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We've Outgrown Our Thinking

By RAYMOND MOLEY*

Senior Associate Editor, Newsweek Magazine

Former "New Dealer," in reviewing growth of our economy, holds we have outgrown the old jacket and are like a channel too small for the stream. Says we must lower our tariffs and get rid of legal misfits such as Wagner Act and old forms of diplomacy. Holds technology not ideology offers only hope for Russia and we, in turn must make our jacket conform to size of our ideas.

This great association of American Businessmen hardly needs to be reminded of the bounteous times in which we are living. On every side, monumental economic records are being made. Our economy has grown to twice its prewar size. Employment figures sound like the creation of a dream. Sales are unbelievable. Tax receipts are enormous. And projected production is limitless.

Raymond Moley

The record of retailing is one of the examples of how the body of our economy has grown. The highest volume of retail sales was $40 billions in 1929. In 1939 it was $42 billions. During the war, when every prophet and son of a prophet was telling us what to expect in postwar times, the highest estimate of retail sales volume was $75 billions. Well, I need not remind you that in 1946, we reached $96 billions. If this is corrected by one-third to allow for inflation, the figure is still $64 billions, or an increase of over 50% over 1939.

Growth of Retailing

In the best calculations of labor productivity, retailing stands high. In agriculture, the increase of product per labor hour is 40% over 1939. In manufacturing, it is low—10%. And in some manufacturing lines it declined by as much as 25%. In retailing, the increase in productivity per labor hour is between 27 and 30%.

The growth in retailing has been healthy. Relative gains are fairly uniform in all types of operations—big and little alike.

Yet despite these evidences of prodigious growth of our economic body, we have economic

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*An address by Mr. Moley before the American Retail Federation, Wash., D. C., Feb. 24, 1947.

Warns of Low Interest On Mortgage Loans

John H. Fahey, Federal Home Loan Bank Commissioner, contends it is unwise to establish a rate below 5% on long-term mortgages to home owners. Holds too many doubtful mortgages are being made by lending institutions because of government guarantee.

In a panel discussion on the mortgage financing outlook, in Chicago on Feb. 25, John H. Fahey, Federal Home Loan Bank Administration Commissioner, expressed doubts as to advisability of further reducing interest rates on housing loans.

John H. Fahey

"Interest rates on long-term amortized home mortgages, in my opinion, are now too low to be safe," Mr. Fahey stated. "Management of unquestioned ability and integrity is vital to the soundness and success of our savings institutions. The vast majority of them are managed by men of character who know their business and who recognize their trustee responsibility for the protection and conscientious management of other people's money. These executives are fairly well compensated in most cases. There are far too many savings institutions of average size, however, which do not have enough income from their mortgages at present rates. They cannot command the services of the kind of men they need, provide necessary reserves to cover inevitable losses, and also pay a reasonable return to the millions

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As We See It

EDITORIAL

Are These "Manpower Shortages" Real?

"Manpower shortage" is coming to be almost as common as "lack of purchasing power" used to be as an explanation of the refusal of events to conform to patterns prescribed by the planners or forecast by their economic engineers. Long before the current coal crisis in Great Britain the fact that the output of this fuel was incredibly below the worst prewar level was attributed to "lack of adequate manpower." The painfully slow progress in that country toward production and export "goals," while in part charged to coal difficulties, was also again and again and again attributed to "manpower shortages." Russia, too, is said to be having her troubles due to this same ubiquitous cause. Here in this country it has become quite customary to explain almost all failure of production to attain greater volume to this same old bogey "manpower shortages."

In a sense all this is natural enough and true enough. Yet in a deeper and truer sense most of it is at best self deception. To the businessman who would expand his output, but can find no further competent help with which to proceed, it seems obvious enough that his difficulty is lack of available manpower. If we fail or refuse to look beneath the surface we should have to agree that precisely this is his difficulty. Certainly, according to all accounts, it has been proving impossible to find more men to go into the British coal pits, and so long as this is true it is impossible under existing conditions to enlarge output substantially. So the story would go in one after the other of the individual instances about which we hear from day to day.

No Such Population Loss

Yet the British population was not cut in half by war losses. Neither has its "labor force," as it has now become fashionable to denominate the working part of a population,

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Britain's Economic Budget—1947

Digest of White Paper presented by Labor Government shows central problem is Coal and Power "upon which everything else depends." Sees urgent need to expand nation's labor force and increase man-hour output in order to expand exports to 140% of 1938 volume. Calls for constructive effort of all people to overcome difficulties.

