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No Need for Federal Mediation Board!

By HON. LEWIS B. SCHWELLENBACH*

Secretary of Labor

Secretary Schwellenbach reviews mediation work of Federal Conciliation Service and opposes appointment of a Super-Mediation Board as leading to further controls and increasing government participation in collective bargaining. Cites opposition of both labor and management to proposal for compulsory arbitration and states Conciliation Service is now better equipped to aid both unions and employers in collective bargaining.

During the 18 months since VJ-Day the American people carried out the most tremendous job of military and industrial demobilization in our history. There were set-backs and disappointments, including many serious and costly labor disputes. Despite that fact, however, American production in 1946 exceeded all previous peacetime levels.

L. B. Schwellenbach

I cannot predict what will happen during this next year in the field of industrial relations. But I do know that both labor and management now have a much more constructive attitude today than during the first troubled months that followed VJ-Day.

The Congress of the United States now has before it a number of bills designed to prevent a recurrence of last year's industrial strife. There is one particular proposal that I would like to discuss rather fully. This proposal takes two forms: One would set up a mediation board outside the Department of Labor; the other would set up a mediation board within the Department, but would make the board practically independent and transfer to it the work of conciliation and mediation now being carried on by the Labor

*Radio address by Secretary Schwellenbach over Columbia Broadcasting System, Feb. 15, 1947.

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Economic and Social Task of United Nations

By LEROY D. STINEBOWER*

U. S. Deputy Representative, Economic and Social Council

Asserting we are overlooking importance of Economic and Social Council because supreme interest is in international security, Mr. Stinebower discusses problems facing this segment of UNO. Notes conditions leading to approval of International Refugee Organization, and outlines problems relating to reconstruction of devastated areas. Cites causes of slow progress in solving problem of human rights, and states action along these lines will have to be initiated by national governments. Denies ESC is mere "talk organization" and holds it factor in mutual understanding of nations.

The economic and social task of the United Nations can be simply stated—it is the promotion of international cooperation for the improvement of the conditions of life for all men everywhere, and for the elimination of discriminations and gross inequalities among men. In the language of the preamble of the Charter, it is the promotion of "social progress and better standards of life in larger freedom." In Article 55 these purposes are further defined to include the promotion of "higher standards of living, full employment, and conditions of economic and social progress and development," the solution of international problems in these fields, and "universal respect for, and observance of human rights and fundamental freedoms for all without distinction as to race, sex, language or religion." The members of the United Nations have pledged themselves "to take joint and separate action in cooperation with the Organization" for the achievement of these purposes.

These are not new objectives. Neither is it new for nations to discuss economic and social problems together. It is particularly easy for us in the United States who did not participate in the League of Nations, or, until 1933, even in the International Labor Organization, to exaggerate the novelty of our present effort. But certainly as compared to the discussions at the Peace Conference in 1919 and the provisions of the Covenant of the Leage of Nations, there is a new emphasis in the Charter of the United Nations on human progress, economic development and "the dignity and

*Address by Mr. Stinebower before the Exploratory Committee for an Inter-Organization Council on World Affairs in cooperation with the Institute of Economics, San Francisco, Cal., Jan. 3, 1947.

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UK's Exchange Status

By H. A. MARQUAND*

Secretary, Department of Overseas Trade, Great Britain

British trade official asserts in order for UK to repay debts and maintain main imports of American farm products, she desperately needs increased tourist business and exports to take advantage of our current high national income. Contrasts present situation of unfulfilled worldwide demand with previous policies which barred competitively-priced imports.

For many years U. K. visible imports from the U. S. A. greatly exceeded U. S. visible imports from the U. K. For instance, in 1938 the former were nearly six times as valuable as the latter. The difference was met in part by invisible British exports, by receipts from dividends and interest on previous British investment in the U. S. A., and by a certain amount of U. S. investment in the U. K., but principally by the conversion into dollars of the proceeds of the British surplus of visible exports to certain other countries.

H. A. Marquand

The Multilateral Trade Pattern

This familiar pattern of multilateral trade is considerably modified at present. Owing to the lack of supplies from European and other countries which suffered heavy damage and economic dislocation during the war, U. K. imports from the U. S. A. formed a larger proportion of her total imports than before, her favorable balance with European countries was not easily convertible into dollars, a large part of British investments in the U. S. A. had been

*Summary of Mr. Marquand's speech to American Chamber of Commerce, London, Jan. 23, 1947.

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GENERAL CONTENTS

As We See It

EDITORIAL

ARE THE WASTRELS WINNING?

We, of course, have no way of telling precisely how effective the evidently carefully planned, well organized and hard-driving attacks upon even the feeble efforts of Congress to reduce Federal expenditures are proving to be. That just this kind of opposition would promptly arise against any attempt or suggestions that fiscal sanity be restored in Washington was to be expected and doubtless was expected by the experienced politicians gathered on Capitol Hill. It is doubtless for this reason that they all but gave up the ship by limiting proposed reductions in the President's absurd budget to a mere $6 billion when it could and should have been at least double that amount. Now that the hullabaloo has begun, it is certainly not encouraging to observe that on all sides, or almost all sides, there is a clear disposition to wince and relent and refrain.

Prospect Not Good

The prospects at this moment can hardly be said to be good. Failure to tackle the problem courageously now is likely to be widely interpreted as an admission that it is impossible ever to return to traditional American ideas, indeed to ideas everywhere prevailing among informed and sensible men prior to the rise of Rooseveltism in the 1930s. It may not be true—in our own opinion it is not true,—that failure to get to a sensible basis of government finance this year would inevitably mean many more long years before inexorable forces of nature ultimately drive us to some sort of financial reorganization and reform. It can scarcely be denied, however, that failure at the very least to get started would mean that a vital and urgent problem of this year has been neglected this year, and such neglect could hardly fail to make the going harder next year—and the next.

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From Washington Ahead of the News

By CARLISLE BARGERON

One of the absorbing phases of the hearings on labor legislation by the Senate Labor and Education Committee is the conduct of Senator Murray of Montana. He has never been charged with being one of the Senate's keener minds, and indeed, in these hearings he seems to act by rote. He is never able to pursue a question, and occasionally I have gotten the distinct impression that the industrialist witness was evading a direct answer. All Murray does is to just sit there, mostly, and ask questions which have been handed up to him by CIO watchers. It is doubtful if he knows their purport, or their significance. At least he doesn't try to pursue them with a view to eliciting information. They are mostly of the "Do you beat your wife" variety.

Carlisle Bargeron

Invariably, after each industrialist has given his testimony, Murray will introduce in the record a statement maybe developed by the LaFollette Civil Liberties Committee in the early New Deal witch hunting, or maybe a statement just made by a union leader or a downright Communist, to the effect that the man just testifying is a bum, has always been unfair to the downtrodden working man and is therefore not to be given any consideration in the recommendations he has made. The witness, who is usually gathering up his papers and leaving the stand, as apt as not, doesn't pay any attention to what Murray has done, and he will, therefore, be quite surprised when he reads the Committee hearings.

Most of these witnesses, for example, will be quite surprised to learn that there at the tail end of their testimony, is a statement that they belonged to the old Metal Trades Association and therefore used to hire thugs, gunmen, goons and Pinkerton detectives to maltreat their employees. Upon recollection the witness may recall that he did, indeed, belong to the Association but that not having had any labor trouble in

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We Shall See!

"There has been in the past, a tendency to disparage manual labor. We had false ideas of gentility, of the superiority of the black-coated worker over the manual worker. We want today to reassert the dignity of labor. We want to stress the fact that it is today the producer who counts, the man with the hoe, the man with the pick and shovel, the man with the miner's lamp, the man at the lathe and the loom, the man on the engine, the lorry and the ship. . . .

Clement Attlee

"We are shown today what workers can do if they are given a chance. We've got to pull this country through, and we will pull it through. Remember, this is your government. These are your mates. Help them all you can. . . .

"Do not be in any doubt. I am confident that despite the serious problems we have to overcome, we shall bring the economic and social life of this country to a new level of prosperity. . . .

"The government cannot afford to have workers restricting their efforts by continuing practices which were legitimate enough in the struggle against capitalist exploitation, with the fear of unemployment always in the background."

—Prime Minister Attlee.

The type of social and economic organization in Britain is Britain's own business.

As very large creditors and as continuing contributors to British material welfare, many Americans will, however, wait with interest to see whether a labor government (we had almost said a socialist government) can persuade workers to discontinue practices which are largely responsible for much of the present plight of the country.

It will also be instructive to see whether this kind of a regime can replace "capitalist exploitation" with a management capable of providing more liberally for the rank and file.

Mt. Clemens Portal Pay Case Dismissed

Federal Judge Frank A. Picard, at Detroit, Mich., on Feb. 8, rendered a decision which may have far-reaching effect on the estimated $5,000,000,000 in portal-to-portal pay suits, when he dismissed in their entirety the claims of employees of the Mount Clemens Pottery Company on the ground that the workers' claims for retroactive pay and damages for walking time and activities preliminary to actual work were trifling. Judge Picard prefaced his ruling by a brief history of the developments of the case, according to Associated Press dispatches from Detroit, "because of the interest and discussion that this case has stimulated."

The time consumed by each of the 289 pottery workers in so-called portal-to-portal activities was reckoned by Judge Picard, who measured distances himself at the company's plant 28 miles north of Detroit, as no more than 9.68 minutes daily. He held that only time passed going to the job should be considered.

Judge Picard further held, said the Associated Press, that a manufacturing company relying in good faith on rulings of courts and the Federal Wage and Hour Administrator would be justified in not computing as compensable walking and preliminary-activity time of less than 20 to 25 minutes a day. Preliminary activities are such things as donning aprons, sharpening tools, opening windows, etc. The Associated Press continued:

"Moreover," Judge Picard went on, "any new ruling by the Wage and Hour Administrator that periods of less than 20 to 25 minutes are compensable should apply only prospectively as a guide to industry and not retroactively, as 'an unfair burden'."

The Judge, who gave his ruling in the Detroit United States District Court, further contended that in the event the Supreme Court were to reverse his decision, awards for pay claims could not be made retroactive beyond June 10, 1946, the date of the original ruling by the Supreme Court in the Mount Clemens case.

Before concluding his decision, Judge Picard added: "Let us not be understood as holding that all portal-to-portal suits should be dismissed. There may be, and perhaps are, many instances where walking and the preliminary activities-time consumed is of such an amount as to call for compensation that the worker is not now receiving. But this is not one."

Edward Lamb, attorney for the Mount Clemens workers, stated, according to a dispatch from Toledo to the New York "Times," that Judge Picard's decision would be appealed to the Sixth Circuit Court of Appeals at Cincinnati.

Truman to Give Jackson Day Speech

It was announced on Feb. 7 that President Truman had agreed to be the Democratic Party's principal Jackson Day dinner speaker on April 5. The announcement was made, according to United Press Washington advices, by National Chairman Robert E. Hannegan, who is also Postmaster General in the President's Cabinet, less than 24 hours after Mr. Hannegan had gone on record as urging Mr. Truman to seek a full, four-year Presidential term in 1948. The Jackson Day speech is scheduled to be made at the party's traditional campaign fund-raising dinner at the Mayflower Hotel in Washington, and will be broadcast to other dinners to be held simultaneously throughout the country.

Truman Asks Congress To Act on Rubber

In a special message to Congress on Feb. 7, President Truman urged continuance for at least a year of existing controls on allocations of rubber and requested that legislation be passed to maintain the nation's synthetic industry. Without proposing specific legislation which would serve to preserve synthetic rubber production, according to a special dispatch from Washington to the New York "Times," the President recalled the precarious situation regarding rubber deficiencies at the outbreak of World War II which on another occasion there might be no time to remedy. Mr. Truman asked that Congressional committees study the matter of synthetic production and draft appropriate bills. The "Times" Washington advices stated:

"Congress has already made provision," he wrote, "by means of the Strategic and Critical Materials Stockpiling Act of 1946, for accumulation of a stockpile of natural rubber within the borders of the United States. Physical properties of rubber, however, and the necessity of stockpile rotation, place limits which make the largest feasible government stockpile of natural rubber inadequate in itself to meet the demands of a national emergency. The stockpile must be supplemented by an assured production of American-made rubber."

In asking for the continuance of existing rubber allocation controls, the President said that "the time will soon arrive when it will no longer be necessary to use these controls to insure equitable distribution of natural rubber or to produce the maximum number of commodities from synthetic rubber."

From its Washington bureau, Feb. 7 the New York "Journal of Commerce" reported:

Mr. Truman recommended these legislative steps:

1. A joint resolution by the Congress declaring government policy to be "to maintain synthetic rubber industry in the United States, adequate to the minimum needs of national security."

2. The Senate and House should "act expeditiously" to establish committees that will consider the problems involved in maintaining a synthetic rubber industry, and draft the legislation necessary to that end.

3. Authority for the Administration to continue its rubber allocation controls should be extended for one year, so that Congress may have sufficient time to enact permanent legislation for a national rubber policy.

These controls, contained in Title II of the Second War Powers Act, will expire March 31 unless extended by Congress.

On the same day, John R. Steelman, Assistant to the President, voiced his opposition to any deviation from the present pricing policy by the Reconstruction Finance Corporation in sales of natural rubber. Mr. Steelman's views were stated in a letter to Charles B. Henderson, Chairman of RFC, who had inquired as to the advisability of increasing the RFC selling price from 22½ to 25¾ cents a pound, basic grade. Mr. Steelman wrote Mr. Henderson, according to advices to the "Journal of Commerce," that it would only be necessary to redetermine rubber pricing policy if usuage controls are terminated, or if RFC's stocks are reduced to 160,000 tons. The same advices continued:

"When the latter situation develops, the RFC should sell at a price that 'would definitely discourage' further purchases from the stockpile, Mr. Steelman stated."

Enactment of Corrective Labor Legislation Urged on Behalf of United States Chamber

Immediate enactment of corrective labor legislation was urged on Feb. 6 on behalf of the United States Chamber of Commerce by W. Homer Hartz, a director of the Chamber and member of its Labor Relations Committee. Testifying in the hearings of the Senate Labor and Public Welfare Committee at Washington, Mr. Hartz presented a detailed program for legislative action which he said would promote industrial peace and protect the public interest in disputes. Mr. Hartz is President of the Morden Frog and Crossing Works, Chicago, makers of railroad track equipment. Calling for thorough revision of the Wagner Labor Relations Act, he said:

"Full freedom in collective bargaining requires that there be equal protection of both sides in the laws that pertain to labor-management relations. That is not true of the law today, notably the National Labor Relations Act. There are certain privileges conferred upon labor which have been so abused that correction is in order before such equality will exists. The law is silent concerning the rights of employers and responsibilities of labor unions and these should be provided."

Mr. Hartz said the National Chamber was against compulsion in the settlement of labor disputes. "Industrial peace is fostered by free collective bargaining, unhampered by government intervention," he declared. "We should encourage the bargaining process rather than stifle it by legislation designed to supervise the making of agreements."

Setting forth in detail issues requiring immediate action, he continued:

"There is no need of a joint Commission to enquire further into these matters. These hearings already have revealed the present need of reform. Further delay would only serve those who would perpetuate existing abuses."

Specific Chamber recommendations, as summarized by Mr. Hartz, follow:

"We favor the strengthening of the U. S. Conciliaton Service. By law it should be made an independent agency under a single administrator.

"We oppose the creation by law of a Federal Medation Board. We oppose compulsory arbitration of labor disputes in all cases where the public interest is not paramount. In that area further study should be made.

"We favor use, without legal requirement, of arbitration as the final step in the handling of grievances involving the interpretation or application of the terms of a collective bargaining agreement. We favor legislation to outlaw compulsory unionism. We favor the outlawing of sympathetic strikes and secondary boycotts.

"We oppose the monopolistic practices involved in industry-wide bargaining. We oppose the use of union power to force the exaction of royalties on production. We urge the outlawing of this practice.

"We favor wholesale revision of the Wagner Act. This Act should contain provisions which recognize unfair labor practices by unions and employees.

"We oppose violence, coercion, intimidation, mass picketing and sit-down strikes. The law should ban them.

"We favor clarification of the law to make certain the right of free speech by an employer. We favor a requirement in the law that a union must bargain in good faith just as an employer must so bargain. We favor provision in Federal law so that suits for violation of collective bargaining contracts may be maintained under the same conditions that suits may be brought for breach of any other contract.

"We oppose jurisdictional strikes. The law should make a jurisdictional strike an unfair labor practice and subject the violators to the withdrawal of all statutory benefits.

"We favor provisions in the law to authorize an employer to petition for an election to determine a question of collective bargaining representation as soon as a union demands bargaining rights.

"We are opposed to the interpretation of the Wagner Act which gives the benefits of the Act to supervisory employees. The law should be made clear that supervisors, — foremen, professional men and other supervisory groups —are not employees within the meaning of the law."

Tribute Paid to Memory of Edison

The centenary of the birth of Thomas Alva Edison was widely commemorated on Feb. 11 with dinners and other observances throughout the country, including a dedication ceremony at the restored cottage which was the inventor's birthplace at Milan, Ohio. A special memorial postage stamp was issued in honor of one of America's notable men. At the Hotel Astor in New York the Edison Pioneers, comprised of associates and their descendants and relatives of Mr. Edison, held a luncheon to which a message from President Truman was telegraphed. Speaking of the great inventor's many contributions to mankind, the President declared: "Through all the years that he labored from youth to fruitful old age his eyes were ever to the future. Always before him was the vision of a better and happier world, to the fulfillment of which he made such notable contributions."

Dr. Robert C. Clothier, a trustee and Vice-President of the Thomas Alva Edison Foundation and President of Rutgers University, according to the New York "Times", told the gathering that if Mr. Edison were alive today "he would look with eyes not free from anxiety upon the contemporary scene." Dr. Clothier continued:

"He would look out over the international scene in a world shrunk to a hazelnut by the magic of modern science and witness the incredible farce of great nations splitting hairs in the face of potential extinction."

Two days earlier, in Menlo Park, N. J., where Thomas Edison had invented the incandescent lamp, a bronze plaque bearing Edison's likeness was dedicated at ceremonies in which two former Governors of New Jersey took part. One of them was the inventor's son, Charles Edison, former Governor and former Secretary of the Navy. The other was A. Harry Moore.

In New York City said the New York "Times" the Thomas Alva Edison Foundation announced that it would conduct a nation-wide campaign for $2,590,000 to carry out for the next ten years projects in memory of the scientific wizard. Harvey S. Firestone, Jr., President of the Firestone Tire and Rubber Co., son of one of Edison's closest friends, will head the fund appeal.

House Group Hearings on Portal Pay Legislation

The House Judiciary Sub-committee which recently started hearings on legislation to limit portal-to-portal pay litigation was told by spokesmen for retail trade associations on Feb. 4 that unless Congress does a thorough re-write of the Wage and Hour Act portal-to-portal pay claims may turn out to be only one of the new wage liabilities suddenly confronting small business men of the country. Joseph T. King, counsel for the National Retail Lumber Dealers Association, declared, according to advices to the New York "Journal of Commerce" from its Washington bureau, that with the courts "writing new legislation at will," as demonstrated in the decisions that touched off the portal pay crisis, small businessmen have no way of knowing when a new interpretation of the intent of Congress may open new avenues of liability.

Incident to the decision rendered in the U. S. District Court at Detroit on Feb. 8 dismissing the portal-to-portal claims of employees of the Mt. Clemens Pottery Co., Congressmen expressed determination on Feb. 8 to nail down by law Federal Judge Picard's decision that employers should not be liable for portal claims arising before June 10, date of the Supreme Court ruling. We quote from the Washington "Post" of Feb. 9, which also said:

"Advocates of legislation to outlaw the portal suits praised Judge Picard's finding, but noted that it might be upset by a higher court on appeal.

"For that reason, and also to remove any question about its applicability to other suits totaling nearly $5,000,000,000, they determined to proceed with legislation already in the Committee stage in both Senate and House.

Chairman Michener (R., Mich.) of the House Judiciary Committee said a subcommittee probably would complete its hearings tomorrow and report to the full committee next week.

Chairman Wiley (R., Wis.) of the Senate Judiciary Committee, noted that the Picard ruling "is simply a decision on the facts in this particular case" and declared Congress "should redefine its position in no uncertain terms on the general issue."

A subcommittee of this group already has completed hearings. Its chairman, Senator Donnell (R., Mo.), said more work remains to be done and its recommendations probably will not be ready until February 17 or later.

W. R. Noble, Washington representative of Retail Farm Equipment Dealers, told the committee that former employees of equipment dealers are suing for time-and-a-half pay for hours worked in excess of 40 per week, although the Wage and Hour Administration has assured the Association that its members are exempt from the act. Both Mr. King and Mr. Noble urged that Congress:

"1. Comb the act for terms that might be misconstrued and re-write them into undisputable language; and

"2. Enact the provision in Mr. Gwynne's bill which would exempt employers from liabilities incurred under judical rulings if they had operated 'in good faith' under previous advice from the wage and hour administration."

Furthermore, they urged, the one-year statute of limitations proposed in the bill for the time in which all back-wage suits can be filed, ought also to be passed.

On February 6, William C. Foster, Under-Secretary of Commerce, submitted to the House Subcommittee the Department's Business Advisory Council's opinion that many companies would be forced into bancrupcy and the country's economy would be "seriously" disrupted if only a part of the portal pay suits were successful. In the Associated Press accounts it was stated:

"The amounts presently involved in law suits already filed are astronomical," the Council stated, "and yet they cover only some 10% of the total number of employees subject to the Fair Labor Standards Act.

"No employer can commit himself for additional labor costs until he knows just how much back pay he owes and how much future travel time liability he may have. Nothing could have been devised to impede collective bargaining more surely than this portal-to-portal situation."

Britain Grateful But Declines U. S. Offer to Aid in Fuel Crisis

Stating that no request for aid had been received from England in the fuel crisis, President Truman on Feb. 13 announced that he had nevertheless directed the United States Coordinator of Emergency Export Programs, Capt. Granville Conway, "to determine how quickly and in what quantity coal can be landed at British ports." On Feb. 14 President Truman made public a message from Prime Minister Attlee declining the offer of aid in the coal crisis, the message, according to Associated Press advices from Washington, stating:

"My colleagues and I have learned with warm appreciation of your offer to do all in your power to help in relieving our coal shortage and in particular to support measures for diverting to this country United States coal now en route to Europe.

"I need not say how grateful we are for your readiness to assist in the difficult times through which we are passing. But the need for coal in Europe is no less pressing and we could not ask that cargoes should be diverted from Europe to the United Kingdom."

President Truman, in making known his offer, declared, according to Associated Press Washington accounts Feb. 13, that this country was ready to do everything in its power to relieve Britain's hard pressed fuel situation, pointing out, however, that shipments from America to British ports, requiring a minimum of 15 days, might arrive too late to be effectual, but adding that it might be possible to divert to English ports some of the colliers already at sea carrying coal to other countries. From the Associated Press we also quote:

Mr. Truman said the U. S. representative with a European coal organization sitting in London "has been instructed to support a request for a reallocation of the shipments of coal now at sea, if this is the British desire."

The President said that coal thus diverted to England would be replaced for other countries as rapidly as shipping schedules can be adjusted.

He said the country has done "a remarkable job" in stepping up export shipments of coal, increasing these from 1.8 million tons in December to 2.5 million tons in January with prospects for 2.9 million this month.

Urge Broadening of Social Security

The Social Security Board rendered its eleventh annual report to Congress on Feb. 11, in which, according to Associated Press advices from Washington, it recommended that present old-age payments be increased, that the program be extended to include old-age and survivors' insurance for all gainful workers and that permanent total disability insurance be made a part of the program.

The board urged prompt action, saying: "For a people, as for an individual, it is prudent to provide in good times against adversities that almost surely will arise sooner or later." The Board's recommendations have already received administration approval. The proposals do not include an estimate of their cost.

The report also repeated recommendations first advanced on January 19 for extending unemployment compensation to small firms employing one or more workers and to several occupations such as agriculture, in which workers are not now protected.

The following are the board's recommendations, according to the Associated Press:

1. Extension of coverage to "all gainful workers." This would cover the self-employed, farmers and farm workers, servants, government employees and workers in non-profit organizations.
2. An increase in benefits, especially for low-paid workers, and an increase from $3,000 to $3,600 in the maximum earnings which count toward benefits.
3. An increase from the present $14.99 a month in the amount which an aged person may earn from private sources without loss of old age benefits.
4. Lowering of the pension age limit for women from 65 to 60.
5. Payment of benefits for both temporary and permanent disability.
6. Adoption of a long range plan under which old age insurance costs would be divided among employers, works and government.

