could scarcely have been overlooked or long concealed. But the vague theories of men who knew relatively little about what they were saying sufficed to give the general impression that "busts" which follow "booms" are regularly the result of the strange "fact" that the masses were somehow robbed of their ability to purchase that which they themselves had produced or created.

Foolish Doctrine

The fact that a purchase and a sale are but the opposite sides of the same transaction, and that hence the sum total of all the purchases (including those of labor and of capital) must of necessity equal the sum total of all the sales involved in the production and distribution of goods, seems not to have been realized or understood by these theorists so eager to find a cause and cure of the "booms" and "busts" of history. Otherwise it would have been obvious that the very process of production inevitably creates "purchasing power" in an amount sufficient to absorb the goods brought into being. The fallacy is an old one, but never has it been so broadly accepted and so hard worked as during the past dozen or 15 years.

But what we are concerned with here is the fact that such a theory, once it obtains general acceptance (as it did through the salesmanship of the New Dealers), is made to order for the unions and others who wish not only to raise wages, but to be in a position in the future to control payment to labor. When, moreover, such ideas as these are coupled with another notion which the New Deal sold liberally to the American public—the planlessness and hence the resulting chaos of the production and distribution processes when left to themselves — the "perfect case" for most of what the unions and the other planners advocate has been made.

All this, plus legislation which has created an airtight labor monopoly in this country, give the unions the power to engage in this life-and-death struggle with management. The question now is: are we making headway in checking this advance of the enemy?

As to this we are hopeful, but far from certain.

Business Failures in Dec.

Business failures in December were higher in number and amount of liabilities involved than in November and December, 1945. Business failures in December, according to Dun & Bradstreet, Inc., totaled 141 and involved $17,105,000 as compared with 104 in November involving $12,511,000 liabilities and 42 involving $1,824,000 in December a year ago.

Only the retail trade group had less liabilities in December than in November. When the amount of liabilities is considered, all groups with the exception of the manufacturing and commercial service groups had more liabilities involved in December than in November.

Manufacturing failures in December increased to 58 from 38 in November but liabilities were down to $7,217,000 in December from $8,492,000 in November. Wholesale failures in December numbered 16 with liabilities of $7,796,000 against eight in November with liabilities of $289,000. Retail failures in December were lowered to 35 from 36 in November but liabilities were up to $1,025,000 in December from $392,000 in November. Construction failures numbered 18 with liabilities of $266,000 in December as compared with nine with liabilities of $136,000 in November. Commercial service failures in December numbered 14 against 13 in November, but liabilities were down to $801,000 in December from $3,202,000 in November.

When the country is divided into Federal Reserve districts, it is found that the Richmond, St. Louis and Dallas Reserve districts had fewer failures in December than in November and that the Minneapolis Reserve district had the same number, while the remaining districts had more failures in December than in November. When the amount of liabilities is considered it is seen that only the Cleveland, Chicago, St. Louis, Kansas City, Dallas and San Francisco Reserve districts had less liabilities involved in December than in November.

Truman Asks Appropriat'n Increase for Vets. Admin.

President Truman is reported to be seeking an additional appropriation of $2,139,114,500 for the Veterans Administration in the current fiscal year ending June 30, which, if granted by Congress, would raise the total of veterans' appropriations this year above $9,000,000,000. Associated Press Washington advices Feb. 3 stated:

"The money requested includes $307,258,000 for medical, hospital and domiciliary services; $873,836,000 for readjustment benefits; $535,711,000 for national service life insurance, and $441,665,000 for pensions.

"The President also asked $781,988 in supplemental appropriations for other executive agencies. These were: National Labor Relations Board, $695,700; Smithsonian Institution, $25,100; judiciary, $55,588, and Supreme Court, $5,600.

"In addition, Mr. Truman submitted a $2,250,000 upward revision in the Interior Department budget estimates for the 1948 fiscal year, which begins July 1. This revision would: Increase the Southwestern Power Administration budget from $2,325,000 to $3,725,000;

"Allocate an additional $250,000 to the All-American Canal unit of the Boulder Canyon project for the operation of a diversion dam;

"Raise the allocation for roads in Alaska from $3,753,000 to $4,353,000."

Agricultural Department General Crop Report as of October 1

The record volume of crop production is now virtually realized. Crops have reached harvest under mostly favorable, almost ideal conditions. In fact, killing frosts had not occurred by Nov. 1 in most important production areas, even in the North. Harvest is near completion, the chief exceptions being about the usual proportion of the huge corn crop in the North, and of cotton in the South, along with others usually completed in November. The extended growing season during October improved both yields and quality of most products, though at the same time exposing them to further damage by storms and floods. Prospective production of corn increased slightly, to 3,381 million bushels. Soybeans, potatoes, tobacco, apples, pears, grapes and sugar beets also improved during October. Practically the only offsetting decline was in production of cotton. With small-grain crops already harvested, production of the eight grains is expected to reach 165 million tons, the largest tonnage ever produced. Oil crops as a group are still below last year in production.

Estimated aggregate volume of production in 1946 is indicated on Nov. 1 at 3 points above the previous peak, in 1942, and 27 points above the 1923-32 level. Changes during October raised the index of all crop production only slightly. Important factors in this year's achievement are the record crops of corn, wheat, potatoes, tobacco, peaches, pears, plums and truck crops, and near-record crops of oats, rice, soybeans, peanuts, grapes, cherries and sugar cane. Also contributing are better than average crops of hay, flaxseed, sorghum grain, buckwheat, dry peas, sweet potatoes, apples, prunes, apricots, hops and sugar beets. Continuing to decline production of cotton and cottonseed is, with the exception of 1921, the smallest since 1895. The list of below-average crops also includes rye, broomcorn, dry beans and pecans.

Yields per acre reached new heights this year for corn, potatoes and tobacco. Except for rye, rice, peanuts, and wild hay, every crop is yielding better than average. As a result, the composite yield index is 134% of the 1923-32 average, exceeded only by the previous high mark of 136 set in 1942. Reported yields of "all crops" are higher than average in all geographic regions, except the South Central, but are lower than in 1942 in all regions. The acreage estimated for harvest is slightly less than in each of the past three years, though larger than in any of the 10 years preceding 1943.

October weather was mostly favorable to ideal for maturing late crops and for harvesting. Most farm work of all kinds is well advanced, as the weather permitted the most efficient use of time, labor, and machinery. Weather was less favorable in two areas. In one, including adjacent parts of Minnesota, Iowa, South Dakota and Nebraska, wet weather delayed curing and harvesting of corn; cool dry days were needed. In the Mountain States, following a period of mild weather, cold stormy weather prevented harvest of valuable potato and sugar beet crops, with some loss of potatoes by freezing. In most other areas, though rainfall was at least adequate it interfered to a minimum extent with harvesting, plowing, seeding and other fall work. Crops matured mostly without freeze damage, even to the latest planted fields, adding to the quantity and quality of production. Though corn harvest has been delayed in the northwestern part of the Corn Belt, it has progressed seasonally in most other areas, with relatively large quantities moving to supply commercial needs.

Seeding of fall grains has been mostly completed. In some East North Central and Plains areas soil moisture had been short and apprehension was felt at the usual seeding time; however, adequate rains in October, encouraged germination and brought fields up to good stands. Progress has been very good. In the Great Plains especially, where fall moisture is of paramount importance, prospects have seldom been better. Only in Louisiana was the soil so dry as to retard progress of fall-sown crops. Wheat is furnishing abundant pasture from Kansas southward. The extended fall season has enabled farmers to carry out their seeding intentions, sometimes to exceed them, seeding wheat after corn, beans, soybeans and other crops had been harvested. In New Mexico, the current favorable moisture situation, coupled with the large acreage of land lying idle because of the spring and summer drought, has encouraged fall seedings.

Corn harvesting made good progress in the South, Northeast, and Eastern Corn Belt. In Illinois about the usual proportion had been husked by Oct. 31. Weather and high moisture content has delayed cribbing of corn, though much has been shelled early and rushed to meet market demands. Because of small carryover stocks, feeding of new corn is heavier than usual. Harvest of the record crop of excellent quality will proceed rapidly if November brings the usual good drying weather. Prospects for sorghum grain remained virtually unchanged at 88 million bushels. Rice production maintained its near record outlook of 70 million bushels as freeze damage in Arkansas and flood damage in Texas was offset by improvement elsewhere. Average buckwheat prospects of 7.3 million bushels were maintained, despite some slight freeze loss in late fields in northern sections. Production of all grains, including also wheat, oats, barley and rye already harvested, is expected to reach 165 million tons. Of this, 127.7 million tons are feed grains and 37.4 million tons are food grains, each group total the largest ever harvested in this country.

Yields of burley and flue-cured tobacco are turning out better than anticipated a month ago. Both the yield per acre and production of tobacco are the highest on record. The same is true of potatoes, for while some freeze losses occurred in important Western areas, the extended growing period elsewhere helped to attain an average yield per acre 25 bushels larger than in any other year. Sweet potatoes fell below Oct. 1 expectations, but are still a slightly better than average crop. The soybean crop profited by the favorable fall season which enabled late-planted fields to mature, others to attain maximum yield and quality, and all to be harvested with minimum loss. The result is a near-record yield per acre and a soybean production exceeded only in 1943. Dry beans failed to reach expectations in Michigan and New Mexico, the decline more than offsetting improved outturns elsewhere. Sugar beet yields and production improved during October, but some difficulty is being experienced in harvesting the crop in Mountain States. There was no change in sugar cane prospects as harvest got underway. Improvement in broomcorn prospects in New Mexico offset declines in Colorado and Kansas to maintain a production estimate of 40,000 tons. Peanuts are still a near-record crop of 2.061 million pounds, despite declines in yields in Southeastern States.

Dairy and poultry production

was also favored by October weather. Despite fewer laying hens on farms than last year, egg production was higher, due to the highest rate of lay for any October. Total egg production was more than a third above average. The potential layers on farms numbered slightly below average. Dairy cows produced at a record rate during October and despite fewer cows milked, total production fell only slightly below the record set in October 1945. Mild weather, availability of late pastures and ample concentrate feeds all contributed.

Farm supplies of hay and roughage, compared with usual supplies at this season of the year, appear to be adequate. An area of shortage is reported centering in New Mexico and covering parts of the adjacent States of Arizona, Utah, Colorado, Oklahoma and Texas. Moderately light supplies are available in parts of Arkansas and several Southeastern States, in sections adjacent to lower Lake Michigan, in northern and western North Dakota, central Nebraska and perhaps other local areas where dry weather earlier in the season limited hay production. Supplies are abundant in coastal States from Maine to North Carolina and adequate in the Corn Belt and Border States. In most of these instances, pastures are still available and furnishing enough feed to reduce the period in which roughage feeding will be necessary. Pasture condition is well above average, though lower than on Nov. 1 in 1941, 1942 and 1944. Pastures are relatively poor in several East North Central States. On Western ranges, feed was generally good aside from a few local dry spots and some northern and high areas where frost damaged late growth. The early November snow was hard on cattle and sheep in affected areas and limited gains of livestock on wheat pastures. Marketings of cattle and sheep were heavy during October.

Estimated production this year of six major field seeds—alfalfa, red clover, alsike clover, sweetclover, timothy, and Sudan grass—is 302,961,000 pounds of clean seed. This is 13% more than was produced in 1945 and 4% more than the 1940-44 average. Production of each of these seeds, except Sudan grass, exceeds that of last year. Three of them—alfalfa, red and alsike clover—are above average in production, while the other three—sweetclover, timothy and Sudan grass—are below average. The acreage of the six seeds harvested this year totals 4,438,900 acres, compared with 3,932,700 acres in 1945 and the five-year average of 3,415,710 acres. Acreage each of alfalfa, red clover, and alsike clover was larger this year than last and also larger than average, but acreage of sweetclover, timothy, and Sudan-grass seed was below 1945 and also below average.

Harvest of the largest tonnage of deciduous fruits ever recorded was practically completed in all commercial areas during October. Production of the nine principal deciduous fruits aggregates 10,095,000 tons—19% above 1945, 14% above average and 2% above the previous record in 1937. The 1946 deciduous fruit production includes record crops of peaches, pears and plums; near-record grape, cherry and apricot crops; and about average apple and prune crops. Also a record citrus production is indicated for harvest this fall, winter and next summer, about 13% more than the previous record total from last year's crop and about 56% greater than average. Production of tree nuts totals 151,000 tons—11% below the record highs of the past two seasons but still 14% above average. Pecans were 27% below average, but walnuts are above average, while almonds and filberts are record large crops.

As the 1946 season for harvesting truck crops for commercial processing approaches an end, an aggregate production of 11 important vegetables near the record-high 1942 figure, is being realized. This year's estimated production of 42,020 tons of green lima beans for canning and freezing is the largest on record—21% above the previous record of 1945 and 52% above the 1935-44 average. The 1946 production of cucumbers for pickles, is placed at 9,879,000 bushels, 24% above the 1945 production, 19% above the preceding record-high crop of 1942 and 52% above the 1935-44 average production. In Georgia and California, pimiento processors obtained an estimated 22,350 tons in 1946, the third largest crop on record. The yield per acre is the highest since 1934, largely on account of favorable growing conditions in Georgia, where most of the acreage is located.

It is now apparent that production of truck crops for the entire year—winter, spring, summer, and fall—will be a new record high, probably about one-tenth greater than in 1945 and four-tenths above the 1935-44 average. New records are indicated for cantaloups, cauliflower, celery, eggplant, Honey Dew melons, lettuce, onions, green peppers, tomatoes and watermelons. All other crops except artichokes, Honey Ball melons, kale, green peas, and shallots are expected to be well above average. With a late fall permitting most commercial truck crops in northern and eastern areas to mature without freeze damage, tonnage of fall vegetables is expected to be about 10% greater than the high record of last fall. Eight of the 13 fall crops are expected to exceed all previous records for production, and the indicated carrot crop was exceeded only in 1943 and 1945. Prospects for a record snap bean crop were blasted by a storm which struck Florida on Nov. 1, destroying much acreage outright and reducing yields on the remainder.

Corn

The 3,381 million bushel corn crop estimated on Nov. 1 is the largest of record—exceeding the previous banner crop of 1944 by 177 million bushels. It is 12% larger than last year, and 30% above the 1935-44 average. A decrease of 7 million bushels in the North Central States was more than offset by increases in all other regions to give a net gain of 6 million bushels over the Oct. 1 estimate. The yield per acre of 37.0 bushels is 1.8 bushels larger than the previous record high yield of 35.2 bushels in 1942, 3.9 bushels higher than 1945 and 8.5 bushels above the average.

These estimates, as usual, include corn for all purposes—grain, silage, forage, hogging and grazing. Corn to be harvested for grain is currently estimated at 3,080 million bushels, approximately 91% of all corn, compared with 2,699 million bushels for grain in 1945, which was 89% of all corn production.

Further favored by nearly ideal maturing weather in October, the 1946 crop is expected to be of high quality in almost every part of the country. Nearly all late corn matured without frost damage. This contrasts sharply with last year when there was much "soft" corn in the Corn Belt, particularly in western Illinois, northern Missouri, northern Iowa and southern Minnesota.

All corn was safe from frost on Nov. 1. But since some of it was too high in moisture for cribbing and the fields were too soft for mechanical pickers, husking in the Corn Belt had not progressed as rapidly as expected. Farmers in some areas, particularly in the northwestern part of the Corn Belt, were awaiting the drying out effect of a killing frost and clear weather so that husking could proceed at a rapid pace. Illinois had about two-fifths of the husking completed on Nov. 1, the usual progress for this date. Iowa's crop was only about a tenth picked and that mostly for immediate feeding. Iowa's estimated production dropped 11 million bushels from last month, but even so the crop is still indicated to be 57 million bushels larger than the previous record set in 1943. In Illinois, the 1946 crop is expected to be 71 million bushels more than the biggest crop heretofore harvested. A drop of .5 million bushels in the Indiana crop since Oct. 1 still leaves the 1946 production at a record high level. Ohio prospects improved slightly with the production now indicated only 2 million bushels short of the record large crop of 1942. A long summer drought in Michigan resulted in the lowest yield per acre in that State since 1936 and the smallest production since 1941. Minnesota's crop which is about one-fourth picked is only 3 million bushels short of the record production. Missouri and Kansas made good progress in husking during October. In Nebraska husking is about two weeks later than usual because of the high moisture content of the corn. Quality in all the Corn Belt States except South Dakota is considerably above average.

In the northeast, October weather was unusually favorable for maturing late corn and for husking. In general corn for grain is of good quality, but in Pennsylvania there is some "soft" corn. Husking in the southeastern part of that State is about half finished. Production in this group of States is the largest since 1925.

With the exception of 1945, the South Atlantic States are husking the biggest corn crop since 1921. Quality is good. North Carolina has the largest crop in its history largely because of a record-high yield per acre. Maryland and South Carolina yields are also record highs. Virginia has husked about a third of its good quality crop.

The South Central group of States is harvesting the largest corn crop since 1942. Except in the cotton section, where husking was delayed for cotton picking and in the northern part of the area where the crop matures later, harvest is nearing completion. Kentucky and Tennessee yields are the highest of record and quality is excellent. The yield per acre in Kentucky this year is 6.0 bushels, or 19%, above the previous high established last year.

In Colorado, where more than half of the corn in the Western States was produced this year, the crop is turning out much better than expected earlier. Yields per acre are above average in each State of the western group, but production is the smallest since 1940 because less acreage was grown this year.

Buckwheat

The 1946 crop of buckwheat, estimated at 7,289,000 bushels, is practically "in the bag." The open October weather was favorable for maturing the crop, and harvesting and threshing were further along than usual by November 1. Moderate frost damage occurred in some late fields in northern sections, but had little effect on total outturn. Yield estimates are generally unchanged from last month. The yield of 18.1 bushels per acre is about 2 bushels per acre above last year. Per acre yields are substantially better than last year and above average in New York and Pennsylvania, which produced three-fifths of the Nation's crop. Indicated United States production is 9% larger than a year ago, but about equal to the 10-year average.

Rice

Rice production is still indicated at nearly 70 million bushels on November 1. This is close to the record crop of last year. Another slight improvement in the Louisiana yield virtually offsets a decline in Arkansas. No changes are indicated in Texas and California yields.

In Arkansas harvest returns have fallen below expectations, as a result of frost damage about October 11-12. More than half of the acreage had been harvested by November 1. Harvest in Louisiana was at least four-fifths complete, with conditions mostly favorable and harvesting loss light. Late fields profited by favorable conditions and were yielding above expectations. In Texas rains caused delays in harvesting and some damage to rice still in fields. In the Beaumont area a 7.7 inch rain caused heavy flood damage to the unharvested acreage. This loss, however, was offset by other factors tending to increase production. Threshing of rice was general in California on November 1, about 10 days ahead of most recent years. Conditions were ideal for harvesting. With nearly two-thirds of the acreage harvested, driers were becoming congested.

Potatoes

The estimated national potato crop of 477,904,000 bushels is a record-high. It is 6.8 million bushels above the October 1 estimate and exceeds the 1943 production, which was the previous record, by almost 13 million bushels. Production in 1945 was 425,131,000 bushels and the 1935-44 average is 372,756,000 bushels. The 175.3 bushel yield per acre indicated for the United States exceeds the previous record-high yield harvested in 1945 by about 25 bushels.

In the eastern and central parts of the country, good growing weather in early October permitted potatoes still in the ground to increase in size more than usual. Weather also favored harvest of the crop in those areas during the latter part of October. However, in the western part of the United States, especially in Idaho and Colorado, there was some freeze damage during the past month.

The crop of 358,184,000 bushels estimated for the 30 late potato producing States is 5.8 million bushels below the record-high crop produced in 1943. For the 18 surplus late potato producing States, production is placed at 323,329,000 bushels, compared with 328,581,000 bushels in 1943.

About two-thirds of the increase in the estimated production between October 1 and November 1 is in the eastern part of the country. Compared with a month earlier, higher yields are indicated for each of the New England States except Massachusetts, upstate New York and Pennsylvania. Harvest is practically complete in this part of the Nation and has been accomplished without any appreciable freeze damage. Maine has a record-high production and record-yields have been harvested in upstate New York and Pennsylvania. In Aroostook County, Maine, a good set of tubers developed to better-than-average size. The quality of the crop in Aroostook is good to excellent. Tubers harvested in upstate New York are of good size and quality, but some rot is beginning to appear in storage. Tubers produced in most areas of Pennsylvania are very large. In the Potter plateau area of this State, much rot has shown up in deep storage bins.

The increase in the production estimated for the central part of the United States reflects higher yields than were expected a month ago in Michigan, North Dakota, South Dakota, Ohio and Iowa. Harvest in this area is practically complete without freeze or flood damage. Quality of the potatoes produced in these States is generally very good. In the Red River Valley, rains in September and early October favored increased tuber growth and production exceeds earlier expectations.

Despite higher yields indicated for Nebraska, Wyoming, Utah, Nevada and New Mexico, total production in the western part of the Nation is below the crop expected a month ago. Both the Idaho and Colorado crops have been reduced by freeze damage. In Idaho, harvest is complete as freezes since the first of November have frozen the small acreage of potatoes remaining in the ground. Acreage remaining undug at the time of these low temperatures are mostly in the south central part of the State. Freeze damage from low temperatures in October is showing up in storage especially in the eastern part of Idaho. In Colorado, freeze damage is confined largely to the San Luis Valley. Harvest of the Nebraska crop is about complete and there has been no appreciable damage from low temperatures. There is some undug acreage in Wyoming, especially in Goshen County.

Production estimated for each of the Pacific Coast States is unchanged from the crop indicated October 1. In Washington, most of the crop has been harvested except for the late farm crop grown west of the Cascades, which is usually dug in late November or early December. Harvest is about complete in the Malheur and Klamath areas of Oregon, but some potatoes remain to be dug in the Crook-Deschutes and western areas. October frost damage in Oregon was confined to the Crook-Deschutes and Baker areas and the acreage affected is small. In California, the Tule Lake crop has produced a very good yield and an excellent crop has been produced in the San Joaquin Delta.