The British Information Services in Washington, on Feb. 21, issued the following summary of the White Paper on "Economic Survey for 1947," which on that date was presented to the House of Commons:

Introductory

The object of economic planning is to use the national resources in the best interests of the nation as a whole. There is an essential difference between totalitarian and democratic planning. In normal times, the people of a democratic country will not give up their freedom of choice to their government. A democratic government must therefore conduct its economic planning in a manner which preserves the maximum possible freedom of choice to the individual citizen.

The British Government is seeking to develop a system of economic planning, of which the following are the chief elements:

1. An organization with enough knowledge and reliable information to assess national resources and to formulate national needs.
2. A set of economic "budgets" which relate these needs to our resources, and which enable the Government to say what is the best use for the resources in the national interest.
3. A number of methods, the combined effect of which will enable the Government to influence the use of resources in the desired direction, without interfering with democratic freedoms.

These economic "budgets" are entirely different in character from the Chancellor of the Exchequer's yearly Budget. They deal with man-years of work and quantities of goods.

Review of Period July 1945-December 1946

On a broad view of the last 18 months, the result has been that:

1. The defense sector (armed forces and munitions) has been cut to less than one-quarter of its size at the end of the war.
2. Exports have expanded to nearly 110-115% of 1938 volume, an amount still insufficient to pay for imports at 70-75% of 1938 volume.
3. A normal prewar year's work of industrial equipment and maintenance has been done in 1946.
4. Homes have been provided, by

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GENERAL CONTENTS

Editorial

From Washington Ahead of the News

By CARLISLE BARGERON

In the way in which American journalism has come to present political issues in terms of personalities, there is most certainly coming up a conflict between Senators Taft and Vandenberg. It makes no difference that for the sake of the Republican party, they are both working hard to avoid this. There is a conflict in the party and these two gentlemen will inescapably come to be the conflicting personalities.

Carlisle Bargeron

The party conflict comes from the effort of Eastern interests to make the GOP "global minded." These interests have always existed within the party and they have been quite influential. But somehow or other, they have managed to get their two World Wars through the Democratic party. This writer doubts seriously that had Willkie been elected in 1940 he could have carried this country into World War II, although the Eastern interests manifestly put him over on the Republicans for that very purpose.

Had he been elected, however, he would have been confronted with the non-interventionist element of his own party, and your correspondent has had one Southern congressman after another tell him, that instead of being the interventionist that he was, he would have been shouting his lungs out that Willkie was a tool of Wall Street and that Wall Street was leading us into war. The South, as a result, instead of being 100% for intervention, would have been just the other way.

Notwithstanding, however, that it was necessary to get a Democratic administration to take us into the two wars, these Eastern interests to whom we refer, now figure that the Republican party must be schooled to carry on the

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Not So Simple!

"As you all must recognize, we are living today in a most difficult period. The war years were critical, at times alarmingly so. But I think that the present period is in many respects even more critical. The problems are different but no less vital to the national security than those during the days of active fighting. But the more serious aspect is the fact that we no longer display that intensity, that unity of purpose, with which we concentrated upon the war task and achieved the victory.

Gen. Geo. C. Marshall

"Now that an immediate peril is not plainly visible, there is a natural tendency to relax and to return to business as usual, politics as usual, pleasure as usual. Many of our people have become indifferent to what I might term the long-time dangers to the national security.

"It is natural and necessary that there should be a relaxation of wartime tensions. But I feel that we are seriously failing in our attitude toward the international problems whose solution will largely determine our future.

* * *

"We do not lack for knowledge of what to do for our future security. The lessons of history provide plain guidance. But can we tear our thoughts sufficiently away from the personal and local problems of the moment to see the world picture and our relation to it in proper perspective?"

—George C. Marshall.

If only it all really were so simple!

But it is not, and to suppose or assume that it is, is dangerous.

Conference Board Analyzes Forecasts and Facts For 1947 Agricultural Outlook

Lower prices for the American farmer in 1947 are predicted officially and unofficially despite heavy domestic and foreign demands and short supplies of most farm products, the National Industrial Conference Board notes in its analysis of facts and forecasts on the outlook for agriculture for the coming year. The analysis, released on Feb. 17, had the following to say:

United States supplies of the leading farm products are smaller than they were a year ago or than they were on the average during the war years. Abroad, supplies are far below normal, and are not large even in relation to drastically low consumption during 1946. Demand for exportable food supplies "promises to be nearly as great" during the 1946-47 consumption year as it was in 1946, when potential demand far exceeded actual supply.