Increase in Estimated '48 Rev. Aids Budget

The Senate-House Budget Committee on Jan. 31 was informed by the staff of tax experts employed by Congress, headed by Colin F. Stam, that revenues for the next fiscal year would reach $37,928,000,000, which is about $200,000,000 more than President Truman had estimated, according to Associated Press Washington advices. The Budget Committee is instructed in the Congressional Reorganization Act to review the President's buget message recommendation for an outlay of $37,500,000,0000 in the fiscal year beginning next July 1 and set Congress' own ceiling on Federal spending. The larger expectation of revenues would make easier the Republican program to balance the buget, reduce the national debt and cut indiivdual income taxes, Committee Chairman Taber (R.-N.Y.) told reporters. Although according to Senator Millikin (R.-Col.), Chairman of the Senate Finance Committee, the budget group has made "no progress," Mr. Taber said, the same advices continued, that the Committee will "have a ceiling" prior to the Feb. 15 deadline set by the reorganization act. He reiterated a belief that the President's budget figure can be cut around $5,000,000,000 to allow for both debt reduction and tax slashing.

The State of Trade

Fractional declines marked the course of overall industrial production last week from the very high level of the preceding week. The extremely cold weather that prevailed in many parts of the country hampered many types of outdoor work. It is reported that in some industrial areas the sharp rise in the use of gas for home heating resulted in a drastic reduction in the supply of gas available to industrial users.

A modest rise in total continued claims for unemployment compensation of 1% was noted in the week ended Feb. 1, while initial claims declined more than 4%.

The latest weekly business barometers reveal a very high level of activity, notwithstanding declines the past week in such industries as bituminous coal production, civil engineering construction, glass, flour and meat output and freight car loadings. Advances of modest proportions were noted in steel output, electric kilowatt production, daily average crude oil production, automotive output and paper and paperboard operations.

Production of cars and trucks in U. S. and Canadian plants last week was estimated at 93,592 units against a revised figure of 89,958 the previous week, 21,555 a year ago, and 127,510 in the like week of 1941, according to Ward's Automotive Reports.

Plants in this country accounted for 62,518 cars and 26,424 trucks the past week, while Canadian factories turned out 2,760 and 1,890, respectively.

The one-day cut off of industrial natural gas in the Detroit area, hurt the week's schedules by closing some plants. Inclement weather, making both rail and highway transport difficult, also impeded production.

The supply of durable goods continued to improve the past week and the volume was well above that of the same week one year ago. Allocations for lamps have been removed and many houseware items proved more plentiful in the week. Offerings of case goods and table electrical appliances, however, remained limited.

Sub-freezing temperatures in many sections of the country resulted in a slight decline in retail volume last week. Total retail volume was only moderately above that of the corresponding week a year ago. There was a noticeable decrease in the demand for Spring apparel and requests for luxury items were not as numerous as in many previous weeks.

Wholesale volume rose fractionally and continued to be well above that of the corresponding 1946 week. Attendance at wholesale centers in many cities was heavy but new order volume was limited as buyers continued to insist on quality merchandise at reasonable prices.

Steel Industry — The price of iron and steel scrap became so ridiculously high two weeks ago that some delivered scrap prices in the heavy melting grades were as high as if not higher than the price of new steel ingots delivered to the customer in some areas, states "The Iron Age," national metalworking paper, in its summary of the steel trade for the past week.

The situation in cast iron scrap last week was even more confusing. Some users unable to obtain pig iron were paying prices ranging from $5 to $10 more per ton for cast scrap than quoted delivered prices on pig iron. Competitive bidding in the various markets has been largely responsible for this situation and the fact that the steel industry sees ahead of it several months of high output is a sustaining factor in the current high scrap quotations, this trade authority notes.

Scrap prices advanced last week in major consuming markets, the result of which has moved "The Iron Age" steel scrap composite figure from $31.67 a gross ton to $33.75 a gross ton, an increase of $2.08 a ton.

The present high scrap market at best rests on shaky foundations, the magazine asserts. Scrap from manufacturing concerns is expanding in volume, a tremendous increase in the number of small peddlers has materialized and the trend of tie-in sales and other new wrinkles in obtaining steel supplies is downward. All of these factors plus the probability that steel supplies will be easier within the next 3 to 4 months are expected to operate in favor of a more normal scrap market.

Many steel consumers recently have adopted a more cautious attitude in their steel purchases and wherever possible have substituted different grades or have made other changes in buying habits in order to escape higher steel prices many of which are involved in extra charges. Even though steel business is definitely on a price-at-time-of-shipment basis, the dissemination of talk concerning possible steel price cuts has caused some large consumers to at least consider the possibility of going a little slower in planning future purchases, "The Iron Age" points out.

Some Washington sources and a few steel officials have indicated by their remarks that the steel industry would do well to reduce some of its prices, but such suggestions have been definitely tied-in with the prerequisite that there be no increase in current steel wage rates. To believe that the steel workers' union would accede to a status quo in its wage rates is to be a little bit less than realistic. However, since the USWA has at no time mentioned a specific wage demand except by saying that it wanted a "substantial" one, there is no bar to negotiations which could result in a compromise on the wage-price problem.

Despite efforts to treat the steel wage negotiations as an industry problem, the outcome of these meetings is important to and will be felt throughout American industry in general. Whatever wage patterns are set and whatever price policies are adopted will dictate the actions of practically all of the steel industry's customers and it is for this reason alone that the responsibility of steel management and steel labor is now greater than at any other time in peacetime history. Considering this situation and analyzing the current peaceful relationship between the two groups, the above trade authority observes, it would not be too surprising to see a precedent-shattering agreement between the steel corporation and the USWA whereby a moderate wage increase might be granted accompanied by a moderate steel price decrease.

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 94.1% of capacity for the week beginning Feb. 17, 1947, compared with 93.7% one week ago, 92.5% one month ago and 15.2% one year ago, the steel strike accounting for a sharp curtailment of operations. This represents an increase of 0.4 point or 0.4% from the previous week.

The week's operating rate is equivalent to 1,646,700 tons of steel ingots and castings and com-

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As We See It

(Continued from first page)

Possibly the most discouraging aspect of the matter is the fact that there are so few —or are there really any?— who are willing to challenge the assertions of the apostles of profligacy, or to stand up and be counted in favor of any program which could possibly be expected to get our feet back upon the good earth. Perhaps it is natural in the circumstances for them to fear the work of the professional smearers and the darts of the glib generation of smooth neo-socialists who learned their politics from Mr. Roosevelt. But this is not a high school debate that is going on. It is a discussion the outcome of which may well determine the economic welfare of many of us for a long time to come. And, for our part, we are not ready to concede that the American people are so deeply tainted with all the modern isms that they cannot be moved by plain facts plainly presented.

Entitled to the Facts

At least the public—the great rank and file which must in the last analysis decide such issues—is entitled to the facts in the case, entitled to the facts presented in such manner that their meaning is not obscured by the economic twaddle so much in favor in many quarters at this time. Let us turn to this record. The outlays suggested by the President for the Federal Government during the year ending June 30, 1948, the second full peace year, at $37.5 billion are more than double those of the most expensive year during World War I. They lack very little of being four times the most expensive New Deal year during the 1930s. In no year from 1922 through 1929 were Federal expenditures even near one-tenth of those now suggested in the President's budget.

But, say the spenders, war has become immensely more expensive since the "horse and buggy" age in the 1920s, and so have measures for adequate defense. Besides, so the story continues, we have more veterans to provide for, and interest on public debt is inevitably a great deal higher than after the other war. We shall return to some of these arguments, but for the moment let us entirely eliminate these items from both budgets and see how the remaining amounts compare. During the year ended June 30, 1921, the second full peacetime fiscal year following World War I, total Federal outlays amounted to something less than $5 billion (that is correct, total outlays amounted to $5 billion). Defense expenditures totaled about $2.7 billion, leaving $2.3 billion. We spent a little less than a billion on interest, and about $0.6 billion on the veterans. This leaves about $0.7 billion for all other outlays.

Now let us see how all this compares with President Truman's proposals for our second full peacetime fiscal year this time. Total expenditures, $37.5 billion, less defense outlays ($11.3 billion) come to $26.2 billion. Now subtract $7.3 billion for care of the veterans, and we have $18.9 billion, from which we now deduct $5 billion for interest. This leaves $13.9 billion, approximately 20 times the corresponding figure for 1921. Indeed this $13.9 billion is more than two and a half times *all* expenditures in 1921, and is within hailing distance of the $16.8 billion spent in the peak World War I year, 1919. It is more than 40% above the *total* expenditures during the most extravagant of the prewar New Deal years, 1935.

And Now to the Record

But let us look a little more closely at these figures which so many of our big-wigs are telling us must not be touched. The Treasury for many years past has had a way of changing the classifications in which it presents its budget figures. It is often, therefore, not possible to be certain of exact comparisons through a long span of time. This is particularly true if one wishes to make detailed contrasts between recent and pre-New Deal outlays. Care has to be exercised even in comparing types of outlay as presented in the budget itself all in the same table, since items are not infrequently shifted from one category to another in such a way that the unwary may well obtain false impressions. Yet certain broad comparisons as to details can be made with a feeling of assurance that no major error is involved.

Take what the President now calls "Agriculture and Agricultural Resources." He suggests that we put $1.4 billion into this during the coming fiscal year. The highest prewar figure given by the President is $1.6 billion in 1940 when the farmers were the darlings of the New Deal. That residual figure which the President labels "General Government" is set down at $1.5 billion, which is two and a half times the 1939 figure of $0.6 billion. Then there is "Transportation and Communications," for which $1.5 billion is requested. The corresponding 1939 figure is approximately one-third that amount. "Natural Resources not Primarily Agricultural," has jumped to $1.1 billion from $0.2 billion in 1939. "International Affairs and Finance" are to cost us $3.5 billion next year; the total in 1939 was almost microscopic by comparison.

Let no one say, therefore, that the hands of the statesman who would return to fiscal sanity are tied by "fixed" expenditures.

But who in his right senses, or perhaps we should say who that is not under the spell of the militarists, believes for a moment that several billions could not be squeezed out of military expenditures without reducing our ability to defend ourselves to the point of danger? Only he who has not heard of the wastefulness of our armed services, or who forgets that adequacy of defense is a relative thing in a world where no other nation can afford to drain away its strength on military expenditures — and where all of them know that they can not.

And so we might continue, but nothing would be gained by laboring the point. **It is certain beyond any doubt Federal expenditures could and should be reduced from the President's estimates not by a mere $6 billion, but by at least double that amount.**

It is also clear that they will not be so reduced unless the public—which is all of us —rises in its might and demands such a course in terms that the politicians understand.

Savings and Mortgage Conference in March

National attention is being focused on the Eastern Regional Savings and Mortgage Conference to be held by the Savings Division of the American Bankers Association at the Hotel Pennsylvania on March 6-7, according to Fred F. Spellissy, President of the Savings Division, who is executive, Vice-President of the Market Street National Bank of Philadelphia.

A feature of special interest will be an address by Dr. W. Randolph Burgess, former A.B.A. President, and Vice Chairman of the board, of the National City Bank of New York, New York, who will discuss "The National Debt, Interest Rates, and Savings."

Outstanding on the two-day program will be a presentation of preliminary results of the Corporate Bond Project which is being carried out by the National Bureau of Economic Research for the Savings Division in cooperation with the Committees of the Savings Banks Association of the State of New York; New York State Bankers Association; the New York State Banking Department; the Savings Banks Association of Massachusetts; the Reserve City Banks Association; and the Life Insurance Investment Research Committee. This investment research says the advices from the A.B.A. will provide bankers and investment men with factual information about the long term behavior of classes of securities from the standpoint of their availability, yields, defaults, quality, improvement or decline, and other pertinent information. The bonds have been studied by classification as to whether or not they are on the legal lists and as to the size of the issue and their source from railroads, public utilities or industrials. This is the first time it is stated that such factual information has become available for the use of investment men in formulating long term policy for their institutions.

Those present at the conference will have an opportunity to participate with members of the "Mortgage Committee in Action" panel on Friday morning March 7 in discussing the merits of a group of somewhat controversial mortgage loan applications. One of the first public announcements of a significant new development in home construction technique will be presented Friday afternoon. In the closing address ABA Vice-President Joseph W. Dodge will outline his views on mortgage investment policy.

Of interest to bankers will be the shop sessions dealing with bank personnel problems and with mortgages and housing. Those who will address the conference besides Messrs. Spellissy and Burgess, include:

J. Reed Morss, Chairman, Committee on Investments, Savings Division; President, Boston Five Cents Savings Bank, Boston, Mass.; Robert C. Rutherford, Assistant Secretary, American Institute of Banking Section, ABA, New York; Joseph Stagg Lawrence, Vice-President, Empire Trust Company, New York; Dr. R. J. Saulnier, Director, Financial Research Program, National Bureau of Economic Research; Dr. W. Braddock Hickman, Member of Research Staff of National Bureau of Economic Research in Charge of Corporate Bond Research Project; Adrian M. Massie, Vice-President, New York Trust Company, New York; James W. Wooster, Jr., Investment Counsel, New York; L. A. Tobie, Vice-President, Savings Division; President, Meriden Savings Bank, Meriden, Conn., Chairman; Kilgore Macfarlane, Executive Vice-President, Schenectady (N. Y.) Savings Bank; Homer Feltham, Mortgage Officer, Springfield (Mass.) Institution for Savings; Albert W. Lockyer, M. A. I., Price and Lockyer, Appraisers, White Plains, N. Y.; Hayward S. Cleveland, Northeastern Regional Member, American Legion Special National Housing Committee of Port Washington, N. Y.; Robert A. Jones, Executive Director, Middle Atlantic Lumberman's Association, Philadelphia, Pa.; Howard B. Smith, Director, Department of Real Estate Finance, ABA; Joseph M. Dodge, Vice-President, ABA, President, The Detroit Bank, Detroit, Mich.

Burgess Resigns From NAM to Form Own Business

Ralph E. Burgess, Acting Director of the National Association of Manufacturers' Government Finance Department, has resigned to form his own business as industrial consultant, it was announced on Feb. 17 by the NAM. Mr. Burgess will maintain membership in the NAM and will have offices at 500 Fifth Avenue, New York, and in the Chandler Building, Washington. His associates will include experts in market research, corporate finance and taxation. The firm will be known as Ralph E. Burgess Services, Inc.

Prior to joining the NAM staff two years ago, Mr. Burgess served as economist and senior statistician to the Federal Reserve Bank of New York; in various Federal Government departments, including the Treasury, and with a number of industrial concerns. He was also actuary for the Congressional Joint Committee on Internal Revenue Taxation. He is the author of "The Place of Inventories in the Business Cycle," and co-author of "Your Taxes After the War."

Death of K. C. Hogate Of "Wall Street Journal"

On Feb. 11, Kenneth C. Hogate, Chairman of the Board of Dow, Jones & Co., Inc., publishers of the "Wall Street Journal," died at Palm Springs, Calif., at the age of 49. From the "Wall Street Journal" of Feb. 12, we quote the following:

"At the time of his death Mr. Hogate was Chairman of the Board of Dow, Jones & Co., Inc., publishers of The 'Wall Street Journal'; he was President of Barron's Publishing Co., and President of Dow Jones & Co. Ltd., of Canada. He headed the entire Dow-Jones system of publications and wire services as President of the Financial Press Companies of America.

"The man who was later to be called 'Casey' by Presidents, Governors, business leaders and a host of lesser folk that reacted exactly the same way in the warmth of his personality, was born in Danville, Ind. on July 27, 1897. His father was Julian DePew Hogate, editor and owner of the Hendricks County Republican which he published for 40 years.

"Reared in an atmosphere of printer's ink and politics, the boy Kenneth showed a marked preference for the former. He learned the newspaper business along with his three R's in Danville's public schools. When he went to DePauw University he naturally became editor of the college daily and he filled in his summers between college terms with work on various nearby small papers.

"Shortly after his graduation from DePauw, Mr. Hogate broke into metropolitan newspaper work for the first time on the Cleveland News and Leader. A little later he heard of a better job on the Detroit News, asked for it, and got it. In Detroit came the first contact with the late Clarence W. Barron, then publisher of the "Wall Street Journal" and head of the Dow-Jones organization. . . .

"In 1926 Mr. Hogate was named Vice-President of the company and, in 1928, after Mr. Barron's death he was also named general manager. He succeeded the late Hugh Bancroft as President of Dow-Jones in 1933, a position he held until 1945 when he was elected Chairman of the Board. . . .

"In 1937 Mr. Hogate tackled one of the most difficult tasks he was ever persuaded to accept outside the newspaper field when he became a member of the Committee for the Study of the Organization and Administration of the New York Stock Exchange. It was this group, that came to be known as the Conway Committee, which recommended reforms which the Stock Exchange itself should make to meet the Securities and Exchange Commission in Washington part way at a time when further governmental regulation seemed probable. . . .

"For months, the Conway Committee became his chief concern. He was one of the principal draftsmen of its final report.

"Among the results of the committee's arduous work was the election, for the first time, of a salaried full-time President of the Stock Exchange and broader representation of both the public and regions outside New York on the governing committee.

"Considerable pressure was brought to bear on Mr. Hogate at that time to allow himself to be considered as a candidate for the post as head of the Exchange. He scotched this suggestion, however."

Mr. Hogate made his home in Scarsdale, N. Y., and his body was brought back there, where funeral services were held on Feb. 15.

Report on Overseas Disposal Program

United States overseas surplus property with an original cost of $6.8 billion had been sold by Dec. 31, 1946, with a total realization to the United States of $1,590,000,000, Secretary of State George C. Marshall informed Congress on Jan. 30 in a letter transmitting a quarterly operations report of the Office of the Foreign Liquidation Commissioner. This represents a return to the United States taxpayers of over 23%.

Remaining for sale or other disposal at the end of 1946, Gen. Marshall stated, is property with an original cost of $1,365,000,000 already declared surplus. He added that "it is estimated that future declarations will amount to approximately $2 billion, although, he said, this estimate is tentative and subject to change, "as it is impossible to forecast months in advance what the exact requirements of our own forces will be." Of the total realization of $1,590,000,000, sales made for dollars, or their equivalent, accounted for one-fourth, the Secretary of State declared. The remaining sales were made for foreign currencies or under dollar credits. Secretary Marshall pointed out that considerable progress has been made in the exchange of foreign surpluses for real estate, required by U. S. Diplomatic Missions, and in the use of surplus property in implementing the Fulbright Act. This Act provides for the use of foreign currency receipts from surplus sales to finance studies and research of American citizens abroad and to pay the transportation of foreign students to the U.S.

In addition to the return of $1,590,000,000, Secretary Marshall pointed out that the sale of our overseas surplus property has supported the economic recovery in many quarters.

Further features of the report, as made available by the Department of State, Office of the Foreign Liquidation Commissioner, follow:

As a result of the consummation of bulk sales with the United Kingdom, France, Belgium, China, and the Philippine Islands, no large concentration of declared or undeclared surplus remains unsold, other than that located in Germany. It is estimated that most of this property, costing the government $800 million, will be declared surplus during 1947.

Sales—"Bulk sales made to 10 foreign governments have accounted for 75% of total sales to date on the basis of original cost and 60% on the basis of realization." The remaining saleable surplus, with a total estimated original cost of $1,450,000,000, must be disposed of on a small lot basis rather than a bulk basis. "Sales efforts must be expanded and intensified in order to accomplish this end. It becomes increasingly difficult to dispose of surplus property for various reasons: the goods in greatest demand have generally been sold first; buyers must be sought at greater distances from the areas in which the surplus goods are located; a greater proportion of available surplus consists of maritime property and fixed installations, which have limited civilian utility; the value of the unsold surplus declines because of deterioration."

Other Surplus Disposals—"Total foreign surplus property disposals made to the end of 1946 included, in addition to sales, property disposed of by other means which had an original cost of $595,000,000. In this category was property transferred to UNRRA under Section 202 of the UNRRA Participation Appropriation Act, which had an original cost of $128,000,000 and a transfer value of $86,000,000. Such transfers represent a partial discharge of the undertaking of the United States to contribute to UNRRA and consequently the transfer value of the property represents a net financial return to this country in the same sense as do proceeds from direct sales."

Transfer and Delivery—"The job ahead in the completion of the transfer of foreign surplus already sold, is still a tremendous one. The work incidental to the transfer will require a great amount of time and effort for the armed services, which are charged with the custody of the property, as well as for the Office of the Foreign Liquidation Commissioner, which must handle the record keeping and accounting. The property sold to China, for example, is scattered on island bases over an immense area. The tasks of packing, outloading, shipping, unloading, and moving to storage, property which had originally cost $837,000,000 consisting of thousands of different kinds of items, are most complicated and time-consuming. Although China is responsible for the operations, the Office of the Foreign Liquidation Commissioner has a coordinating and supervisory responsibility."

Credit Agreements.—"To date, credit agreements have been made which provide foreign governments with total credits of $1,104,000,000 for the purchase of overseas surplus. Of the total authorized, $809,000,000 has been used, leaving unencumbered lines of credit of $295,000,000."

Foreign Buildings Operations Program—"The program for the acquisition of real estate for use by the Diplomatic Missions of the United States in exchange for surplus property has developed into one of the most satisfactory methods of obtaining immediate value for the United States in exchange for limited quantities of our surpluses where cash dollars are not available. The properties which have been acquired are in many cases in the best locations in the capitals concerned, and since we have had the cooperation of the foreign governments it has been possible to effect the purchases on advantageous terms."

"All properties acquired by the Foreign Liquidation Commissioner under this program are specifically designated by the Foreign Buildings Operations Division of the Department of State and are certified by it to represent a dollar value at least equal to the fair value of the surplus property furnished in exchange."

Maritime Disposal Activities—"Activities during the quarter brought the number of vessels sold to 3,933, or 61% of the 6,383 ships that have been declared surplus. However, it is expected that future declarations by the Army and Navy will total 2,500 vessels and in addition it is expected that 650 former German vessels will be declared surplus making a total of 3,150. These vessels plus the 2,450 already declared but remaining unsold, or a total of 5,600 vessels, constitute the main maritime disposal proble min the future."

Aircraft—"Cumulative sales of aircraft and aircraft parts since the beginning of OFLC operations have amounted to more than $52,000,000 realization on equipment originally costing the United States Government $313,000,000. In addition, there have been separate aircraft bulk settlements with various friendly nations not included in the above figures involving some 2,000 aircraft which were sold for $30,000,000. Potential declarations of commercial type planes, components and parts, are estimated at upwards of $165,000,000 at procurement cost. Sales of non-combat aircraft to the end of November 1946 amounted to 5,665 planes."

Air Rights Agreements—"The rights and interests of American airlines have been considered in the sale of surplus abroad. Two general types of agreements have been made with foreign countries: First, bilateral agreements assuring "freedom of the air," which have followed the so-called "Chicago" form and, later the "Bermuda" form, developed at conferences at these two places, and, second, "service" agreements under terms of which the United States is assured of the use of air facilities on a non-discriminatory basis.

"The rights and services assured under the so-called "service" agreements have been obtained in exchange, or partly in exchange, for surplus property. The benefits obtained include rights, on a non-discriminatory basis, to the services of navigational aids, communication facilities, weather reporting facilities and airfields, which in most cases previously were owned and operated by the United States."

1946 Steel Payroll A Peacetime Record

Payrolls distributed to employees in iron and steelmaking plants in 1946 set a peacetime record at $1,544,142,000, according to the American Iron and Steel Institute. It was 90% more than the $812,775,000 paid to employees in 1939.

The Institute's statement further added:

"The steelworkers' strike and the two strikes of coal miners during 1946 caused the total payroll to decline 6.1% below the 1945 war year total of $1,645,332,700. Average hours worked per week during 1946 for all employees fell to 36.1 from 44.2 in 1945. Although the 18.5 cents per hour wage increase granted in Feb. 1946, hourly, piecework and tonnage wage earners of the industry received $1,208,259,000 during 1946, compared with $1,351,461,600 in 1945.

"Hourly earnings of wage earners only during 1946 averaged approximately 134.7 cents per hour, a record, compared with an average of 124.8 cents per hour in 1945, 95.9 cents per hour in 1941, and 84.2 cents per hour in 1939.

"The average number of employees at work in the iron and steel industry in 1946 totaled 575,300, as compared with the 551,200 average employees in 1945.

"New monthly records were established during 1946 in payrolls, earnings and employment. In November, average hourly earnings for steelworkers hit the high figure of 136.7 cents, and total number of employees hit the peacetime record level of 600,000. Total payrolls in October at $150,637,500 set a new peacetime record.

"In December, the effects of the second coal strike of the year reduced total payrolls to $137,216,500 from $143,440,700 in November. Average number of employees dropped to 594,200 from November's 600,000, and average hours per week per employee declined to 36.5 from 38.7 in November."