Urges Presidential Succession Change

President Truman on Feb. 5 renewed his appeal to Congress for a change in the traditional line of succession to the Presidency, Associated Press Washington advices stated. Under the present law Secretary of State George C. Marshall currently would advance to the White House if a vacancy should occur before the 1948 elections. Mr. Truman proposes that the Speaker of the House be put in line after the Vice-President, and after him, the Senate's President pro tempore. The President's proposal was made to Congress through identical letters to the two potential Republican beneficiaries: House Speaker Joseph W. Martin, Jr., of Massachusetts, and the Senate's President pro tempore, Arthur H. Vandenberg, of Michigan.

Ban on Filibuster Urged

Four bills, aimed at outlawing filibusters and differing only in a few details, were introduced in the Senate on Jan. 28, United Press Washington advices reported, adding that under these measures debate would be limited by a majority rather than a two-thirds vote. Two Republican and two Democratic Senators each urged a Senate rules subcommittee to approve his bill by which the Senate could choke off long-winded Senators bent on talking bills to death. Southern Senators opposed to such legislation indicated that they would conduct a filibuster against any such bill which might reach the floor. The four who presented separate legislation were Senators William F. Knowland, Republican, of California; Leverett Saltonstal, Republican, of Massachusetts; Glen Taylor, Democrat, of Idaho, and Claude Pepper, Democrat, of Florida.

Truman Announces Building Trades Management-Labor Arbitration Agreement

President Truman on Feb. 1 made public a management-labor agreement in the building trades, by which the Associated General Contractors of America and the estimated 2,000,000 workers who are members of the Building and Construction Trades Department of the American Federation of Labor undertake that a national joint conference committee shall settle any dispute which is voluntarily submitted to it by mutual agreement.

In a statement indicating that the agreement was described in a joint letter to him by the two parties, the President said that "the agreement signed by the Associated General Contractors of America and the Building and Construction Trades Department of the A. F. of L. is a significant step forward in industrial relations in this country." The President went on to say, according to Associated Press advices from Washington:

We have had good labor news during the last ten days. The steel workers and the steel-producing subsidiaries of the United States Steel Corporation have reached a final agreement on the problem of eliminating wage-rate inequities—a mighty complicated problem on which they had been working for more than two years. The same parties have also reached an agreement to postpone the expiration date of their present contract until April 30.

The United States Rubber Company and the Rubber Workers' Union of the Congress of Industrial Organizations have also recently reached agreement on a significant contract.

The making of these agreements indicates a widespread willingness to resolve industrial disputes without resort to force. We are moving closer and closer to our ideals of free collective bargaining.

The following is the text of the arbitration agreement between the Associated General Contractors of America and the Building and Construction Trades Department, AFL, for a National Joint Conference Committeee, as repored by the Associated Press:

The purpose of this committee is to get up machinery for the settlement of any dispute or disagreements which may arise and which is voluntarily submitted to the committee by mutual agreement of the parties involved in the dispute, thereby furnishing adequate machinery for the settlement of such disputes or disagreements in an orderly manner without any stoppage of work by lockout or strike.

Scope of Committee

The National Joint Conference Committee will set up separate committees for the purpose of handling such disputes or disagreements which may be referred to it by the various branches of the building and construction industry in the following manner:

1. A committee to handle and make decisions in any dispute which may arise by and between contractors engaged in heavy construction work and members of unions, who are employed in the heavy construction industry, in which disputes there has been a failure to reach an orderly settlement at the local level or through any other machinery which may have been provided; and where the parties to the dispute mutually agree to submit this dispute to this committee for final determination.

2. A committee to handle and which disputes there has been a which may arise by and between contractors engaged in highway and road construction work and members of unions, who are employed in highway, road and street construction work, in which disputes there has been a failure to reach an orderly settlement at the local level or through any other machinery which may have been provided; and where the parties to the dispute mutually agree to submit this dispute to this committee for final determination.

3. A committee to handle and make decisions in any dispute which may arise by and between contractors engaged in the building industry and members of unions, who are employed in the building industry, in which disputes there has been a failure to reach an orderly settlement at the local level or through any other machinery which may have been provided; and where the parties to the dispute mutually agree to submit this dispute to this committee for final determination.

4. There may arise disputes on certain types of work on which it will be unable to classify as heavy construction, highway and roadway construction or building construction. In the event of such a condition arising the National Joint Conference Committee will be empowered to appoint a suitable committee to handle such situations on any disputes which may be voluntarily referred to it by mutual consent of the parties involved.

The National Joint Conference Committee will not accept jurisdiction over any dispute which may arise where there is adequate machinery set up for the handling of such disputes until it has been proven that the machinery set up and operating has failed to bring about an orderly adjustment of the dispute. It will be necessary for parties in dispute to voluntarily submit the issues in the dispute to the Committee, but, after submission is made the parties to the dispute are bound to consider the determination of the Committee as a final and binding determination of the issues involved.

Membership

Membership of the National Joint Committee shall be composed of an equal number of representatives of employers and the building and construction trades department as follows:

One member from the Associated General Contractors who is representative of heavy construction industry; one labor member whose membership is predominantly employed in heavy construction industry.

One member from the Associated General Contractors who is representative of highway and road construction industry; one member of a labor organization whose members are predominately employed in highway and road construction.

One member of the Associated General Contractors who is representative of the building industry; and one member from the building and construction trades department whose membership is predominantly employed in the building industry.

There shall be a representative member of the national associations serving the specialized and sub-contracting employers; and one member from the building and construction trades department whose membership is predominantly employed by the specialized and sub-contracting employers.

It is understood that the present method set up in the building and construction trades department for the handling of jurisdictional disputes is to be continued and the above committees are not to assume jurisdiction over jurisdictional trade disputes unless the parties to the jurisdictional trade dispute voluntarily and by mutual consent requests the committeee to take jurisdiction.

It is understood that parties sponsoring this agreement are the building and construction trades department of the American Federation of Labor and its affiliated organizations and the employers affiliated with the Associated General Contractors of America, Inc., who in the general course of their business employ members of the building and construction trades department.

It is also understood that the national joint conference committee will not assume or accept jurisdiction over any dispute arising between organizations affiliated with the building and construction trades department of the American Federation of Labor and employers on whose operation a non-union condition exists for any of the crafts on their construction work.

Truman Opposes Rent Increase

In spite of repeated assertions by President Truman that he is opposed to any increase in rent ceilings, there is evidence that Congress intends to proceed with a study of the whole situation with the likelihood that a major battle will eventually ensue between Republicans and Democrats over a proposal for a flat percentage increase. The President has expressed himself opposed to a general increase in present levels, Washington advices to the New York "Times" stated on Feb. 1, and does not intend to initiate a general rise and reiterates that the situation is in the hands of Congress.

A mixup in the picture resulted during the latter part of January when the director of the Office of Temporary Controls, Major General Philip B. Fleming, is said to have ordered, without Presidential approval, a general 10% rent increase which the White House countermanded at the last moment. On Jan. 31, at a subsequent investigation of the confusion caused by the rumored change and revocation order, General Fleming told the Senate Banking and Currency Committee that the responsibility for the increase order was solely his and that he had not been aware of the President's confirmed opposition. Mr. Truman, at his Feb. 1 news conference, stated that the OTC head had expressed the exact truth in his testimony to the Senate Committee in which he said that he had acted without being aware of the President's position in the matter.

To Study Japan's Resources

The War Department is sending five American industrial engineers and appraisers to Japan to expedite the evaluation of Japanese property in connection with the reparations program, Associated Press Washington advices of Jan. 22 disclosed. In accordance with a request by General MacArthur, the group will make a field study of industrial plants and equipment to be made available as reparations.

Headed by Clifford S. Strike of Hartford, Conn., and New York, the group will devote about a month to the work. Interested in the results are the 11 member nations of the Far Eastern Commission. Other members of the surveying party are Horace B. Perry, Boston; Paul B. Coffman, New York; F. C. Mackrell, New York, and George F. T. Burgess, New York.

Steel Operations to Set New Postwar Peak—Use of Reserves Ups 1946 Net Profits 40%

According to the American Iron and Steel Institute, the operating rate of steed companies having 94% of the steel capacity of the industry will be 93.7% of capacity for the week beginning Feb. 10, or at the highest level since the week of May 14, 1945 when the rate was 95.3%. The current figure compares with the following revised rates: 93.4% for the week beginning Feb. 3, 93.6% for the Jan. 27 week, 92.5% for the Jan. 20 week, 91.8% for the Jan. 13 week and 90.3% for the Jan. 6 week. For the week beginning Feb. 11, 1946, when the industry was virtually shut down because of the steel strike, the rate was 5.5% of capacity.

The operating rate for the week beginning Feb. 10 is equivalent to 1,639,700 tons of steel ingots and castings, compared with 1,633,700 tons one week ago, 1,607,300 tons one month ago and 96,900 tons one year ago, the Institute states.

"Steel" of Cleveland, in its summary of latest news developments in the metalworking industry, on Feb. 10 stated in part as follows:

"Because the steel industry established cash funds during the war to meet postwar contingencies, its 1946 net profit will run about 40% above the 1945 level.

"This showing, despite two coal strikes and a paralyzing steel strike during the year, was made possible by the transfer of large amounts from postwar contingency funds by several large producers. Preliminary reports from seven large producers operating 70% of the industry's total ingot capacity show aggregate net income at nearly $190,000,000 which is 43% above the 1945 levels of these same companies.

"The industry's production continues at levels eclipsing any previous peacetime figures by wide margins, with current production far above the industry's total capacity to produce before the war.

"While output of ingots continued high, any interruption to the flow of finished steel has almost an immediate effect on the metalworking industries since their inventories generally are low and current consumption high. Schedule of freight car production, for instance, calls for about 2,000,000 tons to be shipped at a rate of 165,000 to 175,000 tons a month, beginning in April. This would permit construction of 7,000 cars monthly, but the Office of Defense Transportation is pressing for a monthly output of 10,000 cars. Steel producers question their ability to supply steel for more than the 7,000-car schedule since some steelmakers are well behind on commitments to car builders.

"Some of the larger steel producers are now opening books for second quarter and, while the situation varies with different interests and also with respect to products, it appears allotments will average slightly better than in the current quarter.

"However, quotas on flat products may show no improvement. Certain sheet sellers indicate they will have more for their regular customers while others doubt if their position will be even as good as at present. Much will depend upon action taken with respect to the housing program. Sellers indicate they may have to make revisions in quotas as soon as the housing outlook clarifies.

"Shape producers are accepting specifications from the general trade for next quarter. In no case does it appear, however, that a buyer will receive as much as he would like to get. Fabricators estimate they will have to continue to operate on a somewhat limited scale—because of a shortage of plates, if not because of a shortage of shapes. Meanwhile most fabricating shops are booked up six to eight months ahead on the basis of what they can reasonably count on in the way of steel supply.

"Steel producers are pressing production to the utmost but shortages of scrap are becoming increasingly serious. As a matter of fact, bidding for scrap is extremely spirited at some points and high prices are being bid on material from remote points.

"'Steel's' composite market average for steelmaking scrap advanced further last week to $32.08 from $31.3 for the preceding period. Other averages were unchanged at $69.36 for finished steel, $52.10 for semi-finished steel and $29.56 for steelmaking pig iron."

Subscriptions to Treasury Certificates

Secretary of the Treasury Snyder announced on Jan. 30 the subscription and allotment figures with respect to the 7/8% Treasury Certificates of Indebtedness of series B-1948 offered on Jan. 20. Subscriptions for amounts up to and including $25,000 were allotted in full and amounted to $45,887,000. The total subscriptions received were $4,801,396,000 and the total allotments were $3,946,658,000.

The Certificates Series B-1948 were open on an exchange basis, par for par, to holders of Treasury Certificates of Indebtedness of Series B-1947, in the amount of $4,953,989,000, maturing on Feb. 1, 1947. The Jan. 20 announcement said that:

"Since it is planned to retire about $1,000,000,000 of the maturing certificates on cash redemption, subscriptions will be received subject to allotment to all holders on an equal percentage basis, except that subscriptions in amounts up to $25,000 will be allotted in full. Cash subscriptions will not be received."

The new certificates will be dated Feb. 1, 1947, will bear interest from that date and will mature on Feb. 1, 1948. They are issued in bearer form only, in denominations of $1,000, $5,000, $10,000, $100,000 and $1,000,000.

The subscriptions were closed at the close of business Jan. 22, except for the receipt of subscriptions from holders of $25,000 or less of the maturing certificates. The subscription books for the latter were closed on Jan. 23.

Subscriptions and allotments were divided among the several Federal Reserve Districts and the Treasury as follows:

Fed. Reserve District	Total Subscrips. Received	Total Subscrips. Allotted
Boston	$106,641,000	$87,773,000
New York	3,299,449,000	2,706,777,000
Philadelphia	73,722,000	60,736,000
Cleveland	91,415,000	75,462,000
Richmond	59,878,000	49,478,000
Atlanta	86,618,000	71,475,000
Chicago	390,110,000	321,639,000
St. Louis	96,520,000	80,061,000
Minneapolis	65,391,000	55,135,000
Kansas City	130,001,000	107,996,000
Dallas	80,091,000	66,111,000
San Francisco	318,573,000	261,559,000
Treasury	2,987,000	2,456,000
Total	$4,801,396,000	$3,946,658,000

New Economic Doctrines in Wake of War

(Continued from first page)

of the Corporative State. But the economic implications were not greatly different. The state was supreme. Mussolini's will became the will of all Italians, and to oppose him was to invite the fate of a Matteoti.

In Germany the story was much the same. There Hitler and his henchmen shot their way to power through the economic mess and the political disruption that followed their country's defeat. In this case as in that of Russia and Italy, it is quite unnecessary to write the details. But it is essential to point out that in all three cases the attitude of the government toward economic life was changed! It became the dictator. Russian communism, Italian fascism, or German National Socialism could tolerate nothing else.

In the meantime in England there were evidences also of economic misery and of political ferment. There was no violation revolution—the British people do not usually accomplish either their political or their economic reforms in that way. They prefer to rely on education and on the ballot box. These are slower than bullets, but just as effective!

You see, as early as 1899 British organized labor had developed political ambitions. By 1906 it had formed a Labor Representation Committee, with James Ramsay MacDonald as its secretary. With the help of the intelligentsia who constituted the Fabian Society, and with the further aid of the Independent Labor Party, they proceeded to "educate" the voter, and by 1924 Labor controlled the British government for several months. It was a small beginning, but today Labor controls that government completely. Under labor leadership there is going on in Britain an experiment in socialization that is, to most Americans, somewhat startling. No less than 25 lines of economic activity have been marked for nationalization, some of them being already accomplished facts.

While this was going on there was being developed in some of the British universities an entirely new concept of the relationship that should exist between the government and business. The days of the great Marshall were over, and one of his brilliant proteges, John Maynard Keynes, had succeeded to his leadership in the field of economics. Keynes wrote a startling book after World War I on "The Economic Consequences of the Peace." He followed it some years later with several treatises that propounded a new economic theory, and concerned himself very largely with matters pertaining to the business cycle. Concurrently Sir William Beveridge, who for many years had devoted his talents to the problem of unemployment, made his famous report on that subject, and later wrote his challenging book, "Full Employment in a Free Society."

The British governments of the day paid scant attention to either Keynes or Beveridge in so far as putting their ideas into practice was concerned. But these two men did not lack disciples. There is no prohibitive American tariff, embargo, or import quota on ideas. Some of our economists became converts to, and began to preach, the gospel of spending according to Keynes, and the gospel of full employment according to Beveridge. Every informed American knows the result. It will live in our economic and political history as The New Deal. In its very essence it introduced revolutionary economic ideas—spend and spend and spend and don't worry about the national debt or about a balanced budget: put everybody to work, at government expense if necessary, if he is willing to work. Tax and tax and tax, and let the chips fall where they may! It was a wide swing, from the economics of individual enterprise in the nineteenth century to the politico-economics of the twentieth, but in these few paragraphs there lies the essence of the story. And many of the disciples of Keynes and Beveridge are still with us, some of them in high places. It was the depression of the '30's that gave them their opportunity.

Now, what is the significance of all this from the viewpoint of a trust officer or a trust institution? Well, the answer can be given in simple terms. When the economic changes of the past 50 years are being considered, no intelligent man can fail to take note of the veritable transformation in economic teaching. Furthermore, it must not be forgotten that thousands of the most intelligent of this country's youth have had the new economic ideas drilled into their minds for a number of years. What that may mean to the future of this country is easy to imagine because what it has already meant is a matter or record. And this is what it has already meant, here in America: that the scope of governmental activity in economic pursuits has been tremendously widened, that there has therefore inevitably been built up a vast bureaucracy which is very costly, that the cost of this bureaucracy has (in the main) been laid upon the very incomes and the very property in which your institutions are interested, and that we are already partly on our way toward the socialization of both income and wealth. Russia went all the way, with the single exception that her bureaucrats seem to take very good care of themselves. Britain has not yet gone as far, but under her Labor Government she is at this very moment taking giant strides. And America has already taken the first steps; for taxation is now being used here not merely as the means by which to raise the revenue that government needs for the performance of normal governmental functions, but, in addition, as the means for achieving social and economic reforms.

The movement that began, therefore, for the mere regulation of business when your Division was founded has grown by varied steps and under various influences during the past 50 years, until today its possibilities hang, like a sword of Damocles, over a country that used to pride itself on its rugged individualism. This is the vital economic change of the past 50 years. It is the portentious change which dwarfs all other changes into insignificance. And you, as trust officers, as well as your institutions, which are the conservators of wealth and the guardians of the proceeds of inheritance had better be alive to that fact. No speaker should need to spell out: its implications to such a group as this.

But there is another side to the picture. Americans still believe in individual initiative, in private property, in the accumulation of wealth, and in the principle of inheritance. Even American workingmen believe in them. If anyone doubts that, let him ask the first man he meets who is wearing a union button, "Would you like some day to be your own boss?" Pease try that if you have a shadow of doubt in your mind. That means, if it means anything, that the American system CAN be preserved. Or, to put it another way, it can be sold or re-sold to doubting men. Furthermore, it means that it must be worth preserving, for otherwise it could hardly have such an appeal. Yet it can be preserved only if those who wish to see it preserved will ask themselves the question, "Why is it being curtailed?"

That is being done because the system has within it weaknesses that ought to be eradicated. It has failed on its own initiative to try to find the remedies for the crushing impact of business depressions. That it has left to the economists and the bureaucrats. It has failed to find the remedy for unemployment or to take care of those thrown idle through no fault of their own. That it has left to opportunistic politicians. It has, up to this date, provided only a pittance for those grown old and dependent in its service. That has been done by government, when it could perfectly well have been done by business itself. It has continued, and still continues, to create huge aggregations of wealth in corporate form that sometimes seem to overshadow even government itself. And in recent years, on the other hand, we have seen legalized the operations of similar aggregations of labor as the workingman's counter-offensive, with tragic results. These are some of the things that have brought about revolutionary changes in both economic thinking and economic teaching.

These things cannot continue and leave our American system of private enterprise safe. As one who had a rooted conviction in the possibilities of the system, and as one who has seen many evidences of the ingenuity of American businessmen, I assert that they need not and should not continue. The brains of American businessmen can and must find the cure for the business cycle. They have never tried to. They apparently have wanted to accept it as inevitable, with all its economic tragedy. The same brains can find either a remedy for unemployment or the means to take care of those unwillingly unemployed. They have never tried to. They apparently have wanted plenty of surplus labor, whether tragedy is involved or not. Those same brains, applied assiduously to the production of wealth, can find the way and the means to take care of the human victims of economic obsolescence. With few exceptions, they have never tried to. Their interest has seemed to die when the worker was severed from the payroll. That an idle man, or an incomeless man, was a lost customer did not seem to occur to them. And when government began the job with a pittance, these same businessmen have cussed it for doing so, because it involved some taxes. The same brains ought to be capable of understanding that the building of monopoly power in any hands can lead ultimately to only one thing, namely, the wiping out of the monopoly power or its complete assimilation by a Collectivist state, Russian labor discovered that. Italian labor discovered it. German labor discovered it. British capital is in the process of discovering it, too. And the collectivists smile as they see great business units built: they are sure it will make their job of expropriation easier "come the revolution."

That lesson is written large in the economic history of the past 50 years, even of the past five. And we who are believers in the American system will be worse than stupid if we fail to learn the lesson well. Furthermore, if we fail to do the things that the history of the past 50 years have taught us need be done, we shall deserve whatever we get!

But there is no need, even eventually, to let "the century of the common man" be marked further by either "proletarian revolution" or "socialization by consent." American business can supply an American substitute and thereby preserve the American way—if it but will. It has the brains; it has the means. And the time for action is here now!

Tariff Program Saved by Senators' Compromise

(Continued from first page)

pects of the forthcoming trade agreements negotiations we have held a number of conversations on the subject. These and the discussions later referred to with Under Secretary of State Acheson and Under Secretary of State Clayton have been entirely on our own responsibility and solely for preliminary exploration on the subject. It is understood that the proposals are tentative and subject to revision in the light of developments.

Although we are conscious of differences of opinion between us as to some of the philosophy and procedures of the reciprocal trade system, we are in accord on the following:

Advise Delay Until 1948 For Basic Changes

1. Since under existing law the Reciprocal Trade Act, as last extended by the Congress, does not expire until June 12, 1948, important basic changes in the system, if these should be needed, can be made more appropriately by the next session of this Congress. Moreover, pursuant to the authority vested in it by the Reciprocal Trade Act which, as above pointed out, does not expire until June, 1948, the State Department has invited 18 nations to bargain with us this coming April for trade agreements; that elaborate plans for the negotiations have been made by the nations involved; that our own domestic hearings have been under way; that from the standpoint of our foreign relations it is undesirable that these plans be abandoned or needlessly postponed.