In the face of these favorable factors, spokesmen, official and unofficial, are almost unanimous in placing 1947 prices of farm products below those of 1946. Many commentators see them substantially below 1946 levels. A number of analysts have lately been occupied in estimating the effect of lower farm prices upon the economy as a whole, and interest has been sharply revived in government "support programs and the over-all economic status of the agricultural sector of the economy."

1946 American Farm Prosperity — American farmers were never before quite so prosperous as in 1946. Prior to World War II the best farm year was 1919, when net income amounted to about $9,250 million. It skyrocketed to nearly $13,250 million in 1945, and in 1946 the realized farm income was about $14,700 million. This compares with net farm income in 1929 of about $6 billion and less than $6.5 billion in 1941. While the war years brought large increases in production expenses, gross farm income grew much faster. From 1939 to 1946, gross income rose 156% while production expenses increased 102%. This extraordinary increase in profitability of farming during the war years is largely a result of increased productivity.

Farm Assets—The Department of Agriculture's index of the value of farm land per acre stood at 152 on November 1, 1946 (1912-1914 as 100). This level had never before been reached except in the early post-World War I boom in 1920 and 1921. Farm mortgage debt appears to have risen slightly during 1946, but still stands below that of any year since the early part of World War I. The agricultural balance sheet shows that resources devoted to growing farm crops and raising livestock totaled nearly $102 billion at the beginning of 1946. This figure includes all physical assets such as farm land, machinery, household equipment, inventories of crops and livestock used in the production of farm products, and includes financial assets owned by farmers (deposits, currency, and securities). More than half of all the assets owned by farmers was in real estate, which compares with 1940 when farm land accounted for almost two-thirds of all assets.

By Nov. 1, 1946, the value of farm real estate had risen until it was within 11% of the 1920 high. The largest increases over the 1920 values occurred in the Pacific and East South Central regions. These increases were 38% and 13% respectively. The smallest rises in farm real estate values were in New England, Middle Atlantic, and South Atlantic regions.

Value of Non-Real Estate Farm Assets—The value of non-real estate farm assets increased ten billion dollars over the last six years. (From $15 billion on Jan. 1, 1940, to $25 billion on Jan. 1, 1946.) All physical assets except household equipment rose steadily from 1940-45. In 1945, the largest increases of inventory value, $796 million, was registered in livestock. Crops stored on and off the farm increased 132% from 1940 to 1945. On Jan. 1, 1946, crops were valued at $6,124 million, a decline of $418 million from a year earlier. This figure includes crops stored off the farm as collateral loans.

The value of farm machinery and motor vehicles increased $1.7 billion from 1940 to 1945. The increase was, however, only $43 million in 1945 as compared with $282 million in 1940 and $639 million in 1941. Although farmers' expenditures were above the billion-dollar mark in 1944 and 1945, these dollar replacements were unable to maintain the physical inventory of the machinery and motor vehicles. The increase in value in 1940 and 1941 was mainly owing to relatively large purchases of equipment. Since then prices have risen and value has increased only moderately.

Continued Gov't Rubber Buying Urged

The Rubber Manufacturers Association has drafted a memorandum for presentation to Congress in which the legislators will be urged to continue public purchase of rubber until next Sept. 30, in order to assure adequate supplies for the United States, according to advices of Feb. 20 to the New York "Journal of Commerce," from its Washington bureau.

The Administration has stated its intention of ending public purchase of rubber March 31, but the RMA memorandum contends that hundreds of individual companies should not be permitted to undertake private purchase of rubber on April 1 because, says the "Journal of Commerce" advices:

1. Potential demand is greater than available supply, and traders and producers may "hold back shipments for higher prices."

2. This would prevent a steady flow such as can be had under public purchase.

3. The world market is not free but "controlled" by the British and Dutch Governments which have regulations that set up a "sellers' cartel." It adds that "Government buying is the medium to deal with Government selling."

4. The shortage of natural rubber requires industry to use synthetic, and until such time as a permanent synthetic rubber policy is established by Congress, "there must be some orderly program of manufacture to keep any semblance of sound costs of production."

5. An immediate end to exclusive public purchases would cause widespread confusion, because individual companies would "endeavor to buy natural rubber, then apply by appeal to have specifications opened to permit its use. Competitors would then be forced to take similar action."

It would be possible for the Administration, if it desired, to continue public purchase of rubber until June 30, but for Government buying after that date legislation would be required, because the Office of Rubber Reserve is due to expire at that time.