Opposes Big Three Meeting

While declaring that he knew of no need for a meeting of the Big Three at present, President Truman at a news conference on Feb. 1, stated that he would be glad to welcome Prime Minister Attlee of Britain and Premier Stalin of Russia in Washington at any time, an Associated Press Washington dispatch reported. Mr. Truman's remark was made to a reporter who had brought up the matter of Mr. Stalin's having been quoted recently as being in favor of further Big Three discussions. The President's views are the same as those expressed on the subject on several occasions since he last met the British and Soviet leaders at Potsdam in the summer of 1945. Ever since the Potsdam conference negotiations among the Big Three have been carried on by the foreign ministers in meetings at Moscow, London, Paris and New York.

Truman in Receiving Polish Ambassador Recalls Failure of Country to Fulfill Free Election Pledge

The new Polish Ambassador, Josef Winiewicz, on presenting his credentials to President Truman on Feb. 4, was reminded by the President, according to Associated Press Washington advices, that the Polish Government "has failed to fulfill" its pledge to hold free elections. Although Mr. Winiewicz's words of greeting to the United States' President were couched in the usual warm diplomatic terms, whereas President Truman took occasion to criticize the elections, the fact that the Polish emmissary's credentials have been accepted by the Chief Executive has served to dissipate whatever speculation there has been that this country might break diplomatic relations with Poland for the manner in which the elections of Jan. 19 were conducted. With regard thereto an Associated Press account from Washington in the New York "Sun" said:

"According to an account of the meeting released later by the State Department, Ambassador Winiewicz presented his credentials, whereupon Mr. Truman addressed him, declaring that the United States had joined with the British and Soviet Governments at Yalta and again at Potsdam in important decisions concerning Poland, and that among these was an agreement for the holding of a free election. The President recalled that the Polish Provisional Government pledged itself to carry out this decision.

"It is a cause of deep concern to me and to the American people," Mr. Truman continued, "that the Polish Provisional Government has failed to fulfill that pledge. The Government of the United States has not lost interest in the welfare of the Polish people. It is with this in mind that I offer to you the co-operation of the officials of this Government."

Mr. Winiewicz succeeds Dr. Oscar Lange as Warsaw's representative in Washington.

From the advice Feb. 4 to the New York "Times" from its Washington correspondent Bertram D. Hulen, we take the following:

"Poland," Ambassador Winiewicz said to President Truman in presenting his credentials, "does not isolate herself within her own circle of affairs, but desires to take her share in all international efforts aiming at the creation for humanity of a better future and democratic foundations and of a sincere and loyal cooperation of all the peace-loving nations."

"In these efforts we count on the sincere understanding of your country, and on its friendly help," he said.

"In this spirit, the President of the National Council of Poland has instructed me to extend his warmest wishes to yourself personally and to the people of the United States. These wishes are accompanied by the sincerest feeling of friendship of the entire Polish nation for your country and for your countrymen."

Under date of Feb. 4 Associated Press advices from Warsaw said in part:

"President Boleslaw Bierut and the entire Moscow-backed Provisional Government resigned today and the Marshal of the new Polish Parliament, Wladyslaw Kowalski, became President for the day of reorganization. The changes resulted from the recent parliamentary elections, against which the United States and Great Britain have protested, declaring them neither free nor unfettered. Beirue, member of the Communist-backed Workers party, is expected to be elected President tomorrow.

"The Russian Ambassador W. Z. Lebiedeff headed the diplomatic delegation at the opening of the new Parliament, but United States Ambassador Arthur Bliss Lane and the British Ambassador, Victor F. W. Cavendish-Bentinck, were absent, nor were any members of their embassy staffs among the spectators in the Diplomatic Gallery."

Britain, France Got Most Of U. S. Foreign Credits

The United Kingdom and France together were the recipients of more than two-thirds of the $9.2 billion in United States Government foreign credits outstanding or unutilized on Sept. 30, 1946, the Department of Commerce said on Jan. 30. The advices from the Department stated that according to a compilation by the Clearing Office for Foreign Transactions the United Kingdom had $4.7 billion in such credits and France had $1.9 billion. All of the American Republic combined had credits outstanding and unutilized of $616 million, mainly Export-Import Bank loans, along with some lend-lease credits." From the Department's advices we also quote.

Comparable credit figures for other leading countries are: Netherlands and possessions, $595 million, largely Export-Import Bank loans but including some property credits; U.S.S.R., $241 million, all lend-lease credits; and China, $201 million, principally Export-Import Bank loans and property credits.

Regarding the future, the Department of Commerce said that the chief remaining source of new credit commitments is the unused lending capacity of the Export-Import Bank. On Sept. 30, 1946 this equaled $854 million, $500 million of which had been earmarked for possible loans to China. In addition none of the loan to the Philippines, authorized by Congress in an amount not to exceed $75 million, had been committed. Further commitments in connection with surplus property disposal abroad might come to $100 million or more, and the Maritime Commission may extend some $150 million or more in additional credits on merchant ships sold to foreign purchasers.

"All of these potentialities may add about $1.2 billion in new credit commitments to the Sept. 30, 1946 total of $9.2 billion credits outstanding and unutilized. This would suggest $10.4 billion as an outside estimate of Government foreign credit undertakings on the basis of present conditions.

Most of the United States Government credits carry interest rates of 2 to 3% and stipulate repayment of principal at annual or semi-annual intervals over periods varying from 20 to 50 years, with frequent provision for a five-year initial breathing space during which principal repayments are not required.

Estimates of the Department of Commerce indicate that principal and interest payments totaling $164 millions will be due in 1950. These charges will increase sharply to $331 million in 1951 and reach a peak of $366 million in 1952.

No ready formula is at hand to determine the relative burden of United States Government foreign credits as they may affect the future commerce of nations, the Department of Commerce said. However, the United States Government, as a potential $10 billion creditor on foreign account and as an immediate investor of $3.4 billion in the two Bretton Woods institutions, has a direct and substantial stake in the sound development of future world trade.

Steel Operations Set New Peacetime Record—Little Relief in Scrap Market Conditions

By straining every piece of equipment and using all of the short-cuts learned during the hectic wartime peak periods, the steel industry this week set a new peacetime record with ingot operations at 94.5% of rated capacity, up one point from last week, according to "The Iron Age," national metalworking paper, which, in its issue of today (Feb. 20), further states as follows:

"Even with this high output, however, it may be June or July before the current tight situation in the majority of steel products can be relieved.

"In its effort to raise output and make a hole in the unprecedented volume of unfilled steel orders, the industry is running into higher steelmaking costs. Marginal or high cost equipment is being utilized and outlandish prices are being paid for scrap, while at the same time unusual efforts to get the maximum amount of steel produced are costing steel firms more than would be the case if normal equipment were utilized and production reduced to a more economical level.

"A check by some steel companies as to the position of their customers with regard to steel supply versus actual needs indicates no letup in demand for any type of products. Outstanding information shows further that the biggest headache among steel users continues to be unbalanced inventories. This situation is so severe in some manufacturing activity that production schedules are far below what they would be if a steady and balanced flow of component parts were possible.

"Small manufacturing plants have been particularly hard hit by being unable to maintain high manufacturing rates and this situation has forced drastic curtailment of expenses, borrowing of additional capital and the elimination of programs designed to explore and exploit new markets.

"The long-range viewpoint, however, which takes into account the fact that steel supplies will reach a more normal condition by summer, indicates that some of the present manufacturing difficulties will not last too long. It seems certain, however, that while steel users continue to clamor for material they will at the same time keep their attention sharply focused on the size of their steel inventories with later emphasis on control of finished manufacturing product inventory.

"For steel firms there was little relief in scrap market conditions this week. While quoted prices in the various major markets were unchanged this week many steel producers continued to pay from $2 to $3 a ton more for material coming from distant points. Cross-hauling of scrap was increasing as many steel companies continued to compete for available material outside their own district.

"For the past week or two there have been some rumblings in the scrap trade to the effect that a congressional investigation might be made of current scrap conditions with emphasis on the unprecedented prices being paid. No official information has been forthcoming from Washington regarding an investigation.

"While the steel industry is doing everything possible to alleviate the freight car shortage by stepping up steel shipments to freight car builders, it is obvious that any steel tonnage over and above what has been shipped for new freight cars must be at the expense of other steel consumers.

"Steel scarcities in hard-to-get steel items exist primarily in bona fide steel distribution channels. Substantial supplies other than governmental surpluses are allegedly available from other sources, but so many uncertainties surround this market that most consumers refuse to participate. These twilight markets which are carry-overs from the OPA black markets are still utilized by steel consumers who are up against it for a marginal amount of steel requirements.

"However, fly-by-night steel deals with their double and sometimes triple prices are only a small proportion of total transactions. The general trend today is away from premium markets and there has been a definite decline in some of the twilight market prices. Heaviest activity in these markets involve flat-rolled material."

In discussing steel price cut talks and steel wage negotiations, "The Iron Age" in its issue of Feb. 13 had the following to say:

"Some Washington sources and a few steel officials have indicated by their remarks that the steel industry would do well to reduce some of its prices, but such suggestions have been definitely tied-in with the prerequisite that there be no increase in current steel wage rates. To believe that the steel workers' union would accede to a status quo in its wage rates is to be a little bit less than realistic. However since the USWA has at no time mentioned a specific wage demand except by saying that it wanted a 'substantial' one there is no bar to negotiations which could result in a compromise on the wage-price problem.

"Despite efforts to treat the steel wage negotiations as an industry problem, the outcome of these meetings is important to and will be felt throughout American industry in general. Whatever wage patterns are set and whatever price policies are adopted will dictate the actions of practically all of the steel industry's customers and it is for this reason alone that the responsibility of steel management and steel labor is now greater than at any other time in peacetime history. Considering this situation and analyzing the current peaceful relationships between the two groups, it would not be too surprising to see a precedent-shattering agreement between the steel corporation and the USWA whereby a moderate wage increase might be granted accompanied by a moderate steel price decrease."

The American Iron and Steel Institute this week announced that telegraphic reports which it had receive indicated that the operating rate of steel companies having 94% of the steel capacity of the industry will be 94.1% of capacity for the week beginning Feb. 17, which is the highest rate reached since the 95.3% level in the week of May 14, 1945 and the second consecutive week of record post-war production. The current figure also compares with 93.7% one week ago, 92.5% one month ago and 15.2% one year ago when a strike was in progress. The operating rate for the week beginning Feb. 17 is equivalent to 1,646,700 tons of steel ingots and castings, compared to 1,639,700 tons one week ago, 1,617,000 tons one month ago, and 268,000 tons one year ago.

"Steel" of Cleveland, in its summary of latest news developments in the metalworking industry, on Feb. 17 stated in part as follows:

"Despite weather difficulties, steel ingot production continues to rise, and last week made new high records for peacetime output. Last week's rate, if continued throughout the year, would result in a total production of nearly 86,000,000 tons of steel, about 5% below the all-time record set in 1944 when war production was at its peak.

"Concurrent with the increase in steel production was the pressure on raw materials. This is reflected in the scrap market, where prices are now quoted at $35 per ton for No. 1 heavy melting steel at Pittsburgh, the grade used as a basis for all scrap quotations.

"Unrelenting pressure for scrap to sustain current high steel production levels, aggravated by continued shortage of pig iron, finally forced the price level up $2.50 per ton for heavy melting steel in many districts last week. The supply situation is made tighter by the scrap trading arrangements between consumers of finished steel and converters. Movement of scrap to mills has been impeded during the last two weeks by adverse weather conditions. Indications are volume will increase as soon as milder weather returns.

"With the outlook encouraging for continued high rate of steel production for several weeks ahead, mills have established second quarter selling quotas at a generally higher level than for the current period. However, they are still substantially short of requirements and in some cases not better than for the present quarter. In fact, in certain instances, where mills have become far oversold and are changing their policies with respect to the acceptance of tonnage, such as is true with some plate producers, the regular trade probably will not receive as much as at present.

"Flat-rolled steel continues in critically short supply. Demand is far in excess of current output and consumers are pressing producers from all directions. Consumers allocations based on prewar order volume are falling far short of needs. Additional sheet and strip rolling mill capacity is expected to come into operation over the next few months but no particular easing in the tight supply situation is likely until well on toward the end of the year, if then.

"Most, if not all, plate producers are now selling on a quarterly quota basis, some only recently having adopted this policy and in shifting over are cutting their original commitments for the second quarter quite drastically. As indicated, the difficulty with some was that they became greatly oversold, especially in view of the operating handicaps they had been encountering, with shortage of raw materials the particular complication since the first of the year, along with recent railroad steel allocations, which provided the final touch for certain mills. These allocations provide steel for locomotive repairs, as well as car construction and repairs.

"'Steel's' composite market averages advanced to $33.75 from $32.08 on steelmaking scrap while holding unchanged at $69.36 on finished steel, $52.10 on semi-finished steel, and $29.56 on steelmaking pig iron."

Price Increases by Hartford "Courant"

The following announcement by the Hartford (Conn.) Courant Company appeared in the Feb. 15 issue of the "Courant":

"Beginning Monday, the price of the daily 'Courant' will be five cents and the home-delivered price 30 cents a week. Effective Feb. 16, the price of the Sunday edition will be 15 cents..

"These increases are necessitated by the steadily mounting costs of newspaper publication. We are now paying $83.30 a ton for newsprint as against $49.50 in 1941, and all other expenses of operation have advanced in similar proportion. We cannot ourselves absorb these higher costs and at the same time maintain the standards of journalism long upheld by this newspaper.

"Our readers, we believe, will recognize the realities of the situation by showing their willingness to pay a little more for the paper. Even at the new rates, we think they will agree that they are getting full value for their money."

N. Y. Chamber Calls for Provision for Debt Retirement in Federal Budget

In an effort "to strengthen the hands" of members of Congress in their fight for government economy, the Chamber of Commerce of the State of New York on Feb. 16 at its monthly meeting suggested "as an ultimate goal for peacetime" a Federal budget approaching $20,000,000,000, including reasonable provision for debt retirement. "The present Congress has been elected with a direct mandate from a majority of the voters on a platform of drastic public economy to be accompanied by extensive tax reductions," a report of the Committee on Taxation, which was adopted, said. It added: "The appropriate and strategic time for such action is now, while the issues are fresh in the minds of the public." The report declared that all thoughtful people had been "shocked" by the size of the $37,500,000,000 budget for the fiscal year 1948 which President Truman submitted to Congress. Reference was also made to the President opposing any tax reduction in his budget message.

Commenting upon the requested national defense appropriation of more than $11,000,000,000 in the budget, the report said that this would be approximately ten times as high as in the average prewar year. Admitting that national defense expenditures are a controversial issue, the report said:

"Yet the tangible evidence adduced by Congressional committees indicates that during the war our armed forces were not as economical and efficient in spending our money as they could have been. All of us taxpayers, therefore, are most anxious that the Congress take special precautions to make sure that those conditions do not continue in peacetime."

Pointing out that the proposed expenditure of $7,343,000,000 for "veterans' services and benefits" was almost equal to the entire Federal budget in each of the years 1935 and 1938, the report said:

"A substantial number of this Chamber's members are veterans of either World War I or World War II, and many had sons in World War II. Most of these veterans feel quite strongly that much of the agitation for veterans' benefits is actuated by political considerations rather than being prompted by any sincere desire to aid the veterans." The report said that more than $5,000,000,000 a year could be saved by reducing the number of civilian employees in government service to the prewar level.

The Chamber, which is one of the leaders in the fight for a higher subway fare, unanimously adopted resolutions urging the city administration to recognize that New York's present financial difficulties are directly traceable to the failure of the transit lines to pay their own way. Congress was urged by the Chamber to remove all rent ceilings on the constrution of new residences and to restore to the state governments exclusive control of all rents. Continuance of the present state control of the rents of commercial properties was favored, but it was recommended that retail stores and restaurants should be exempted from such controls.

The Chamber went on record against permanent registration of voters in New York City on the ground that it might bring about serious election frauds. It urged the creation of a joint legislative committee or a public-legislative group to study the payment of cash benefits to sick workers, before any measure to this end were enacted at Albany.

Fairfield Osborn, President of the New York Zoological Society, the guest-speaker at the meeting, said that the misuse of atomic energy and the continuing destruction of the natural living resources of the earth were the two major threats in the world today. He urged industry to become an active partner of Government in the conservation movement.

Marshall States Foreign Policy

At his first news conference since he took Cabinet office Jan. 21, Secretary of State George C. Marshall on Feb. 7 gave in a formal statement the outline of his policy which is "to make the influence of this country felt in international affairs by doing all that can be done to strengthen and perfect the United Nations as an instrument for the discussion of international problems and the maintenance of international peace." Stressing that his policy would conform to that of President Truman and former Secretary of State James F. Byrnes, Mr. Marshall pointed out that it included for the United States "a full and active part in the working out of peace settlements which will form a lasting basis upon which the United Nations can perform its functions."

Secretary Marshall, according to the Associated Press advices from Washington undertook to express his views regarding all phases of United States foreign relations with the exception of matters to come before the Council of Foreign Ministers in Moscow next month and specific European issues. He included a statement on American relations with the Argentine government, mentioning specifically that there are no United States restrictions on trade with that country "except in respect to exportation of arms and implements of war." Referring to the forthcoming Moscow conference Mr. Marshall asserted that he understood the position of Senators Vandenberg and Connally which prevented their joining him in the negotiations, and added that he had "complete confidence in their support on the general basis of a bi-partisan foreign policy." He went on to say that this government was requesting the Rusian government to increase the number of American correspondents, which she has declared are all that can be accommodated, from the stipulated 15 to 20. Mr. Marshall stated that his Deputy for the coming conference would be Robert D. Murphy.

Speaking of atomic energy Mr. Marshall declared: "Mankind can never feel secure so long as this great destructive force remains uncontrolled. That is why we are giving primary emphasis to solving the problems it presents." Mr. Marshall pointed out that the problems of disarmament "cannot be solved on an emotional basis." He said: "The United States Government, I am sure, will avoid with care a repetition of the tragic consequences of unilateral disarmaments and the limitation of armament as was done in 1921."

On the subject of Poland the new Secretary of State declared that "this Government intends to continue to follow closely the situation in Poland, and while maintaining its interest in the welfare of the Polish people, it will retain full liberty of action to determine its future attitude toward the Government of Poland and will continue to keep itself informed of developments in Poland through its diplomatic mission in Warsaw."

No Need for Federal Mediation Board!

(Continued from first page)

Department. From past experience I feel sure that such a board would be in the Department for housekeeping purposes only.

Some advocates of this procedure contend that the Labor Department and its Secretary cannot act impartially, because we have a mandate from Congress to "foster, promote and develop the welfare of the wage earners of the United States. . ."

The best answer to this argument would be a full review of the record and policies of the United States Conciliation Service. I cannot undertake that in the time at my disposal. But I would like to quote four character witnesses, if I may call them that. Four groups who have a vital stake in collective bargaining and the American way of life. They are: the National Association of Manufacturers, the U. S. Chamber of Commerce, the American Federation of Labor, and the Congress of Industrial Organizations.

Conciliation Services

Necessarily, these groups have had a great deal of experience with the Conciliation Service. They are in a position to judge the work of the Conciliation Service because they take part in it. Day in and day out they watch negotiations being carried on with the friendly, impartial help of our Commissioners of Conciliation. Let me remind you that during the last year, the Commissioners, under the capable direction of Edgar L. Warren, aided in the peaceful settlement of 13,000 industrial disputes. Moreover, in 90% of the disputes where Commissioners were called in *before* work had halted, no stoppage occurred.

Last year we also aided in settling 3,400 strikes. Of these, nearly two-thirds had begun before either of the parties called for the services of a conciliator.

Equally important, all of these settlements were reached by voluntary methods of conciliation and mediation.

Knowing that record, the NAM, the AFL, the Chamber of Commerce and the CIO are unanimously opposed to the creation of a mediation board. Let me quote the Chamber's Board of Directors:

"The establishment of a Federal mediation board, or any similar body by another name, would interfere with and disrupt voluntary collective bargaining. There would be a tendency to refer important issues to such a board, which would undermine voluntary agreement."

My own experience as Secretary of Labor fully supports that view. During the war we could see this perfectly natural tendency at work. Time and time again the parties to a dispute were so eager to have 'their case" settled by the National War Labor Board that the preliminary negotiations were little more than shadow boxing, a warm-up for the big show in Washington. Consequently the Board found itself heavily burdened with a huge back-log of cases.

But after VJ-Day, when numerour wartime controls were lifted, the War Labor Board quite properly began to turn its case-load back to the parties for settlement. As a result, about 3,000 cases were left to collective bargaining and the overwhelming majority were settled peacefully—even during the troubled months of reconversion when labor and management faced a host of unfamiliar problems.

Without attempting to gloss over the fact that labor disputes did retard the rate of reconversion, I want to remind you that we now have more than 14 million workers who are covered by some 50,000 union contracts. Yet even during the worst period of labor unrest in our history 45,000 of these contracts were renewed or renegotiated peacefully. Not to mention the successful handling of countless grievances that are bound to arise wherever men work together.

No Super-Mediation Board Needed

To me, and to many others who are close to the labor scene, this indicates a much greater area of basic agreement than most people realize. Can we afford to move in on this large area with government mandates or a super-mediation board? The answer is: Not unless we are prepared to follow up with further controls and increasing government participation in collective bargaining.

Here again our wartime experience is revealing. In the fiscal year 1943, the Conciliation Service handled more than 14,000 disputes, but 31% of these were referred either to the National War Labor Board or the National Labor Relations Board for final action. In 1944 the Service closed nearly 22,000 disputes and of these, 32% were referred to one of the two boards. In 1945 an all-time high was reached when the Conciliation Service handled over 23,000 disputes and referrals reached 33%.

Today the story is very different. Labor and management are again learning to use the collective bargaining process. As we entered the new year 1947, work stoppages were the lowest since VJ-Day. Not only were there fewer strikes but the number of workers involved and idleness were also well below those early months of 1946. As of Jan. 1, 1947 our Conciliators were attempting to mediate 111 stoppages involving only 35,000 employees. A year ago they were handling 145 strikes involving ten times as many employees.

Quite apart from its effect on the Conciliation Service, there is another reason why I am convinced that a mediation board would impede industrial peace. My own experience has convinced me that the job is not one to be done by a board, because the solution of labor disputes requires great flexibility. Solutions cannot be reached in an ivory tower. Every case is different; the issues are different; the personalities are different. It requires different types of individuals to handle different cases.

During the last year and a half we in the Department have acquired an intimate knowledge of the current problems of each industry and the various companies within the industry. We know the background and the mental attitude of the negotiators on both sides. No super-duper board can handle such a many-sided and complicated task—regardless of the character, ability and experience of the men who might be appointed to such a board. With the best will in the world, a board would find itself delayed by technical problems which might prove a fatal handicap to successful collective bargaining.

The general public may not be aware of these facts, but labor and management know them well enough. They know, too, what steps have been taken to develop and strengthen the Conciliation Service. I am particularly proud that what has been done was an outgrowth of a unanimous recommendation by the President's Labor-Management Conference in November, 1945. Everyone in the Conference agreed to the report which recommended that the Conciliation Service remain within the Department of Labor and that it operate with the advice of an advisory board consisting of representatives of both management and labor. This advisory board takes its work seriously and the results have been very gratifying to all concerned.

Conciliation Service Improved

Again, times does not permit me to review these changes in detail. But I can tell you that the Conciliation Service today is better equipped than ever before to aid both unions and employers at the bargaining table. For example, all of the arbitrators now on the roster of the service were passed upon by the Regional Labor-Management Advisory Committees, thus insuring competent and impartial arbitrators who have been approved by leading labor and management representatives in their respective areas.

The same can be said of Conciliation's Technical Division which assists the parties in disputes where highly technical problems arise, such as incentive plans, job evaluations, merit rating systems, workload studies, and related questions.

Beyond these regular methods which the Conciliation Service offers, we have developed several other means of promoting industrial peace. Fact Finding is one of them. During the last year I appointed nine fact finding or special inquiry boards. In each instance their investigations led to a satisfactory settlement of the controversy. The public has not heard much of this success, but I believe it can be repeated in the future, provided that certain basic principles are followed.

These principles include the full and voluntary cooperation of both parties, the selection of board members who are thoroughly familiar with the industry concerned, and, of course, a clear understanding that board's recommendations will not be forced upon the parties. Rather, I send each side a copy of the report and tell them that in my opinion it should be used and considered in further negotiation. In other words, I do not convert the board from a mere fact finding function into an arbitration function.

I have tried to outline for you some of the things the Labor Department is doing in the field of industrial relations. Equally important are the fundamental objectives behind this work. Unless I am very much mistaken, our goal is the same as yours. We in America want full, sustained production and fair distribution. The kind of distribution that will reward incentive and preserve the freedoms we hold dear.