The Demand For Procedural Improvement

2. There is considerable sentiment for procedural improvements leading to more certain assurance that our domestic economy will not be imperiled by tariff reductions and concessions. The desire for procedural improvements arises from fears such as the following:
   a. That our proper domestic concern in tariffs adequate to safeguard our domestic economy may be subordinated to extraneous and overvalued diplomatic objectives;
   b. That our domestic interests which require protection against injurious imports or the threat thereof are not given proper hearings on proposed tariff cuts;
   c. That the exact reductions and concessions contemplated are kept secret and it is impossible to make specific defensive arguments against unspecified perils;
   d. That the whole matter is surrounded with unnecessary secrecy;
   e. That responsibility for advice to the President against injurious tariff reductions and concessions is unduly diluted and obscured among too many executive agencies and is not sufficiently focused on those best able to give it;
   f. That we do not get sufficient return benefit from the generalized benefits resulting to other nations from the operation of the unconditional most favored nation clauses in our trade agreements.

Ample Authority Under Present Act

3. That under the Tariff Act of 1930 and the amending Reciprocal Trade Act, there is ample authority for establishment of procedures by the President, without further legislation, that will safeguard the domestic economy without hampering the negotiation of agreements to encourage the essential expansion of our foreign trade.
4. That to the extent such executive safeguards are provided, claims for legislative action are obviated.
5. We believe that the following measures which may be put into effect by the President out of his existing powers would afford improved safeguards and would, without damage to legitimate reciprocal trade negotiations, allay many of the fears that have been mentioned;
   a. The United States Tariff Commission to review all contemplated tariff reductions and concessions in all future trade agreements and to make direct recommendation to the President as to the point beyond which reductions and concessions cannot be made without injury to the domestic economy;

   Inclusion of Escape Clause

   b. Inclusion of "escape clause" in every trade agreement hereafter entered into or renewed whereby the United States, on the initiative of the President, can withdraw or modify any tariff reduction or concession if in practice it develops that such reduction or concession has imperiled any affected domestic interest;
   c. The Tariff Commission to keep closely and currently informed on the operation of all of our trade agreements and on its own motion or on the request of the President or of the Congress, or of any aggrieved party, to hold public hearings to determine whether in its opinion any particular escape clause should be invoked, and to recommend direct to the President, withdrawal or modification of any rate or concession which imperils any affected domestic interest.
   d. Recommendations of Tariff Commission to President for withdrawal or modification of rates or concessions under operation of "escape clause," together with any dissenting opinions of members and non-confidential supporting data to be open to public inspection;
   e. Efficient procedures and policies to assure that nations which do not make available to us their own tariff reductions and concessions to other nations, shall not receive generalized benefits from us resulting from the inclusion in our own trade agreements of the unconditional most favored nation clauses except at our option exercised in the public interest.
6. We have discussed these matters with Under Secretary of State Acheson and Under Secretary of State Clayton and are encouraged to hope that improvements by executive order along the lines suggested will be seriously considered by the President and the State Department.

February 7, 1947.

Banquet of 25 Year Club Of U. S. Trust Co.

The Twenty-Five Year Club of the United States Trust Company of New York held its second annual banquet on February 6 at Louis Sherry's. Williamson Pell, Chairman of the Trust Company board, addressed the banquet, while Benjamin Strong, President, sent a letter of congratulations to the group. Henry Schaper and George Merritt, two of the Club's members, recently were honored by the Trust Division of the American Bankers Association for more than 40 years in trust work.

How President Truman Can Regain His Lost Prestige

(Continued from first page)

tant "first business" of working out a lasting peace with Germany and Japan, which would mean much more for the well-being of the world than participation in the protracted debates and procedures of the United Nations Organization.

In the vexatious delays and arguments in the U. N. there are many good reasons to believe that Russia has been sparring for time in endeavors to tighten her strangle hold on Poland, Finland, Lithuania, Estonia, Latavia, Rumania, Bulgaria, Hungary and other Balkan states, which led Winston Churchill to observe in the House of Commons recently that "The Soviet rules one-third of Europe."

Whether justified or not, tremendous efforts have been made to acclaim the accomplishments of the United Nations Organization in the press throughout the world, but despite the U. N., war rages on in China Dutch Indonesia and French Indo-China just the same as if the U. N. did not exist.

Referring to the work of the U. N., British Prime Minister Clement R. Atlee aptly described the situation when he stated: "Instead of its proceedings being objective and businesslike, there is obstruction, there are propaganda attacks on flimsy pretexts and a variety of episodes which have tended to bring the Organization into disrepute instead of building up the confidence we so much desire. It is clear that if the United Nations Organization is to be used as a forum for debating ideological differences, it will fail. It can succeed only if it is to be used to secure to all nations the freedom to preserve their own ways of life while contributing to the common good of the world."

Sumner Welles' Appraises Peace Results

In his Christmas-day article published in The New York "Herald Tribune," Sumner Welles, former Under Secretary of State, appraises the peace results of the "Big Three" Ministers in the following language:

"In contrast with the advance made in world (UN) organization, the agreements reached by the Council of Foreign Ministers afford little ground for satisfaction. The key to Europe's future, the treaty with Germany, is as yet undetermined. The fact that the major powers have at last agreed upon the treaties with the five lesser Axis countries has been widely acclaimed. Yet there would seem to be little reason to applaud any agreement which is inherently vicious merely because it is an agreement. Peace treaties should contain provisions which make for peace. Few experienced observers would maintain that the peace treaty with Italy offers the Italian people either justice or security, or that the arrangements covering Italy's eastern frontiers will promote European stability. Only the official propagandist would say that the Balkan treaties afford any promise of peace and freedom in the eastern Mediterranean. If these treaties afforded the only foundation for the reconstruction of Europe, there would be scant cause for encouragement."

High Sounding Promises

What has become of the Atlantic Charter and the promises made in December, 1943 by the Big Three at Cairo to restore Manchuria and the loot stolen from China by Japan and later by Russia? What about the promise that Korea was to become a free and independent State? Have the Big Four restored democracy in Europe and independence in Austria which they promised to work for after the Moscow November, 1943 meeting? In a sentence, what do the high sounding promises made at Teheran, at Yalta and at Potsdam mean today? In reality, nothing. In the meantime Russia has succeeded in redrawing the map of Eastern Europe and the Balkans to suit her expansion plans.

Cardinal Spellman sums up the Russian attitude in the November issue of the "Cosmopolitan," viz:

"... If Soviet Russia or any nation truly wants peace—a peace that will not shame our sons who lived and died to protect the freedoms they have bequeathed to us —let her not in stubborn blindness vengefully oppose the principles of justice for which we are still fighting; nor through brute greed demand gains which will prolong the wretchedness and agonies of men; nor through insane malice incite another war that will sound the deathknell of civilization."

Then he says:

"... Two or three times in history there has been a peace that drenched the world in fear and held the fate of men relentless in its grip. And today like a chilling mist there hangs over the democratic nations the menace of a 'Pax Sovietica' which, if we submit to it, will commit our children to serfdom in a world itself enchained."

How President Truman Can Add Prestige to His Administration

And now that Mr. Byrnes' failing health has caused him to relinquish the office of Secretary of State there is one course open for President Truman that would add great prestige to his Administration and admiration for his personal intiative and oourage.

First:—

What the writer has in mind is for President Truman to name the Right Honorable Winston Churchill, ex-President Herbert C. Hoover, Bernard M. Baruch, Summer Welles, Thomas W. Lamont, John Foster Dulles and Myron C. Taylor to strengthen our future representation at the Peace Conferences, in addition to the new Secretary of State George C. Marshall, Senators Arthur H. Vandenberg and Tom Connally.

The addition of these seven notables would add weight to our delegation, which many people ever had been outclassed by Molotov, Vishinsky and Gromyko in the Peace Conferences and the U. N. meetings. To date, the feeling persists that Russia and her satellites have dominated the Conference and that the British Labor representatives have not taken a comparable place in the major considerations.

There is no abler statesman in the world today or anyone more conversant with the Post-War situation than Winston Churchill. There is no one who could bring a bigger war-background of experience and understanding of the world's peace problems to the Peace Table than the former Prime Minister of Britain. It goes without saying that our country would find Mr. Churchill an ardent and persuasive advocate of the American viewpoint. Mr. Churchill may be said to be a "half" American anyway, since he is the son of an American mother, the former Miss Jennie Jerome of Brooklyn. What a pity it is that a world statesman of Mr. Churchill's calibre and surpassing talents has been denied his rightful place in the Peace Conference by the caprices of British politics.

The presence of our only living ex-President, Herbert C. Hoover, would command world-wide respect. Mr. Hoover is familiar from actual experience with the type of statecraft practiced by the ablest advocates of the European Chancelleries. Mr. Bernard M. Baruch, elder statesman, and Mr. Thomas W. Lamont, cosmopolite and banker-statesman, would bring a rich experience and keen acumen to the consideration of fair and just peace settlements. Mr. Sumner Welles has been close to diplomatic events in the State Department and his skill and knowledge of world diplomacy would contribute immeasurably to the American peace objectives. The services of John Foster Dulles, Jurist and Publicist, who has made a life study of international relations and peace problems, would be an invaluable aid to our Peace personnel. In his missions abroad, Myron C. Taylor, the choice of two Presidents, acting as our special Ambassador to the Vatican, has had real experience in promoting international understanding and doubtless has the confidence of Pope Pius XII and the great Church of which he is the Supreme Pontiff.

No better reason is needed for the appointment of the above group of statesmen than Walter Lippmann's commentary ("Herald Tribune," Jan. 14) describing the mental strain and physical handicaps which Mr. Byrnes labored under in his dealings with Mr. Molotov at the recent "Big Four" Conferences, viz:

"The Council has proved to be especially costly to the United States. M. Molotov could afford to sit there day after day arguing over side issues: behind him in Moscow there were Stalin and the Politburo. Even Mr. Bevin could afford to engage himself in the endless discussion. For Britain through long experience has developed cabinet government. But Mr. Byrnes has no one behind him at home to back him up, to do the thinking and the planning which it was quite impossible for him to do while he was exhausting his energy wrestling with M. Molotov. Mr. Byrnes had to pay for the months he spent on Trieste and the Balkans. He paid with his own health, and he paid by neglecting Germany, Japan, the Pacific and Latin America."

Second:—

President Truman, after consultation with the gentlemen named above, should make a world pronouncement in the Halls of Congress as to just what the peace settlements are to be with relation to Germany and Japan and the other Axis nations. His declaration of American principles and purposes should be frank, explicit and bold. Had the President made such a statement six months ago the regrettable attempt of former Secretary of Commerce Wallace to sabotage our foreign policy might have been avoided.

Third:—

The President should publish all the verbal and written understandings, agreements, promises, secret or otherwise, made or discussed at Teheran, Yalta, Potsdam, Cairo, Casablanca, Quebec and elsewhere at which ex-President Franklin D. Roosevelt was a party.

Fourth:—

In his world pronouncement, President Truman should also make a specific declaration that this country will not use the atomic bomb, gas or germs in any future war, "until and unless" our opponents first use them against us. The President should also outlaw the use of submarines, jet planes and airplanes for bombing purposes in future wars "until and unless" our opponents first use them against us. It should be remembered that the use of poison gas was 'taboo' and not used by Germany in World War II because the Allied Countries would have retaliated with larger available quantities of deadly gases if the Axis countries had resorted to their use. Is it not reasonable to suppose that enemy countries would hesitate to use atomic bombs against us in future wars knowing in advance that our larger supply of atomics would ultimately over-whelm them?

Fifth:—

The President should definitely make it clear that this country will not agree to the partitioning of Germany or any attempt to destroy its economy in a spirit of revenge. Any other treatment may germinate the seeds of a third World War after Germany stages its industrial comeback and after the Occupation Armies of Britain, France, Russia and the United States leave German soil for home. It should not be forgotten that it took the combined efforts of four of the world's strongest military Powers—Britain, France, Russia and the United States, six long years to defeat Germany in World War II and some twelve Powers, large and small, four years of warfare to conquer Germany in the first World War. There is certainly good reason to believe that no one Great Power could have defeated Germany single-handed.

Sixth:—

That if Russia or any of our former Allies are opposed to our democratic aims to establish peace and tranquillity in Germany and Japan as quickly as possible, we will be obliged to make a separate peace to hasten the economic and political stability and reconstruction of Europe and Japan. No time should be lost if we are to save the war-torn nations of Europe from the blight of Communism. No one in the world today is more alive to this fact than Pope Pius XII.

Pope Pius XII Appeals for Immediate Peace

In an eloquent radio Yule-tide appeal, Pope Pius urges the World's Leaders "to see to it that peace comes within the new year." Pope Pius also expressed fears of a new war and labeled the atomic bomb as "the spectre of hell," declaring that such new instruments of destruction provide a new incentive for disarmament.

The Pontiff summed up his Yule-tide message with these words:

"Dedicate all your energies for good will and a cessation of the present state of uncertainty, and accelerate as much as possible the advent of a definite peace . . . see to it that peace comes within the new year . . .

"Apply all the forces of will and power to give your peace the seal of true justice and farseeing wisdom in the sincere service and interests of the entire human family."

A Historian Makes a Startling Statement

There is something appalling in a statement published in the New York "Times" by Dr. Francis Trevelyan Miller, the Historian General of "The Historical Foundation of New York," who writes that:

"Fifteen billion human beings have been killed during wars since the beginning of time—seven times more than the entire world's population today.

"As one authority recently pointed out:

"During the last three thousand years there has been war in some part of the world 12 out of every 13 years. More than 8,000 peace treaties have been made with an average life of 2½ years."

Can the Great Powers Humanize War?

Before the war in Europe ended and before the atomic bomb was heard of the writer offered some suggestions in the "Chronicle" of March 22, 1945 for humanizing the savage aspects of modern warfare which are repeated here:

"Out of the welter of this horrible, senseless War, mankind can move a long way from the savagery of modern warfare if the Allied and Axis Powers will solemnly pledge themselves that in the event of another war **they will outlaw robots, submarines, indiscriminate airplane bombing of cities and other populated centers, poisonous gas and chemicals and also the coming use of germs in warfare.**

"It goes without saying that the future bombing of non-combatant men, women and children in civilian centers of population should not be permitted under any circumstances. Airplanes—the 'eyes of the Army and Navy'—should be reserved for scouting and reconnaissance purposes only.

"If such humane reforms as these are instituted and faithfully adhered to as a result of the coming Peace Settlements and were the only gains to arise from World War II, mankind will have advanced nearer to the goal of a civilized world both in war and in peace. That, I think, is the least that humanity can hope for in a world sorely beset with racial, social and political fanaticisms and international hatreds."

A Look Ahead

As the forthcoming meeting of the Council of Foreign Ministers at Moscow draws near, we Americans are mindful of the possibility that the members of the World War II coalition may have a falling-out just as they did after World War I, when Britain and France went their separate ways and our country returned to its traditional policy of isolation, creating the deplorable conditions in Europe which gave the Nazis in Germany the opportunities to prepare for the second World War holocaust. William A. Shirer recently pointed out in his Sunday Herald-Tribune article that the coalition known as "the Quadruple Alliance which had defeated Napoleon in 1814, very nearly broke up the following year into a war of Britain and France against Russia and Prussia."

By every rule of war and peace, we naturally have the right to expect the friendliest cooperation of all our Allies, including Russia, in working out the difficult details for the restoration of peace and the fundamental freedoms.

Yet the impression steadily gains ground that the victors of World War II may not reach a common agreement in the peace settlements about to be made with Germany because of their age-long rivalries, selfish ideologies and ulterior objectives.

The Russian attitude has seemed to be perversely negative, provocative, distrustful and overbearing, manifesting a determination to impose their will at the meetings of the Council of Foreign Ministers and in the Security Council and Assembly of the United Nations Organization.

Reading the day-to-day news reports, one would hardly think the victorious nations—Britain, France, Russia and the United States—were striving in concert to perfect measures for the perpetuation of permanent peace and order in a war-wracked world.

In dealing with a "power-drunk" totalitarian nation like Russia—the antithesis of our representative Democracy—we should not overlook the possibility of a future world conflict that may be caused by a clash between Capitalism and Free Enterprise on one hand and Communism and Totalitarism on the other hand.

Keeping these factors in mind, the writer has suggested the appointment of Churchill, Hoover, Baruch, Welles, Lamont, Dulles and Taylor, because the drawing up of the peace settlements for Germany are fraught with far-reaching and dangerous possibilities for the future peace of Europe and the world.

By reinforcing the efforts of Secretary of State Marshall and Senators Vandenberg and Connally at the "Big Four" meetings with the above named statemen, President Truman will be sending some of the best talent this country can find to the Peace Table, who would, the writer believes, prove to be more than a match for Stalin, Molotov, Vishinsky, Gromyko and the 14 members of the Politburo who with Stalin are directing Russia's international policies and running the Soviet Union.

Is There Any Solution for War?

To meet the world's great need of the hour, the cure and prevention of War is to be found in the religion of the Man of Galilee as set forth in the Golden Rule between Man and Man and likewise between Nation and Nation.

The simple observance of the Golden Rule by each Nation, if such a consummation were ever attainable, would guarantee peace on earth for the years to come which all the Atlantic Charters, Kellog-Briand Pacts, Leagues of Nations and man-made paper treaties, have failed to do up to the present time.

Mankind's most fervent prayer and hope today may be said to be epitomized in the four short, symbolical but prophetic words chiseled in cold stone over the entrance to the silent Tomb of a great Warrior on Riverside Drive for the whole world to read: **"Let Us Have Peace."** Yes, **Let Us Have Peace** For All Time and For Humanity's Sake.

Rise in Mfrs. Shipments And Inventories in Dec.

The dollar value of both manufacturers' shipments and manufacturers' inventories continued to increase during December but the increases were smaller than those of recent months, the Office of Business Economics, Department of Commerce, said on Feb. 3. The advices also stated:

"Manufacturers' shipments during December reached a volume of $12.7 billion and the book value of inventories reached $20.2 billion.

"December shipments were $200 million higher than those in November, an increase of 2%. On a daily rate basis the increase was the same, as there were the same number of working days in both months. Inventories at the end of December were valued at $300 million more than at the end of November, an increase of about 2%. During November shipments increased $1.1 billion above the October level, and inventories increased $400 million.

"The December increase in the dollar value of shipments was slightly greater for the non-durable goods industries than for those in the durable goods group, the Department of Commerce said. There was, however, a marked variety of movement among the industries within each group.

"In the non-durable goods manufacturing group the major increases in the value of shipments were reported by the petroleum, chemical and paper industries. Seasonal requirements of heating oil and the heavier use of trucking necessitated by curtailed rail activity were factors in the larger petroleum shipments. The 'consumer' industries, i.e., food, textiles, apparel and leather — reported shipments at about the November dollar volume.

"Among the durable goods industries, substantial increases in the dollar value of deliveries of machinery of all types and of transportation equipment other than automobiles offset declines in the industries most directly affected by the coal strike.

"The increased book value of stocks held by manufacturers at the end of December centered almost entirely in the durable goods industries. Higher inventory values were reported by the machinery and transportation equipment industries."

New Publicity Comm. Of Penn. Bankers Assn.

Edmund W. Thomas, President of the Pennsylvania Bankers Association, announced on Jan. 26 the personnel of the Association's new Publicity Committee. All sections of State, with member banks from all eight groups are represented on the committee, which is headed by W. W. Delamater, Assistant Treasurer of the Land Title Bank and Trust Co., Philadelphia; and W. Howard Martie, Assistant Vice-President, of the Farmers Deposit National Bank, Pittsburgh, as Co-Chairmen; F. Travis Coxe, Vice-President and Secretary of the Fidelity-Philadelphia Trust Co., Philadelphia; and M. A. Cancelliere, Assistant Cashier of the First National Bank of McKeesport, are Co-Vice-Chairmen.

Other members of the committee are: James G. Thompson, Jr., President of the First National Bank of Middleburg; Wallace L. Robinson, Vice-President of the Farmers Bank & Trust Co. of Lancaster; George F. Roop, President of the Berwyn National Bank; Curtis D. Thomas, Executive Vice-President of the Miners Savings Bank of Pittston; John D. Bainer, Executive Vice-President of the Merchants National Bank & Trust Co.; and William A. Huff, Jr., President of the Hollidaysburg Trust Co.

Denton Heads Pittsbgh. Clearing House Assn.

Frank R. Denton, Vice Chairman of the Mellon National Bank & Trust Co. of Pittsburgh, was elected President of the Pittsburgh Clearing House Association at the annual meeting on Jan. 17. This was noted in the Pittsburgh "Post Gazette," which added:

He succeeds A. E. Braun, Chairman of the Farmers Deposit National Bank, who declined to serve another term after having been President of the Clearing House Association for 13 years.

C. A. McClintock, President of the Colonial Trust Company, was re-elected Vice President of the Association, and W. O. Phillips was re-elected Secretary and Treasurer.

C. R. Korb, Mellon National Bank & Trust Company; Laurence S. Bell, Union National Bank; F. F. Brooks, Peoples First National Bank and Trust Company, and William B. McFall, Commonwealth Trust Company, were elected members of the Clearing House Committee. The President of the Association is an ex-officio member of the committee.

Result of Treasury Bill Offering

The Secretary of the Treasury announced on Feb. 10 that the tenders for $1,300,000,000 or thereabout of 90-day Treasury bills to be dated Feb. 13 and to mature May 15, which were offered on Feb. 7, were opened at the Federal Reserve Banks on Feb. 10.

Total applied for, $1,773,319,000.

Total accepted, $1,310,981,000 (includes $19,239,000 entered on a fixed price basis at 99.905 and accepted in full).

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

Range of accepted competitive bids:

High, 99.906, equivalent rate of discount approximately 0.372% per annum.

Low, 99.905, equivalent rate of discount approximately 0.376% per annum.

(72% of the amount bid for at the low price was accepted.)

There was a maturity of a similar issue of bills on Feb. 13 in the amount of $1,313,712,000.

The State of Trade

(Continued from page 919)

son Electric Institute reports that the output of electricity declined to 4,777,207,000 kwh. in the week ended Feb. 1, 1947, from 4,856,404,000 kwh. in the preceding week. Output for the week ended Feb. 1, 1947, was 19.9% above that for the corresponding weekly period one year ago.