Free collective bargaining does impose serious responsibilities on both labor and management. Recent developments in steel and autos and in the vast construction industry show how different the industrial climate is today from one year ago. Unless I misjudge the calibre and democratic purpose of labor and management they will meet their joint responsibility—without coercion or compulsion from our Government.

Rayon Output in 1946 At New High

Rayon production in the United States reached a new high during 1946, according to the annual review of the industry contained in the February "Rayon Organon," statistical publication of the Textile Economics Bureau, Inc. The output of rayon yarn and staple totaled 853,900,000 pounds, an increase of 7½% over the preceding year. The Bureau's announcement of Jan. 30, also reported in part:

The 1946 production of filament yarn was 8½% above 1945, and double that of 1939. Rayon staple output was 5% over 1945 and more than double the 1940 figure. Statistical compilation of rayon production is exclusive of the non-cellulose synthetic fibers such as nylon, Vinyon, casein, and protein fibers and spun glass for textile uses. It is estimated that the aggregate 1946 production of these non-cellulose base products would add between 35,000,000 and 40,000,000 pounds more to the year's synthetic fiber output.

Despite the tight raw material situation which prevailed during 1946 and the depressive effect of labor disturbances within and without the industry, all divisions of the industry contributed to the record performance, the "Organon" points out. Production of viscose+cupra yarn rose 9½% during the year, acetate yarn 6½%, viscose staple 2½%, and acetate staple 11%. On a poundage basis, the greatest increase was shown in the viscose+cupra yarn division, and the smallest gain in viscose staple.

World rayon production in 1946, on the basis of incomplete returns, totaled 1,800,000,000 pounds, an increase of 18% over the preceding year, but still 37% under the record output of 1941 when 2,835,000,000 pounds were produced. In the 1946 world total estimate, filament yarn comprised 1,100,000,0000 pounds and staple 700,000,000 pounds.

Among the foreign producers, outstanding gains were made by Belgium, Czechslovakia, France, Great Britain, Italy and the Netherlands. Rayon production in Germany and Austria, however, remained at low levels, and in Japan, where at one time the greatest poundage in the world was realized, the output was nominal.

Imports of rayon yarn into the United States during the first eleven months of 1946 totaled 105,219 pounds at an average value of $1.27 per pound. Although insignificant in relation to domestic rayon production, these imports were larger than any year since 1939. Imports of staple in the first eleven months of 1946 totaled 29,533,191 pounds, an amount exceeded only in 1939 when imports reached more than 47,000,000 pounds.

Total exports of rayon yarn in the first eleven months of 1946 amounted to 14,915,568 pounds with principal export markets being Mexico, Canada and Cuba. Producers' exports of rayon yarn in 1946 were 38% under 1945; of these exports 77% represented textile-type yarns, the remainder being tire types. Export of staple plus waste aggregated 4,133,989 pounds in the eleven month period, over 50% of which went to Mexico.

Tire manufacturers received 14% more rayon yarn in 1946 than in the preceding year, and shipments to tire manufacturers last year accounted for 32% of total domestic yarn shipments.

Shipments of non-tire yarns to the New England territory have declined gradually but steadily percentagewise in the six year period between 1940 and 1946, the "Organon" reveals. Shipments to the Piedmont territory, on the other hand, have increased in the last six years, and it now receives 43% of the total non-tire rayon yarn shipments, 6% more than in 1940. Shipments to the New England territory reflect a 6% loss, with the territory receiving 23% of the total, as against 29% in 1940.

The Metropolitan area receives 13% of the total non-tire shipments, a percentage that has remained constant since 1942. Shipments to the Southern territory have increased since 1940 but the total volume remains small. Likewise shipments to the Mid-west and West are small and last year were about the same as the 1940 level after an increase during the war years.

The Piedmont territory is also the largest recipient of tire yarn, taking 36% of total tire yarn shipments during 1946. In addition to the Piedmont area, tire yarn shipments are concentrated in the South, Pennsylvania and Ohio.

Draft Cards Destroyed by Group Opposing Continued Wartime Conscription

At a meeting on Feb. 12, in New York City, sponsored by the Break-With-Conscription Committee, 42 men tore up their draft cards in protest against continuation of wartime conscription and universal military training. The meeting, held in the Labor Temple in East 14th Street, was preceded by a picketing demonstration by 15 men and women, according to the New York "Times" of Feb. 12, which also said in part:

The meeting was attended by about 200 persons and police observers, including Inspectors Abraham Goldstein of the Second Detective District and Walter Hourigan of the Second Division, 15 detectives, 10 patrolmen and four Federal agents.

After the speeches, 63 men marched across the stage, tearing up their draft cards or substitutes and dropping them into the kettle. Forty-two draft cards were torn up.

Some of the men without cards announced that they had disposed of theirs at meetings held yesterday before the White House, where 15 were burned, or in Philadelphia, where 50 men and women demonstrated.

Representatives of the FBI office here said that the card-burners would be subject to heavy penalties if found without the cards in their possession.

Speakers at the Labor Temple meeting included James Blish, who described himself as an ex-soldier and said that if universal military training is adopted "the Army gravy train will reach from coast to coast and you and I will pay the bills"; A. J. Muste, Secretary of the Fellowship of Reconciliation; Dwight MacDonald, editor of Politics; David Dellinger, editor of Direct Action and Bayard Rustin of the Committee on Racial Equality, who presided.

Marlin Reiterates Republican Plans

The Republican House Speaker, Joseph W. Martin Jr., went on record on Feb. 3, at a testimonial dinner in his honor, as advocating that President Truman's $37,000,000,000 budget "be cut and cut deeply," with the savings distributed between "debt reduction and tax reduction," Associated Press advices from Wellesley, Mass., stated. Mr. Martin assured the assemblage, which was under the sponsorship of the Norfolk Republican Club, that the Republican Congress would put forward a program "designed to put our country back on the American track." Representative Martin also touched on the matter of labor legislation in his prepared speech. The Republican-dominated Congress, he told his listeners, is "now." said the Associated Press, "engaged in the preparation of legislation to achieve equal justice and equal responsibility in labor-management relations. No special group or groups can be permitted to enjoy a monopoly of power to strangle the economic or social progresses of the people of America . . . We must give private enterprise the green light to make the American way succeed."

Economic and Social Task of United Nations

(Continued from first page)

worth of the human person." There is also something new in the provision of machinery for international cooperation in these fields.

While the war was still going on, the United Nations had met together not only at San Francisco, but also in other conferences, to lay plans for international cooperation in food and agriculture, in relief and rehabilitation, in the monetary and financial field and in civil aviation. In addition at least some governments, including the United States, were actively preparing the further plans which have since taken form in organizations or preparatory bodies concerned with international trade, health, and education, science and culture.

U. S. Takes Initiative

Most of this sprang from the initiative taken by the United States and from the belief of President Roosevelt that if international cooperation was to be successful it must deal with things that touch the daily lives of ordinary people—and not merely with the occult mysteries that are supposed to engage the attention of military staffs and foreign offices. It was for that reason that he began the series of conferences looking to the post-war with the subject of food, the most basic of our needs, and agriculture, which still engages two-thirds of the world's population.

In spite of the fact that most of these conferences have been held in the United States and that many of these organizations have their headquarters here, this side of the work of the United Nations is less well-known than are the efforts to build and maintain a system of international peace and security. It is quite natural that this should be so. The memory of war is still so vivid in the minds of all of us that attention automatically is fixed on the work of the Security Council, on debates over the peace treaties, and on the General Assembly's discussions of the "veto," of disarmament and of reporting on troops. The glamour of these subjects automatically catapults them into the headlines, the more prosaic processes of cooperation in the economic and social fields are generally reported in smaller type or not reported at all.

I often feel, however, that there is a tendency to fix our eyes so intently on international security that we are likely excessively to justify economic and social cooperation as mere accessories to the maintenance of peace. Full employment, higher and more stable incomes, better housing, better health, more adequate education, more universal enjoyment of individual liberties, are important objectives in and of themselves and need no ulterior justification. By linking these things too exclusively to the maintenance of peace, we obscure the importance of economic prosperity and social well-being in their own right.

Complex Structure of ESC

The international machinery which the United Nations have set up in the economic and social fields constitutes a rather complex structure. The central organ in this structure is the Economic and Social Council. This Council consists of 18 nations elected by the General Assembly. It differs in three important respects from the Security Council.

1. It has no permanent members and no special voting procedures. Each member has one vote and all decisions are taken by a simple majority of the votes cast. There is no veto.
2. It has no coercive powers to command performance by Member states. Its tools are solely those of study, discussion, report and recommendation.
3. It has no exclusive jurisdiction in the field of its responsibility. It operates under the authority of the General Assembly which also has responsibility for the promotion of the social and economic objectives of the United Nations. In addition the various specialized organizations, such as the International Labor Organization, the Food and Agriculture Organization, and the International Monetary Fund, have their own charters and their own responsibilities in their respective fields. One of the chief functions of the Economic and Social Council is to coordinate the activities of these specialized agencies, to avoid duplication in their work, and to see to it that they all contribute to a consistent pattern of international action.

Perhaps I should have added a fourth important difference. The more successful the United Nations is in establishing peaceful relations, the less the Security Council will have to do. But there are no boundaries to economic and social advancement and no matter how successful the United Nations is in this field, success itself will open up new worlds to conquer, new items for the agenda of the Economic and Social Council.

It may seem to you that we have created a lot of machinery and procedure. It is a lot, but there is a lot to be done. What have we done with it so far? In the time available, I can only endeavor to hit a few of the high spots. The Economic and Social Council has met in three sessions in 1946—once in London and twice in New York. The General Assembly has met twice. Necessarily in this first year a large amount of time has had to be devoted to organizational matters. Much of this has been dull and it has taken much time; but it had to be done. And sometimes it wasn't entirely dull for even in these organizational matters, differences of view on matters of public policy entered the discussions—as a preview of the differences that have been involved in other questions as well.

In additional to organizational questions, the Council has dealt with about a dozen problems of substance, of which I want to select three for special notice—refugees, reconstruction, and international trade and employment.

Refugee Problem

During the past year, the problem of refugees and displaced persons has occupied more of the time of the Economic and Social Council than any other question. At the close of the war there were over eight million people who had been uprooted from their homes by the forced labor systems of the Nazis and by the dislocations of war, or who were victims of racial, religious, or political persecution, or who were refugees from political change in their countries of origin. Almost all of them were without resources. Many had suffered cruelly at the hands of the enemy. There were children without parents or homeland; in some cases they did not even know what their country of origin was. The armed forces and UNRRA have done an amazing job of repatriating the great bulk of these people, but there still remain between eight hundred thousand and a million of such refugees and displaced persons in Europe alone who have not yet returned or found new homes. For the most part they are in camps in the American and British zones of occupation. The urgency of international arrangements for alleviating the tragedy of these people and finding them homes was one of the first problems to engage the attention of the United Nations. It is accentuated by the fact that UNRRA's work in this sphere comes to an end next June.

But, as Mrs. Roosevelt pointed out in the debate before the General Assembly:

"... this humanitarian need ... is not the whole story. Each member government of the United Nations has a direct selfish interest in the early disposition of this problem. As long as a million persons remain in a refugee status, they delay the restoration of peace and order in the world. They contribute to the impairment of good relations between friendly governments. They represent in themselves political, economic and national conflicts which are symbolic of the work that lies before nations if peace is to be restored. While they remain in a solid mass in assembly centers, they deteriorate individually and collectively they present a sore on the body of mankind which it is not safe for us to ignore."

The General Assembly at its meeting in London directed the Economic and Social Council to make a thorough examination of the whole subject and to prepare a plan for a temporary international organization to deal with this problem. It has been a task beset with many difficulties. There have been strong differences of opinion as to the categories of persons who should be the concern of an international organization. The majority have favored broad and inclusive definitions of these categories; the minority, chiefly the Eastern European countries of origin, have argued for more restrictive definitions. We take more or less for granted the right of people to escape from local regimes with which they are not in sympathy; some of these other countries are more inclined to regard such people as traitors. The apportionment of the very substantial costs of caring for and resettling these people has been difficult—in particular it has been argued by some of the countries of origin that they should not be required to help finance the resettlement of their own nationals who do not want to come home. There has been suspicion of each others' motives.

It has taken almost a full year of hard work to find the greatest area of common agreement on these problems, and where agreement was not possible, to decide according to the opinion of the majority. But the Council and the General Assembly have now approved a Constitution for an International Refugee Organization, a budget and a scale of contributions, and provisions for interim arrangements until the IRO comes into being. It is now up to the various national governments to determine whether they will participate in this work.

Reconstruction Problem

Another aftermath of war is the problem of reconstruction of devastated areas. On the purely financial side, there has already been established the International Bank which will be able to assist these countries in financing their capital requirements for reconstruction. A few countries still have such limited foreign exchange resources that they would be unable to proceed with rehabilitation if nothing were to replace UNRRA relief when it comes to an end. It has been determined that UNRRA is not to be replaced by another international organization, but the United States and other governments have indicated that they will seek legislative approval for funds to fill this gap until the next harvest. These needs are estimated at about $400,000,000. In place of the UNRRA machinery, the General Assembly has approved the proposal of the United States, the United Kingdom and Brazil that contributing and receiving countries consult regarding their independent relief programs through the machinery of the United Nations itself.

But these financial problems are only a part of the broader problems of reconstruction. We in the United States find it difficult to appreciate the disruptive effects of the war on the countries in which it was actually fought. It is not possible to convey any real sense of the problem of reconstruction in a few words, one can only enumerate some of the elements. Coal is by far the greatest bottleneck in Europe today. Capital equipment is frequently scarce, even when it can be financed. Transportation is still disorganized and equipment scarce. Many raw materials are still in very short supply. Manpower is scarce in some areas and unemployed in others. Agricultural equipment is badly needed. In some cases a few spare parts would work wonders but are difficult to obtain, especially where they formerly came from Germany. Trade is disrupted not only by the scarcity of goods and by foreign exchange difficulties, but also because Germany formerly occupied such an important place in the trade of many of these countries. Even more difficult to assess statistically is the damage done by war to the delicate economic and social machinery by which a nation carries on its daily life.

In June the Economic and Social Council appointed a Temporary Subcommission on Economic Reconstruction of Devastated Areas. With the help of on-the-spot visits by field teams, the Subcommission made a valuable survey of the reconstruction problems of European countries, and of the progress which they have already made. In addition to a number of specific recommendations, the most important proposal made by the Commission was for the establishment of an Economic Commission for Europe in which these countries can work out many of their own problems by direct consultation and cooperation. The United States would also be a member of this Commission, at least as long as it remains an occupying power in Germany and Austria. The General Assembly has put its approval on this proposal by recommending that the Economic and Social Council at its next session in March give prompt and favorable consideration to the establishment of such a Commission for Europe and another for the Far East.

The problems of reconstruction are pressing, but in laying out reconstruction programs, it is also pressing to know what kind of economic relations with other countries can be reasonably expected in the future. If the world were to return to the extreme economic nationalism of the thirties, countries would be well-advised to plan for a large measure of self-sufficiency. On the other hand, if countries are to reconstruct and reconvert along lines which will avoid the poverty and the absurdities of the pre-war period, they must have an idea of what their own economic policies and those of other countries are likely to be.

Some part of this knowledge can be had from the rules to which nations have agreed to conform in adhering to the International Monetary Fund. It will be greatly extended by the successful outcome of the prospective conference on world trade and employment. In this field, as in many others, a large part of the initiative has been taken by the United States. Our own preparatory work has been going on for over three years. In December 1945 the United States Government published its "Proposals for Expansion of World Trade and Employment." These proposals were subsequently set forth in more detail in a "Suggested Charter for an International Trade Organization of the United Nations" published last September. What this Charter boils down to is a comprehensive international agreement among nations to cooperate with each other in promoting high and stable levels of employment and a code of behavior which they agree to observe in connection with restrictions on international trade, in connection with their policies for dealing with commodities in burdensome surplus, and in connection with cartels and other private restrictions on trade and production. There is also proposed an International Trade Organization to assist in the administration of the agreement and to provide a forum for continuing international consideration of these problems.

At the suggestion of the United States, the Economic and Social Council at its first meeting took over the sponsorship of this work and appointed a Preparatory Committee of 18 countries which finished its first session in London at the end of November. This meeting was remarkably successful in reaching agreement and in all important respects the agreement reached was along the lines of the United States proposals.

There are two things about these proposals which are particularly significant. In the first place, they provide for agreed action and not merely fine words. There was no end of conferences in the inter-war period which produced excellent prescriptions for nations to follow in their foreign trade policies. The difficulty was that the delegates went home and their governments went on blithely ignoring these resolutions. What is proposed this time is not agreement in principle but agreement in fact. Governments will be asked to agree not merely that certain lines of action are harmful and that others are wise, they will be asked to agree to take the wise action and to eschew the harmful.

Reducing Trade Barriers

Perhaps the most significant of these agreements is the undertaking on the part of all members of the Organization to enter into agreements with each other reducing their trade barriers. To remain a member in good standing and enjoy the numerous benefits of membership in the Organization, each country will be obligated to conclude these agreements within a reasonable period of time. Actually, 18 members of the Preparatory Committee have already agreed to begin such negotiations concurrently with their remaining work on the Charter, and there will thus be, when the Charter is submitted to the countries for their consideration, specific evidence of what the countries accounting for the major part of the world's trade are prepared to do.

The other significant innovation in the proposed agreement is its recognition that the avoidance of unemployment and business slump is not a matter of domestic concern alone, but is a necessary condition for the expansion of international trade. It also recognizes that the methods taken to combat unemployment in one country often take the form of shutting out goods from other countries and that when everyone plays this game, all are injured. In our own self-interest, this country has a very real concern in this problem, for the fear which other countries have that a severe depression in the United States would be transmitted to them is one of the great deterrents to their willingness to tie themselves too closely to our economy through international trade. The agreement accordingly proposes that countries which join the Organization undertake to take appropriate action, consistently with their own political and economic institutions, to maintain full and productive employment at home, and to cooperate through the Economic and Social Council in the field of employment policy.

The Preparatory Commission is scheduled to meet again in Geneva in April, to be followed by a full International Conference on Trade and Employment later in 1947. This is by all odds the most important piece of work facing the Council in the coming year. It will round out the circle of the important agencies contemplated in the economic field. It will not only round out the circle, but it will deal with the most fundamental element in the field of international economic cooperation. The most basic of all international economic relations is trade. Without trade, loans cannot be repaid, without trade, many resources cannot be developed to their fullest use. Without trade there would be no need for agreements on foreign exchange. Without trade, reconstruction could proceed only slowly and to a limited extent. Without trade the standards of living of all of us would be lower. Without an expansion of world trade, other international institutions, such as the Monetary Fund, The Food and Agriculture Organization, and the International Labor Organization will not be able to realize their maximum effectiveness. It was for these reasons that I said a moment ago this is the biggest single task of the United Nations in the economic field for the coming year.

Problem of Human Rights

These problems of trade and employment, of refugees, and of reconstruction are an illustrative sample of the work of the United Nations in the economic and social field. If I have neglected equally important areas, particularly the problem of human rights and freedoms, it is chiefly because this work has begun more slowly and there is less to report.

Inevitably much of the debate in the United Nations has run more in terms of the mechanics of cooperation than of the underlying problems which are the things of substance and for which the machinery is designed. A new health organization is relatively meaningless unless we remember that with modern transportation people and disease germs can be whisked from one continent to another in a few hours. We can no longer take refuge in old types of quarantine control; an epidemic elsewhere in the world is of immediate concern to us. The only way in which we can be safe is to help to see that an epidemic is stamped out at its source.

Similarly, discussion of quotas, preferences and tariffs, the most-favored-nation clause, exchange restrictions, commodity agreements, refugee constitutions and budgets, and economic commissions are important only as they contribute to the improvement of the conditions of ordinary decency and dignity for the people of the world. What is really involved is the security of men in their homes and their jobs, more certainty of stable employment, better economic opportunities, the alleviation of misery and suffering, and the enjoyment of individual freedom without discriminations. There is also involved the preservation of freedom of enterprise which we hold important, without denying to others the right to different political and economic systems if they freely want them. And there is the problem of finding means of adjustment by which different economic and social systems can live cooperatively side by side in the same world.

If there is a tendency in international discussions to talk more about machinery than about these fundamentals, it is at least in part because there is greater difference of opinion, within as well as between nations, as to the most appropriate means of promoting these basic objectives than there is about the ends themselves. But it is useful constantly to remind ourselves that it is the promotion of the well-being of ordinary people and not the creation of machinery for its own sake that is the economic and social task of the United Nations.

You will also have observed from this account another characteristic of the work of the United Nations in these fields. That is that, for the most part, the General Assembly and the Economic and Social Council are initiating and facilitating bodies rather than action bodies themselves. This is not universally true. The General Assembly has decided, for example, on the recommendation of the Council to take over certain social welfare advisory functions previously performed by UNRRA and to finance them out of the United Nations budget. It has also created an International Children's Emergency Fund within the United Nations structure, but financed by voluntary contributions from governments and private groups. Where obligations would be created for member governments, however, as in the case of the World Health Organization and the proposed International Trade and International Refugee organizations, the role of the Economic and Social Council has been to organize and scrutinize the preparatory work. Whether to accept membership and the obligations of these organizations still remains for the decisions of the individual governments themselves. The Economic Commissions for Europe and for the Far East will be part of the Economic and Social Council's structure, but action to carry out their recommendations will still have to be taken by national governments. The United Nations does not and, under the Charter, cannot reach into the domestic affairs of Members and command compliance with its recommendations.

Not a Mere "Talk Organization"

National policies still remain for national determination.

This fact has led some to dismiss the Economic and Social Council as a mere "talk organization." I hope we will steer a middle course between the excesses of optimism and the extremes of cynicism which have been expressed about this body. But the criticism does force us to examine just what we mean when we speak of international cooperation. Clearly we mean something more than just talking together. But equally clearly talk is the starting point and only by discussion can we come to mutual agreement to take action whether through an instrument set up for the purpose or by coordinating independent national policies. What is important is that the discussion get down to the fundamentals underlying common problems and to the elements in national policies of different countries that have to be adjusted if they are to work together and not at cross purposes.

In other words, the powers of the Economic and Social Council of study, discussion, report and recommendation are significant if nations want to use this instrument, otherwise they are limited indeed. If problems are prevented from coming before the Council because their discussion would be inconvenient or embarrassing to some members, or if nations are willing to take only those steps which require little or no modification of their own policies, then we shall accomplish little more than we did in the past. What the Economic and Social Council particularly adds to what we had before is a continuing forum devoted entirely to problems which have been relatively neglected at the international level in the past, through which the members can attempt to find the maximum area of mutual adjustment of their various nations' policies for the accomplishment of their common purposes. That is, I take it, what we mean by the promotion of international cooperation.

Extension of Mutual Understanding

There is another facet of this and that is the extension of mutual understanding among nations. In spite of all our facilities for communication and education we still know woefully little that is accurate about other peoples or they about us and each other. Ignorance and misinformation are fine breeding grounds for distrust and fear. The progressive elimination of these conditions is another part of the economic and social task of the United Nations. In particular it is one of the concerns of the United Nations Educational, Scientific and Cultural Organization which came into full existence at its meeting in Paris last November. It is also the direct interest of the Subcommission on Freedom of Information which the Economic and Social Council has authorized the Human Rights Commission to establish. In addition, the General Assembly at the session just concluded has instructed the Economic and Social Council to convene an international Conference on Freedom of Information before the end of this year.

The extension of mutual understanding is not something that is needed only at the popular level; it is important at what is called the official level as well. Misgivings are sometimes expressed whether we have not overmultiplied conferences and international organizations in the first flush of post-war enthusiasm. Certainly it is becoming difficult, even for a government with such large resources as the United States, to find personnel for all these meetings and to fill the staffs of the organizations. But even if they have served no other purpose, these numerous meetings have greatly increased the opportunities for the representatives of governments to meet each other and become better acquainted with the problems and viewpoints of other countries. There is a growing consensus, for example, that one of the most fruitful products of the Preparatory Commission of the Food and Agriculture Organization now sitting in Washington to discuss the World Food Board Proposals of Sir John Orr, will not be anything directly related to that plan but a more comprehensive and exact understanding of the experience underlying the national agricultural policies of the various countries represented there. This is the essential first step to finding acceptable adjustments of independent national policies.

Each country will have certain elements of policy which must be taken as given and in which any modification must be ruled out as impossible. But even so, better knowledge will enable us to know what is the widest area of possible negotiation. We in the United States, for example, are not going to abandon in the foreseeable future our efforts to promote our own economic advancement through a system that is basically one of freedom of individual enterprise. But we shall be talking at cross purposes if we underestimate the strength of a contrary view that is held in an increasingly large part of the world.

All this is undoubtedly self-evident, at least until we apply it to ourselves. We have heard much in the past decade about domestic politics stopping at the water's edge and that we speak with one voice on foreign policy. Even if true, this still conceals a great difficulty. For it implies that there is something called foreign policy wholly apart from and distinct from domestic policy. In the economic and social fields at least this clearly is not so. I have already referred to the bearing of our domestic employment policy on our foreign trade policy. There is little use in reaching international agreement on the elimination of export subsidies or on commodity arrangements, to take another example, if we are not prepared to adjust those parts of our internal agricultural policy which would make observance of the agreement impossible. The area of agreement will not be very wide if each country inserts reservations or escape clauses to take care of its own particular national policies. What is even more important, the agreement will not be very significant for it will not touch those problems which are really troublesome. In many fields we do not have this forced upon our attention, for our own privileged position has already placed us above the greatest common denominator that can be negotiated into international agreements in such fields as labor standards, public health, or statistical services. But in other fields, our position of power, leadership and responsibility means that the adjustments we are willing to make in our policy is the critical question in determining how much international agreement is possible.

Political Implications

There is another danger of wishful thinking that is just as serious as the idea that talk alone will solve problems. This is the idea that economic and social problems can be solved as technical problems and their political implications put off to one side. In some limited technical fields, such as postal communications, or conventions about safety of life at sea, or standard statistical classifications, a considerable amount of progress can be made with little if any intrusion of considerations from the political sphere. But we shall not carry ourselves very far toward the realization of the economic and social task of the United Nations if our activities are confined to these purely technical fields. After all, a great deal was done in those fields in the inter-war period which we are prone to dismiss as so dismal for its lack of economic and social accomplishment. For the most part, it is impossible to discuss even seemingly technical problems without getting into the heart of prime matters of national policy. For example, at first blush it might seem that nothing is more purely technical than the appropriate level of the foreign exchange rate for the currency of a given country. But it is impossible to discuss foreign exchange rates without reference to domestic employment policies and all of the other complexities which haunt negotiators seeking to achieve international cooperation in the whole economic field. The intrusion of political factors is even more obvious in the case of such problems as human rights, care and settlement of refugees, or reconstruction.

Some complaint was even heard at the last session of the Economic and Social Council about the intrusion of political issues into the Council. Some members would have liked to exclude the issue raised by Czechoslovakia and Yugoslavia of their Danubian barges held in the American occupation zone in Austria. They felt that this issue and the increasingly political complexion of the discussion of refugees and displaced persons would tend to turn the Council into a political arena and by sharpening differences between Members would prejudice the prospects of the Council's success. I am unable to share this view. As I have already indicated, if the Council limits itself only to those issues with little or no political content, it will reduce its field of activity to something approaching zero. And if Members of the Council so conceive its task that they send to it as their representatives persons of only narrowly specialized interests, they will do a great disservice to themselves and to the United Nations.

The economic and social problems of the United Nations exist in a political setting and themselves often have a strong political content. At least at this juncture in world history, political issues are the dominant ones in international relations. In the longer run, the growth of mutual understanding, rising levels of prosperity and economic security, and the reduction of gross inequalities among peoples may be expected to contribute to the improvement of the political climate in which economic and social cooperation can flourish still further. But at the moment, in my opinion, the outcome of the debates in the Council of Foreign Ministers, the General Assembly, the conferences on the peace treaties, and the Security Council, are more likely to condition the prospects for success in the Economic and Social Council than vice versa.

The final observation which I wish to make on the basis of the record to date is that the area of agreement in the United Nations on economic and social matters has been wider than the area of disagreement. There have been vigorously contested points. There have been clashes of national interest. There have been problems arising out of different approaches to common problems. And the deliberations of the Economic and Social Council have occasionally reflected political differences which were being even more vigorously expressed in other bodies and other meetings. But more impressive than these differences has been the wide area of agreement and the common desire evident in all Members to make the Council an effective instrument for the achievement of tangible results for the benefit of the peoples of all countries. Disputes make better headline material than agreements and it is quite true that, despite a large measure of agreement, the differences often arise over very critical points. But it is sometimes disheartening after reaching a large measure of unanimity on some issue to find in the next days' papers that a split vote on some relatively minor point has been played up as a resounding victory or defeat for the United States or some other country on the whole issue.

I have tried not to minimize the difficulties that will attend the work of the Economic and Social Council and the specialized agencies. They have made a good beginning. But it will prove disillusioning if too much is expected too quickly. Economic and social problems are the most complex in the whole range of human activity. It does not necessarily follow that agreement upon common objectives means that there is common agreement, internationally or domestically, on the most effective means of attaining those objectives. Nations and their statesmen are generally more keenly responsive to immediate necessities than to the prospects of long-range advantage and there is, correspondingly, much greater probability of divergencies of national interest on short-term policies than on long-term objectives. Furthermore, there is the very real problem which will not be quickly or easily solved, of trying to reach these common objectives within the framework of differing economic and social systems.

We have taken an important step forward in elevating economic and humanitarian matters to a place of prominence in the United Nations Charter and in providing a principal organ of the United Nations and numerous specialized agencies for the promotion of international cooperation for progress in these fields. But there is no magic in all this. The machinery is not automatic. It has to have power and lubrication, and it has to be operated. What all this machinery can achieve depends entirely upon what the Members of the United Nations want it to achieve.

The State of Trade

(Continued from page 1047)

pares with 1,639,700 tons one week ago, 1,617,900 tons one month ago and 268,000 tons one year ago.

Electric Production—The Edison Electric Institute reports that the output of electricity declined to 4,801,179,000 kwh. in the week ended Feb. 8, 1947, from 4,777,-207,000 kwh. in the preceding week. Output for the week ended Feb. 8, 1947, was 20.5% above that for the corresponding weekly period one year ago.

Consolidated Edison Co. of New York reports system output of 215,000,000 kwh. in the week ended Feb. 9, 1947, compared with 191,200,000 kwh. for the corresponding week of 1946, or an increase of 12.4%. Local distribution of electricity amounted to 206,700,000 kwh. compared with 188,700,000 kwh. for the corresponding week of last year, an increase of 9.5%.

Railroad Freight Loadings—Car loadings of revenue freight for the week ended Feb. 8, 1947, totaled 767,481 cars, the Association of American Railroads announced. This was a decrease of 67,570 cars, 8.1% below the preceding week and 54,241 cars or 7.6% above the corresponding week for 1946. Compared with the similar period of 1945, an increase of 11,649 cars, or 1.5% is shown.

Paper and Paperboard Production — Paper production in the United States for the week ended Feb. 8, was 106.2% of mill capacity, against 104% in the preceding week and 99.7% 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 104%, compared with 102% in the preceding week and 97% in the corresponding week a year ago.

Business Failures Increase — After a slight downturn in the previous week, commercial and industrial failures rose in the week ending Feb. 13 to a total of 62, reports Dun & Bradstreet, Inc. Concerns failing, up from 45 last week, were two and a half times as numerous as in the comparable week of 1946 when only 25 failures occurred. In fact, the number of failures reported in the week just ended has been exceeded only once since 1943.

The increase this week occurred entirely in large failures involving liabilities of $5,000 or more. Numbering 55, these large failures rose sharply from the 37 a week ago and were almost three times as high as in the same week last year when 19 concerns failed in this size group. Small failures on the other hand, remained at a very low level. Only 7 concerns failed with losses under $5,000, 1 less than in the preceding week.

Manufacturing and retailing accounted for two-thirds of the failures occurring during the week. Manufacturers failing actually declined from 25 last week to 19 this week, but continued above the 1946 record. This represented the only trade or industry group in which there were fewer failures than in the preceding week. The sharpest upswing appeared in retailing where concerns failing, at 20, doubled the number reported a week ago and were five times as numerous as in 1946's comparable week. Although less than 10 failures occurred in any of the other industry and trade groups, concerns failing in wholesale trade, construction and commercial service were all twice as high as in either the previous week or in the same week last year.

Geographically, this week's failures were concentrated in the Pacific, Middle Atlantic and East North Central States. While only one region, the East South Central, did not have any failures during the week, no other areas, except these three, had as many as 5 concerns failing. Most of the increase from last week's level was concentrated in the Pacific States. Twenty-three failures occurred in this region, representing a sharp rise from 10 a week ago and only 6 in the corresponding week of 1946.

Canadian failures numbered 3, the same as last week, while there were none in the comparable week a year ago.

New Business Incorporations in 1946 Reach Record Total — New business incorporations in the United States reached a total of 9,971 in December, according to the latest compilation by Dun & Bradstreet, Inc., covering 48 states. This represented a rise of 17.5% over the November count of 8,485, and a gain of 19.4% above the December, 1945 figure of 8,350.

An aggregate of 132,893 stock company formations were recorded during the calendar year 1946, equal to an average monthly rate of 11,074. During the final half of the year, incorporations averaged 10,199 per month, or 14.7% less than the monthly average of 11,950 for the first six months of the year. It represented a rise of 69.4%, however, over the last six months of 1945, when charterings averaged only 6,019 per month.

New York outranked all other states by a wide margin. Contributing 37,599, or 28.3%, of the annual total, the New York count greatly exceeded the previous all-time numerical record of 26,816 set in the year 1928, according to Thomas J. Curran, Secretary of State for New York. Following in order of rank were California, with 9,768 charterings for the year, or 7.4% of the total; New Jersey, with 8,239, or 6.2%; Illinois, with 7,955, or 6.0%; Ohio, with 5,570, or 4.2% and Massachusetts, with 5,-203 or 3.9%.

Of the 132,893 business charters issued last year, 74,334, or 56.0%, occurred in the six states enumerated above. The remaining 42 reporting states accounted for the balance of 58,459, or 44.0%, of the year's charterings.

Wholesale Food Index Up Third Successive Week — Continued strength in livestock and other food items brought a further rise in the Dun & Bradstreet wholesale food price index. The index figure advanced 3 cents to $6.32 on Feb. 11, from $6.29 a week earlier, and represented the highest level since Dec. 10, when it registered $6.35. The current index compares with $4.13 on the corresponding date in 1946.

Moving higher in the week were flour, wheat, corn, rye, oats, barley, hams, lard, coffee, cocoa, potatoes, steers, hogs, sheep and lambs. Only butter, bellies and cottonseed oil showed declines. The index represents the sum total of the price per pound of 31 foods in general use.

Daily Wholesale Commodity Price Index—Severe weather conditions exerted a strengthening influence in major commodity markets last week. The Dun & Bradstreet daily wholesale commodity price index advanced rather sharply to reach a new post-decontrol peak of 244.96 on Feb. 11. This compared with 239.37 a week earlier and with 184.52 on the similar date a year ago.

Grain markets were active last week and futures trading on the Chicago Board of Trade reached the heaviest volume in about two months. Greatest activity was in wheat where all futures contracts sold at new high levels for the season. Cash wheat also rose sharply. Demand from mills was good but offerings and receipts at terminal markets were exceptionally small due to unfavorable weather conditions.

Trading in oats was quite heavy with prices moving higher. There was very little trading in rye or barley but prices held nominally higher. Flour prices were somewhat firmer with substantial quantities of both hard Winter and Spring flours booked during the week although some resistance to current high prices was still in evidence. Export demand for flour was rather quiet. Market receipts of hogs dropped sharply to 336,700 head last week as compared with 501,800 in the same week a year ago. Hog prices averaged about $1 per hundred pounds above last week and reached a top of $26, the second highest on record. The previous top was $27.50 set last October following the removal of price ceilings. Refined lard prices advanced 1 cent per pound under broad demand and futures sold at new seasonal highs.

Cotton values climbed steadily throughout the past week. The New York spot quotation closed at 33.80 cents per pound, a rise 1.41 points. One of the chief factors in the advance was the apparent tightening in the supply position. Mill price fixing was active as a result of the desire of mills to assure themselves of adequate stocks. Buying was also stimulated by the continued favorable domestic consumption outlook, further inquiries from abroad and the possibility of elimination of licenses on exports of cotton textiles by this country. Registered sales of cotton under the export program totalled 79,766 bales for the week ended Feb. 1, as against 35,936 in the previous week, and only 32,185 for the second week previous. The week's total was the largest for any previous week since mid-September. Registrations so far this season under this program amount to 1,133,816 bales. Entries of cotton into the Government 1946 loan stock continued at a very low rate. Cotton textile markets were quite active. Substantial yardages of carded gray cloths were booked for third quarter delivery at prices averaging about 10% above former ceilings.

Packer hide markets developed a firmer tone last week although volume of trading remained at a moderate level. The uptrend in hides failed to stimulate any interest in leather as both buyers and tanners continued very cautious about making future commitments.

1946 Wholesale Hardware Volume Up 62% Over 1945 — Sales volume of wholesale hardware distributors, in all parts of the country, averaged 45% for all of 1946, over 1945, "Hardware Age" reports in its every-other-Thursday market summary. The same concerns reported an average increase in December, 1946, or 62% over the same month in 1945.

Reports, from hardware wholesalers, as to inventories on hand as of Dec. 31, 1946, revealed that they averaged 41% greater stocks than as of the same date the year previous. Inventories also showed an increase at the year-end of 7% over those on hand Nov. 30, 1946. Accounts receivable, on the books of reporting hardware wholesalers at the close of 1946, disclosed an increase of 63% over the same date a year previous. Collections were slightly under the same period a year ago and somewhat better than in November, 1946.

Retail and Wholesale Trade — Extreme cold weather in most sections of the country resulted in a moderate decline in total retail volume the past week. Dollar volume remained slightly above that of the corresponding week a year ago, but unit sales in many lines were slightly below the 1946 level. There was a noticeable decrease in the demand for luxury items and soft goods.

Retail food volume was maintained at a high level last week and was considerably above that of the same week a year ago. The demand for canned foods fell slightly as consumer price resistance continued. In some sections of the country cold weather hampered the shipment of fresh vegetables and meats and some price advances were reported on these items.

Demand for Spring and Summer apparel declined slightly from the high levels of previous weeks, although shoppers were numerous but were looking rather than buying. Despite the sub-freezing temperatures in many localities, there was little increase in the demand for furs and other types of heavy clothing. There was a noticeable increase in the number of requests for lingerie and piece goods.

Improvement in the supply of home furnishings and household items resulted in a moderate increase in retail volume of durable goods. There were numerous requests for electrical appliances and hardware but offerings continued to be limited. The supply of paint and other hardware items such as nails remained low. Consumer interest in furniture declined slightly, but the demand for case goods remained high and some improvement in deliveries was noted.

Retail volume for the country in the week ended last Wednesday was estimated to be from 8 to 12% above that of the corresponding week a year ago. Regional estimates exceeded those of a year ago by the following percentages: New England 7 to 11, East 12 to 16, Middle West 8 to 12, South 5 to 9, Northwest 10 to 15 and the Pacific Coast 9 to 13. The Southwest declined 1 to 5%.

Although trading remained light, there was slight increase in wholesale volume for the week. High prices kept dollar volume well above that of the corresponding week a year ago. There was a moderate increase in the number of buyers registered in wholesale centers. New order volume remained low and deliveries on fill-ins and re-orders continued to improve.

Department store sales on a country-wide basis, as taken from the Federal Reserve Board's index for the week ended Feb. 8, 1947, increased by 2% above the same period of last year. This compares with an increase of 10% in the preceding week. For the four weeks ended Feb. 8, 1947, sales increased by 11% and for the year to date by 17%.

A sharp recovery took place in retail trade here in New York the past week. Gains running from 20 to 25% in volume were estimated for department stores, against a rise of 2% in the previous week. It should be noted, however, that the past week had six selling days as against five last year when the large stores here were closed on Lincoln's Birthday because of the fuel shortage.

Basic price conditions in wholesale markets gave evidence of no added downtrend in the week. Demand for better- and medium-price coats and suits continued strong.

According to the Federal Reserve Board's index, department store sales in New York City for the weekly period to Feb. 8, 1947, increased 1% above the same period last year. This compared with an increase of 13% in the preceding week. For the four weeks ended Feb. 8, 1947, sales rose 12% and for the year to date increased to 19%.

From Washington Ahead of the News

(Continued from first page)

those times, he never availed himself of his purported services. But the LaFollette Committee report has all of the members of this Association listed with the implication that every member availed himself of the services which the Committee described the Association as giving.

Charles E. Wilson, General Motors head, had an experience of this kind. He delivered to the Committee a lengthy statement into which he had put a lot of time and energy. When he concluded, Murray suavely asked him if GM had a labor relations director. He said, yes, indeed.

"And did you consult with him in the preparation of this statement?" Murray asked.

When Wilson replied in the affirmative, Murray quietly placed in the record a statement from the old Civil Liberties Committee that this labor relations director had been a member of Metal Trades and was guilty of all the horrendous things which the Association was charged with being guilty of.

In this quiet little way, Murray has succeeded in tagging nearly every witness to come before the Committee as someone not to be relied upon.

The darndest thing he pulled, however, was on H. W. Story, Vice-President of Allis Chalmers. Story presented one of the most unusual briefs ever to be filed with a Congressional Committee. It was four inches thick and fully documented with photographs and other evidence to show that the union they've had to deal with for the past nine or ten years is Communist-dominated. It dealt at length with the 76-day strike in the plant in 1941 at the time of the Hitler-Stalin pact and which has been generally looked upon as designed to prevent aid to Britain and our own defense program. At the time the company was building 25 destroyers for the Navy. The late Secretary of the Navy Knox and Knudsen demanded that the strikers return to work and when thousands of them sought to do so, the Commies provoked a riot.

Yet in the face of this, Murray blandly put in the record, a widely circulated Communist charge that this strike was provoked by the management because one of its officers was a member of America First, that the men really struck because the company would not take Government contracts. The fact is, of course, it was working on the destroyers, for one thing.

This tack against our industrialists is something new.

Incidentally, the best prediction on labor legislation is a bill out of the Senate Committee that will be disappointing to the conservatives; it will be strengthened in the Senate and further strengthened in the House. The final bill will be written in conference with the moderates, who insist that it must be a bill Truman will sign, probably prevailing. Sure of passage will be full freedom of speech for the employer; denial of Wagner Act protection to foremen, a ban against boycotts and jurisdictional strikes.

Highly unlikely: A ban against the closed shop; a ban against industrywide bargaining. It may be that out of the agitation for a ban against closed shops, on the one hand, and the reluctance of the Senators to ban it, on the other, there may be legislation removing it from the area in which the employer is required to "bargain in good faith."

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. 18	122.17	117.40	122.09	120.02	117.00	110.88	113.12	118.40	121.04
Feb. 17	122.17	117.40	122.09	120.02	117.00	110.88	112.93	118.40	120.84
15	122.17	117.40	122.09	120.02	117.20	110.88	113.12	118.40	120.84
14	122.20	117.40	122.09	120.02	117.20	110.88	113.12	118.40	120.84
13	122.17	117.40	122.09	120.02	117.20	110.70	113.12	118.40	120.84
12	Stock Exchange Closed								
11	122.17	117.40	122.09	120.22	117.20	110.88	113.12	118.60	120.84
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	120.02
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	121.04
Low 1947	122.08	116.80	121.04	119.61	116.80	110.15	112.56	117.80	120.02
1 Year Ago Feb. 18, 1946	126.12	119.61	123.56	121.88	119.20	114.27	116.61	120.22	122.29
2 Years Ago Feb. 17, 1945	121.93	114.46	120.02	118.60	114.27	105.86	110.15	114.08	119.41

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. 18	1.57	2.78	2.55	2.65	2.80	3.12	3.00	2.73	2.60
Feb. 17	1.57	2.78	2.55	2.65	2.80	3.12	3.01	2.73	2.61
15	1.57	2.78	2.55	2.65	2.79	3.12	3.00	2.73	2.61
14	1.56	2.78	2.55	2.65	2.79	3.12	3.00	2.73	2.61
13	1.57	2.78	2.55	2.65	2.79	3.13	3.00	2.73	2.61
12	Stock Exchange Closed								
11	1.57	2.78	2.55	2.64	2.79	3.12	3.00	2.72	2.61
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	2.78	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	2.60
1 Year Ago Feb. 18, 1946	1.32	2.67	2.48	2.56	2.69	2.94	2.82	2.64	2.54
2 Years Ago Feb. 17, 1945	1.69	2.93	2.65	2.72	2.94	3.40	3.16	2.95	2.68

*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.

Bank Debits for Month of January

The Board of Governors of the Federal Reserve System issued on Feb. 11, its usual monthly summary of "bank debits" which we give below:

SUMMARY BY FEDERAL RESERVE DISTRICTS
(In millions of dollars)

Federal Reserve District—	Jan., 1947	Jan., 1946	3 Months Ended Jan., 1947	3 Months Ended Jan. 1946
Boston	4,171	3,865	12,539	12,269
New York	37,370	41,416	115,740	124,130
Philadelphia	4,351	3,806	12,706	11,682
Cleveland	5,949	5,021	18,375	15,543
Richmond	3,685	3,071	11,115	9,522
Atlanta	3,647	3,108	10,899	9,079
Chicago	13,565	11,710	41,128	36,397
St. Louis	2,911	2,350	8,811	7,314
Minneapolis	2,076	1,635	6,258	5,068
Kansas City	3,568	2,793	10,213	8,237
Dallas	3,077	2,593	9,305	7,690
San Francisco	9,048	7,769	26,874	23,188
Total, 334 centers	93,417	89,142	283,962	270,120
*New York City	34,305	38,819	106,645	116,100
*140 other centers	49,060	41,977	147,459	129,006
193 other centers	10,053	8,347	29,858	25,014

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

Moody's Common Stock Yields

For yields in prior years see the following back issues of the "Chronicle"; 1941 yields (also annually from 1929), Jan. 11, 1942, page 2218; 1942 yields, Jan. 14, 1943, page 202; 1943 yields, March 16, 1944, page 1130; 1944 yields, Feb. 1, 1945, page 558; 1945 yields, Jan. 17, 1946, page 299; 1946 yields, Jan. 9, 1947, page 193.

MOODY'S WEIGHTED AVERAGE YIELD OF 200 COMMON STOCKS

	Industrials (125)	Railroads (25)	Utilities (25)	Banks (15)	Insurance (10)	Average Yield (200)
January, 1947	4.4	6.6	4.6	4.2	3.3	4.5

Electric Output for Week Ended Feb. 15, 1947 21.0% Ahead of That for Same Week Last Year

The Edison Electric Institute, in its current weekly report, estimates that the amount of electrical energy distributed by the electric light and power industry for the week ended Feb. 15, 1947, was 4,778,234,000 kwh., an increase of 21.0% over the corresponding week last year when electric output amounted to 3,948,620,000 kwh. The current figure also compares with 4,801,179,000 kwh. produced in the week ended Feb. 8, 1947, which was 20.5% higher than the 3,983,493,000 kwh. produced in the week ended Feb. 9, 1946. The largest increases were reported by the Central Industrial and Southern States groups which showed increases of 29.3% and 24.1% respectively over the same week in 1946.