Consolidated Edison Co. of New York reports system output of 203,100,000 kwh. in the week ended Feb. 1, 1947, compared with 198,200,000 kwh. for the corresponding week of 1946, or an increase of 2.5%. Local distribution of electricity amounted to 196,200,000 kwh. compared with 191,300,000 kwh. for the corresponding week of last year, an increase of 2.5%.

Railroad Freight Loadings—Car loadings of revenue freight for the week ended Feb. 1, 1947, totaled 835,051 cars, the Association of American Railroads announced. This was an increase of 13,087 cars (or 1.6%) above the preceding week and 111,750 cars or 15.4% above the corresponding week for 1946. Compared with the similar period of 1945, an increase of 95,495 cars, or 12.9% is shown.

Railroad Income for 1946—Class I railroads of the United states in the year ended Dec. 31, 1946, had an estimated net income after interest and rentals of $287,000,000, according to reports filed by the carriers with the Association of American Railroads. For the year 1945, net income of those roads, after interest and rentals was $447,384,678. Net railway operating income, before interest and rentals, of the Class I carriers in 1946 amounted to $619,284,724, compared with $849,228,195 in 1945.

Taxes and net earnings for the year 1946 are after taking credit in the accounts for carry-back tax credits. For the month of December, such credits were approximately $71,000,000 and for the year 1946 they amounted to $170,000,000. Both the net railway operating income and the net income for December and the year 1946 would have been correspondingly reduced had these carry-back credits not been made.

The rate of return earned on net property investment, which represents the value of road and equipment as shown by the books of the railways including materials, supplies, and cash, after depreciation, averaged 2.74% in 1946, compared with a rate of return of 3.64% in 1945.

Total operating revenues in 1946 amounted to $7,627,313,394 compared with $8,898,608,723 in 1945, a decrease of 14.3% Operating expenses for the year 1946 amounted to $6,357,550,666 compared with $7,053,079,988 in 1945, a decrease of 9.9%.

Paper and Paperboard Production — Paper production in the United States for the week ended Feb. 1, was 104% of mill capacity, against 103.7% in the preceding week and 101.5% in the like 1946 week, according to the American Paper & Pulp Association. This does not include mills producing newsprint exclusively. Paperboard output for the current week was 102%, compared with 101% in the preceding week and 95% in the corresponding week a year ago.

Wholesale Food Price Index Higher — A widespread upward movement in foods during the past week lifted the Dun & Bradstreet wholesale food price index for Feb. 4 to $6.29, from $6.18 a week earlier. This was the highest figure recorded since Dec. 24 when it stood at $6.32, and marked a rise of 1.8% for the week. At this time a year ago the index registered $4.12.

The list of advances for the week included flour, wheat, corn, rye, oats, barley, lard, butter cottonseed oil, cocoa, eggs, potatoes, steers and hogs. Decline occurred in hams, raisins, sheep, and lambs. The index represents the sum total of the price per pound of 31 foods in general use.

Daily Wholesale Commodity Price Index—Aided by a strengthening in some of the leading farm products last week, there was a mild upturn in the daily wholesale commodity price index, compiled by Dun & Bradstreet, Inc., which rose to an index figure of 239.37 on Feb. 4, from 233.95 a week earlier. The current level compares with 183.40 on the corresponding date a year ago.

Volume of trading in principal grain markets broadened considerably last week. Wheat prices advanced sharply to new high ground for the season. The rise was influenced largely by the belief that the Government would re-enter the market as a buyer in the near future. Other factors included a continued broad export demand and fears that freezing temperatures in sections without sufficient snow covering might result in damage to the winter wheat crop. Corn prices rose steadily, influenced by continued large Government purchases for export and better demand by cash and commission houses.

Domestic flour business was inactive but the price tone remained firm at the recent advances due to the tightness in cash wheat markets. Export demand for flour was quiet. Hog values remained strong, reflecting reduced market receipts, which also affected the make of lard. The latter commodity strengthened as the result of good domestic and foreign demand. Butter prices rose 6¼ cents per pound in the week, attributed to stronger demand and curtailed production due to severe storms in the West. Nearly white and brown eggs were in plentiful supply and prices weakened.

The trend in cotton continued upward and prices registered further substantial gains in the week. Spot market sales moved upward but continued under the corresponding period a year ago. Trade and mill buying was fairly active but offerings were relatively scarce and producers in the Southeast were said to be still withholding considerable cotton. Demand was stimulated by the expectation and subsequent announcement of a rise in the mid-January parity price, the continued strong statistical position of the staple, enlarged foreign inquiries and the possibility of a resumption of private trade in cotton with Germany and Japan. Registrations under the cotton export sales program during the week ended Jan. 25 totalled 35,936 bales, bringing total registrations under the program since its inception to 4,249,259 bales. During the current season registrations amounted to 1,054,050 bales. Mill consumption of cotton remained at a high rate with mill operations showing continued expansion. Forward sales of cotton textiles were reported completely booked for the second quarter with some sales noted into the third quarter of this year.

Activity in domestic wools in the Boston market was dormant last week due mainly to the current high prices of such wools and an increase in the parity basis, resulting in a further increase, averaging 1 cent per pound, clean basis. With consumption of raw wool maintained at a high level, there was continued keen competition for wools in foreign primary markets.

Retail and Wholesale Trade — Total retail volume declined fractionally in the week. While dollar volume remained moderately above that of the corresponding week a year ago, the margin was smaller than in previous weeks. Many shoppers were increasingly cautious as selections became more numerous and as many commodities were more easily available than in previous weeks.

Retail grocery volume fell slightly below the high level of the preceding week and stocks of fresh fruit and vegetables were ample in almost all localities. Scattered reports last week indicated that there were more declines in the prices of some dairy products and vegetables and that supplies of soap were increasing. The consumer demand for meat and poultry remained very high.

Interest in women's apparel was close to the moderate level of the preceding week. It centered largely upon Spring styles in the medium-priced group. Suits and blouses were frequently requested and millinery volume increased slightly. The demand for fur coats was spotty with numerous increases reported from cities in the Western States. Selections of men's suits remained limited with demand very high, but for shirts and accessories it was tempered by consumer price resistance.

Electrical appliances continued to be among the best sellers in the durable goods line. High consumer selectivity was reflected in the current slight decline in the retail volume of furniture, while interest in case goods remained high. Bedding and floor coverings were frequently sought and there was a noticeable increase in the demand for hardware.

Retail volume for the country in the week ended last Wednesday was estimated to be from 12 to 16% above that of the corresponding week a year ago. Regional estimates exceeded those of a year ago by the following percentages: New England and Southwest 8 to 12, East 15 to 19, Middle West and Pacific Coast 10 to 14, Northwest 18 to 22 and South 12 to 16.

Wholesale volume decreased slightly in the week. Despite the lull in wholesale trading activity, volume was sustained by high prices and large re-order volume. Total volume was well above that of the corresponding week a year ago. New order volume was limited by the continued attitude of cautiouness displayed by buyers in regard to both price and quality.

Department store sales on a country-wide basis, as taken from the Federal Reserve Board's index for the week ended Feb. 1, 1947, increased by 10% above the same period of last year. This compares with an increase of 17% in the preceding week. For the four weeks ended Feb. 1, 1947, sales increased by 17% and for the year to date by 20%.

Inclement weather here in New York the past week adversely affected retail trade, but notwithstanding this, it was felt that dollar volume for the week would reflect a gain over last year. The increase for department stores for the week ended Feb. 8 was placed at 5 to 10%, indicating a drop in unit turnover of merchandise.

Activity in wholesale dress markets was brisk with the opening of summer lines by leading manufacturers. Slow fabric deliveries are preventing manufacturers from meeting the demand for earlier deliveries of women's suits. Some softening of cotton textile prices was noted by manufacturers in offerings from secondary suppliers.

Food prices at wholesale displayed greater strength and reached their highest point since Dec. 24. Liquor prices for the most part were steady.

In furniture lines, sales decreased sharply below the previous week due to weather and transportation difficulties.

According to the Federal Reserve Board's index, department store sales in New York City for the weekly period to Feb. 1, 1947, increased 13% above the same period last year. This compared with an increase of 17% in the preceding week. For the four weeks ended Feb. 1, 1947, sales rose 20% and for the year to date increased to 23%.

Federal Reserve December Business Index

The Board of Governors of the Federal Reserve System issued on Jan. 29, its monthly indexes of industrial production, factory employment and payrolls, etc. The Board's customary summary of business conditions was made public at the same time. The indexes for December, together with a month and a year ago, follow:

BUSINESS INDEXES

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

	Adjusted for Seasonal Variation			Without Seasonal Adjustment			Annual Indexes	
	—1946—		1945	—1946—		1945		
	Dec.	Nov.	Dec.	Dec.	Nov.	Dec.	1946	1945
Industrial production—								
Total	*179	182	163	*176	182	161	*170	203
Manufactures—								
Total	*186	191	169	*184	191	167	*177	214
Durable	*209	213	185	*207	213	184	*192	274
Nondurable	*168	172	156	*166	173	154	*164	166
Minerals	*136	136	133	*131	135	126	*134	137
Construction contracts, value—								
Total	†	139	108	†	125	86	†	68
Residential	†	122	56	†	118	48	†	26
All other	†	152	150	†	130	117	†	102
Factory employment—								
Total	*149.3	148.7	128.1	*149.6	149.1	128.4	*139.4	149.5
Durable goods	*172.1	171.8	141.4	*172.1	171.9	141.2	*156.6	188.5
Nondurable goods	*131.3	130.6	117.8	*131.9	131.2	118.4	*125.8	118.8
Factory payrolls—								
Total	---	---	---	†	291.4	226.2	†	288.4
Durable goods	---	---	---	†	320.8	240.0	†	366.6
Nondurable goods	---	---	---	†	262.7	212.7	†	211.9
Freight carloadings	140	137	127	131	141	119	132	135
Department store sales, value	*274	272	219	*441	336	352	*264	207
Department store stocks, value	*268	255	158	†	277	136	†	166

*Preliminary. †Data not yet available.

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

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

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

INDUSTRIAL PRODUCTION

(1935-39 average = 100)

	Adjusted for Seasonal Variation			Without Seasonal Adjustment			Annual Indexes	
	—1946—		1945	—1946—		1945		
MANUFACTURES	Dec.	Nov.	Dec.	Dec.	Nov.	Dec.	1946	1945
Iron and steel	*158	177	164	*158	177	164	*150	183
Pig iron	†	174	164	†	174	164	*145	175
Steel	172	‡192	172	172	‡192	172	*161	200
Open hearth	144	‡162	155	144	‡162	155	*139	167
Electric	371	‡404	293	371	‡404	293	*321	434
Machinery	*273	271	232	*273	271	232	*240	343
Transportation equipment	*232	235	217	*232	235	217	*231	487
§Automobiles	*187	187	95	*187	187	95	*159	180
Nonferrous metals and products	*195	187	147	*195	187	147	*155	204
Smelting and refining	*158	155	140	*158	155	141	*133	173
Lumber and products	*142	142	92	*129	139	86	*131	109
Lumber	*132	135	72	*114	131	63	*122	98
Furniture	*160	157	131	*160	157	131	*147	133
Stone, clay and glass products	*203	202	164	*197	206	159	*192	163
Plate glass	135	152	3	135	152	3	125	50
Cement	†	162	119	†	175	108	*154	97
Clay products	*150	150	124	*155	155	128	*148	119
Gypsum and plaster products	*216	219	182	*223	224	186	*204	177
Abrasive and asbestos prod.	*248	245	217	*248	245	217	*228	269
Textile and products	*160	173	143	*160	173	143	*161	146
Cotton consumption	141	164	125	141	164	125	147	137
Rayon deliveries	243	249	228	243	249	228	*240	218
Wool textiles	†	181	149	†	181	149	*171	143
Leather products	†	121	111	†	122	111	*122	117
Tanning	†	110	114	†	114	113	*109	113
Cattle hide leathers	†	121	131	†	125	131	*125	128
Calf and kip leathers	†	91	92	†	94	90	*82	88
Goat and kid leathers	†	70	49	†	68	49	*57	56
Sheep and lamb leathers	†	137	139	†	145	132	*135	141
Shoes	†	*128	109	†	*128	109	*131	119
Manufactured food products	*156	156	153	*150	157	149	*149	150
Wheat flour	*150	145	136	*148	146	135	*132	132
Meatpacking	*147	163	155	*170	181	182	*130	143
Other manufactured foods	*161	*159	159	*157	*165	156	*158	154
Processed fruits and veg.	*161	162	138	*125	149	108	*158	132
Tobacco products	148	169	112	138	172	104	156	136
Cigars	109	131	87	109	131	87	112	95
Cigarettes	192	216	139	177	221	128	204	170
Other tobacco products	72	81	64	63	83	57	73	92
Paper and products	†	*153	134	†	*153	134	*145	139
Paperboard	168	175	143	168	175	143	164	154
Newsprint production	87	84	86	85	85	84	85	80
Printing and publishing	*131	*130	112	*134	*135	114	*127	108
Newsprint consumption	120	118	92	126	129	96	114	89
Petroleum and coal products	†	*177	*172	†	*177	*172	*173	236
Petroleum refining	---	---	---	---	---	---	---	---
Gasoline	*148	*148	140	*148	*148	140	*140	145
Fuel oil	†	161	164	†	161	164	*168	167
Lubricating oil	†	147	122	†	147	122	*142	131
Kerosene	†	155	162	†	155	162	*169	131
Coke	†	152	154	†	152	154	*135	157
Byproduct	†	148	150	†	148	150	*132	152
Beehive	*253	274	286	*253	274	286	*269	322
Chemicals	*244	243	230	*245	244	231	*236	284
Rayon	*272	279	246	*272	279	246	*262	240
Industrial chemicals	*417	411	378	*417	411	378	*394	392
Rubber	*245	243	205	*245	243	205	*224	215
MINERALS								
Fuels	*141	140	137	*141	140	137	*142	143
Bituminous coal	*130	116	142	*130	116	142	*133	144
Anthracite	*121	123	94	*121	123	94	*119	107
Crude petroleum	*147	150	139	*147	150	139	*148	146
Metals	*108	118	108	*73	105	61	*88	101
Iron ore	---	---	---	†	174	50	*155	192

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

§This series is currently based upon man-hour statistics for plants classified in the automobile and automobile parts industries and is designed to measure productive activity during the month in connection with assembly of passenger cars, trucks, trailers, and buses; production of bodies, parts and accessories, including replacement parts; and output of nonautomotive products made in the plants covered.

FREIGHT CARLOADINGS

(1935-39 average = 100)

Coal	132	117	133	132	117	133	130	134
Coke	155	166	164	163	166	173	146	172
Grain	162	147	153	152	144	144	138	151
Livestock	122	136	139	118	171	135	129	125
Forest products	156	151	106	139	148	94	143	129
Ore	145	157	117	45	169	36	136	169
Miscellaneous	148	148	130	139	154	123	138	142
Merchandise, l.c.l.	81	83	74	78	84	71	79	69

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

Rate of Return by Class I RRs. in 1946 On Property Investment Averaged 2.74%

The Class I railroads of the United States, which represent a total of 227,620 miles, in the year ended Dec. 31, 1946, had an estimated net income after interest and rentals of $287,000,000, according to reports filed by the carriers with the Bureau of Railway Economics of the Association of American Railroads, and made public on Feb. 7. For the year 1945, net income of those roads, after interest and rentals was $447,384,678. The Association further reported as follows:

Net railway operating income, before interest and rentals, of the Class I carriers in 1946 amounted to $619,284,724, compared with $849,228,195 in 1945.

Taxes and net earnings for the year 1946 are after taking credit in the accounts for carryback tax credits. For the month of December, such credits were approximately $71,000,000 and for the year 1946 they amounted to $170,000,000. Both the net railway operating income and the net income for December and the year 1946 would have been correspondingly reduced had these carryback credits not been made.

The rate of return earned on net property investment, after depreciation, averaged 2.74% in 1946, compared with a rate of return of 3.64% in 1945.

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

Total operating revenues in 1946 amounted to $7,627,313,394, compared with $8,898,608,723 in 1945, a decrease of 14.3%. Operating expenses for the year 1946 amounted to $6,357,550,666, compared with $7,053,079,988 in 1945, a decrease of 9.9%.

Thirty-six Class I railroads failed to earn interest and rentals in 1946, of which 18 were in the Eastern District, seven in the Southern Region, and 11 in the Western District.

Eastern District

Class I railroads in the Eastern District in 1946 had an estimated net income, after interest and rentals, of $60,000,000, compared with $166,858,287 in 1945.

Those same roads in 1946 had a net railway operating income, before interest and rentals, of $208,601,753, compared with $340,097,265 in 1945.

Operating revenues of the Class I railroads in the Eastern District in 1946 totaled $3,402,744,674, a decrease of 9.6% compared with 1945, while operating expenses totaled $2,926,673,791, a decrease of 7.6%.

Southern Region

Class I railroads in the Southern Region in 1946 had an estimated net income, after interest and rentals, of $33,000,000, compared with $45,708,431 in 1945.

Those same roads in 1946 had a net railway operating income, before interest and rentals, of $92,623,447, compared with $118,121,226 in 1945.

Operating revenues of the Class I railroads in the Southern Region in 1946 totaled $1,061,620,515, a decrease of 13.7% compared with 1945, while operating expenses totaled $880,765,181, a decrease of 7.3%.

Western District

Class I railroads in the Western District in 1946 had an estimated net income, after interest and rentals, of $194,000,000, compared with $234,817,960 in 1945.

Those same roads in 1946 had a net railway operating income, before interest and rentals, of $318,059,524, compared with $391,009,704 in 1945.

Operating revenues of the Class I railroads in the Western District in 1946 totaled $3,162,948,205, a decrease of 19% compared with 1945, while operating expenses totaled $2,550,111,694, a decrease of 13.1%.

CLASS I RAILROADS—UNITED STATES

Twelve Months Ended Dec. 31—	1946	1945
Total operating revenues	$7,627,313,394	$8,898,608,723
Total operating expenses	6,357,550,666	7,053,079,988
Operating Ration—per cent	83.35	79.26
Taxes	498,573.630	822,311,475
Net railway operating income (before charges)	619,284,724	849,228,195
Net income, after charges (estimated)	287,000,000	447,384,678

1946 Good Year for Business: Commerce Dept.

The year 1946 was one in which business activity, sales and profits were above the best pre-war years, the Office of Business Economics of the Department of Commerce said in a year-end summary of economic developments, made available Jan. 3.

With the liquidation of war production, the trend of aggregate output was downward into the early part of the year, but expansion characterized the situation thereafter, said the Department, which added:

"Throughout the year there was an enlarged flow of goods through normal distributive channels, as supplies for civilians increased. Nevertheless, because reconversion in some segments requires a lengthy period of adjustment, the combined current and war-deferred demand by individuals and business generally outpaced supplies. As a consequence of the extraordinary demand relative to available supplies, the level of prices was subject to insistent pressure. This has resulted in a price rise which was retarded during the first half of the year by price control, but which has accelerated in the latter part of the year as controls were lifted."

The outstanding developments in 1946 were outlined as follows by the Department of Commerce:

1. Income payments to individuals are estimated at $164 billion compared with $161 billion in 1945. This total includes salaries and wages, dividends, interest and net rents, current and farm proprietors incomes, and transfer payments—the last item consisting of mustering out pay, veterans pensions, unemployment compensation, payments to dependents of armed forces and direct relief payments.

All of the major segments of income payments showed increases over 1945, except salaries and wages. The latter total was somewhat lower than in 1945 because of the cutbacks in military and Federal civilian pay rolls. In private industry, payrolls were up 7%. Wage rate increases during the year have brought current average weekly earnings of nonagricultural workers slightly above the wartime peak. The reduction in the average work week in manufacturing from the abnormal war-time level resulted in some decline in weekly earnings for this segment. In nonmanufacturing the average weekly earnings have advanced to a new high.

2. Consumer expenditures for goods and services reached a record dollar total of $127 billion for the year, almost 20% above 1945 and more than two-thirds above the prewar peak year 1941. The largest share of this increase occurred in expenditures for nondurable goods, which absorbed more than their normal peacetime proportion of the consumer dollar.

Although consumer expenditures for durables, which are estimated at $14 billion for the year, were almost double the 1945 total, consumers would have bought more if supplies had been available. Part of the high level of consumer expenditures this year is attributable to higher prices. Making a rough allowance for price changes, consumer outlays in 1946 represented about 10% more volume than in 1945, and 13% more than in 1941.

3. The production of food, clothing and other nondurable goods for civilian use reached the highest level on record during 1946. The Federal Reserve Board index of production of nondurable goods averaged 163 (1935-39=100). This compares with an index of 166 in 1945 when military needs absorbed a significant part of the total, and with 142 for 1941.

4. The production experience of durable goods during 1946 was more uneven than that for nondurables, but during the course of the year, most peacetime products exceeded the prewar level of output. The principal exceptions among consumer durables were automobiles, mechanical refrigerators, and sewing machines. Automobile production during 1946 amounted to just over 3 million passenger cars and trucks. This was well below the best peacetime years. Still, the rapid progress made in the output of passenger cars during the closing months of the year brought the rate to about the average for the years 1940 and 1941.

5. Total employment including the armed forces was reduced from the war peak, but the number employed in the civilian economy rose shaply during the first half of the year and has remained near 57,000,000 during the second half of the year. This is nearly 2,500,000 above the average for a similar period in the wartime peak year. The absorption of personnel released from military duty into civilian life has in general been accomplished smoothly. However, the year was marked by an unusual number of industrial disputes, some lasting for extended periods.

6. In several areas of the economy, a better adjustment between supply and demand factors is already being achieved. The rising supply of soft goods is encountering some consumer resistance at the present offering prices, even though shortages in some lines have not been remedied. But the backlog of demand for houses, automobiles, and major household appliances has scarcely been dented, nor has the current price level for them been seriously tested.

7. In achieving record peacetime activity, business has been one of its own best customers. All facets of business have found it necessary to expand and rehabilitate facilities and stocks so as to handle the large demand. Expenditures by producers for new machinery and plant in 1946 surpassed by a wide margin both 1941 and 1929, the previous peak years. Outlays for producer durable equipment reached nearly $13 billion, or almost double the amount spent in 1945.

Business inventories also increased sharply—rising over $9 billion from the end of 1945. This is by far the largest annual increase on record—indicating that an unusual amount of current output during the year was used for rebuilding business stocks. Inventories at the year end were still unbalanced and low in relation to the volume of sales but accelerated additions during the secon half were closing the gap.

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)

1947 Daily Averages	U. S. Govt. Bonds	Avge. Corporate*	Corporate by Earnings* Aaa	Aa	A	Baa	Corporate by Groups* R. R.	P. U.	Indus.
Feb. 10	122.20	117.40	122.09	120.22	117.20	110.88	113.12	118.60	120.84
8	122.27	117.40	121.88	120.22	117.20	111.07	113.31	118.60	120.84
7	122.20	117.60	122.09	120.22	117.20	111.07	113.31	118.60	120.84
6	122.24	117.60	122.09	120.22	117.40	110.88	113.31	118.60	120.84
5	122.27	117.40	121.88	120.22	117.40	110.88	113.31	118.60	120.84
4	122.27	117.40	121.88	120.22	117.40	110.88	113.31	118.60	120.63
3	122.14	117.60	121.88	120.43	117.40	110.88	113.31	118.80	120.63
1	122.08	117.60	121.88	120.43	117.40	110.88	113.31	118.80	120.63
Jan. 31	122.08	117.40	121.88	120.22	117.40	110.88	113.31	118.80	120.63
24	122.39	117.60	121.88	120.43	117.40	110.88	113.31	118.80	120.63
17	122.24	117.40	121.88	120.22	117.40	110.70	113.12	118.60	120.84
10	122.17	117.20	121.67	119.82	117.20	110.52	113.12	118.40	120.43
3	122.14	116.80	121.25	119.61	116.80	110.15	112.75	118.00	120.02
Dec. 27	122.17	116.80	121.04	119.61	116.80	110.15	112.56	118.80	119.82
20	121.92	116.61	120.84	119.20	116.61	109.97	112.37	117.60	119.82
13	121.92	116.41	120.63	119.20	116.41	109.97	112.37	117.40	119.61
6	121.74	116.22	120.84	119.00	116.22	109.60	111.81	117.40	119.61
Nov. 29	121.55	116.22	121.04	118.80	116.02	109.60	111.81	117.60	119.61
22	121.80	116.41	121.04	119.00	116.02	109.79	112.00	117.60	119.82
15	122.05	116.61	121.46	119.20	116.41	110.15	112.37	117.80	120.02
8	122.17	116.61	121.25	119.20	116.22	110.34	112.37	117.60	120.02
1	122.14	116.41	121.04	119.20	116.02	110.15	112.19	117.60	119.82
Oct. 25	121.77	116.61	121.04	119.20	116.22	110.34	112.19	117.60	120.02
Sept. 27	121.08	116.61	121.04	119.00	116.61	110.15	112.37	117.80	119.82
Aug. 30	122.92	118.40	122.71	120.43	118.00	112.37	114.85	118.80	121.25
July 26	123.77	118.60	123.13	121.04	118.40	112.56	115.63	119.20	121.46
June 28	124.11	118.80	123.34	121.25	118.40	112.56	116.02	119.20	121.46
May 31	123.09	118.80	122.92	121.46	118.40	112.56	116.22	119.00	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
High 1947	122.39	117.60	122.09	120.43	117.40	111.07	113.31	118.80	120.84
Low 1947	122.08	116.80	121.04	119.61	116.80	110.15	112.56	117.80	120.02
1 Year Ago Feb. 11, 1946	126.12	119.61	123.34	121.88	119.00	114.27	116.41	120.02	122.29
2 Years Ago Feb. 10, 1945	121.59	114.27	119.82	118.40	114.03	105.69	109.97	114.08	119.20

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

1947 Daily Averages	U. S. Govt. Bonds	Avge. Corporate*	Corporate by Earnings* Aaa	Aa	A	Baa	Corporate by Groups* R. R.	P. U.	Indus.
Feb. 10	1.56	2.78	2.55	2.64	2.79	3.12	3.00	2.72	2.61
8	1.56	2.78	2.56	2.64	2.79	3.11	2.99	2.72	2.61
7	1.56	2.77	2.55	2.64	2.79	3.11	2.99	2.72	2.61
6	1.56	2.77	2.55	2.64	2.78	3.12	2.99	2.72	2.61
5	1.56	2.78	2.56	2.64	2.78	3.12	2.99	2.72	2.61
4	1.56	2.78	2.56	2.64	2.78	3.12	2.99	2.72	2.62
3	1.57	2.77	2.56	2.63	2.78	3.12	2.99	2.71	2.62
1	1.57	2.77	2.56	2.63	2.78	3.12	2.99	2.71	2.62
Jan. 31	1.57	2.73	2.56	2.64	2.78	3.12	2.99	2.71	2.62
24	1.55	2.77	2.56	2.63	2.78	3.12	2.99	2.71	2.62
17	1.56	2.78	2.56	2.64	2.78	3.13	3.00	2.72	2.61
10	1.57	2.79	2.57	2.66	2.79	3.14	3.00	2.73	2.63
3	1.57	2.81	2.59	2.67	2.81	3.16	3.02	2.75	2.65
Dec. 27	1.57	2.81	2.60	2.67	2.81	3.16	3.03	2.75	2.66
20	1.59	2.82	2.61	2.69	2.82	3.17	3.04	2.77	2.66
13	1.59	2.83	2.62	2.69	2.83	3.17	3.04	2.78	2.67
6	1.60	2.84	2.61	2.70	2.84	3.19	3.07	2.78	2.67
Nov. 29	1.62	2.84	2.60	2.71	2.85	3.19	3.07	2.77	2.67
22	1.60	2.83	2.60	2.70	2.85	3.18	3.06	2.77	2.66
15	1.58	2.82	2.58	2.69	2.83	3.16	3.04	2.76	2.65
8	1.57	2.82	2.59	2.69	2.84	3.15	3.04	2.77	2.65
1	1.57	2.83	2.60	2.69	2.85	3.16	3.05	2.77	2.66
Oct. 25	1.60	2.82	2.60	2.69	2.84	3.15	3.05	2.77	2.65
Sept. 27	1.65	2.82	2.60	2.70	2.82	3.16	3.04	2.76	2.66
Aug. 30	1.55	2.73	2.52	2.63	2.75	3.04	2.91	2.71	2.59
July 26	1.49	2.73	2.50	2.60	2.73	3.03	2.87	2.69	2.58
June 28	1.47	2.71	2.49	2.59	2.73	3.03	2.85	2.69	2.58
May 31	1.48	2.71	2.51	2.58	2.73	3.03	2.84	2.70	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	268	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
High 1947	1.57	2.81	2.60	2.67	2.81	3.16	3.03	2.76	2.65
Low 1947	1.55	2.77	2.55	2.63	2.78	3.11	2.99	2.71	2.61
1 Year Ago Feb. 11, 1946	1.32	2.67	2.49	2.56	2.70	2.94	2.83	2.65	2.54
2 Years Ago Feb. 10, 1945	1.72	2.94	2.66	2.73	2.95	3.41	3.17	2.95	2.69

*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 Sept. 5, 1946 issue of the "Chronicle" on page 1321.

November Portland Cement Output Up 43%

Production of finished portland cement during November, 1946, as reported to the Bureau of Mines, United States Department of the Interior, reached 15,335,000 barrels, a figure 43% above that reported in November, 1945. There was utilized 78% of capacity and for the first time since February of this year, stocks show an increase over the previous month's total. November 30, 1946, stocks of 7,830,000 barrels, however, are 39% below that reported for the corresponding month of the previous year. Mill shipments totaled 14,803,000 barrels in November, 1946, an increase of 43% over that reported in November, 1945. Clinker production reached 15,356,000 barrels in November, 1946, an increase of 43% over that reported in November, 1945.

Demand for cement in November, 1946, as indicated by mill shipments, although less than the previous month, remain relatively high and do not follow the usual seasonal trend. Demand was higher in all but two districts in the continental United States than in November, 1945. Increases range from 22% in Alabama to 139% in the Western Pennsylvania and West Virginia area.

PORTLAND CEMENT IN THE UNITED STATES, PUERTO RICO AND HAWAII

Period Ended Nov. 30—	1945—Month	—1946	*1945—11 Months	—1946
Finished cement:				
Production	10,705,000	15,335,000	93,040,000	149,248,000
Shipments	10,342,000	14,803,000	100,288,000	157,842,000
Stocks (Nov. 30)	12,763,000	7,830,000	------	------
Capacity used	54%	78%	47%	68%
Clinker:				
Production	10,764,000	15,356,000	92,341,000	149,913,000
Stocks (Nov. 30)	4,022,000	3,501,000	------	------

*Includes figures for Hawaii from May to November, inclusive. New plant first started reporting in May, 1945.

Bankers Dollar Acceptances Outstanding on November 30, $208,213,000

The volume of bankers dollar acceptances outstanding on Nov. 30, amounted to $208,213,000, an increase of $4,371,000 from the Oct. 31 total, according to the monthly acceptances survey issued Dec. 17, by the Federal Reserve Bank of New York. As compared with a year before, the Nov. 30 total represents an advance of $63,423,000.

In the month to month comparison exports, domestic shipments, and domestic warehouse credits increased, while imports, dollar exchange and those figures based on goods stored in or shipped between foreign countries, decreased from October to November. In the yearly analysis, all the items except those based on goods stored in or shipped between foreign countries, were higher on Nov. 30, 1946, than on the corresponding date a year ago.

The Reserve Bank's report follows:

BANKERS DOLLAR ACCEPTANCES OUTSTANDING—UNITED STATES
BY FEDERAL RESERVE DISTRICTS

Federal Reserve District—	Nov. 30, 1946	Oct. 31, 1946	Nov. 30, 1945
1 Boston	$17,880,000	$18,200,000	$18,653,000
2 New York	131,008,000	135,115,000	86,390,000
3 Philadelphia	14,529,000	14,519,000	10,448,000
4 Cleveland	2,074,000	2,319,000	1,686,000
5 Richmond	728,000	752,000	1,540,000
6 Atlanta	3,999,000	2,841,000	4,586,000
7 Chicago	6,277,000	4,623,000	4,896,000
8 St. Louis	1,063,000	708,000	503,000
9 Minneapolis	66,00	------	194,000
10 Kansas City	------	------	------
11 Dallas	5,044,000	1,428,000	424,000
12 San Francisco	25,545,000	23,337,000	15,470,000
Grand Total	$208,213,000	$203,842,000	$144,790,000

Increase for month---- $4,371,000 Increase for year---- $63,423,000

ACCORDING TO NATURE OF CREDIT

	Nov. 30, 1946	Oct. 31, 1946	Nov. 30, 1945
Imports	$152,337,000	$154,203,000	$100,182,000
Exports	22,614,000	18,195,000	14,792,000
Domestic shipments	1,858,000	10,216,000	9,851,000
Domestic warehouse credits	15,334,000	12,292,000	13,342,000
Dollar exchange	720,000	724,000	127,000
Based on goods stored in or shipped between foreign countries	6,350,000	8,212,000	6,496,000

This increase may be considered seasonal as since 1925 there have been 18 increases as against 4 decreases in the month of November. Exports of cotton, flour, machinery, radio equipment, general merchandise and the storage of cotton accounted for a large part of the increase in the respective classifications.

BILLS HELD BY ACCEPTING BANKS

Own bills---- $73,182,000 Bills of others---- $81,520,000 Total---- $154,702,000
Increase for month, $855,000

CURRENT MARKET RATES ON PRIME BANKERS ACCEPTANCES, DEC. 17, 1946

Days	Dealers' Buying Rates	Dealers' Selling Rates
30	7/8	13/16
60	7/8	13/16
90	7/8	13/16
120	15/16	7/8
150	1%	15/16
180	1%	15/16

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

1944—	$	1945—	$	1946—	$
Nov. 30	115,336,000	July 31	116,717,000	Mar. 30	162,790,000
Dec. 30	128,944,000	Aug. 31	128,035,000	Apr. 30	168,879,000
		Sep. 29	134,533,000	May 31	177,273,000
1945—		Oct. 31	134,592,000	Jun. 29	191,719,000
Jan. 31	129,743,000	Nov. 30	144,790,000	July 31	205,381,000
Feb. 28	126,269,000	Dec. 31	154,349,000	Aug. 31	206,848,000
Mar. 31	127,512,000			Sept. 30	199,827,000
Apr. 30	116,825,000	1946—		Oct. 31	203,842,000
May 31	104,356,000	Jan. 31	166,352,000	Nov. 30	208,213,000
June 30	106,893,000	Feb. 28	166,852,000		

Cotton Ginned from 1946 Crop Prior to Nov. 1

The Census report issued on Nov. 8, 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 Nov. 1, 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	*5,724,926	5,151,873	8,282,768
Alabama	587,993	729,095	862,632
Arizona	52,134	34,011	34,105
Arkansas	748,885	416,753	980,801
California	191,191	72,011	59,422
Florida	3,696	5,976	9,800
Georgia	425,107	468,191	653,708
Illinois	306	73	2,345
Kentucky	2,765	1,587	8,925
Louisiana	228,708	301,842	513,775
Mississippi	828,015	981,418	1,419,239
Missouri	152,617	43,581	296,418
New Mexico	92,010	43,984	38,168
North Carolina	234,589	207,805	461,102
Oklahoma	142,463	108,503	324,938
South Carolina	537,857	415,732	632,735
Tennessee	243,183	172,223	392,813
Texas	1,247,817	1,143,728	1,576,371
Virginia	5,590	5,360	15,471

*Includes 171,641 bales of the crop of 1946 ginned prior to Aug. 1 which was counted in the supply for the season of 1945-46, compared with 132,737 and 48,182 bales of the crops of 1945 and 1944.

These statistics in this report include 1,200 bales of American-Egyptian for 1946, 1,212 for 1945, and 2,336 for 1944; also included are no bales of Sea-island for 1946, 4 for 1945, and 1 for 1944. The ginning of round bales has been discontinued since 1941.

The statistics for 1946 in this report are subject to revision when checked against the individual returns of the ginners being transmitted by mail. The revised total of cotton ginned this season prior to Oct. 18 is 4,318,800 bales.

Air Safety Funds Cut

Civil Aeronautics Administrator T. P. Wright disclosed to the House Commerce Committee on Jan. 23, according to Associated Press Washington advices, that the Budget Bureau had reduced the allotment for government spending for civilian aviation safety, navigation and development in 1948 to $92,271,100—$21,619,000 less than the $113,890,000 which the CAA had requested. Mr. Wright, it is reported, also had figures to show that the Budget Bureau had consistently reduced since 1940 the originally requested appropriations.

Members of the Commerce Committee, which has been searching for the causes and cures of airplane disasters, are concerned with the question of whether insufficient funds for development of safety devices and navigation aids may have been a contributing factor in some plane accidents. Mr. Wright cautioned them against Congressional cuts in appropriations for the Civil Aeronautics Administration, asserting that experience had demonstrated the requirements as originally outlined proved "to be very real." From the Associated Press we quote:

"In a prepared statement, Mr. Wright told the Committee that the government's part in preventing accidents includes drafting and enforcing regulations, whereas the air lines 'have the all-important task of actually doing the flying job.'

"The more responsibility the air lines can take," he said, "the less will be the load upon government agencies. I believe that the tendency toward emphasis of responsibility should be in this direction."

Early Recall of Troops From Abroad Not Likely

Any idea occupation troops might have had about getting home early because of President Truman's proclamation of the end of hostilities was dashed on Jan. 1 by the War Department, said an Associated Press Washington dispatch on that date appearing in the New York "Times," which further reported:

An announcement by Secretary of War Robert P. Patterson said that "troops serving overseas will not be affected for the present by the restoration of the statutory provision of the two-year maximum for duty in certain foreign stations."

The statute was one of a number which again became operative with the Presidential proclamation. It stipulates a two-year limit on foreign service of troops in the Philippines, the Asiatic station, China, Hawaii, Puerto Rico and the Panama Canal Zone.

It contains, however, an exception which provides longer service in the discretion of the Secretary of War when necessary for "temporary emergencies."

Mr. Patterson said these "temporary emergencies do exist in the areas listed and therefore the statutes will have no effect at this time" for those troops and he then added:

"Troops stationed in areas not listed in the act, such as Germany, Austria, Italy, Japan, Korea, and Alaska, were not affected by the President's proclamation inasmuch as they had never been within the scope of the act."

Moody's Daily Commodity Index

Tuesday, Feb. 4	382.6
Wednesday Feb. 5	387.3
Thursday, Feb. 6	387.4
Friday, Feb. 7	390.8
Saturday, Feb. 8	390.1
Monday, Feb. 10	390.2
Two weeks ago, Jan. 28	378.1
Month ago, Jan. 11	374.1
Year ago, Feb. 11	267.3
1946 High, Dec. 24	380.6
Low, Jan. 2	264.7
1947 High, Feb. 7	390.8
Low, Jan. 20	371.5

Weekly Coal and Coke Production Statistics

The total production of soft coal in the week ended Feb. 1, 1947, as estimated by the United States Bureau of Mines, was 13,775,000 net tons, the highest figure recorded since 1926. It compares with 13,200,000 tons produced in the preceding week and 12,630,000 tons in the corresponding week of 1946. The total production for the current calendar year to Feb. 1 was estimated at 60,795,000 net tons, a gain of 4.5% over the 58,199,000 tons produced from Jan. 1 to Feb. 2, 1946.

Production of Pennsylvania anthracite for the week ended Feb. 1, 1947, as estimated by the Bureau of Mines, was 1,240,000 tons, an increase of 42,000 tons, or 3.5%, over the preceding week. When compared with the output in the corresponding week of 1946 there was a decrease of 7,000 tons, or 0.6%. From Jan. 1 to Feb. 1, 1947, there were produced 5,323,000 tons of anthracite, as against 5,400,000 tons in the period from Jan. 1 to Feb. 2, 1946.

The Bureau also reported that the estimated production of beehive coke in the United States for the week ended Feb. 1, 1947, showed an increase of 6,800 tons when compared with the output for the week ended Jan. 25, 1947; and was 39,600 tons more than for the corresponding week of 1946.

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

	Week Ended			Jan. 1 to Date	
Bituminous coal & lignite—	Feb. 1, 1947	*Jan 25, 1947	Feb. 2, 1946	†Feb. 1, 1947	Feb. 2, 1946
Total, including mine fuel	13,775,000	13,200,000	12,630,000	60,795,000	58,199,000
Daily average	2,296,000	2,200,000	2,105,000	2,243,000	2,071,000

*Revised. †Subject to current adjustment.

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

	Week Ended			Calendar Year to Date		
Penn. Anthracite—	‡Feb. 1, 1947	§Jan. 25, 1947	Feb. 2, 1946	Feb. 1, 1947	Feb. 2, 1946	Feb. 6, 1937
*Total incl. coll. fuel	1,240,000	1,198,000	1,247,000	5,323,000	5,400,000	5,329,000
†Commercial produc.	1,192,000	1,152,000	1,199,000	5,118,000	5,192,000	5,063,000
Beehive Coke—						
¶United States total	124,600	117,800	85,000	546,300	411,000	339,100

*Includes washery and dredge coal and coal shipped by truck from authorized operations. †Excludes colliery fuels. ‡Subject to revision. §Revised. ¶Estimated from weekly carloadings reported by 10 railroads.

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 return from the operators.)

	Week Ended		
State—	Jan. 25, 1947	Jan. 18, 1947	Jan. 26, 1946
Alabama	383,000	385,000	327,000
Alaska	7,000	7,000	6,000
Arkansas	52,000	46,000	43,000
Colorado	190,000	194,000	137,000
Georgia and North Carolina	1,000	1,000	1,000
Illinois	1,535,000	1,560,000	1,563,000
Indiana	607,000	626,000	556,000
Iowa	38,000	42,000	45,000
Kansas and Missouri	126,000	134,000	135,000
Kentucky—Eastern	1,235,000	1,177,000	1,144,000
Kentucky—Western	453,000	442,000	464,000
Maryland	48,000	46,000	55,000
Michigan	2,000	2,000	3,000
Montana (bituminous and lignite)	94,000	104,000	94,000
New Mexico	35,000	34,000	30,000
North and South Dakota (lignite)	75,000	70,000	73,000
Ohio	729,000	804,000	787,000
Oklahoma	78,000	82,000	72,000
Pennsylvania (bituminous)	3,073,000	3,096,000	2,726,000
Tennessee	163,000	150,000	156,000
Texas (bituminous and lignite)	2,000	2,000	2,000
Utah	190,000	182,000	159,000
Virginia	415,000	422,000	395,000
Washington	28,000	26,000	25,000
†West Virginia—Southern	2,553,000	2,552,000	2,314,000
‡West Virginia—Northern	867,000	910,000	963,000
Wyoming	220,000	173,000	250,000
§Other Western States	1,000	1,000	*
Total bituminous and lignite	13,200,000	13,270,000	12,525,000

†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.

Average Wholesale Prices Unchanged in Week Ended Feb. 1, Labor Department Reports*

"Lower prices for foods offset price advances in most other commodity groups during the week ended Feb. 1, 1947 with the general level of primary market prices unchanged," according to the Bureau of Labor Statistics, U. S. Department of Labor, which on Feb. 6 stated that the Bureau's index of commodity prices in primary markets stood at 140.3% of the 1926 average, 0.9% above a month earlier and 31.4% above early Feb. 1946. The Bureau's advices continued:

"**Farm Products and Foods**—Average market prices of farm products advanced 0.4% during the week but were still 0.8% below a month earlier. Market prices for calves, hogs, sheep and live poultry rose with light shipments but declining prices for dressed beef caused lower quotations on cattle. Grains averaged fractionally lower in a mixed market. Large supplies were responsible for declines in egg prices and citrus fruits. On the average, farm products were 27.1% above the corresponding week of last year.