PERCENTAGE INCREASE OVER SAME WEEK LAST YEAR

Major Geographical Division—	Week Ended— Feb 15	Feb. 8	Feb. 1	Jan. 25	Jan. 18
New England	12.8	12.6	11.1	13.2	10.4
Middle Atlantic	13.6	12.4	9.4	10.7	10.1
Central Industrial	29.3	30.3	29.4	26.7	18.5
West Central	16.7	14.7	13.7	15.4	13.8
Southern States	24.1	22.5	21.8	22.4	22.0
Rocky Mountain	7.0	8.0	9.0	10.5	8.6
Pacific Coast	19.4	19.1	22.8	26.2	23.8
Total United States	21.0	20.5	19.9	20.4	17.2

DATA FOR RECENT WEEKS (Thousands of Kilowatt-Hours)

Week Ended—	1946	1945	% Change Over 1945	1944	1932	1929
Nov. 2	4,628,353	3,899,293	+18.7	4,354,939	1,520,730	1,798,164
Nov. 9	4,682,085	3,948,024	+18.6	4,396,595	1,531,584	1,793,584
Nov. 16	4,699,935	3,984,608	+18.0	4,450,047	1,475,268	1,818,169
Nov. 23	4,764,718	3,841,350	+24.0	4,368,519	1,510,337	1,718,002
Nov. 30	4,448,193	4,042,915	+10.0	4,524,257	1,518,922	1,806,225
Dec. 7	4,672,712	4,096,954	+14.1	4,538,012	1,563,384	1,840,863
Dec. 14	4,777,943	4,154,061	+15.0	4,563,079	1,554,473	1,860,021
Dec. 21	4,940,453	4,239,376	+16.5	4,616,975	1,414,710	1,637,683
Dec. 28	4,442,443	3,758,942	+18.2	4,225,814	1,619,265	1,542,000

Week Ended—	1947	1946	% Change Over 1946	1945	1932	1929
Jan. 4	4,573,807	3,865,362	+18.3	4,427,281	1,602,482	1,733,810
Jan. 11	4,852,513	4,163,206	+16.6	4,614,334	1,598,201	1,736,721
Jan. 18	4,856,890	4,145,116	+17.2	4,588,214	1,588,967	1,717,315
Jan. 25	4,856,404	4,034,365	+20.4	4,576,713	1,588,853	1,728,208
Feb. 1	4,777,207	3,982,775	+19.9	4,538,552	1,578,817	1,726,161
Feb. 8	4,801,179	3,983,493	+20.5	4,505,269	1,545,459	1,718,304
Feb. 15	4,778,179	3,948,620	+21.0	4,472,298	1,512,158	1,699,250
Feb. 22		3,922,796		4,473,962	1,519,679	1,706,719

UK's Exchange Status

(Continued from first page)

sold, and there had been a diminution in invisible exports. The U. S. and Canadian credits served to bridge the gap during the period of British and European reconversion and reconstruction. But it is clear that both countries must increase U. K. exports, visible and invisible to the U.S.A. The British Government hoped to make a modest but very definite beginning this year with a welcome to American tourists. If they would wisely plan visits so as to spread them over the whole period from April to September, there should be little difficulty about finding accommodation for all whom shipping companies are able to bring. They were also encouraging British exporters to look to markets in America. Some British industries knew them well, others had had little experience or had explored only the fringes. If some part of the immense recent increase in the American national income were devoted to the purchase of British goods, Britain would be greatly helped in her endeavor to repay debts, and maintain imports of American farm products.

To seek to modify the present pattern of trade between the two countries did not imply an effort to bring it into exact balance. The British Government desired as much as any Government in the world to see an early restoration of multilateral trade with freely convertible currencies. They were convinced, however, that nations must cooperate to ensure that such trade would be both stable and expanding. They were committed to a policy of full employment. So were their political opponents. The words were: "The government accept as one of their primary aims and responsibilities the maintenance of a high and stable level of employment." In fact, it appeared in the White Paper issued by the Coalition in 1944.

Full Employment Aims

Britain faced the future determined to maintain full employment, that is to say, a full and ever-expanding demand for a good and steady rise in the standard of living. In a country heavily dependent on foreign trade, that meant a steadily expanding demand for imports and the need for steadily expanding exports to pay for them. If every country in the world would adopt and pursue a policy of maintaining high and stable levels of demand, and thus of employment at home coupled with the progessive elimination of those sub-standard conditions of labor which unfortunately have existed in some countries in the past, then the total demand for goods and services exchanged in world trade would achieve a far higher level than ever before.

World trade in the past was restricted by the fear of unemployment. All nations were struggling to sell but not to buy—trying to stop other nations selling to them as if they believed that the trader did the customer injury by selling him something more cheaply than he could procure it himself. Today all nations are struggling to buy, and we now know that if we are prepared to maintain an effective demand and employment, the only long-term problem will not be fear of competition but to ensure that production keeps pace with demand.

Varying Economic Outlook

The recent meeting of the Preparatory Committee on Trade and Employment had revealed or rather reminded us of the difference in economic outlook of different nations. But it had shown, too, that among the many nations represented, from the U. S. A. with its huge industries and natural resources to countries whose economic development had hardly yet begun, there is beneath the surface a considerable community of economic interest.

There is a general recognition that the reduction of barriers to trade would help it flow more freely. There is also a conviction which must be reckoned with that positive measures are needed to sustain and expand consumer demand to correspond with the growth of productive capacity, and to ensure the stability of price in basic raw materials and foodstuffs which formed the great bulk of international trade.

Printed Matter for US Zone in Germany

Postmaster Albert Goldman announced on Feb. 5, that noncommercial printed matter up to a weight limit of 4 pounds 6 ounces, when sent as gifts, is acceptable for mailing to the United States Zone of Germany, excluding Berlin. The Post Office advices also said:

"The term 'noncommercial printed matter' may be interpreted as referring to newspapers, news and fashion magazines, books on any subject, sheet music, and periodicals devoted to special fields of interest such as art, medicine, literature, and similar subjects. Individuals in the United States may direct publishers to mail gift printed matter. It is not permissible, however, to send mail-order catalogs, or other printed matter of a commercial nature.

"The covers or wrappers of printed matter addressed to the American Zone of Germany must be plainly marked 'noncommercial printed matter,' and a list of the articles enclosed must be plainly endorsed on or securely attached to the cover."

Result of Treasury Bill Offering

The Secretary of the Treasury announced on Feb. 17 that the tenders for $1,300,000,000 or thereabout of 91-day Treasury bills to be dated Feb. 20 and to mature May 22, which were offered on Feb. 14, were opened at the Federal Reserve Banks on Feb. 17.

Total applied for, $1,779,251,000.

Total accepted, $1,312,014,000 (includes $22,452,000 entered on a fixed price basis at 99.905 and accepted in full).

Average price, 99,095+; equivalent rate of discount approximately $.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.

(73% of the amount bid for at the low price was accepted.)

There was a maturity of a similar issue of bills on Feb. 20 in the amount of $1,313,661,000.

Moody's Daily Commodity Index

Tuesday, Feb. 11	391.4
Wednesday, Feb. 12	Holiday
Thursday, Feb. 13	390.3
Friday, Feb. 14	394.7
Saturday, Feb. 15	395.3
Monday, Feb. 17	398.3
Tuesday, Feb. 18	398.5
Two weeks ago, Feb. 4	382.6
Month ago, Jan. 18	372.1
Year ago, Feb. 18, 1946	269.3
1946 High, Dec. 24	380.6
Low, Jan. 2	264.7
1947 High, Feb. 17	398.2
Low, Jan. 20	371.5

Daily Average Crude Oil Production for Week Ended Feb. 8, 1947 Increased 120,100 Barrels

The American Petroleum Institute estimates that the daily average gross crude oil production for the week ended Feb. 8, 1947, was 4,770,250 barrels, an increase of 120,100 barrels per day over the preceding week and a gain of 79,750 barrels per day over the corresponding week of 1946. The current figure also exceeded by 130,250 barrels the daily average figure of 4,640,000 barrels estimated by the United States Bureau of Mines as the requirement for the month of February, 1947. Daily output for the four weeks ended Feb. 8, 1947, averaged 4,678,950 barrels. The Institute's statement adds:

Reports received from refining companies indicate that the industry as a whole ran to stills on a Bureau of Mines basis approximately 4,785,000 barrels of crude oil daily and produced 14,653,000 barrels of gasoline; 2,357,000 barrels of kerosine; 5,193,000 barrels of distillate fuel, and 8,278,000 barrels of residual fuel oil during the week ended Feb. 8, 1947; and had in storage at the end of the week 101,705,000 barrels of finished and unfinished gasoline; 13,334,000 barrels of kerosine; 45,093,000 barrels of distillate fuel, and 47,537,000 barrels of residual fuel oil.

DAILY AVERAGE CRUDE OIL PRODUCTION (FIGURES IN BARRELS)

	*B. of M. Calculated Requirements February	State Allowables Begin. Feb. 1	Actual Production Week Ended Feb. 8, 1947	Change from Previous Week	4 Weeks Ended Feb. 8, 1947	Week Ended Feb. 9, 1946
**New York-Penna.	48,200		42,700	— 9,400	48,050	46,350
Florida			250	----	250	100
**West Virginia	8.200		6,450	— 1,300	7,400	7,400
**Ohio—Southeast	7.800		5,050	— 1,000	5,600	4,250
Ohio—Other			2,250	— 400	2,450	3,250
Indiana	18,000		19,900	+ 2,300	18,200	16,450
Illinois	204,000		196,350	+ 700	196,350	214,700
Kentucky	28,000		28,350	+ 650	27,850	32,000
Michigan	46,000		42,700	— 1,000	43,500	44,300
Nebraska	800		†700	----	700	750
Kansas	263,000	270,000	†276,500	— 8,200	275,900	236,700
Oklahoma	370,000	371,700	†367,950	+ 2,800	365,350	389,100
Texas—						
District I			19,950	— 850	19,300	----
District II			146,000	+12,900	136,300	----
District III			451,000	+38,850	421,850	----
District IV			223,250	+16,750	210,700	----
District V			36,450	+ 2,750	34,400	----
East Texas			328,200	+27,200	307,800	----
Other Dist. VI			106,100	+ 6,650	101,100	----
District VII-B			36,100	+ 2,100	34,550	----
District VII-C			32,650	+ 5,050	28,850	----
District VIII			467,450	+ 2,750	465,400	----
District IX			126,350	+ 8,100	120,250	----
District X			83,150	+ 1,100	82,350	----
Total Texas	2,030,000	‡2,042,500	2,056,650	+125,050	1,962,850	2,109,250
North Louisiana			94,050	----	94,500	79,600
Central Louisiana			310,300	— 3,350	312,800	288,850
Total Louisiana	387,000	447,000	404,350	— 3,350	407,300	368,450
Arkansas	76,000	79,580	74,250	+ 1,050	73,000	77,300
Mississippi	66,000		89,350	+ 2,850	86,750	55,200
Alabama	2,000		1,050	+ 200	850	950
New Mexico—So. East	98,000	110,000	103,400	+ 400	103,100	98,000
New Mexico—Other			400	— 50	450	400
Wyoming	93,000		104,500	— 250	107,000	97,800
Montana	23,000		20,400	— 300	20,650	19,100
Colorado	33,000		36,050	+ 1,050	36,750	22,800
California	838,000	§844,300	890,700	+ 8,300	888,650	845,900
Total United States	4,640,000		4,770,250	+120,100	4,678,950	4,690,500
**Pennsylvania Grade (included above)			54,200	—11,700	61,050	58,000

*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. Feb. 6, 1947.

‡This is the net basic allowable as of Jan. 1 calculated on a 28-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 6 to 12 days, the entire state was ordered shut down for 6 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 6 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. 8, 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	714	85.1	1,654	21,725	6,496	16,447	7,180
Appalachian—								
District No. 1	76.3	106	74.1	326	2,729	288	461	232
District No. 2	84.7	64	103.2	200	961	27	72	140
Ind., Ill., Ky.	87.4	774	89.0	2,578	20,063	1,267	3,842	2,830
Okla., Kans., Mo.	78.3	390	83.2	1,423	10,116	556	1,657	1,182
Inland Texas	59.8	215	65.2	985	4,103	227	347	729
Texas Gulf Coast	89.2	1,145	93.4	3,375	15,371	2,684	7,888	5,765
Louisiana Gulf Coast	97.4	362	112.8	1,013	5.573	916	2,724	1,763
No. La. & Arkansas	55.9	63	50.0	191	2,234	203	494	117
Rocky Mountain—								
New Mexico	19.0	9	69.2	28	106	16	33	35
Other Rocky Mt.	70.9	133	80.6	452	2,587	72	448	603
California	85.5	810	81.5	2,228	16,137	582	10,680	26,961
Total U. S. B. of M. basis Feb. 8, 1947	85.8	4,785	86.1	14,653	*101,705	13,334	45,093	47,537
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. Feb. 9, 1946		4,529		12,519	†103,853	7,938	28,351	34,966

*Includes unfinished gasoline stocks of 8,106,000 barrels. †Includes unfinished gasoline stocks of 8,286,000 barrels. ‡ Stocks at refineries, at bulk terminals, in transit and in pipe lines. § In addition, there were produced 2,357,000 barrels of kerosine, 5,193,000 barrels of gas oil and distillate fuel oil and 8,278,000 barrels of residual fuel oil in the week ended Feb. 8, 1947, which compared with 2,071,000 barrels, 5,660,000 barrels and 8,516,000 barrels, respectively, in the preceding week and 2,189,000 barrels, 5,645,000 barrels and 8,828,000 barrels, respectively, in the week ended Feb. 9, 1946.

Civil Engineering Construction Totals $54,778,000 for Week

Civil engineering construction volume in continental United States totals $54,778,000 for the week ending Feb. 13, 1947, as reported by "Engineering News-Record." This volume is 51% below the previous week, 24% above the corresponding week of last year, and 44% below the previous four-week moving average. The report issued on Feb. 13, went on to say:

Private construction this week, $33,566,000, is 57% less than last week, and 24% above the week last year. Public construction, $21,212,000, is 37% below last week, but 25% more than the week last year. State and municipal construction, $17,146,000, 29% below last week, is 67% above the 1946 week. Federal construction, $4,066,000, is 56% below last week, and 39% below the week last year.

Total engineering construction for the seven-week period of 1947 records a cumulative total of $597,294,000, which is 33% above the total for a like period of 1946. On a cumulative basis, private construction in 1947 totals $391,619,000, which is 30% above that for 1946. Public construction, $205,675,000, is 40% greater than the cumulative total for the corresponding period of 1946, whereas State and municipal construtcion, $149,107,000 to date, is 53% above 1946. Federal construction, $56,568,000, gained 15% above the seven-week total of 1946.

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

	Feb. 13, 1947	Feb. 6, 1947	Feb. 14, 1946
Total U. S. Construction	$54,778,000	$111,546,000	$44,058,000
Private Construction	33,566,000	78,138,000	27,115,000
Public Construction	21,212,000	33,408,000	16,943,000
State and Municipal	17,146,000	24,094,000	10,295,000
Federal	4,066,000	9,314,000	6,648,000

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

New Capital

New capital for construction purposes this week totals $13,648,000, and is made up of $6,100,000 in corporate securities and $7,548,000 in State and municipal bond sales. New capital for construction purposes for the seven-week period of 1947 totals $134,202,000, 54% less than the $288,641,000 reported for the corresponding period of 1946.

Market Value of Bonds on NYSE in January

The New York Stock Exchange announced on Feb. 11, that as of the close of business Jan. 31, there were 918 bond issues, aggregating $137,006,471,566 par value listed on the New York Stock Exchange, with a total market value of $140,965,964,820. This compares with the figures as of Dec. 31, 1946, of 925 bond issues, aggregating $137,165,318,339 par value with a total market value of $140,792,540,973. In the following table listed bonds are classified by governmental and industrial groups with the aggregate market value and average price for each:

Group—	Jan. 31, 1947 Market Value $	Jan. 31, 1947 Average Price $	Dec. 31, 1946 Market Value $	Dec. 31, 1946 Average Price $
U. S. Government (incl. N. Y State, Cities, etc.)	125,401,251,158	104.09	125,320,653,509	104.03
U. S. companies:				
Amusement	7,277,711	101.37	7,214,895	100.50
Automobile	----	----	3,838,000	101.00
Aviation	6,262,500	62.63	6,300,000	63.00
Building	5,193,750	103.88	5,175,000	103.50
Chemical	32,927,500	101.00	2,717,000	104.50
Electrical equipment	66,081,250	101.66	65,662,500	101.02
Farm machinery	20,304,375	104.13	20,182,500	103.50
Financial	52,234,071	100.20	51,840,191	99.44
Food	169,411,986	101.30	180,815,000	100.61
Land and realty	16,616,390	85.65	17,108,705	85.34
Machinery and metals	9,958,750	99.79	9,856,900	98.77
Mining (excluding iron)	60,129,117	93.68	59,745,437	93.09
Paper and publishing	25,875,000	103.50	25,888,750	103.56
Petroleum	537,068,750	101.53	532,576,250	100.68
Railroad	7,427,059,486	90.55	7,389,668,035	88.39
Retail merchandising	13,233,461	98.57	13,355,899	99.49
Rubber	118,025,000	102.63	117,631,250	102.29
Steel, iron and coke	244,971,500	103.20	243,530,500	102.59
Textiles	41,400,000	103.50	41,650,000	104.13
Tobacco	237,253,589	105.74	237,176,346	105.71
Transportation services	19,124,948	99.48	18,795,680	97.77
Utilities:				
Gas and electric (operating)	2,944,625,111	106.50	2,948,444,491	106.05
Gas and electric (holding)	51,516,000	108.00	51,217,875	107.38
Communications	1,540,847,593	107.87	1,538,358,169	107.60
Miscellaneous utilities	123,818,850	84.93	123,006,943	81.02
U. S. companies oper. abroad	113,246,705	93.13	82,832,316	91.00
Miscellaneous businesses	24,036,250	104.38	23,977,500	104.25
Total U. S. companies	13,908,469,643	96.66	13,818,616,132	95.13
Foreign government	1,092,441,937	70.43	1,093,038,347	69.54
Foreign companies	653,802,082	94.52	560,232,985	93.41
All listed bonds	140,965,964,820	102.89	140,792,540,973	102.64

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

1945—	Market Value $	Average Price $
Jan. 31	114,019,500,804	101.91
Feb. 28	114,881,605,628	102.58
Mar. 31	114,831,886,516	102.53
Apr. 30	115,280,044,243	103.10
May 31	114,857,381,979	103.01
June 30	114,767,523,198	103.45
July 31	130,074,758,528	102.97
Aug. 31	129,748,212,202	102.49
Sep. 29	128,511,162,933	102.60
Oct. 31	128,741,461,162	103.16
Nov. 30	129,156,430,709	103.28
Dec. 31	143,110,515,509	103.64

1946—	Market Value $	Average Price $
Jan. 31	145,555,685,231	104.75
Feb. 28	146,523,982,940	105.19
Mar. 30	146,180,821,869	104.75
Apr. 30	143,904,400,671	103.89
May 31	143,943,768,509	104.49
June 28	142,405,982,701	104.21
July 31	141,407,058,263	103.52
Aug. 30	140,958,397,671	103.10
Sept. 30	139,784,237,292	102.16
Oct. 31	140,245,279,977	102.46
Nov. 30	139,520,722,520	102.00
Dec. 31	140,792,540,973	102.64
1947—		
Jan. 31	140,965,964,820	102.89

Retail Prices Dropped 1% in Mid-December

Consumers in 56 large cities paid 1% less for foods on December 15 than on November 15 when food prices were at an all-time high, according to the Bureau of Labor Statistics of the U. S. Department of Labor whose advices also said:

"In mid-December, the retail food price index declined, for the first time in 10 months, with price decreases of 15% for fats and oils, 3% for meat and 1% for fresh fruits and vegetables more than offsetting price increases for other foods. The index stood at 185.9% of the 1935-1939 average, 32% above a year ago, 100% above August 1939, and approximating June 1920, the peak after World War I.

"The sharp decline in the fats and oils group was primarily due to decreases in lard prices. The average price of lard fell 33% during the month from the record high of 53 cents per pound to 35 cents per pound; as consumer resistance combined with heavy retail stocks forced many storekeepers to lower prices.

"Meat prices declined about 3% from mid-November on the average with lower prices reported for all cuts of beef, veal, pork, and lamb. Pork prices were nearly 7% lower on December 15, when pork chops averaged 58 cents per pound, compared with 66½ cents a month earlier. Prices of all fruits and vegetables combined advanced less than 1%. Fresh fruits and vegetable prices declined about 1%, however, because of a 13% drop in orange prices and a 12% drop in green bean prices. Retail prices of canned fruits and vegetables rose 3% on the average, despite a decrease of more than 10% in the price of canned grapefruit juice when retailers reduced prices to move their large supplies. Increases averaging 1 to 5% yere reported for canned peaches, pineapple, peas, corn, and tomatoes. Prices of dried fruits and vegetables climbed 6½% with prunes up 8% and navy beans up 5%.

"An additional increase of 5½% occurred in coffee prices, which had advanced steadily since June—a total increase of almost 50% in 6 months. Sugar prices were up 3.2%. Dairy products as a group increased 1.2% as prices for butter recovered in mid-December some of the loss of the previous month and fluid and canned milk prices were slightly higher. Prices of cheese dropped 5.5%. Prices for cereals and bakery products edged upward by less than 1%.

"Declines in retail food prices were recorded in 46 of the 56 cities surveyed on December 15. The largest decrease of 3.4% occurred in Louisville, Kentucky. The increases in the 10 cities were small, ranging up to 1% in Portland, Maine."

Boy Scouts' Anniversary

In a letter to the Boy Scouts of America on their 37th birthday anniversary, President Truman warmly praised the movement and said that "scouting is stronger than ever before in our country and gaining renewed strength aboard." Referring to the World Jamboree which is to take place in France in August, the President said, according to advices of Feb. 7 to the New York "Times;" "What better ambassadors of peace could we send abroad than you Scouts who will make this journey!" Since the Boy Scouts of America was established on Feb. 8, 1910, a total of 13,500,000 American boys and men have been identified with the organization.

Weekly Coal and Coke Production Statistics

The total production of soft coal in the week ended Feb. 8, 1947, as estimated by the United States Bureua of Mines, was 12,300,000 net tons, a sharp decline from the 13,760,000 tons produced in the preceding week which was the highest production since the output of 13,970,000 tons in the week ended Dec. 11, 1926—more than 20 years before. In the week ended Feb. 9, 1946 there were produced 12,500,000 tons. The total production of bituminous coal and lignite for the current calendar year to Feb. 8, 1947 was estimated at 73,-080,000 net tons, an increase of 3.4% over the 70,699,000 tons produced from Jan. 1 to Feb. 9, 1946.

Production of Pennsylvania anthracite for the week ended Feb. 8, 1947, as estimated by the Bureau of Mines, was 1,107,000 tons, a decrease of 133,000 tons (10.7%) from the preceding week. When compared with the output in the corresponding week of 1946 there was a decrease of 58,000 tons, or 5.0%. From Jan. 1 to Feb. 8, 1947, there were produced 6,430,000 tons of anthracite, as against 6,565,000 tons in the period from Jan. 1 to Feb. 9, 1946.

The Bureau also reported that the estimated production of beehive coke in the United States for the week ended Feb. 8, 1947 showed a decrease of 2,700 tons when compared with the output for the week ended Feb. 1, 1947; but was 25,900 tons more than for the corresponding week of 1946.

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

Bituminous coal & lignite—	Week Ended Feb. 8, 1947	*Feb. 1, 1947	Feb. 9, 1946	Jan. 1 to Date †Feb. 8, 1947	Feb. 9, 1946
Total, including mine fuel	12,300,000	13,760,000	12,500,000	73,080,000	70,699,000
Daily average	2,050,000	2,293,000	2,083,000	2,208,000	2,073,000

*Revised. †Subject to current adjustment.

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

Penn. Anthracite—	Week Ended ‡Feb. 8, 1947	§Feb. 1, 1947	Feb. 9, 1946	Calendar Year to Date Feb. 8, 1947	Feb. 9, 1946	Feb. 13, 1937
*Total incl. coll. fuel	1,107,000	1,240,000	1,165,000	6,430,000	6,565,000	6,537,000
†Commercial produc.	1,064,000	1,192,000	1,120,000	6,182,000	6,312,000	6,039,000
Beehive Coke—						
¶United States total	120,700	123,400	94,800	665,800	505,800	409,000

*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.)

State—	Week Ended Feb. 1, 1947	Jan. 25, 1947	Feb. 2 1946
Alabama	417,000	383,000	323,000
Alaska	7,000	7,000	6,000
Arkansas	40,000	52,000	45,000
Colorado	190,000	190,000	153,000
Georgia and North Carolina	1,000	1,000	1,000
Illinois	1,542,00	1,535,000	1,539,000
Indiana	623,000	607,000	578,000
Iowa	38,000	38,000	42,000
Kansas and Missouri	132,000	126,000	124,000
Kentucky—Eastern	1,285,000	1,235,000	1,095,000
Kentucky—Western	482,000	453,000	475,000
Maryland	52,000	48,000	55,000
Michigan	2,000	2,000	3,000
Montana (bituminous and lignite)	95,000	94,000	99,000
New Mexico	35,000	35,000	28,000
North and South Dakota (lignite)	73,000	75,000	64,000
Ohio	802,000	729,000	830,000
Oklahoma	68,00	78,000	75,000
Pennsylvania (bituminous)	3,225,000	3,073,000	2,876,000
Tennessee	173,000	163,000	152,000
Texas (bituminous and lignite)	3,000	2,000	2,000
Utah	183,000	190,000	151,000
Virginia	438,000	415,000	377,000
Washington	26,000	28,000	29,000
†West Virginia—Southern	2,595,000	2,553,000	2,254,000
‡West Virginia—Northern	1,026,000	867,000	1,020,000
Wyoming	206,000	220,000	233,000
§Other Western States	1,000	1,000	1,000
Total bituminous and lignite	13,760,000	13,200,000	12,630,000

†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.