"The group index for foods declined 1.2% during the week with lower prices in all commodity groups. Additional price declines were reported for butter, cheese and powdered milk. Wheat flour was down except in those markets where the government was buying for export. Generally ample supplies were responsible for declines in prices of most types of meats. Sales of army surplus supplies lowered prices for coffee and quotations for olive oil were down. Small increases occurred for lard, black pepper and salt. On the average food prices were 1.5% below the first week in January, 1947 and 44.4% above a year ago.

"**Other Commodities**—Average prices for all commodities other than farm products and foods rose 0.4% during the week to a point 26.4% above early February, 1946. Most commodity groups showed increases during the week, led by building materials, up 1.9%. Pigments still in short supply were higher and there were increases for some other paint materials. Advances for radiators and bathtubs were caused by a reduction of cash discounts. Higher metal costs raised prices for cast iron pipe. Millwork prices continued to rise and there were increases for window glass. Quotations for iron ore were advanced about 10% during the week, retroactive to Jan. 1. There also were small increases for copper, Babbitt metal and solder. Short supplies and rising costs were responsible for sharp increases in vegetable tanning extracts, and acetic acid quotations advanced. Boxboard prices continued up with short supplies. Cattle hides and skins recovered somewhat during the week as supply became more nearly balanced with demands. Higher raw material costs were reflected in price advances for rayon underwear, woolen yarns and woolen blankets."

CHANGES IN WHOLESALE PRICES BY COMMODITY GROUPS
FOR WEEK ENDED FEB. 1, 1947
(1926=100)

						Percentages changes to Feb. 1, 1947 from—		
Commodity Groups—	2-1 1947	1-25 1947	1-18 1947	1-4 1947	2-2 1946	1-25 1947	1-4 1947	2-2 1946
All commodities	140.3	140.3	140.8	139.1	106.8	0	+ 0.9	+31.4
Farm products	164.8	164.2	166.0	166.1	129.7	+ 0.4	— 0.8	+27.1
Foods	154.1	155.9	157.8	156.4	106.7	— 1.2	— 1.5	+44.4
Hides and leather products	171.0	170.7	171.7	171.3	119.8	+ 0.2	— 0.2	+42.7
Textile products	135.8	135.7	135.7	133.5	101.1	+ 0.1	+ 1.7	+34.3
Fuel and lighting materials	98.5	98.5	98.3	97.0	85.4	0	+ 1.5	+15.3
Metals and metal products	138.3	137.7	136.7	134.2	105.8	+ 0.4	+ 3.1	+30.7
Building materials	168.6	165.5	164.5	156.1	119.9	+ 1.9	+ 8.0	+40.6
Chemicals and allied products	127.8	127.4	127.1	126.6	96.0	+ 0.3	+ 0.9	+33.1
Housefurnishings goods	122.8	122.5	122.4	120.9	106.3	+ 0.2	+ 1.6	+15.0
Miscellaneous commodities	109.9	110.0	109.5	107.8	95.0	— 0.1	+ 1.9	+15.7
Special Groups—								
Raw materials	152.6	152.1	153.3	153.1	118.9	+ 0.3	— 0.3	+28.3
Semi-manufactured articles	139.5	138.6	137.8	135.1	97.5	+ 0.6	+ 3.3	+43.0
Manufactured products	135.6	136.0	136.4	134.1	102.9	— 0.3	+ 1.1	+31.8
All commodities other than Farm products	135.0	135.1	135.3	133.2	101.7	— 0.1	+ 1.4	+32.7
All commodities other than Farm products and foods	127.5	127.0	126.6	124.1	100.9	+ 0.4	+ 2.7	+26.4

PERCENTAGE CHANGES IN SUBGROUP INDEXES FROM
JAN. 25, 1947 TO FEB. 1, 1947

Increases

Lumber	3.0	Cement	0.4
Paint and Paint Materials	1.7	Plumbing and Heating	0.3
Other Building Materials	1.3	Cotton Goods	0.2
Iron and Steel	1.0	Hides and Skins	0.2
Leather	1.0	Woolen and Worsted Goods	0.2
Livestock and Poultry	1.0	Bituminous Coal	0.1
Nonferrous Metals	0.8	Hosiery and Underwear	0.1
Chemicals	0.5	Other Farm Products	0.1
Furnishings	0.5	Paper and Pulp	0.1

Decreases

Meats	2.7	Motor Vehicles	0.3
Cattle Feed	2.3	Other Textile Products	0.3
Fruits and Vegetables	0.8	Shoes	0.2
Other Foods	0.5	Cereal Products	0.1
Dairy Products	0.4	Grains	0.1

*Based on the BLS weekly index of prices of about 900 commodities which measures changes in the general level of primary market prices. This index should be distinguished from the daily index of 28 commodities. For the most part, 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.

National Fertilizer Association Commodity Price Index Continues to Rise

The weekly wholesale commodity price index compiled by The National Fertilizer Association and made public on Feb. 10, rose to 191.8 for the week ended Feb. 8, 1947, from the level of 189.4 in the preceding week. This is the second consecutive week in 1947 that the index has risen and it is now higher than at any time since Nov. 30, 1946, when it stood at 192.0. A month ago the index stood at 191.3 and a year ago at 142.0, all based on the 1935-1939 average as 100. The Association's report added:

During the past week seven of the composite groups advanced while one declined. The foods group advanced 1.3% from the level of the previous week because of higher prices for cocoa, lard, cocoanut oil, and veal, lamb and pork. The increase in the farm products group of 3.2% from the level of a week ago was greater than for any other composite group; higher prices for cotton, grains, eggs, livestock, poultry, and hay were responsible for the rise. Higher prices for cottonseed meal and book paper caused the index for the miscellaneous commodities group to rise although lower prices were quoted for linseed meal, bran, and middlings. The index for the textiles group advanced slightly. An increase in the price of steel scrap was wholly responsible for the rise in the index of the metals group. Higher prices for lead, white, in oil caused the index for the building materials group to advance slightly from the level of the previous week. The index for chemicals and drugs advanced because of price increases for sodium phosphate and creosote oil. A decrease in the price of bunker oil caused the fuels index to fall slightly.

During the week 26 price series in the index advanced and four declined; in the preceding week 24 advanced and 17 declined; in the second preceding week 15 advanced and 20 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 Feb. 8, 1947	Preceding Week Feb. 1, 1947	Month Ago Jan. 11, 1947	Year Ago Feb 9, 1946
25.3	Foods	213.8	211.1	216.2	140.9
	Fats and Oils	280.7	278.6	270.4	146.6
	Cottonseed Oil	387.5	387.5	341.9	163.1
23.0	Farm Products	236.8	229.4	229.2	169.1
	Cotton	309.5	300.8	316.3	241.7
	Grains	205.9	200.7	199.9	169.7
	Livestock	238.8	230.4	226.7	157.5
17.3	Fuels	157.5	157.6	157.6	129.3
10.8	Miscellaneous Commodities	154.1	153.6	154.3	133.9
8.2	Textiles	214.6	213.3	216.6	160.4
7.1	Metals	142.4	142.3	142.2	110.2
6.1	Building Materials	213.2	213.0	215.6	160.4
1.3	Chemicals and Drugs	155.0	154.7	153.3	127.0
.3	Fertilizer Materials	125.5	125.5	125.7	118.2
.3	Fertilizers	131.9	131.9	129.6	119.8
.3	Farm Machinery	124.3	124.3r	120.8	105.2
100.0	All groups combined	191.8	189.4	191.1	142.0

*Indexes on 1926-28 base were: Feb. 8, 1947, 149.4; Feb. 1, 1947, 147.5; and Feb. 9, 1946, 110.6.
r Revised.

New Faculty Members Of Graduate School

Twelve new members have been added to the faculty of The Graduate School of Banking to lecture at the school's 1947 resident session at Rutgers University, New Brunswick, N. J., June 16-28, it is announced by Dr. Harold Stonier, director of the G.S.B. The twelve men are: A. James Casner, Professor of Law at Harvard University and member of the Boston law firm of Ropes, Gray, Best, Coolidge, and Rugg; Robert Coltman, Assistant Vice-President in charge of the Investment Department, Provident Trust Co., Philadelphia, Pa.; Carlisle R. Davis, Vice-President, Secretary, and Cashier, State-Planters Bank and Trust Co., Richmond, Va.; J. R. Dunkerley, Deputy Manager of the American Bankers Association and Secretary of its Savings Division; Robert F. Marchant, Treasurer of The Bank for Savings in the City of New York; Joseph E. Morris, Vice-President in charge of the Investment Department, City Bank Farmers Trust Co., New York; George O. Nodyne, Assistant Vice-President and Director of Personnel, East River Savings Bank, New York; Richard Rapport, Banking Commissioner of the State of Connecticut and First Vice-President, National Association of Supervisors of State Banks; William F. Schroer, Vice-President, Mississippi Valley Trust Company, St. Louis, Mo.; Howard B. Smith, director of Research in Real Estate and Mortgage Finance, American Bankers Association; Donald B. Woodward, Second Vice-President, The Mutual Life Insurance Co. of New York; and Paul I. Wren, Vice-President, Old Colony Trust Co., Boston, Mass.

The resident session at Rutgers next June will mark the beginning of the twelfth year of The Graduate School of Banking. The new freshmen class added to the two returning classes will make the largest enrollment that the school has had in its existence. The student body together with the faculty will bring to the Rutgers campus next June somewhere in the neighborhood of 1,000 men.

Senate Group Pledges Marshall Cooperation

The Senate Foreign Relations Committee, of which Senator Arthur Vandenberg (R.-Mich.) is Chairman, while stressing its desire to cooperate fully with the new Secretary of State, George C. Marshall, invited Gen. Marshall to appear before the committee, at his convenience, and give it a comprehensive outline of his views on American foreign policy. However, an Associated Press Washington dispatch of Jan. 22, stated, some committee members said that it would be all right if he did not find it convenient to testify until after the Big Four Foreign Ministers' meeting at Moscow. The Associated Press further said:

"While Washington officials and diplomats generally appeared as interested as members of the Foreign Relations Committee to learn Secretary Marshall's views on a wide range of problems, Gen. Marshall himself made it clear that he intends to say nothing until he has studied thoroughly the nature of his new task. He did indicate in general, however, that he regards the policies of former Secretary Byrnes as those of the government and not of an individual and that he will continue them.

"There is nothing I can say at this time regarding matters that pertain to my position in the State Department," Secretary Marshall told reporters and photographers.

Daily Average Crude Oil Production for Week Ended Feb. 1, Decreased 21,400 Barrels

The American Petroleum Institute estimates that the daily average gross crude oil production for the week ended Feb. 1, 1947, was 4,650,150 barrels, a decrease of 21,400 barrels per day from the preceding week. It was, however, a gain of 40,950 barrels per day over the corresponding week in 1946 and 10,150 barrels in excess of the daily average figure of 4,640,000 barrels estimated by the United States Bureau of Mines as the requirement for the month of January, 1947. Daily output for the four weeks ended Feb. 1, 1947, averaged 4,619,150 barrels. The Institute's statement further adds:

Reports received from refining companies indicate that the industry as a whole ran to stills on a Bureau of Mines basis approximately 4,783,000 barrels of crude oil daily and produced 14,610,000 barrels of gasoline; 2,071,000 barrels of kerosine; 5,660,000 barrels of distillate fuel, and 8,516,000 barrels of residual fuel oil during the week ended Feb. 1, 1947; and had in storage at the end of that week 100,579,000 barrels of finished and unfinished gasoline; 13,538,000 barrels of kerosine; 48,131,000 barrels of distillate fuel, and 47,947,000 barrels of residual fuel oil.

DAILY AVERAGE CRUDE OIL PRODUCTION (FIGURES IN BARRELS)

	*B. of M. Calculated Requirements January	State Allowables Begin. Jan. 1	Actual Production Week Ended Feb. 1, 1947	Change from Previous Week	4 Weeks Ended Feb. 1, 1947	Week Ended Feb. 2, 1946
**New York-Penna.	48,200		52,100	+ 4,650	49,700	48,600
Florida			250	----	250	100
**West Virginia	8,400		7,750	+ 100	7,650	7,250
**Ohio—Southeast }	7,600		6,050	+ 300	5,750	4,350
Ohio—Other }			2,650	+ 300	2,400	3,300
Indiana	19,000		17,600	— 450	17,550	15,150
Illinois	209,000		195,650	— 3.050	196,100	210,700
Kentucky	28,000		27,700	— 50	28,200	29,500
Michigan	46,000		43,700	— 1,700	43,500	44,350
Nebraska	800		†700	----	650	750
Kansas	260,000	270,000	†284,700	— 600	254,250	239,600
Oklahoma	375,000	362,400	†365,150	+ 500	362,300	387,400
Texas—						
District I			19,100	----	19,100	----
District II			133,100	——	133,100	——
District III			412,150	——	412,150	——
District IV			206,500	——	206,500	——
District V			33,700	——	33,700	——
East Texas			301,000	——	301,000	——
Other Dist. VI			99,450	——	99,450	——
District VII-B			34,000	——	34,000	——
District VII-C			27,600	——	27,600	——
District VIII			464,700	——	464,700	——
District IX			118,250	——	118,250	——
District X			82,050	——	82,050	——
Total Texas	2,030,000	‡1,922,422	1,931,600	——	1,931,600	2,036,850
North Louisiana			94,050	— 1,050	94,650	79,800
Coastal Louisiana			313,650	——	313,650	288,850
Total Louisiana	382,000	446,426	407,700	— 1.050	408,300	368,650
Arkansas	76,000	81,909	73,200	+ 800	72,650	77,050
Mississippi	62,000		86,500	— 100	86,400	56,750
Alabama	2,000		850	— 50	700	650
New Mexico—So. East }	98,000	109,000	103,000	——	103,000	98,000
New Mexico—Other }			450	+ 50	450	400
Wyoming	93,000		104,750	— 1,350	106,200	97,750
Montana	24,000		20,700	+ 300	21,200	19,050
Colorado	33,000		35,000	— 2,200	36,800	22,500
California	838,000	§842,000	882,400	—17,800	883,550	840,500
Total United States	4,640,000		4,650,150	—21,400	4,619,150	4,609,200
**Pennsylvania Grade (included above)			65,900	+ 5,050	63,100	60,200

*These are Bureau of Mines calculations of the requirements of domestic crude oil based upon certain premises outlined in its detailed forecasts. They include the condensate that is moved in crude pipelines. The A. P. I. figures are crude oil only. As requirements may be supplied either from stocks or from new production, contemplated withdrawals from crude inventories must be deducted, as pointed out by the Bureau, from its estimated requirements to determine the amount of new crude to be produced.

†Oklahoma, Kansas, Nebraska figures are for week ended 7:00 a.m. Jan. 30, 1947.

‡This is the net basic allowable as of Jan. 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 9 to 13 days, the entire state was ordered shut down for 9 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 9 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 FEB. 1 1947

(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	‡Finished and Unfin. Gasoline Stocks	‡Stocks of Kerosine	‡Stks. of Gas Oil & Dist. Fuel Oil	‡Stks of Resid. Fuel Oil
East Coast	99.5							
Appalachian—		713	85.0	1,944	21,495	6,618	16,772	6,868
District No. 1	76.3	103	72.0	306	2,637	333	507	241
District No. 2	84.7	62	100.0	216	956	28	65	140
Ind., Ill., Ky.	87.4	770	88.5	2,617	19,515	1,217	4,218	3,109
Okla., Kans., Mo.	78.3	405	86.4	1,426	9,819	586	1,870	1,217
Inland Texas	59.8	218	66.1	1,029	4,046	241	378	756
Texas Gulf Coast	89.2	1,127	91.9	3,394	15,829	2,378	9,175	6,197
Louisiana Gulf Coast	97.4	361	112.5	1,071	5,389	1,100	3,189	1,741
No. La. & Arkansas	55.9	57	65.2	169	2,029	326	577	100
Rocky Mountain—								
New Mexico	19.0	9	69.2	31	113	16	33	37
Other Rocky Mt.	70.9	126	76.4	422	2,444	115	427	539
California	85.5	832	83.7	1,985	16,307	580	10,920	27,002
Total U. S. B. of M. basis Feb. 1, 1947	85.8	4,783	86.1	14,610	*100,579	13,538	48,131	47,947
Total U. S. B. of M. basis Jan. 25, 1947	85.8	4,820	86.7	14,624	99,801	14,339	50,357	48,558
Total U. S. B. of M. Feb. 2, 1946		4,501		13,301	†102,574	8,310	28,920	34,485

*Includes unfinished gasoline stocks of 7,928,000 barrels. †Includes unfinished gasoline stocks of 8,226,000 barrels. ‡Stocks at refineries, at bulk termonals, in transit and in pipe lines. §In addition, there were produced 2,071,000 barrels of kerosene, 5,660,000 barrels of gas oil and distillate fuel oil and 8,516,000 barrels of residual fuel oil in the week ended Feb. 1, 1947, compared with 2,266,000 barrels, 5,630,000 barrels and 8,224,000 barrels, respectively, in the preceding week and 2,191,000 barrels, 5,661,000 barrels and 8,552,000 barrels, respectively, in the week ended Feb. 2, 1946.

Trading on New York Exchanges

The Securities and Exchange Commission made public on Feb. 5 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 Jan. 18, 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 Jan. 11 (in round-lot transaction) total 2,230,678 shares, which amount was 17.89% of the total transactions on the Exchange of 6,233,210 shares. This compares with member trading during the week ended Jan. 11 of 1,996,990 shares, or 18.47% of the total trading of 5,406,170 shares.

On the New York Curb Exchange, member trading during the week ended Jan. 18 amounted to 464,645 shares, or 16.48% of the total volume on that Exchange of 1,410,090 shares. During the week ended Jan. 11 trading for the account of Curb members of 593,375 shares was 15.74% of the total trading of 1,567,145 shares.

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

WEEK ENDED JAN. 18, 1947

	Total for Week	†%
A. Total Round-Lot Sales:		
Short sales	323,940	
‡Other sales	5,909,270	
Total sales	6,233,210	
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	679,010	
Short sales	152,780	
‡Other sales	614,690	
Total sales	767,470	11.60
2. Other transactions initiated on the floor—		
Total purchases	106,650	
Short sales	21,370	
‡Other sales	131,200	
Total sales	152,570	2.08
3. Other transactions initiated off the floor—		
Total purchases	233,488	
Short sales	43,130	
‡Other sales	248,360	
Total sales	291,490	4.21
4. Total—		
Total purchases	1,019,148	
Short sales	217,280	
‡Other sales	994,250	
Total sales	1,211,530	17.89

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

WEEK ENDED JAN. 18, 1947

	Total for Week	†%
A. Total Round-Lot Sales:		
Short sales	27,555	
‡Other sales	1,382,535	
Total sales	1,410,090	
B. Round-Lot Transactions for Account of Members:		
1. Transactions of specialists in stocks in which they are registered—		
Total purchases	140,795	
Short sales	11,795	
‡Other sales	137,140	
Total sales	148,935	10.27
2. Other transactions initiated on the floor—		
Total purchases	19,925	
Short sales	4,300	
‡Other sales	22,150	
Total sales	26,450	1.65
3. Other transactions initiated off the floor—		
Total purchases	87,180	
Short sales	4,300	
‡Other sales	37,060	
Total sales	41,360	4.56
4. Total—		
Total purchases	247,900	
Short sales	20,395	
‡Other sales	196,350	
Total sales	216,745	16.48
C. Odd-Lot Transactions for Account of Specialists—		
Customers' short sales	0	
§Customers' other sales	63,473	
Total purchases	63,473	
Total sales	63,841	

*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."

Bank Debits for Month of December

The Board of Governors of the Federal Reserve System issued on Jan. 10, its usual monthly summary of "bank debits" which we give below:

SUMMARY BY FEDERAL RESERVE DISTRICTS

(In millions of dollars)

Federal Reserve District—	Dec., 1946	Dec., 1945	3 Months Ended Dec., 1946	3 Months Ended Dec., 1945
Boston	4,461	4,767	12,464	12,015
New York	44,473	48,062	115,231	120,060
Philadelphia	4,585	4,312	12,323	11,333
Cleveland	6,629	5,825	18,256	15,189
Richmond	3,839	3,451	11,187	9,533
Atlanta	3,778	3,204	10,884	8,665
Chicago	14,766	13,747	40,822	35,558
St. Louis	3,170	2,633	8,766	7,218
Minneapolis	2,075	1,775	6,289	5,122
Kansas City	3,537	2,873	9,858	7,977
Dallas	3,326	2,742	9,184	7,296
San Francisco	9,256	8,186	26,614	22,628
Total, 334 centers	103,894	101,577	281,876	262,594
*New York City	41,252	45,035	106,253	112,266
*140 other centers	52,295	47,774	146,071	126,035
193 other centers	10,348	8,767	29,553	24,293

*Included in the national series covering 141 centers, available beginning in 1919.

NYSE Odd-Lot Trading

The Securities and Exchange Commission made public on Feb. 5 a summary 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 for the week ended Jan. 25, 1947, 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 Jan. 25, 1947

	Total For Week
Odd-Lot Sales by Dealers— (Customers' purchases)	
Number of orders	22,038
Number of shares	627,910
Dollar value	$25,429,981
Odd-lot Purchases by Dealers— (Customers' sales)	
Number of Orders:	
Customers' short sales	310
*Customers' other sales	17,699
Customers' total sales	18,009
Number of Shares:	
Customers' short sales	11,795
*Customers' other sales	500,437
Customers' total sales	512,232
Dollar value	$18,588,808
Round-lot Sales by Dealers—	
Number of Shares:	
Short sales	0
†Other sales	131,430
Total sales	131,430
Round-lot Purchases by Dealers—	
Number of shares	284,970

*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."

NY Savs.-Loan Mtge. Volume Doubled in 1946

Savings and Loan Associations in the State of New York set a new all-time high record in volume of mortgage loans made during the year 1946. According to figures recently issued by Zebulon V. Woodard, Executive Vice-President of the New York State League of Savings and Loan Associations, these institutions made 51,538 loans for a total of $253,102,007, representing more than twice the amount of $121,363,498 loaned in the previous year 1945. The advices also state:

"Of the total amount loaned during the year 1946, $28,760,001 was for the construction of new homes; $195,025,173 was for the purchase of homes; $14,516,148 was for refinancing existing loans, and $14,800,685 was for repairs and all other loans. The average loan made by savings and loan associations in 1946 was $4,910."

New Cotton Quota

On February 3, President Truman signed a proclamation imposing a quota on imports of short harsh or rough cotton. The quota of 70,000,000 pounds annually applies to harsh or rough cotton having a staple of less than three-quarters of 1 inch in length said Associated Press advices from Washington, which further stated:

"The White House action amends a proclamation of Sept. 5, 1939, limiting the quantities of certain cotton and cotton waste which might be imported, but exempting harsh or rough cotton. Today's order grew out of hearings last fall by the United States Tariff Commission to determine whether the short harsh or rough cotton importations threatened to injure the domestic producer. On the basis of the commission's recommendations the President proclaimed:

"That the total quantity of harsh or rough cotton having a staple of less than three-quarters of 1 inch in length which might be entered or withdrawn from warehouse for consumption, in the year commencing Sept. 20, 1946, and in any subsequent year commencing September 20, shall not exceed 70 million pounds.

Civil Engineering Construction Totals $111,546,000 for Week

Civil engineering construction volume in continental United States totals $111,546,000 for week ending Feb. 6, 1947, as reported by "Engineering News-Record." This volume is 18% above the previous week, 101% above the corresponding week of last year, and 21% above the previous four-week moving average. The report issued on Feb. 6. continued as follows:

Private construction this week, $78,138,000, is 55% more than last week, and 113% above the week last year. Public construction, $33,408,000, is 24% below last week, but 77% more than the week last year. State and municipal construction, $24,094,000, 28% above last week, is 46% above the 1946 week. Federal construction, $9,314,000, is 63% below last week, and 286% above the week last year.

Total engineering construction for the six-week period of 1947 records a cumulative total of $542,516,000, which is 34% above the total for a like period of 1946. On a cumulative basis, private construction in 1947 totals $358,053,000, which is 31% above that for 1946. Public construction, $184,463,000, is 42% greater than the cumulative total for the corresponding period of 1946, whereas State and municipal construction, $131,961,000 to date, is 51% above 1946. Federal construction, $52,502,000, gained 23% above the six-week total of 1946.

Civil engineering construction volume for the current week, last week, and the 1946 week are:

	Feb. 6, 1947	Jan. 30, 1947	Feb. 7, 1946
Total U. S. Construction	$111,546,000	$94,514,000	$55,527,000
Private Construction	78,138,000	50,352,000	36,648,000
Public Construction	33,408,000	44,162,000	18,879,000
State and Municipal	24,094,000	18,828,000	16,468,000
Federal	9,314,000	25,334,000	2,411,000

In the classified construction groups, waterworks, sewerage, bridges, highways, commercial buildings, industrial buildings, and unclassified construction gained this week over last week. Eight of the nine classes recorded gains this week over the 1946 week as follows: sewerage, bridges, earthwork and drainage, highways, public buildings, commercial buildings, industrial buildings, and unclassified construction.

New Capital

New capital for construction purposes this week totals $12,141,000, and is made up of $198,000 in corporate securities and $11,943,000 in State and municipal bond sales. New capital for construction purposes for the six-week period of 1947 totals $120,554,000, 56% less than the $273,002,000 reported for the corresponding period of 1946.

January Civil Engineeering Construction Totals $430,970,000

Civil Engineering construction volume in continental United States totals $540,970,000 for January, an average of $86,194,000 for each of the five weeks of the month. This average is 2% below the average for December, and is 24% above the average of January, 1946, according to "Engineering News-Record." The report issued on Feb. 6 went on to say in part:

Private construction for January on a weekly average basis is 9% below last month, but 18% greater than January, 1946. Public construction is 13% above last month and 36% above last January. State and municipal construction, while 10% below last month, is 53% above the average for January, 1946. Federal construction, up 238% from last month, is 8% above January, 1946.

Civil engineering construction volume for January, 1947, December, 1946, and January, 1946 are:

	Jan., 1947 (five weeks)	Dec., 1946 (four weeks)	Jan., 1946 (five weeks)
Total U. S. Construction	$430,970,000	$352,855,000	$348,277,000
Private Construtcion	279,915,000	246,307,000	237,463,000
Public Construction	151,055,000	106,548,000	110,814,000
State and Municipal	107,867,000	96,332,000	70,641,000
Federal	43,188,000	10,216,000	40,173,000

New Capital

New capital for construction purposes for the five weeks of January, 1947 totals $108,413,000, or a weekly average of $21,682,000, 72% below the December, 1946 average, and 59% below the average for January, 1946.

Non-Ferrous Metals Active—Price Structure Firm—Silver Steadies as Demand Improves

"E. & M. J. Metal and Mineral Markets," in its issue of Feb. 6, states: "Demand for major non-ferrous metals was active throughout the week and the price structure continued firm. Two prices again prevailed in domestic copper, with no signs as the week ended that the two views on the market have changed one way or the other. Fabricators continued to price copper products on the basis of 19½c, Valley. Demand for silver showed further improvement from domestic and foreign sources, with London a buyer of several round lots. A reduction in the London quotation for silver on Feb. 3 had no bearing on the New York trade. The leading producer of antimony announced quantity differentials on less than carload lots. Quicksilver was unsettled." The publication further went on to say in part as follows:

Copper

The price situation in domestic copper last week was unchanged, the American Smelting & Refining Co. holding out for 20½c, Valley, with other sellers at 19½c. Our weighted average quotations indicate that sales at the lower level were substantially larger than those booked at 20½c. In fact, on Feb. 1, all transactions were at 19½c. A feature in the week's developments has been the expanding flow of scrap. Demand for copper continued active, particularly from the wire and cable industry.

Though European buying of copper has moderated somewhat, foreign producers experienced no difficulty in disposing of their offerings at firm prices.

Representative James T. Patterson (Conn.) declared on Feb. 3 that he will introduce a bill proposing that copper be allowed to come into the country duty-free until such time as domestic consumption levels off in reasonable ratio to American production. He warned that industry here is faced with a serious shortage of domestic copper this year, estimating production at about 900,000 tons and requirements at 1,400,000 tons. Higher copper prices, he said, will drive many users to seek lower-cost substitutes.

Lead

The supply situation in lead is expected to show gradual improvement. In fact, some producers believe that essential users will get all of the metal that they need without difficulty after a month or two. Prevailing quotations should stimulate production in this country and abroad, the industry holds. The movement of scrap has increased appreciably since the first of the year. CPA will release a moderate tonnage of lead from its stockpile for February shipment to consumers, probably around 8,000 tons.

Sales of lead for the week involved 6,608 tons.

Zinc

Producers report a firm market for zinc, with demand still concentrated chiefly in the grades used in galvanizing and die casting. The price situation remains unchanged, Prime Western selling on the basis of 10½c, East St. Louis.

During 1946 the United States imported 272,051 tons of zinc contained in ore and concentrates, of which 57,296 tons was from Canada, 127,682 tons from Mexico, 46,556 tons from Peru, 28,442 tons from Bolivia, 8,295 tons from Argentina, and 3,780 tons from Australia.

Imports of slab zince in 1946 totaled 104,743 tons, of which 85,394 tons originated in Canada, 15,577 tons in Mexico, 3,221 tons in Australia, and 551 tons in Poland.

Antimony

The National Lead Co., effective Feb. 1, established the following quantity differentials on sales of antimony, ex its plant at Perth Amboy:

	—Per Pound—	
	Bulk	Boxes
Up to 100 lb.	8c.	8½c.
100 to 299 lb.	5½c.	6c.
300 to 499 lb.	4½c.	5c.
500 to 999 lb.	3½c.	4c.
1,000 to 1,999 lb.	2½c.	3c.
2,000 to 9,999 lb.	2c.	2½c.
10,000 to 1.c.1	1½c.	2c.

Procedure followed in calculating the New York equivalent is to add 94c for freight, etc., to the bulk Laredo carload quotation (28.25c), plus the quantity differential. Our New York quotation for antimony packed in boxes or cases (10,000 lb. or more but less than a carload lot) has been established at 31.19c per pound, effective Feb. 1.

Tin

President Truman has asked for a limited extension of the Second War Powers Act, due to expire March 31, 1947. Among reasons for recommending this action, the President stated that allocation of tin and tin products would be necessary for some time to come. CPA said purchases by the government for controlled consumption have involved between 60,000 and 65,000 tons of tin (in ore and as metal) a year. Uncontrolled consumption, Washington officials believe, would easily absorb 90,000 tons a year or more.

The government announced that tin will be released for February delivery on the basis of 70c per pound. Straits quality tin for shipment was nominally as follows, in cents per pound.

	Feb.	March	April
Jan. 30	70.000	70.000	70.000
Jan. 31	70.000	70.000	70.000
Feb. 1	70.000	70.000	70.000
Feb. 3	70.000	70.000	70.000
Feb. 4	70.000	70.000	70.000
Feb. 5	70.000	70.000	70.000

Chinese, or 99% tin, 69.125c.

Quicksilver

Though most operators believe that the price situation in quicksilver has become unsettled, owing largely to continued uncertainty over the disposal of foreign surplus material in which the government has a strong hand, the price last week was unchanged. Metal brought here from Japan has been scheduled to be sold shortly. The status of some 70,000 flasks of quicksilver found in the American zone of Germany remains a mystery. Quotations last week continued at $88 to $92 per flask for spot metal. On forward material $87 has been done.

The correct title of the British firm recently appointed agent of the Cartel for the United States is the London & Scandinavian Metallurgical Co., Ltd.

Silver

Effective Feb. 3, the London price of silver was reduced to 44d per fine ounce. In revising the quotation to the lower level, the British brought the price down to approximately the same basis as the New York Official. The London market is more or less insulated from the New York market, owing to exchange control.

Demand for silver in New York continued in sufficient volume to maintain prices on the basis of 70¾c. Buying last week was for both domestic and foreign account.

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

	—Electrolytic Copper—		Straits Tin,	———Lead———		Zinc
	Dom. Refy.	Exp. Refy.	New York	New York	St. Louis	St. Louis
Jan. 30	19.350	20.025	70 000	13.000	12.800	10.500
Jan. 31	19.450	20.025	70.000	13.000	12.800	10.500
Feb. 1	19.225	20.025	70 000	13.000	12.800	10.500
Feb. 3	19.325	20.100	70.000	13.000	12.800	10.500
Feb. 4	19.375	20.025	70.000	13.000	12.800	10.500
Feb. 5	19.325	20.025	70.000	13.000	12.800	10.500
Average	19.342	20.038	70.000	13.000	12.800	10.500

Average price for calendar week ended Feb. 1 are: Domestic copper f.o.b. refinery, 19.421c; export copper, f.o.b. refinery 20.038c; Stratis tin, 70.000c; New York lead, 13.000c; St. Louis lead, 12.800c; St. Louis zinc, 10,500c; and silver, 70.750c.

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 0.275c. per pound above the refinery basis, effective Jan. 2, 1947.

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 0.075c. per pound is charged; for slabs 0.175c. up, and for cakes 0.225c. up, depending on weight and dimension; for billets an extra 0.95c. 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.

Wallace Appointed by Life Insurance Agency

Dr. S. Rains Wallace, Jr., head of the Department of Psychology of Tulane University, has been named Director of the Research Division of the Life Insurance Agency Management Association of Hartford, Conn.; he planned to assume his new duties early in February. Dr. Wallace, a graduate of the University of Virginia, received his Master of Science and Doctor of Philosophy degrees there. After teaching at Ohio State University, he went to Tulane in 1938 as an instructor in psychology, later becoming a full Professor.

During the war, serving as a Lieutenant-Colonel, Dr. Wallace developed for the Army a scientific means through which young men could be placed, on the basis of aptitudes, in the pilot, navigator or bombardier classifications of the Air Forces, revolutionizing aptitude and selection techniques in the service and bringing wide recognition to Dr. Wallace and other psychologists. Following V-E Day, Dr. Wallace was sent abroad, where he directed the research work of some 40 German scientists, one of whom was a Nobel Prize winner. In his new post, Dr. Wallace will head up the research work of the Life Insurance Agency Management Association in life insurance marketing. The Association has a membership of 172 life insurance companies in the United States, Canada and eight foreign countries and was formed in 1945 through the merger of the Life Insurance Sales Research Bureau and the Association of Life Agency Officers.

Suman Chairman of NAM International Comm.

The appointment of John R. Suman, Vice-President of the Standard Oil Co. Inc. (N. J.), as Chairman of the International Economic Relations Committee of the National Association of Manufacturers was announced on Feb. 3 by Earl Bunting, President of the Association. Curtis E. Calder, Chairman of the board of the Electric Bond and Share Co., New York, was designated as Vice-Chairman of the same committee, on which 100 business leaders interested in international affairs and trade serve as members.

A smaller advisory group, composed not only of businessmen but also of experts in trade, economics, law and geography, meets at frequent intervals to analyze major international economic problems and make recommendations which are acted upon by the Committee. Currently, the International Economic Relations Committee, recognizing the interdependence between domestic and foreign policies, is working for a more efficient international economic policy, the lessening of trade barriers and the elimination of cartels.

Doyle Named to Comm. Of Chicago Res. Bank

Edward J. Doyle, President of the Commonwealth Edison Co. of Chicago, has been appointed to membership on the Industrial Advisory Committee of the Federal Reserve Bank of Chicago, it was announced on Jan. 27 by C. S. Young, President of the Bank. Mr. Doyle replaces Martin H. Kennelly, who resigned. The other members reappointed are: Walter Harnischfeger, President, Harnischfeger Corp., Milwaukee, Wis.; Edward M. Kerwin, Vice-President, E. J. Brack & Sons, Chicago; G. Barret Moxley, President, Kiefer Stewart Co., Indianapolis, Ind.; and James L. Palmer, Executive Vice-President, Marshall Field & Co., Chicago. The term for which these men were appointed expires March 1, 1948.

Revenue Freight Car Loadings During Week Ended Feb. 1, 1947, Increased 13,087 Cars

Loading of revenue freight for the week ended Feb. 1, 1947 totaled 835,051 cars, the Association of American Railroads announced on Feb. 6. This was an increase of 111,750 cars or 15.4% above the corresponding week in 1946, and an increase of 95,495 cars or 12.9% above the same week in 1945.

Loading of revenue freight for the week of Feb. 1 increased 13,087 cars or 1.6% above the preceding week.

Miscellaneous freight loading totaled 373,904 cars an increase of 5,697 cars above the preceding week, and an increase of 80,717 cars above the corresponding week in 1946.

Loading of merchandise less than carload lot freight totaled 119,081 cars an increase of 1,365 cars above the preceding week, and an increase of 293 cars above the corresponding week in 1946.

Coal loading amounted to 198,310 cars, an increase of 5,016 cars above the preceding week, and an increase of 10,430 cars above the corresponding week in 1946.

Grain and grain products loading totaled 53,664 cars, a decrease of 3,060 cars below the preceding week and a decrease of 734 cars below the corresponding week in 1946. In the Western Districts alone, grain and grain products loading for the week of Feb. 1 totaled 37,475 cars a decrease of 2,270 cars below the preceding week but an increase of 1,907 cars above the corresponding week in 1946.

Livestock loading amounted to 11,744 cars a decrease of 2,287 cars below the preceding week and a decrease of 7,445 cars below the corresponding week in 1946. In the Western Districts alone loading of Livestock for the week of Feb. 1 totaled 8,698 cars a decrease of 2,048 cars below the preceding week, and a decrease of 6,617 cars below the corresponding week in 1946.

Forest products loading totaled 50,813 cars, an increase of 4,831 cars above the preceding week and an increase of 14,445 cars above the corresponding week in 1946.

Ore loading amounted to 12,900 cars an increase of 432 cars above the preceding week and an increase of 6,915 cars above the corresponding week in 1946.

Coke loading amounted to 14,635 cars, an increase of 593 cars above the preceding week and an increase of 7,129 cars above the corresponding week in 1946.

All districts reported increases compared with the corresponding week in 1946, and all reported increases compared with same week in 1945 except the Northwestern and Southwester.

	1947	1946	1945
Four weeks of January	3,168,397	2,883,863	3,003,655
Week of February 1	835,051	723,301	739,556
Total	4,003,448	3,607,164	3,743,211

The following table is a summary of the freight carloadings for the separate railroads and systems for the week ended Feb. 1, 1947. During this period 94 roads reported gains over the week ended Feb. 2, 1946.

REVENUE FREIGHT LOADED AND RECEIVED FROM CONNECTIONS (NUMBER OF CARS) WEEK ENDED Feb. 1

Railroads	Total Revenue Freight Loaded			Total Loads Received from Connections	
	1947	1946	1945	1947	1946
Eastern District—					
Ann Arbor	317	388	303	1,568	1,879
Bangor & Aroostook	2,690	2,462	2,026	498	392
Boston & Maine	7,944	7,515	6,228	13,651	12,539
Chicago, Indianapolis & Louisville	1,553	1,194	1,181	2,283	1,877
Central Indiana	37	29	31	52	47
Central Vermont	1,024	1,055	999	2,588	2,087
Delaware & Hudson	5,439	4,568	3,765	11,827	10,825
Delaware, Lackawanna & Western	7,391	7,168	5,568	10,250	8,123
Detroit & Mackinac	316	237	185	237	198
Detroit, Toledo & Ironton	2,694	1,937	1,681	1,917	1,728
Detroit & Toledo Shore Line	385	292	403	3,997	2,673
Erie	11,907	9,952	10,053	16,302	14,112
Grand Trunk Western	4,526	3,134	3,513	8,217	8,406
Lehigh & Hudson River	144	167	132	3,172	2,543
Lehigh & New England	1,824	2,104	1,426	1,511	1,472
Lehigh Valley	8,613	7,761	5,654	8,658	7,483
Maine Central	3,268	2,730	2,276	4,051	3,842
Monongahela	6,950	7,342	4,266	232	290
Montour	3,485	2,872	2,116	23	26
New York Central Lines	49,673	42,143	39,863	53,609	49,621
N. Y., N. H. & Hartford	10,626	10,513	9,192	15,714	13,509
New York, Ontario & Western	849	812	686	2,741	2,783
New York, Chicago & St. Louis	6,498	5,374	5,667	15,267	13,101
N. Y., Susquehanna & Western	424	455	409	1,407	2,318
Pittsburgh & Lake Erie	6,718	2,380	6,536	8,577	8,002
Pere Marquette	5,295	4,652	4,520	8,314	7,576
Pittsburg & Shawmut	1,039	876	668	20	18
Pittsburg, Shawmut & Northern	286	268	219	99	242
Pittsburgh & West Virginia	765	769	842	2,408	1,170
Rutland	448	362	335	1,480	1,186
Wabash	5,981	6,277	5,967	11,736	12,247
Wheeling & Lake Erie	5,425	3,545	4,721	3,903	2,751
Total	164,534	141,333	131,431	216,309	195,066
Allegheny District—					
Akron, Canton & Youngstown	592	514	721	1,431	1,293
Baltimore & Ohio	42,547	35,709	35,601	24,723	22,953
Bessemer & Lake Erie	3,164	871	2,088	1,578	1,153
Cambria & Indiana	1,505	1,640	967	1	3
Central R. R. of New Jersey	7,005	5,460	5,617	18,558	16,199
Cornwall	437	1	317	54	13
Cumberland & Pennsylvania	369	342	148	10	14
Ligonier Valley	68	44	70	0	5
Long Island	1,428	1,701	1,425	4,789	4,271
Penn-Reading Seashore Lines	1,729	1,577	1,545	1,883	1,983
Pennsylvania System	83,135	64,156	65,847	57,453	53,812
Reading Co.	14,845	11,425	11,634	27,094	25,499
Union (Pittsburgh)	20,111	1,585	17,384	5,143	919
Western Maryland	4,620	4,215	3,233	11,611	11,486
Total	181,555	129,240	146,597	154,328	139,603
Pocahontas District—					
Chesapeake & Ohio	35,488	30,216	27,390	12,624	10,237
Norfolk & Western	25,024	21,017	21,056	7,409	6,134
Virginian	5,382	5,059	4,766	2,075	2,253
Total	65,894	56,292	53,222	22,108	18,624
Southern District—					
Alabama, Tennessee & Northern	423	468	431	284	242
Atl. & W. P.—W. R. R. of Ala.	936	831	842	2,202	1,929
Atlantic Coast Line	16,593	16,244	14,709	10,997	10,573
Central of Georgia	4,350	4,239	4,051	4,761	4,696
Charleston & Western Carolina	467	389	498	1,740	1,495
Clinchfield	2,406	1,686	1,714	4,021	3,538
Columbus & Greenville	343	339	298	316	271
Durham & Southern	102	83	119	879	638
Florida East Coast	3,348	3,618	3,091	1,849	1,531
Gainesville Midland	107	57	75	114	114
Georgia	1,312	1,110	1,069	2,693	2,100
Georgia & Florida	439	466	396	810	787
Gulf, Mobile & Ohio	5,553	5,261	4,906	4,372	4,277
Illinois Central System	28,264	27,781	26,838	14,330	14,444
Louisville & Nashville	29,972	25,534	25,373	10,275	9,282
Macon, Dublin & Savannah	262	275	185	902	914
Mississippi Central	356	320	321	409	464
Nashville, Chattanooga & St. L.	3,546	2,994	3,371	4,350	3,831
Norfolk Southern	1,374	1,221	957	1,904	1,555
Piedmont Northern	411	467	468	2,010	1,459
Richmond, Fred. & Potomac	446	315	527	9,376	9,053
Seaboard Air Line	13,484	11,806	10,811	9,439	8,731
Southern System	28,918	24,508	24,353	26,393	24,204
Tennessee Central	843	525	701	893	826
Winston-Salem Southbound	153	118	147	938	886
Total	144,408	130,655	126,251	116,257	107,840
Northwestern District—					
Chicago & North Western	12,779	16,827	15,359	14,661	14,025
Chicago Great Western	2,361	2,949	2,466	2,865	3,243
Chicago, Milw., St. P. & Pac.	19,326	21,775	21,601	10,639	10,951
Chicago, St. Paul, Minn. & Omaha	3,872	4,439	3,310	4,073	4,241
Duluth, Missabe & Iron Range	1,447	1,288	1,317	342	335
Duluth, South Shore & Atlantic	713	716	658	660	632
Elgin, Joliet & Eastern	9,108	2,016	8,393	11,315	7,775
Ft. Dodge, Des Moines & South	482	484	308	124	117
Great Northern	11,515	11,656	10,828	4,835	4,404
Green Bay & Western	360	509	489	930	948
Lake Superior & Ishpeming	403	327	260	69	58
Minneapolis & St. Louis	1,687	2,127	1,955	2,737	2,062
Minn., St. Paul & S. S. M.	5,129	5,156	4,725	3,816	3,846
Northern Pacific	9,738	8,980	9,401	5,035	4,541
Spokane International	179	128	244	594	468
Spokane, Portland & Seattle	2,526	1,803	2,509	2,722	2,152
Total	81,625	81,180	83,823	65,417	59,798
Central Western District—					
Atch., Top. & Santa Fe System	25,639	24,050	24,038	10,692	10,020
Alton	3,014	2,502	3,534	3,386	3,174
Bingham & Garfield	204	5	410	215	8
Chicago, Burlington & Quincy	21,692	21,829	19,574	11,930	11,215
Chicago & Illinois Midland	3,403	3,426	3,096	800	856
Chicago, Rock Island & Pacific	12,548	12,882	12,039	12,872	11,676
Chicago & Eastern Illinois	2,935	2,881	2,698	3,430	3,018
Colorado & Southern	560	636	730	1,814	1,198
Denver & Rio Grande Western	3,553	2,994	4,033	4,750	3,892
Denver & Salt Lake	911	637	768	48	49
Fort Worth & Denver City	1,205	970	906	1,346	1,248
Illinois Terminal	2,308	2,054	2,246	1,838	1,602
Missouri-Illinois	1,005	872	926	543	513
Nevada Northern	1,399	1,447	1,421	145	121
North Western Pacific	779	577	734	627	555
Peoria & Pekin Union	14	10	7	0	0
Southern Pacific (Pacific)	28,230	27,513	29,178	10,193	9,437
Toledo, Peoria & Western	38	0	297	160	0
Union Pacific System	17,741	15,708	17,272	12,500	11,544
Utah	1,062	879	543	5	8
Western Pacific	1,885	1,876	1,781	2,792	3,243
Total	130,125	123,748	126,231	80,086	73,377
Southwestern District—					
Burlington-Rock Island	270	306	392	635	554
Gulf Coast Lines	5,298	5,232	6,091	2,431	2,549
International-Great Northern	2,177	1,845	2,695	3,579	3,940
‡K. O. & G.-M. V.-O. C.-A.-A.	1,147	1,398	1,457	2,062	1,852
Kansas City Southern	3,427	2,776	4,650	3,016	3,027
Louisiana & Arkansas	2,340	2,317	3,659	2,404	2,670
Litchfield & Madison	401	315	326	1,392	1,305
Missouri & Arkansas	0	171	165	0	377
Missouri-Kansas-Texas Lines	5,421	4,997	6,835	4,188	3,728
Missouri Pacific	18,150	16,180	17,556	15,308	14,735
Quanah Acme & Pacific	189	104	66	269	249
St. Louis-San Francisco	10,280	9,911	9,206	8,119	8,321
St. Louis-Southwestern	3,107	2,570	3,437	5,282	4,833
Texas & New Orleans	9,366	8,700	10,289	6,008	5,509
Texas & Pacific	5,207	3,886	5,054	7,344	6,529
Wichita Falls & Southern	100	79	93	63	60
Weatherford M. W. & N. W.	30	66	30	10	9
Total	66,910	60,853	72,001	62,110	60,247