Wholesale Prices Rose 1% in Week Ended Feb. 8, Labor Department Reports

Price advances in most commodity groups raised average primary market prices by 1% during the week ended Feb. 8, 1947, according to the Bureau of Labor Statistics, U. S. Department of Labor which on Feb. 13 reported that the Bureau's index of commodity prices in primary markets reached 141.7% of the 1926 average, 0.6% above the previous post-war peak in mid-January and 32.3% above early February, 1946. The further advances from the Bureau follow:

Farm Products and Foods—Average prices of foods moved contrary to the downward trend of recent weeks with a rise of 1.7%, and farm products were up 0.4%. Bad weather throughout the country limited shipments and current demand was stimulated by fears of possible crop damage. Livestock and poultry quotations rose 1.3% and meat 3.9%. Grain quotations were up nearly 3% as the Department of Agriculture announced the largest export allocations since the summer of 1945. Butter prices rose more than 12% because of light supplies. There were substantial seasonal declines in prices of fluid milk in Chicago and New York. Prices of apples, onions, white potatoes and sweetpotatoes declined in generally dull markets but citrus fruit prices increased because of transportation difficulties. Continued scarcity caused increases for edible oils, and prices of lard and edible tallow also were higher. Prices for domestic wools were again advanced by the Commodity Credit Corporation to cover parity. Raw cotton quotations rose nearly 3% as traders were reported anticipating a firm market for cotton goods. Group indexes for farm products and foods were 3.8% and 10.8% below their fall peaks, immediately following decontrol and 26.9% and 46.3% above early February, 1946.

Other Commodities—Average prices of other commodities continued their steady rise. Textiles and textile products led the advance with price increases for print cloth, women's anklets, and men's cotton knit underwear. Prices of Manila rope and artificial leather also were up. Prices of some leather products rose as a result of earlier cost increases. Possibility of resumption of hide exports and expectations of a seasonal decline in cattle slaughter during spring and summer months caused cattle hide prices to advance but quotations for shearlings and goat and kip skins declined slightly. There were further substantial advances for lumber, particplarly Douglas Fir, and small increases for some other building materials. Higher costs caused increases for boxboard, plumbing and heating fixtures, electric ironers and washers, and natural gasoline. There were price declines for muriatic acid in tanks, cottonseed meal and coal tar. Prices of creosote oil, dynamite, potash, and soybean oil advanced because of short supply and higher costs. The group index for all commodities other than farm products and foods has advanced 26.7% during the last 12 months.

CHANGES IN WHOLESALE PRICES BY COMMODITY GROUPS FOR WEEK ENDED FEB. 8, 1947 (1926=100)

Commodity Groups—	2-8 1947	2-1 1947	1-25 1947	1-11 1947	2-9 1946	Percentages changes to Feb. 8, 1947 from— 2-1 1947	1-11 1947	2-9 1946
All commodities	141.7	140.3	140.3	140.0	107.1	+ 1.0	+ 1.2	+32.3
Farm products	165.5	164.8	164.2	165.8	130.4	+ 0.4	— 0.2	+26.9
Foods	156.7	154.1	155.9	158.1	107.1	+ 1.7	— 0.9	+46.3
Hides and leather products	172.9	171.0	170.7	171.2	120.0	+ 1.1	+ 1.0	+44.1
Textile products	137.7	135.8	135.7	133.2	101.1	+ 1.4	+ 3.4	+36.2
Fuel and lighting materials	98.6	98.5	98.5	98.0	85.8	+ 0.1	+ 0.6	+14.9
Metals and metal products	138.3	138.3	137.7	135.5	105.8	0	+ 2.1	+30.7
Building materials	170.6	168.6	165.5	158.1	119.9	+ 1.2	+ 7.9	+42.3
Chemicals and allied products	127.6	127.8	127.4	126.8	96.0	— 0.2	+ 0.6	+32.9
Housefurnishings goods	123.0	122.8	122.5	121.4	106.8	+ 0.2	+ 1.3	+15.2
Miscellaneous commodities	110.0	109.9	110.0	109.0	95.3	+ 0.1	+ 0.9	+15.4
Special Groups—								
Raw materials	153.1	152.6	152.1	153.1	119.3	+ 0.3	0	+28.3
Semi-manufactured articles	141.3	139.5	138.6	135.9	97.5	+ 1.3	+ 4.0	+44.9
Manufactured products	137.5	135.6	136.0	135.4	103.2	+ 1.4	+ 1.6	+33.2
All commodities other than Farm products	136.5	135.0	135.1	134.4	101.9	+ 1.1	+ 1.6	+34.0
All commodities other than Farm products and foods	128.1	127.5	127.0	125.0	101.1	+ 0.5	+ 2.5	+26.7

PERCENTAGE CHANGES IN SUBGROUP INDEXES FROM FEB. 1, 1947 TO FEB. 8, 1947

Increases

Other leather products	14.7	Bituminous coal	0.3
Meats	3.9	Cattle feed	0.3
Cotton goods	3.2	Plumbing and heating	0.3
Grains	2.8	Furnishings	0.2
Lumber	2.5	Paper and pulp	0.2
Hosiery and underwear	1.6	Cement	0.1
Other foods	1.4	Chemicals	0.1
Livestock and poultry	1.3	Fruits and vegetables	0.1
Other building materials	0.9	Other miscellaneous	0.1
Other textile products	0.8	Paint and paint materials	0.1
Dairy products	0.7	Petroleum and products	0.1

Decreases

Other farm products	0.9	Leather	0.6
Fretilizer materials	0.8	Oils and fats	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 Reaches New High

During the week ended Feb. 15, 1947, the weekly wholesale commodity index compiled by The National Fertilizer Association and made public on Feb. 17, rose to an all-time high of 193.8 from the level of 191.8 in the preceding week. This is the third consecutive week in 1947 that the index has risen and it is now higher than the previous peak of 192.0 which was reached Nov. 30, 1946. A month ago the index stood at 189.8 and a year ago at 142.1, all based on the 1935-1939 average as 100. The Association's report went on to say:

During the past week seven of the composite groups advanced while the other four remained at the level of the previous week. The index for the foods group was 2.0% higher than for a week ago, chiefly because of higher prices for butter, lard, and most meats. The farm products group advanced slightly because of higher prices for cotton, grains, eggs, livestock, and wool. A rise in the price of bunker oil was responsible for an advance in the index for the fuels group. Price declines for linseed meal, bran, and leather failed to offset price increases in cottonseed meal and hides, so the index for miscellaneous commodities advanced slightly. The textiles index advanced 0.3%. Higher prices for steel scrap and copper caused a rise in the metals index. The index for building materials increased from the level of the previous week because of higher prices for gravel, cement, and linseed oil.

During the week 35 prices series in the index advanced and eight declined; in the preceding week 25 advanced and four declined; in the second preceding week 24 advanced and 17 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. 15, 1947	Preceding Week Feb. 8, 1947	Month Ago Jan. 18, 1947	Year Ago Feb. 16, 1946
25.3	Foods	218.1	213.8	214.5	141.5
	Fats and Oils	286.6	280.7	262.6	146.6
	Cottonseed Oil	387.5	387.5	330.5	163.1
23.0	Farm Products	238.8	236,8	226.1	170.1
	Cotton	313.2	309.5	296.6	245.7
	Grains	210.1	205.9	199.0	169.8
	Livestock	239.9	238.8	226.4	158.3
17.3	Fuels	158.5	157.5	157.6	128.7
10.8	Miscellaneous Commodities	154.5	154.1	152.5	133.9
8.2	Textiles	215.3	214.6	213.6	161.0
7.1	Metals	142.9	142.4	142,4	110.2
6.1	Building Materials	215.5	213.2	216.8	160.1
1.3	Chemicals and Drugs	155.0	155.0	153.3	127.0
.3	Fertilizer Materials	125.5	125.5	125.8	116.4
.3	Fertilizers	133.6	133.6r	133.6r	119.8
.3	Farm Machinery	124.3	124.3	120.8	105.2
100.0	All groups combined	193.8	191.8	189.8	142.1

*Indexes on 1926-28 base were: Feb. 15, 1947, 151.0; Feb. 18, 1947, 149.4; and Feb. 16, 1946, 110.7.
r Revised.

O. Max Gardner Dead

A few hours before he was scheduled to sail for England as United States Ambassador to the Court of St. James, O. Max Gardner died of a heart attack at his hotel suite in New York City, the morning of Feb. 6. Mr. Gardner's appointment to the post by President Truman was noted in our issue of Dec. 12, page 3126; the Senate confirmed the nomination on Jan. 13, the Senate Foreign Relations Committee having unanimously recommended approval on Jan. 9. As envoy to the Court of St. James, Mr. Gardner has been named to succeed W. Averell Harriman, who resigned the British post to become Secretary of Commerce. Prior to his appointment as Ambassador, Mr. Gardner was Under-Secretary of the Treasury; he was formerly Governor of North Carolina.

It was stated in special Washington advices Feb. 6 to the New York "Times," that after the White House secretariat had released the announcement of Mr. Gardner's death to the press and radio, President Truman gave out a tribute to Mr. Gardner, from which we quote in part:

"The nation mourns the untimely passing of O. Max Gardner. Great as were his achievements in public and in private life, he was on the threshold of what all his friends were confident would be a career of distinction and further usefulness, in the field of diplomacy.

"Whether he turned his talents to the law, to business and industry, or to government, so great and so versatile were his talents that his achievements at once became outstanding. In Washington, particularly from the war years onward, his counsel was invaluable. In his last official post, that of Under-Secretary of the Treasury, his advice was always helpful, particularly in the approach to the solution of those manifold problems of finance and fiscal affairs which reconversion presented.

"In his passing I have lost a loyal and devoted personal friend and the country has lost a great American."

Official Washington was deeply shocked by the White House announcement of Mr. Gardner's passing. From London came expressions from Prime Minister Attlee and Foreign Secretary Bevin of the British Government's grief and regret. Mr. Attlee, according to the "Times," declared that he had hoped to establish a long and friendly association with Mr. Gardner as American Ambassador. The flag at the United States London Embassy was lowered to half-staff when news of the new Ambassador's death reached there.

Mr. Gardner, 64 years old, was for many years a leader in the textile industry and for 15 years had been Washington counsel for the Cotton-Textile Institute, Inc., according to the New York "Journal of Commerce." Commenting on his death as a loss to the cotton textile industry, Dr. C. T. Murchison, President of the Institute, (we quote from the "Journal of Commerce"), said of Mr. Gardner:

"In the exercise of his duties as counsel, he was always constructive and used his great influence to make the industry one of the great social forces of the nation."

Mr. Gardner's body was taken to Shelby, N. C., where the funeral services and burial took place on Feb. 7.

Trading on New York Exchanges

The Securities and Exchange Commission made public on Feb. 12 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. 25, 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. 25 (in round-lot transaction) total 1,803,557 shares, which amount was 19.17% of the total transactions on the Exchange of 4,703,850 shares. This compares with member trading during the week ended Jan. 18 of 2,230,678 shares, or 17.89% of the total trading of 6,233,210 shares.

On the New York Curb Exchange, member trading during the week ended Jan. 25 amounted to 434,175 shares, or 18.32% of the total volume on that Exchange of 1,184,895 shares. During the week ended Jan. 18 trading for the account of Curb members of 464,645 shares was 16.48% of the total trading of 1,410,090 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. 25, 1947

	Total for Week	†%
A. Total Round-Lot Sales:		
Short sales	235,990	
‡Other sales	4,467,860	
Total sales	4,703,850	
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	588,990	
Short sales	119,480	
‡Other sales	433,630	
Total sales	553,110	12.14
2. Other transactions initiated on the floor—		
Total purchases	95,750	
Short sales	17,300	
‡Other sales	98,300	
Total sales	115,600	2.25
3. Other transactions initiated off the floor—		
Total purchases	230,257	
Short sales	32,580	
‡Other sales	187,270	
Total sales	219,850	4.78
4. Total—		
Total purchases	914,997	
Short sales	169,360	
‡Other sales	719,200	
Total sales	888,560	19.17

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

WEEK ENDED JAN. 25, 1947

	Total for Week	†%
A. Total Round-Lot Sales:		
Short sales	29,985	
‡Other sales	1,154,910	
Total sales	1,184,895	
B. Round-Lot Transactions for Account of Members:		
1. Transactions of specialists in stocks in which they are registered—		
Total purchases	148,890	
Short sales	15,150	
‡Other sales	120,630	
Total sales	135,780	12.01
2. Other transactions initiated on the floor—		
Total purchases	12,635	
Short sales	3,900	
‡Other sales	16,250	
Total sales	20,150	1.38
3. Other transactions initiated off the floor—		
Total purchases	85,530	
Short sales	1,370	
‡Other sales	29,820	
Total sales	31,190	4.93
4. Total—		
Total purchases	247,055	
Short sales	20,420	
‡Other sales	166,700	
Total sales	187,120	18.32
C. Odd-Lot Transactions for Account of Specialists—		
Customers' short sales	0	
§Customers' other sales	63,566	
Total purchases	63,566	
Total sales	51,736	

*The term "members" includes all regular and associate Exchange members, their firms and their partners, including special partners.

†In calculating these percentages the total of members' purchases and sales is compared with twice the total round-lot volume on the Exchange for the reason that the Exchange volume includes only sales.

‡Round-lot short sales which are exempted from restriction by the Commission's rules are included with "other sales."

§Sales marked "short exempt" are included with "other sales."

Non-Ferrous Metals—Domestic Copper Price Situation Unchanged—January Production Up

"E. & M. J. Metal and Mineral Markets," in its issue of Feb. 13, stated: "Interest continued to center in the price situation in domestic copper. As the week ended, the seller who moved up to 20½¢ late in January held firmly to that basis, even though bids for No. 1 scrap were lowered in most directions to 18¼¢. Copper statistics issued on Feb. 11 placed production of refined in this country for January at 80,144 tons, against 77,578 tons in December. Deliveries to consumers in January came to 143,692 tons, against 141,218 tons (revised) in December. Prices realized last week for foreign copper were moderately higher. Silver was in better demand. Quicksilver declined $1 per flask." The publication further went on to say in part as follows:

Copper

The industry is awaiting the outcome of action on various proposals made in Washington to permit the temporary waiving of the 4c import tax. Pending clarification of this question most operators are doing little to disturb a delicate price situation. Though some producers are hopeful that Congress will act before long to dispel all doubts as to where the government stands in this matter, others are downright pessimistic. During the last week the domestic price situation continued much as in the preceding week, with one custom smelter at 20½c, Valley, and the rest of the industry at 19½c.

Uncertainty over the tariff tends to strengthen the foreign price, in that domestic consumers are bidding for the metal in a larger way than heretofore.

Copper imports into the United States in 1946, in tons, according to the Bureau of the Census:

	1946
In ore, matte, etc.	45,575
Blister (copper content)	192,220
Refined	154,369
Total	392,164

Lead

Though the supply situation is slowly improving, most consumers complain that they can see little if any change in the market. Authorities estimate that total shipments of refined lead, including metal released by the government, have approached a rate of about 65,000 tons a month. Scrap continues to move more freely, with fair tonnages going into consumption without passing through regular scrap channels. In other words, some consumers have been purchasing scrap in the open market.

Demand for lead continues active and some time will have to elapse before a balanced supply-demand condition comes into existence, producers believe. Sales of lead for the last week totaled 4,129 tons.

Zinc

Producers attached no great importance to the January statistics, viewing the drop in shipments as a natural development after the high degree of activity that took place in the closing months of 1946. The price was regarded as firm on the basis of 10½c, Prime Western, East St. Louis. With production of zinc outside of the United States increasing, sellers here are following the situation abroad with more than ordinary interest.

Production of slab zinc in January amounted to 72,332 tons, against 70,176 tons (revised) in December, according to the American Zinc Institute. Shipments in January totaled 74,795 tons, of which 67,211 tons was domestic and 7,584 tons export and drawback. This compares with 90,204 tons shipped in December, of which 77,904 tons was domestic and 12,300 tons export and drawback. Stocks at the end of January totaled 173,337 tons, against 175,800 tons a month previous. Unfilled orders dropped from 58,057 tons at the end of December to 57,630 tons on Jan. 31.

Antimony

Antimony supplies this year are expected to reach 45,000 tons, of which 35% will be obtained from scrap, according to CPA. Total supply remains inadequate, because regular shipments from China, an important producer under normal conditions, are not yet forthcoming.

Leading interests continued to quote the ordinary grade of antimony on the basis of 28¼c per pound in bulk, Laredo, Texas, carload lots.

Tin

During 1946 Bolivia exported tin concentrates containing 38,221 metric tons of tin. This compares with 43,147 tons in 1945 and 39,340 tons in 1944. Representatives of Bolivian producers and RFC officials met in Washington during the last week to discuss a new sales agreement for 1947. Bolivians are understood to be asking 76c per pound of tin contained, f.o.b. port of shipment, South America.

The Longhorn tin smelter at Texas City produced 3,024 tons of tin in January, against 3,209 tons in December.

Straits quality tin for shipment was nominally as follows, in cents per pound.

	Feb.	March	April
Feb. 6	70.000	70.000	70.000
Feb. 7	70.000	70.000	70.000
Feb. 8	70.000	70.000	70.000
Feb. 10	70.000	70.000	70.000
Feb. 11	70.000	70.000	70.000
Feb. 12		Holiday	

Chinese, or 99% tin, 69.125c.

Quicksilver

Continued uncertainty in regard to foreign metal caused the spot market for quicksilver to ease moderately during last week. There were sellers at $87 to $90 per flask, or $1 below the level named in the preceding week. It was known that some foreign sellers still entertain rather firm views but consumers, in most instances, felt that they could purchase the metal from abroad in quantity at around $86 per flask, duty paid. There were no developments in connection with 2,900 flasks of quicksilver brought here from Japan by the U. S. Commercial Co.

Silver

The New York Official quotation was maintained at 70¾c an ounce troy, with business in good volume.

London was unchanged at 44d. London reports that under regulations now in force bullion brokers are no longer limited to trading in essential business at the price fixed by the Bank of England. Silver may be purchased in the cheapest market for regular industrial needs and for the manufacture of silverware for export.

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

	Electrolytic Copper— Dom. Refy.	Electrolytic Copper— Exp. Refy.	Straits Tin, New York	Lead— New York	Lead— St. Louis	Zinc St. Louis
Feb. 6	19.450	20,300	70 000	13.000	12.800	10.500
Feb. 7	19.400	20.425	70.000	13.000	12.800	10.500
Feb. 8	19.225	20.425	70 000	13.000	12.800	10.500
Feb. 10	19.475	20.300	70.000	13.000	12.800	10.500
Feb. 11	19.325	20.425	70.000	13.000	12.800	10.500
Feb. 12	Holiday	*	Holiday	Holiday	Holiday	Holiday
Average	19.375	(*)	70.000	13.000	12.800	10.500

*Holiday here Feb. 12; data for completing price information not available until Feb. 13.

Average price for calendar week ended Feb. 8 are: Domestic copper f.o.b. refinery, 19.350c; export copper, f.o.b. refinery, 20.217c; Straits 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.

NYSE Odd-Lot Trading

The Securities and Exchange Commission made public on Feb. 12 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 Feb. 1, 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 Feb. 1, 1947

	Total For Week
Odd-Lot Sales by Dealers— (Customers' purchases)	
Number of orders	29,030
Number of shares	872,575
Dollar value	$34,723,839
Odd-lot Purchases by Dealers— (Customers' sales)	
Number of Orders:	
Customers' short sales	364
*Customers' other sales	27,175
Customers' total sales	27,539
Number of Shares:	
Customers' short sales	13,756
*Customers' other sales	790,344
Customers' total sales	604,100
Dollar value	$28,996,841
Round-lot Sales by Dealers—	
Number of Shares:	
Short sales	0
†Other sales	221,920
Total sales	221,920
Round-lot Purchases by Dealers—	
Number of shares	323,040

*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."

Business Failures in Jan.

Business failures in January were higher in number but lower in amount of liabilities involved than in December and higher in number and amount when compared with January, 1946. Business failures in January, according to Dun & Bradstreet, Inc., totaled 202 and involved $15,193,000 liabilities as compared with 141 in December involving $17,105,000 liabilities and 80 involving $4,372,000 in January a year ago.

Only the construction group had less liabilities in January than in December. When the amount of liabilities is considered all groups with the exception of the wholesale and commercial service groups had more liabilities involved in January than in December.

Manufacturing failures in January increased to 67 from 58 in December and liabilities were up to $11,020,000 in January from $7,217,000 in December. Wholesale failures in January numbered 27 with liabilities of $1,342,000 against 16 in December with liabilities of $7,796,000. Retail failures in January rose to 76 from 35 in December and liabilities were up to $1,674,000 in January from $1,025,000 in December. Construction failures numbered 15 with liabilities of $575,000 in January as compared with 18 with liabilities of $266,000 in December. Commercial Service failures in January numbered 17 against 14 in December and liabilities amounted to $582,000 in January as compared with $801,000 in December.

When the country is divided into Federal Reserve districts, it is found that only the Kansas City Reserve District had fewer failures in January than in December and that the Dallas Reserve District had the same number, while the remaining districts had more failures in January than in December. When the amount of liabilities is considered it is seen that only the New York, Cleveland and Kansas City Reserve districts had less liabilities involved in January than in December.

Revenue Freight Car Loadings During Week Ended Feb. 8, 1947, Decreased 67,570 Cars

Loading of revenue freight for the week ended Feb. 8, 1947 totaled 767,481 cars, the Association of American Railroads announced on Feb. 13. This was an increase of 54,241 cars or 7.6% above the corresponding week in 1946, and an increase of 11,649 cars or 1.5% above the same week in 1945.

Loading of revenue freight for the week of Feb. 8, decreased 67,570 cars or 8.1% below the preceding week.

Miscellaneous freight loading totaled 345,603 cars a decrease of 28,301 cars below the preceding week, but an increase of 57,683 cars above the corresponding week in 1946.

Loading of merchandise less than carload lot freight totaled 113,159 cars a decrease of 5,922 cars below the preceding week, and a decrease of 7,093 cars below the corresponding week in 1946.

Coal loading amounted to 176,356 cars, a decrease of 21,954 cars below the preceding week, and a decrease of 9,810 cars below the corresponding week in 1946.

Grain and grain products loading totaled 47,304 cars, a decrease of 6,360 cars below the preceding week and a decrease of 3,540 cars below the corresponding week in 1946. In the Western Districts alone, grain and grain products loading for the week of Feb. 8 totaled 32,863 cars a decrease of 4,612 cars below the preceding week but an increase of 211 cars above the corresponding week in 1946.

Livestock loading amounted to 11,276 cars a decrease of 468 cars below the preceding week and a decrease of 7,072 cars below the corresponding week in 1946. In the Western Districts alone loading of livestock for the week of Feb. 8 totaled 7,924 cars a decrease of 774 cars below the preceding week, and a decrease of 6,215 cars below the corresponding week in 1946.

Forest products loading totaled 48,122 cars, a decrease of 2,691 cars below the preceding week but an increase of 12,534 cars above the corresponding week in 1946.

Ore loading amounted to 11,295 cars a decrease of 1,605 cars below the preceding week but an increase of 5,417 cars above the corresponding week in 1946.

Coke loading amounted to 14,366 cars, a decrease of 269 cars below the preceding week but an increase of 6,122 cars above the corresponding week in 1946.

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

	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
Week of February 8	767,481	713,240	755,832
Total	4,770,929	4,320,404	4,499,043

The following table is a summary of the freight carloadings for the separate railroads and systems for the week ended Feb. 8, 1947. During this period 78 roads reported gains over the week ended Feb. 9, 1946.