‡Includes Kansas, Oklahoma & Gulf Ry., Midland Valley Ry. and Oklahoma City-Ada-Atoka Ry.

NOTE—Previous year's figures revised.

Weekly Statistics of Paperboard Industry

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

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

STATISTICAL REPORT—ORDERS, PRODUCTION, MILL ACTIVITY

Period	Orders Received Tons	Production Tons	Unfilled Orders Remaining Tons	Percent of Activity Current	Percent of Activity Cumulative
1946—Week Ended					
Nov. 2	205.422	174,752	601,787	100	96
Nov. 9	185,047	175,906	613,752	102	96
Nov. 16	138,100	170,411	580,331	101	96
Nov. 23	145,507	170,533	554,982	100	96
Nov. 30	153,574	162,353	545,042	94	96
Dec. 7	207,137	172,417	578,742	99	96
Dec. 14	167,937	175,640	571,179	102	96
Dec. 21	144,083	172,275	543,675	102	96
Dec. 28	99,555	109,210	532,773	66	96
Period 1947—Week Ended					
Jan. 4	196,927	142,338	588,406	85	85
Jan. 11	171,420	178,043	580,026	102	94
Jan. 18	173,851	178,556	577,269	103	97
Jan. 25	155,432	173,720	557,140	101	98
Feb. 1	204,033	179,347	579,562	102	99

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.

Cash Dividends by Corporations in Nov.

Publicly reported cash dividend payments by corporations were 15.9% higher in November, 1946 than in November, 1945, the Department of Commerce announced on Feb. 5. It is added that November, 1946 disbursements totaled $158,200,000, as compared with $136,500,000 in November, 1945. These figures include only publicly reported cash dividend payments which currently account for about 60% of all cash dividends paid. The Department's advices further said:

"For the three months ending in November, 1946 these dividend payments amounted to $954,700,000, a gain of 11.9% over the $853,000,000 paid in the same period of 1945. Extra dividend payments by several motion picture companies put the miscellaneous group into the lead with an increase of 52% over the September-October-November period of 1945.

"Dividends paid by corporations engaged in trade were up 41% for the three-month period of 1946 as compared with the same period of 1945, and mining dividends were up 27%. Communications dividends declined 4%, the only industrial group to show a decline.

"Disbursements by manufacturing corporations as a group were up 10% in the three-month comparison, but there were wide variations among the subdivisions. Dividends paid by textiles and leather corporations increased 64%; paper and printing 42%; other manufactures, 39%, and transportation equipment, 28%. A decline of 21% occurred in dividends paid by the automobile manufacturing group."

Weekly Lumber Shipments 13.2% Above Production

According to the National Lumber Manufacturers Association, lumber shipments of 385 mills reporting to the National Lumber Trade Barometer were 13.2% above production for the week ending Feb. 1, 1947. In the same week new orders of these mills were 13.3% above production. Unfilled order files of the reporting mills amounted to 61% of stocks. For reporting softwood mills, unfilled orders are equivalent to 24 days' production at the current rate and gross stocks are equalent to 38 days' production.

For the year-to-date, shipments of reporting identical mills were 17.3% above production; orders were 24.7% above production.

Compared to the average corresponding week of 1935-1939, production of reporting mills was 38.7% above; shipments were 27.4% above; orders were 24.2% above. Compared to the corresponding week in 1946, production of reporting mills was 20.8% above; shipments were 13.7% above; and new orders were 23.3% above.

Truman at Rayburn Dinner

Although suffering a slight attack of laryngitis, President Truman paid a surprise visit to the Statler Hotel in Washington on the evening of Jan. 31 to join in a Texas State tribute to Democratic minority leader Sam Rayburn of Texas, formerly House Speaker. The President, in a brief speech, according to Associated Press Washington advices, recalled that in 1943, in San Francisco, he had introduced Mr. Rayburn as "the next Vice-President." "Think of the trouble I could have saved myself if that had come about," Mr. Truman remarked.

Items About Banks, Trust Companies

Edward T. Hetzler has been elected an Assistant Vice-President by the Board of Directors of Bankers Trust Company of New York it was announced on Feb. 5 by S. Sloan Colt, President of the bank. Mr. Hetzler, who is a member of the advertising and public relations department, began his career with Bankers Trust Company in 1923. He was elected Assistant Treasurer in 1928. He was graduated from Yale University in 1923. Mr. Hetzler is a member of the board of managers of the West Side Y.M.C.A., a trustee of the St. Bernard School of New York City, and Treasurer of the Horace Mann School for Boys.

Realizing that scarcity of living space will continue for some time, The Bank for Savings in the City of New York at 280 4th Avenue is opening a new exhibition to show how single rooms can be used for more than one purpose. The three exhibition rooms, adjoining the banking floor, suggest many interesting ideas, adaptable to individual requirements. These range from bold color treatments of walls and furnishings to novel combinations of fabrics and furniture to give varied usefulness to limited space. Designed and decorated by James McCreery & Co., the exhibit will be on display through March. It is the latest in a series planned by the bank to assist the community with various aspects of current living problems. Other recent exhibits have dealt with vacation travel, home sewing and interesting hobbies. The bank's part in these exhibitions is handled by Miss Anna M. Flaherty, Assistant Director of Public Relations.

Swiss Bank Corporation New York Agency announces the receipt of cable advices that at a meeting of the Board of Directors of the Swiss Bank Corporation held in Basle, Switzerland on Feb. 4, the accounts for 1946 were approved, showing net profits of 13,387,663.53 Swiss Francs, including carryover, as compared with 10,627,647.05 Swiss Francs, including carryover for 1945. Total assets of the Bank amount to 2,139,391,383 Swiss Francs against 1,826,427,161 Swiss Francs for 1945. At the general meeting of stockholders to be held on Feb. 28, it will be proposed to pay a dividend of 5% (against 4% for 1945) which will absorb 8,000,000 Swiss Francs, and to transfer to Pension fund an extraordinary contribution of 1,000,000 Swiss Francs to mark the 75th Jubilee of the bank. There will remain a carryover of 4,387,663.53 Swiss Francs as against 4,227,647.05 Swiss Francs for the previous year.

The management of the New York Agency comprises F. H. Gunther as Agent, Edgar F. Paltzer as Deputy-Agent and August Ries as Sub-Agent. Mr. Paltzer, as well as Theodore Seiler, at present Sub-Manager of the Rio de Janeiro branch of The National City Bank of New York, will become additional Agents as of May 1, 1947.

John R. Buchanan, new Chairman of the Board of Directors, of the Union Center National Bank of Union, N. J., announced on Jan. 18 the declaration of a 100% stock dividend and the changing of the par value of common stock from $100 to $25 a share, a splitup of four for one. The Newark "Evening News" further stated that Mr. Buchanan announced that earnings from operations, totaled $3.94 per share after taxes. Sale of an additional 2,000 shares at $50 each will help keep the bank's capital structure in line with its deposit growth, he said. Mr. Buchanan's advices were contained in his final report as President of the bank, a position held by him since the founding of the institution 24 years ago.

Clyde C. Taylor, Senior Vice-President of the Peoples First National Bank & Trust Company, of Pittsburgh has been elected Vice-Chairman of the board, it was announced on Feb. 3 by Robert C. Downie, President. In indicating this the Pittsburgh "Post Gazette" of Feb. 4, further said:

"Herbert S. Scott, former Assistant Cashier, has been elected Assistant Vice-President. Shepard H. Patterson, Manager of the credit department, has been elected Assistant Cashier. Kenneth N. Graham and J. Donald Cook were elected Assistant Trust Officers. L. Edward Deuerlein has been named Assistant Manager of the Squirrel Hill branch.

The National Metropolitan Bank of Washington, D. C. increased its capital from $800,000 to $1,000,000 on Jan. 16 by a stock dividend of $200,000, according to the weekly Bulletin Jan. 20 of the Comptroller of the Currency.

Wendell C. Laycock, President of the Fort Wayne National Bank of Fort Wayne, Ind., announced on Jan. 14. The following appointments to the official staff of the bank: Edwin H. Hasse, Louis R. Montooth, and Harold H. Stellhorn, Assistant Cashiers.

The Chicago City Bank and Trust Company of Chicago, Ill., in its statement of condition as of Dec. 31, 1946 reported total resources and total deposits of $104,905,256 and $101,972,634. Listed among its chief assets were $66,268,000 in U. S. Government securities; $24,812,800 as cash on hand and due from other banks; and $6,374,148 listed as loans and discounts. The capital and surplus of the bank on Dec. 31, 1946 stood at $1,000,000 each and the undivided profits stood at $552,738 on Dec. 31, 1946.

The statement of condition of the Chicago Title and Trust Company of Chicago, Ill. as of Dec. 31, 1946 showed trust and escrow cash balances for the bank of $20,654,590 compared with $20,233,943 on Dec. 31, 1945 and total resources of $51,935,225 against $48,091,601 a year before. Included in the assets lists were $38,751,045 in marketable securities (after reserve provisions) for the period ended Dec. 31 last, compared with $33,547,564 at the end of 1945; cash on hand at the bank was $4,548,208 against $4,310,677 in the previous year's report. The capital and surplus have remained unchanged at $12,000,000 and $8,000,000 respectively, and undivided profits advanced to $2,870,445 on Dec. 31, 1946 from the $2,105,725 total as of Dec. 31, 1945.

A new Vice-President was one of four promotions announced by President Walter Kasten of the First Wisconsin National Bank of Milwaukee following the annual board meeting of the bank on Jan. 16, according to the Milwaukee "Journal," which also stated:

"Pierre N. Hauser was advanced to a Vice-Presidency, Samuel E. Callahan and John G. Topp were elected Assistant Vice-Presidents, and Harrison W. Klockow was named Assistant Cashier.

"All officers of the bank were reelected. First Wisconsin Trust Co. directors also met and reelected all officers, including Mr. Kasten, Chairman of the Board, and President George B. Luhman.

"Mr. Hauser, in 1918, after completing army duty in World War I, joined the staff of the American Natinal Bank, which later consolidated with the First Wisconsin. He served in various departments and became Assistant Manager of the bank's Mitchell Street office in 1928. In 1929 he was transferred to the Cashier's Division at the main office. He entered the loan field in 1933 and later was made Manager of the Special Loan Division. In 1935 he was elected an Assistant Vice-President.

"Mr. Callahan joined the Analytical Department of the First Wisconsin Co., former investment securities affiliate, in 1928. Subsequently he was a Field Auditor for the bank, an assistant in the loaning division, and was elected an Assistant Cashier in 1938.

"Mr. Topp started with the Ninth Ward office in 1920 and was Manager from 1936 until entering the bank's Business Development Department in 1943. He was elected an Assistant Cashier in 1944 and in 1945 took over his present duties as Personnel Director.

"Mr. Klockow, who joined the staff in 1928, has served in various capacities and now is in the installment loan field in the Time Credit Division."

The Comptroller of the Currency reported on Jan. 24 that the City National Bank of Galveston, at Galveston, Tex., has increased its capital from $200,000 to $400,000 by a stock dividend.

The Board of Directors of the Southern Arizona Bank & Trust Co. of Tucson, Arizona, at its recent meeting elected Harry O. Tennison, formerly of Dallas, as Assistant Vice-President. Noting this, the Dallas "Times-Herald" of Jan. 16, added:

"Mr. Tennison, connected with the Federal Reserve 24 years, moved to Tucson at the first of the year. He was on the examining force of the Reserve Bank for a number of years, and is well known to the banking profession of the Southwest. He is one of the best posted men on bank credits and economics in this Reserve District, and at the time of his leaving the Federal Reserve had supervision of credit operations."

Harry E. Hudson, Vice-President in charge of California Bank's Santa Monica Office, completed his 40th year as banker in Santa Monica Feb. 1. He is the oldest member of the California Bank staff in point of service. As dean of Santa Monica bankers, Mr. Hudson began his career as a messenger boy in the Bank of Santa Monica in 1907. When the bank became a branch office of California Bank in 1922, Mr. Hudson was appointed Assistant Cashier, advancing to Vice-President in 1937. He is Treasurer and a Director of the Santa Monica Chamber of Commerce and through the years has played a leading part in Red Cross, Community Chest and other activities.

A quarterly dividend of 50c per share payable Feb. 1 to shareholders of record Jan. 20 was declared by the directors of the California Bank of Los Angeles at the annual meeting Jan. 8. This is an increase from the former quarterly dividend of 37½ cents. Frank H. Schmidt has been elected to Executive Vice-President of California Trust, which is owned by California Bank. For the past 20 years, Mr. Schmidt has held various official positions in the company. He began his banking career in Omaha, Neb., and received his law degree from the University of Southern California. Elected to Trust Officer were L. D. Petty, L. A. Rentsch and J. C. Seaman. C. L. Patterson was elected Assistant Trust Officer and Virgil D. Sisson, Assistant Secretary. Frank L. King, President of California Bank, has been elected Chairman of the Legislation Committee of the ABA State Bank Division. He was recently named a director of branch banks in the San Francisco Federal Reserve Bank for a two-year term starting Jan. 1. A. O. Otsea, manager of the Eighth and Spring Office in downtown Los Angeles, has been promoted to Assistant Cashier. R. A. Walter and E. S. Liljeberg of the Personnel Department were also named Assistant Cashiers. David S. Lockie has returned to the staff of the California bank after four years in the Army; he is identified with the Real Estate Loan Department. Before receiving his discharge, Mr. Lockie as a finance officer was attached to the Eighth Army in Japan where he specialized in rehabilitation work of Japanese industry. Two other veterans who returned to California Bank are, W. D. Morris and J. L. Perry. Both have been promoted recently to Assistant Manager posts in two California Bank branch offices. 25 years with California Bank were completed in December of Theodoro K. Smith of the Sixth and Grand Office; F. L. Geyer, Assistant Vice-President, J. D. Farmer, Manager of the 69th and Broadway Office and Leo Bier of the Mechanical Department, Eighth and Spring Office.

The Wells Fargo Bank & Union Trust Company of San Francisco, Cal. reported total resources of $527,890,808 and total deposits of $498,053,432 in its statement of condition as of Dec. 31, 1946. Cash on hand and with the Federal Reserve and other banks amounted to $135,034,061, while total investments including U. S. Government securities was $323,722,398; loans and discounts amounted to $56,938,182 including loans on real estate. The capital and surplus are shown as $9,000,000 and $7,000,000 respectively and undivided profits were $3,871,439 as of Dec. 31, 1946.

It is announced that the net profits of the Westminster Bank Ltd., for the past year, after providing for rebate and taxation, and after appropriations to the credit of contingency accounts, out of which accounts full provision for bad and doubtful debts has been made, amount to £1,366,622. This sum, added to £563,915 brought forward from 1945, leaves available the sum of £1,930,537. The dividends of 9% paid in August last on the £4 shares and 6¼% on the stock absorb £427,329. A further dividend of 9% is now declared in respect of the £4 shares, making 18% for the year; and a further dividend of 6¼% on the stock will be paid, making the maximum of 12½% for the year. The dividends, were payable (less Income Tax) on Feb. 1 to shareholders and stockholders whose names were registered in the books of the company on Dec. 31 last. £200,000 has been transferred to bank premises reinstatement and rebuilding account and £300,000 to officers' pension fund, leaving a balance of £575,879 to be carried forward.

It was announced on Jan. 24 that the Head Office in London of The Chartered Bank of India Australia & China had received a telegram from their Batavia Manager advising that their branch in Medan would reopen for business on that day.

Advices from abroad have come to us to the effect that the Duke of Devonshire K.G. has been appointed a Director of the Bank of Australasia.

From Washington Ahead of the News

(Continued from first page)

tance to the country as a whole than lopping off a 50 cents or dollar in tax payments here and there.

So far have the Republicans backed up on tax reduction that Senator Taft now says that no reduction will apply before next July 1. Thus, any reductions that we finally do get will be for only half of 1947, not the whole year.

This is not the only thing the Republicans seem to be timid about. The reorganization bill that was passed by the last Congress is daily proving more unworkable. A measure purporting to make Congress more efficient is about to throttle it. But there is no disposition on the part of the Republicans to change it. They are afraid of the clamor that would be raised. They can effect the change incidentally by a mere resolution. It is a fact that there is an embarrassment here. In the reorganization bill the congressmen raised their salaries and provided themselves with expert assistants. But it is also a fact that in doing this they also voted an organization that is making it difficult, if not impossible, to do as good a job as they did for the old pay.

Where they are proving to be the worst disappointment, however, insofar as several hundred industries are concerned, is in the matter of the tariff. These industries affected by the forthcoming negotiations of the State Department under the reciprocal treaty powers are screaming bloody murder. They are either being sold down the river in the great global movement that is sweeping our midst, or they think they are and the effect on the human being is just about as bad.

Some Western Republicans frankly want to repeal the reciprocal act. But the older heads are holding them in check. Not that they are not believers in the protective tariff themselves but that the reciprocal act has become so popular, or rather has been so propagandized, that they dread the howls that would be raised should it be tampered with.

It is certainly a pretty thing, this reciprocal act that has been on the statute books for so many years. It was and is a monument to the tenacity of Cordell Hull.

We recall very well the reasons given for its passage. People went to war because of tariff barriers. Remove these barriers and prevent wars. Well, it prevented World War II, of course.

Because of World War II, which it presumably was to prevent, it has never had a fair operation. Instead of its having proved a preventative, there is no telling just how much part it played in bringing on our participation. Before 1939, it seemed that as fast as Hull would negotiate one of these treaties with Central European countries, Hitler would move into that country and make the treaty void. And every time he would do this Hull would become more convinced that he had to be dealt with.

Just whether this highly touted act will ever accomplish the great things attributed to it is not known. It hasn't accomplished them yet.

But it is a fact that the loudest denunciations that would come should the Republicans attempt to change it, would come from the leading Republican journals. To be for the reciprocal trading act is a sign of a broadened mind, of our growing up and becoming global in our thinking. It has been sold as that. It is one of the great myths of the time, just as is the myth that the Hawley-Smoot act had anything to do with the depression or the coming of World War II.