REVENUE FREIGHT LOADED AND RECEIVED FROM CONNECTIONS
(NUMBER OF CARS) WEEK ENDED FEB. 8

Railroads	Total Revenue Freight Loaded			Total Loads Received from Connections	
	1947	1946	1945	1947	1946
Eastern District—					
Ann Arbor	334	414	301	1,625	1,744
Bangor & Aroostook	2,797	2,624	2,422	503	446
Boston & Maine	7,536	7,636	5,409	12,931	13,543
Chicago, Indianapolis & Louisville	1,229	1,196	1,312	2,012	2,004
Central Indiana	40	50	31	39	60
Central Vermont	992	1,050	1,005	2,439	2,154
Delaware & Hudson	4,892	4,446	4,427	10,982	11,416
Delaware, Lackawanna & Western	7,048	7,102	6,274	9,089	8,853
Detroit & Mackinac	327	234	142	292	185
Detroit, Toledo & Ironton	2,574	1,592	1,624	1,812	1,945
Detroit & Toledo Shore Line	350	275	370	3,855	3,799
Erie	11,242	9,948	10,015	15,339	14,369
Grand Trunk Western	4,101	3,040	4,002	7,951	8,968
Lehigh & Hudson River	155	160	143	3,135	2,389
Lehigh & New England	1,256	1,940	1,644	1,457	1,594
Lehigh Valley	7,498	7,360	6,462	7,588	7,385
Maine Central	3,234	2,930	2,206	4,025	4,486
Monongahela	5,997	7,862	4,441	228	269
Montour	2,992	2,886	2,051	18	25
New York Central Lines	44,464	41,847	42,709	50,027	51,391
N. Y., N. H. & Hartford	9,971	10,742	7,529	14,275	14,176
New York, Ontario & Western	797	850	685	2,617	2,547
New York, Chicago & St. Louis	6,095	5,319	5,942	14,327	13,362
N. Y., Susquehanna & Western	453	381	409	1,141	2,018
Pittsburgh & Lake Erie	5,318	2,089	6,218	7,679	8,367
Pere Marquette	5,407	4,561	4,889	8,067	7,431
Pittsburg & Shawmut	986	785	762	22	17
Pittsburg, Shawmut & Northern	317	251	268	98	252
Pittsburgh & West Virginia	670	679	1,003	2,375	1,288
Rutland	407	361	336	1,185	1,252
Wabash	5,663	6,365	6,123	11,904	11,649
Wheeling & Lake Erie	4,642	3,409	5,044	3,754	2,888
Total	149,784	140,384	136,198	202,791	202,272
Allegheny District—					
Akron, Canton & Youngstown	557	474	719	1,346	1,295
Baltimore & Ohio	38,784	36,354	36,179	23,868	22,940
Bessemer & Lake Erie	2,262	883	2,420	1,738	1,170
Cambria & Indiana	1,560	1,685	1,580	9	7
Central R. R. of New Jersey	6,228	5,330	6,077	17,368	15,633
Cornwall	400	4	338	56	36
Cumberland & Pennsylvania	420	366	197	16	7
Ligonier Valley	61	35	109	4	23
Long Island	1,358	1,575	1,313	4,232	4,503
Penn-Reading Seashore Lines	1,580	1,542	1,606	1,810	1,868
Pennsylvania System	74,528	62,779	70,899	54,013	54,307
Reading Co.	13,524	11,050	13,294	24,287	25,129
Union (Pittsburgh)	17,831	1,554	18,099	4,079	895
Western Maryland	4,360	3,876	3,618	10,706	11,408
Total	163,453	127,507	156,448	143,532	139,221
Pocahontas District—					
Chesapeake & Ohio	30,905	29,982	31,292	11.537	10,265
Norfolk & Western	22,802	21,330	23,769	6,819	6,301
Virginian	4,766	5,164	5,177	1,652	1,444
Total	58,473	56,476	60,238	20,008	18,010
Southern District—					
Alabama, Tennessee & Northern	463	428	322	286	237
Atl. & W. P.—W. R. R. of Ala.	852	832	753	1,983	1,839
Atlantic Coast Line	15,788	15,805	14,095	10,521	10,638
Central of Georgia	3,927	4,307	3,731	4,417	4,767
Charleston & Western Carolina	477	418	405	1,664	1,571
Clinchfield	1,937	1,867	1,658	3,805	3,865
Columbus & Greenville	380	386	303	343	293
Durham & Southern	92	78	110	778	660
Florida East Coast	3,136	3,465	2,957	1,937	1,629
Gainesville Midland	78	58	34	123	131
Georgia	1,117	1,088	961	2,526	2,287
Georgia & Florida	412	433	404	746	750
Gulf, Mobile & Ohio	5,325	5,375	4,592	3,921	4,497
Illinois Central System	25,006	27,297	27,239	14,297	14,483
Louisville & Nashville	26,895	26,139	27,087	9,734	9,512
Macon, Dublin & Savannah	239	304	219	927	1,024
Mississippi Central	370	408	323	402	396
Nashville, Chattanooga & St. L.	3,311	2,903	3,482	4,074	4,015
Norfolk Southern	1,350	1,308	901	1,752	1,596
Piedmont Northern	382	444	536	1,756	1,687
Richmond, Fred. & Potomac	336	410	445	8,710	9,799
Seaboard Air Line	12,258	11,902	9,814	8,575	8,467
Southern System	27,341	24,194	23,857	25,183	23,972
Tennessee Central	748	559	733	844	803
Winston-Salem Southbound	161	134	153	990	905
Total	132,381	130,592	125,134	110,294	109,823
Northwestern District—					
Chicago & North Western	12,226	15,684	15,116	13,142	13,824
Chicago Great Western	1,906	2,677	2,476	2,750	3,303
Chicago, Milw., St. P. & Pac.	17,180	20,921	20,687	9,428	10,750
Chicago, St. Paul, Minn. & Omaha	3,107	3,790	3,310	3,594	3,876
Duluth, Missabe & Iron Range	1,354	1,184	1,361	308	270
Duluth, South Shore & Atlantic	*713	744	762	*660	609
Elgin, Joliet & Eastern	7,959	2,128	9,230	10,119	8,154
Ft. Dodge, Des Moines & South	329	454	336	116	144
Great Northern	9,936	10,286	10,343	4,679	4,448
Green Bay & Western	387	541	484	888	848
Lake Superior & Ishpeming	313	324	232	50	69
Minneapolis & St. Louis	1,464	2,197	1,983	2,153	2,197
Minn., St. Paul & S. S. M.	4,687	4,947	4,429	3,453	3,358
Northern Pacific	9,001	8,055	9,097	4,719	4,432
Spokane International	188	101	245	549	436
Spokane, Portland & Seattle	2,052	1,681	2,291	2,619	2,390
Total	72,802	75,714	82,382	59,227	59,108
Central Western District—					
Atch., Top. & Santa Fe System	24,507	23,935	22,951	10,515	9,149
Alton	2,723	2,571	3,594	3,178	3,293
Bingham & Garfield	225	17	350	110	9
Chicago, Burlington & Quincy	21,300	21,524	20,121	10,869	11,353
Chicago & Illinois Midland	3,056	3,312	3,136	644	817
Chicago, Rock Island & Pacific	11,611	12,696	12,107	12,152	12,073
Chicago & Eastern Illinois	2,550	3,067	2,814	3,196	3,171
Colorado & Southern	597	637	693	1,821	1,221
Denver & Rio Grande Western	3,847	2,855	4,034	4,713	3,719
Denver & Salt Lake	969	714	726	41	59
Fort Worth & Denver City	1,084	1,010	951	1,369	1,263
Illinois Terminal	2,368	2,269	2,269	1,654	1,686
Missouri-Illinois	912	873	891	485	462
Nevada Northern	1,463	1,415	1,434	159	121
North Western Pacific	842	550	724	582	494
Peoria & Pekin Union	37	18	1	0	0
Southern Pacific (Pacific)	27,919	26,477	27,380	10,412	8,661
Toledo, Peoria & Western	22	0	288	125	0
Union Pacific System	17,648	14,631	16,515	12,140	11,177
Utah	1,119	910	591	7	6
Western Pacific	1,780	1,713	1,706	2,997	3,046
Total	126,579	121,194	123,276	77,169	71,780
Southwestern District—					
Burlington-Rock Island	219	350	244	806	366
Gulf Coast Lines	5,690	5,385	6,349	2,360	2,426
International-Great Northern	2,016	1,829	2,431	3,778	3,807
‡K. O. & G.-M. V.-O. C.-A.-A.	1,162	1,294	1,372	1,895	1,615
Kansas City Southern	3,304	2,614	4,983	2,970	3,077
Louisiana & Arkansas	2,156	2,454	3,722	2,637	2,431
Litchfield & Madison	348	315	328	1,360	1,173
Missouri & Arkansas	§	158	115	§	385
Missouri-Kansas-Texas Lines	5,119	5,271	7,001	4,011	3,680
Missouri Pacific	17,476	17,320	17,293	15,407	14,101
Quanah Acme & Pacific	135	114	53	264	198
St. Louis-San Francisco	9,946	9,614	9,218	7,520	8,028
St. Louis-Southwestern	2,901	2,430	3,448	5,295	4,750
Texas & New Orleans	9,194	8,525	10,549	5,323	5,208
Texas & Pacific	4,214	3,561	4,929	7,083	6,252
Wichita Falls & Southern	86	92	89	45	63
Weatherford M. W. & N. W.	43	47	32	15	10
Total	64,009	61,373	72,156	60,769	57,570

*Previous week's figure.

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

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
Feb. 8	202,189	181,017	599,009	104	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.

Debit Balances on NYSE in December

The New York Stock Exchange indicated on Jan. 14, that as of the close of business on Dec. 31, 1946 member firms of the New York Stock Exchange carrying margin accounts reported as follows:

Total of customers' net debit balances of $547,552,009 on Dec. 31, 1946, against $571,094,213 on Nov. 30, 1946. These figures include all securities, commodity and other accounts. Do not include debit balances in accounts held for other firms which are members of national securities exchanges, or "own" accounts of reporting firms, or accounts of general partners of those firms.

The Exchange's report of Jan. 14 added: Credit extended to customers on U. S. Government obligations was $74,163,844 in Dec. compared with $80,426,299 a month before. (This amount is included in the net debit balance total.)

Cash on hand and in banks in the United States amounted to $461,983,826 on Dec. 31, 1946 against $492,294,874 on Nov. 30.

Total of customers' free credit balances was $704,399,278 at the end of 1946 compared with $723,116,621 on Nov. 30, 1946. These figures include free credit balances in regulated commodity accounts. Do not include free credit balances held for other firms which are members of national securities exchanges, or free credit balances held for the accounts of reporting firms or of general partners of those firms.

Army-Navy Reception At White House

On Feb. 4, at the first reception for members of the Army and Navy at the White House since Feb. 11, 1941, Gen. George C. Marshall, as Secretary of State, led the Cabinet behind the President and Mrs. Truman, and the new Governor General of Canada, Viscount Alexander, with Lady Alexander, was present. Before the reception, one of the most brilliant of the current season, Mr. and Mrs. Truman gave a small dinner in honor of the Governor General and Lady Alexander. Other guests, according to an Associated Press Washington dispatch, included Admiral William D. Leahy, the President's Chief of Staff; Gen. Dwight D. Eisenhower, Army Chief of Staff, and Admiral Chester W. Nimitz, Chief of Navy Operations.

More than 1,800 were on the reception guest list, including high-ranking military men. Many resplendent decorations were to be seen.

Weekly Lumber Shipments 7.9% Above Production

According to the National Lumber Manufacturers Association, lumber shipments of 400 mills reporting to the National Lumber Trade Barometer were 7.9% above production for the week ending Feb. 8, 1947. In the same week new orders of those mills were 1.3% below production. Unfilled order files of the reporting mills, amounted to 62% of stocks. For reporting softwood mills, unfilled orders are equivalent to 23 days' production at the current rate, and gross stocks are equivalent to 36 days' production.

For the year-to-date, shipments of reporting identical mills were 16.2% above production; orders were 20.2% above production.

Compared to the average corresponding week of 1935-1939, production of reporting mills was 37.9% above; shipments were 30.1% above; orders were 12.7% above. Compared to the corresponding week in 1946, production of reporting mills was 23.3% above; shipments were 20.9% above; and new orders were 2.2% above.

Items About Banks, Trust Companies

Payment of the recently voted stock dividend to stockholders of Guaranty Trust Co. of New York was completed on Feb. 15 with the issuance of 100,000 shares of stock and the mailing to stockholders of certificates for such shares, or scrip certificates representing such shares, on the basis of one share for each nine held. Changes in the capital account of the bank made in connection with the increase bring total capital funds to more than $354,000,000, consisting of capital $100,000,000, surplus $200,000,000, and undivided profits of approximately $54,000,000. The announcement from the Guaranty Trust Co. also states:

"The new capital account figures compare with Dec. 31 items of capital $90,000,000, surplus $170,000,000, and undivided profits of $61,627,360.90, in addition to which the company's statement carried an uncapitalized general contingency reserve of $32,754,549.39. With payment of the stock dividend, $10,000,000 has been transferred from paid-in surplus to capital, $40,000,000 has been transferred from undivided profits to surplus, and the balance in the general contingency reserve has been transferred to undivided profits.

"Growth of the company's capital funds goes back to 1839, when the Bank of Commerce, merged with the Guaranty Trust Co. in 1929, began operations with capital of $1,109,280 and 565 stockholders. Guaranty stockholders who share in the present stock dividend number 24,561."

Reference to the action of the stockholders of the Guaranty on Jan. 15, in voting an increase in the company's authorized capital stock from 900,000 to 1,000,000 shares, representing an increase from $90,000,000 to $100,000,000, was made in our issue of Jan. 30, page 651.

Frank Deppen has been appointed by the Manhattan Savings Bank, New York, as Assistant Vice-President in charge of the new mortgage loan department, it was announced on Feb. 12 by Willard K. Denton, President. Mr. Deppen has been Assistant Vice-President in charge of appraisals for the bank, the staff of which he joined in 1942.

Announcement has been made of the election of Arthur E. Kroner as Assistant Vice-President of the East River Savings Bank of New York. Mr. Kroner, who is Manager of the Cortlandt Street office, has been with the bank since 1927. Mr. Kroner is an instructor of Savings Bank Organization at the New York Chapter of the American Institute of Banking.

The new stock issue of 12,500 shares of the Niagara National Bank of Buffalo, N. Y., with a par value of $10 a share, has been oversubscribed, President Herbert J. Vogelsang announced on Feb. 7, it was stated in the Buffalo "Evening News" of that date, which further said:

"The new stock was sold at $20 a share and raised the capital and surplus accounts of the institution to $625,000 each. Books for the new issue were opened Jan. 14 and closed Feb. 1. Each stockholder had the right to purchase one additional new share for each four shares held previously. The bank received authorization for the issue from the Comptroller of Currency."

The weekly Bulletin of the Comptroller of Currency issued Feb. 10 indicates that the capital of the Niagara National Bank was increased, effective Feb. 4, from $500,000 to $625,000 by the sale of $125,000 of new stock.

William F. Augustine, Vice-President of the National Shawmut Bank of Boston and a member of the Executive Council of the American Bankers Association, died on Feb. 10 after a brief illness. He was 61 years old.

Mr. Augustine, who was born in Richmond, Va., joined the Merchants National Bank of Richmond, following his graduation, and in 1927 became Vice-President of the Shawmut Bank, it was noted in Boston advices, Feb. 10, published in the New York "Times," which also said:

"Mr. Augustine also was a Vice-President of the Hingham (Mass.) Trust Co., a trustee of the Franklin Savings Bank of Boston and a director of the Melrose (Mass.) Trust Co. He was a former Chairman of the Bankers' Committee of the New England Council and a member of the Insurance Committee and Treasurer of the Massachusetts Bankers Association. He had held various offices in the American Bankers Association, including chairmanships of the Clearing House and national banking divisions."

Approval of the purchase of the assets of the Kensington National Bank of Philadelphia and a merger with the Germantown Trust Co. of Philadelphia was voted unanimously on Feb. 14 at a special meeting of the board of directors of The Pennsylvania Company for Insurances on Lives and Granting Annuities. Announcement of this action was made by William Fulton Kurtz, President. The directors of the Kensington and Germantown banks have also endorsed the proposed transactions. Stockholders of The Pennsylvania Company will be called upon to ratify these deals at a special meeting on March 8, and on the same date the Germantown stockholders will vote upon the merger proposal. The meeting of Kensington stockholders to ratify the sale of assets is called for Feb. 27. The announcement in the matter also said:

"The total assets of the Kensington Bank, which was founded in 1826, are approximately $35,500,000. Its deposits now amount to about $33,000,000 and its capital funds to approximately $2,500,000. Its stockholders are being asked to sell its assets at present appraised values, The Pennsylvania Company assuming Kensington's deposit liabilities. The amount by which its banking assets exceed such deposit liabilities will be paid to the Kensington Bank for distribution to its stockholders.

"The Germantown Trust Company was founded in 1889. Its deposits now aggregate about $45,000,000 and its capital funds about $3,450,000. Its trust funds currently exceed $50,000,000. The merger agreement provides that five-sevenths of a share in the company resulting from the merger be issued for each share in the Germantown Trust Co. The Pennsylvania Company shares will remain the same and will automatically become shares in the resulting company, which will have 1,100,000 shares instead of the 1,000,000 shares The Pennsylvania Company now has outstanding."

Mr. Kurtz stated that the Kensington National Bank and the Germantown Trust Company and its three branch offices will be operated as branch banks of The Pennsylvania Company. Kensington's headquarters are located at Girard and Frankford Avenues. The central Germantown offices are at Germantown and Chelten Avenues; its branches are at Evergreen and Germantown Avenues, Chestnut Hill, North Broad and Ruscomb Streets and Germantown Avenue and Pelham Road. "If the Germantown and Kensington proposals are ratified by their shareholders and by our own," said Mr. Kurtz, "the Kensington transaction will become effective at the close of business on Saturday, March 15, and the bank will be opened as a branch of The Pennsylvania Company the following Monday." He added:

"The Germantown merger will become effective at the close of business on Saturday, March 29, and the four Germantown offices will be opened as units in our banking system on Monday, March 31. All of the active officers and employees of these two fine institutions will be continued in their present capacities as members of The Pennsylvania Company's organization. The thousands of men and women who have received banking service for years at the Germantown and Kensington offices will find no change in personnel when the transfer becomes effective. The acquisition of these headquarters would give The Pennsylvania Company 17 branches in the metropolitan area of Philadelphia, in addition to its main offices at 15th and Chestnut Streets."

Capital, surplus, undivided profits and reserves of The Pennsylvania Company after the merger and the acquisition of the Kensington Bank will approximate $37,000,000, and the deposits will total about $530,000,000.

Louis H. Bieler, President of the Germantown Trust Co., and Grover C. Tuft, President of the Kensington National Bank, expressed their approval of the action by the directors of the financial institutions. "The Kensington National Bank has served the people in its community for more than 120 years," said Mr. Tuft. "However, the demand for our financial services has grown to such an extent in recent years that our board felt we could better satisfy the needs of the community by making available to our customers the greater resources and more extensive facilities of The Pennsylvania Company, operating as a branch of that institution."

Commenting upon the merger, Mr. Bieler said, "our board of directors has approved merger in order that the customers of the Germantown Trust Company and the community generally may have the benefit of the greater resources as well as the more complete and extensive banking and trust services that will be made available through the consolidation of the two institutions.

"It is proposed that Morris Leeds, Clarence A. Warden and William L. Dempsey, now directors of the Germantown Trust Co., be elected to the board of directors of the company resulting from the merger."

It was made known in the Philadelphia "Evening Bulletin" of Jan. 20 that the Broad Street Trust Co. of Philadelphia announced on that day the promotion of Harold T. Zuecca, Assistant Secretary, and Howard J. Sheer, Assistant Secretary and Assistant Treasurer, to be Assistant Vice-Presidents.

The Fidelity Trust Co. of Baltimore, Md., announced on Feb. 7 the election of Walter H. Leisure and J. Grason Hartley as Vice-Presidents and of Louis M. Fisher as an Assistant Vice-President, it is learned from the Baltimore "Sun" of Feb. 8, which in an item by J. S. Armstrong, its Financial Editor, also reported as follows:

"Mr. Leisure has been with the Fidelity since Aug. 1, 1916. He was elected an Assistant Secretary on Jan. 10, 1933 and became also an Assistant Vice-President on March 6, 1941. He was holding both positions at the time of his latest promotion. Prior to his employment with the Fidelity, Mr. Leisure was connected with the Merchants National Bank. He has spent his entire business life in banking activities.

"Mr. Hartley first became connected with the Fidelity Trust Co. on Jan. 10, 1937, when he was appointed manager of its real estate department. He was elected Real Estate Officer on Aug. 6, 1945 and held that position at the time of his advancement to Vice-President.

"Before joining the Fidelity, Mr. Hartley was employed by the Baltimore National Bank and prior to that was engaged in real estate development.

"Mr. Fisher has been with the Fidelity only since last Jan. 30. A graduate of the University of Virginia Law School, he served with the investment banking firm of Lee, Higginson & Co. for several years and in 1930 became identified with the Baltimore National Bank in its trust department. Five years later he joined Lionel D. Edie & Co., remaining with that firm until 1941 when he went with Merck & Co. Mr. Fisher served in the Navy as a Lieutenant Commander for three years, and on his release from the service in 1945 returned to the Merck organization, remaining there until his recent connection with the Fidelity. In his new position Mr. Fisher will serve the trust company as its new business representative."

The directors of the Equitable Trust Co. of Baltimore, Md., have declared a regular quarterly dividend of 25 cents a share, payable April 1 to stockholders of record March 24, putting the stock on a $1 annual basis, it was stated in the Baltimore "Sun" of Feb. 15, which added:

"During 1946 four quarterly dividends of 20 cents each were paid and an extra of 10 cents, making the total of 90 cents a share for the year."

Reporting the completion of the sale of the Citizens Bank of Washington, D. C., to the Union Trust Co. of Washington, announced on Jan. 30, S. Oliver Goodman, in an item published in the Washington "Post" of Jan. 31, stated that the Citizens Bank would open on Feb. 3 as the 14th and G Street branch of the trust company, whose main office will remain at 15th and H Streets. Mr. Goodman added in part:

"In a joint statement yesterday, S. William Miller, President of Union Trust, and Linwood P. Harrell, President of the Citizens Bank, said that last step for consummation of the merger was taken yesterday when the Securities and Exchange Commission gave its formal approval. In the course of negotiations, they said, necessary approval was received from the board of directors and stockholders of each institution.

"The merged institutions will have combined resources of more than $47 million. Individual assets as of Dec. 31, 1946 were: Union Trust, $33,255,988; Citizens Bank, $14,309,632. Combined deposits will exceed $42,000,000. As of Dec. 31, 1946, Union Trust deposits were $29,111,549; Citizens Bank, $13,244,734.

"One of the Capital's leading banks, Union Trust for 45 years has conducted a trust and general banking business. Citizens Bank, which until last year was known as Morris Plan Bank of Washington, has occupied a prominent position in consumer credit financing.

"The consolidated institutions will retain virtually all officers and directors. Mr. Miller will be President; Mr. Harrell, Vice-President."

The election of J. Leo Cline as a Vice-President of First Minneapolis Co. of Minneapolis, Minn., was announced on Jan. 25 by O. M. Corwin, Executive Vice-President, according to the Minneapolis "Sunday Tribune" of Jan. 26, which further said:

"Mr. Cline has been associated with the company since 1929 and formerly was with the Dakota National Bank of Fargo. The company is an affiliate of First National Bank of Minneapolis. Other officers and directors were reelected."

Clyde B. Smith, Assistant Vice-President of the Soil Products Department of the First National Bank in St. Louis, was recently elevated to Vice-President, according to the St. Louis "Globe Democrat" of Jan. 29.

The Board of Governors of the Federal Reserve System announced on Feb. 1 at the Progressive Industrial Bank of New Orleans, La., a State member, changed its title to Progressive Bank and Trust Co., effective Jan. 14.

Wells Fargo Bank & Union Trust Co. of San Francisco, Cal., held its annual meeting recently and reelected all directors and officers. The following promotions were made: John D. Boden to Vice-President; W. J. Gilstrap to Assistant Vice-President and Manager, Foreign Department; A. W. Larsen, F. B. Henderson, Jr., and W. Kent Dyson to Assistant Vice-President; R. J. Wynne and B. L. Mortenson to Assistant Cashier; and S. B. Wakefield III and Frank Canatsy to Assistant Trust Officer.

Installation of the first magnetic wire recorder in a business office in the Pacific Northwest was announced on Feb. 6 by the National Bank of Commerce of Seattle, Wash. A second unit already has been ordered, and the bank contemplates further extension of the use of wire recording for dictation and general use in its offices through the State of Washington. In making this known, the bank's advices stated:

"The new machine is expected to simplify recording operations, said a bank spokesman, being adaptable to both large and small offices in the organization. This modern equipment is fast, accurate, and flexible in handling dictation, transcribing by a typist who need not know shorthand, and in recording important telephone conversations and conferences or meetings of various types. The Peirce Magnetic Wire Recorder was developed for the Navy and used extensively in all parts of the world during the war. A number of the early models have been adapted for use by radio stations, but the newly designed office model has just been placed on the market. The bank obtained the first delivery from Owen-Hampson, agents for Washington and Oregon.

"The recording is made on fine stainless steel wire, affording a compact, permanent file. The person dictating may make corrections, even to deleting a single word. He may erase automatically as he changes a word or phrase or figure, or makes an entire new recording. The spools of wire, which record electrically either one or two hours of dictation or other material, may be used over and over again. Play-backs and transcription may be made either by new-type earphones or a loud speaker incorporated in the machine, as in a radio—with tone and volume control. The entire operation is contained in a single portable unit. In addition to more routine office uses, the bank expects to employ the recorder for notes of its auditors and other field men. Traveling representatives may use it to send full reports to the head office quickly."