The "Journal of Commerce" advices likewise said:

The RMA was understood to have decided on Sept. 30 as the extension date in the belief that a national rubber policy would be worked out by that time, and that ample supplies of crude rubber would be available.

House Approves $6,000,000,000 Budget Cut, Confirming Joint Committee; Truman Opposes

Despite last-minute reassertions by President Truman that the budget figure he had given Congress was the amount necessary for the operation of the country, the 102-man Joint Congressional Committee on Feb. 14 approved a $6,000,000,000 reduction in the President's recommendation of $37,500,000,000 for the fiscal year 1948. And on Feb. 20 the House, by a vote of 239 to 159, approved the full slash.

On Feb. 13, according to Associated Press Washington advices, Mr. Truman had stated at a news conference that his budget was essential to safe operations, and without elaborating on the term "safe" made it emphatic that he endorsed without qualification the assertions of War Secretary Patterson. The War Department head had declared earlier that if the Army has to take a $1,500,000,000 cut—as some legislators say it should—its "current and long-term missions" will be jeopardized. Its chief current duty is occupation of Japan and Germany. Its long-range mission is to protect the United States from attack.

The final vote by the Joint Comittee on Feb. 14 was 50 to 22, 30 members either being absent or failing to cast a ballot.

The joint Congressional group's action was acceptance of a subcommittee's recommendation to set a spending "ceiling" at $31,500,000,000, and to limit appropriations for expenditures during the next fiscal year at $24,000,000,000. But, as explained by Budget Chairman Taber (R.-N. Y.), if Congress adopts the Committee's resolution, the action "is not binding" on either House or the Appropriations Committee.

"It does not in any way change the rules of the House or the rules of the Senate," Mr. Taber admitted, according to advices to the "Wall Street Journal," from Washington bureau. "It would not prevent the committees from going below or above the ceiling that is fixed in this budget. That is the judgment of the (House) parliamentarian, that is Mr. Cannon's judgment, and my own judgment."

Rep. Cannon (D.-Mo.) is ranking minority member of the House Appropriations Comittee.

Only one Republican member of the House, Representative Margaret Chase Smith, of Maine, voted opposition to the $6,000,000,000 budget reduction, Associated Press advices stated, while twelwe Democrats joined in support of the cut. Chairman Knutson (R.-Minn.) of the House Ways and Means Committee declared that the economy to be effected would assure a 20% cut in individual income taxes. However, it is conceded that opposition to a reduction as large as $6,000,000,000 is increasing in the Senate. Before the final vote of the Joint Committee, Senator Taft (R.-Ohio) voiced disapproval of reducing the budget by any more than $5,000,000,000. This is considered the figure which would probably emerge as a compromise from a House-Senate conference, if the Senate votes for an anticipated cut of $4,500,000,000.

President Truman is reported, according to the Association Press, to have intimated at a news conference on Feb. 20 that although he wished to make no comment until Congress has completed action on the budget, he would give his views in no uncertain terms when the matter reached his desk. The President has declared more than once that his $37,500,000,000 budget is rock-botton for safe operations by the government.

Supreme Court Rules on Ry. Trainees—Jackson Assails Court on Wage-Hour Law

By writing a separate concurring opinion on a case involving the Wage-Hour Law, Justice Robert Jackson on Feb. 17 gave expression to his criticism of previous decisions of the Supreme Court, declaring, according to Associated Press Washington advices, that the Court should "pay at least some deference to the customs and contracts of an industry" when ruling on wage-hour cases. The instance for which he had written the separate opinion was one in which the high tribunal unanimously upheld contentions by two railroads that men who take training for certain jobs are not employees within the meaning of the wage-hour law.

The decision affected certain learners on the Nashville-Chattanooga & St. Louis Railway and the Portland (Me.) Terminal Co. In the Associated Press advices it was stated "the United States Circuit Courts in Cincinnati and Boston decided that the trainees were not covered. The Department of Justice appealed the decisions to the Supreme Court, asserting that both Circuit Courts were wrong because the trainees perform the same duties as the regular employees."

According to advices to the "Wall Street Journal" from its Washington bureau, "the Court's decision, read by Justice Black, noted a difference between trainees who were being instructed in a certain trade and employees who were hired to fit themselves for a particular job."

Mr. Jackson's opinion agreed with that of the majority, that railroad trainees, not hired to do a particular job but being given a course of instruction, could not claim minimum wages under wage-hour Law.

Mr. Jackson, in his concurring opinion, the Associated Press continued, also took occasion to criticize two decisions in which Associated Justice Frank Murphy wrote the majority opinions:

1. The 5-to-2 decision in the Mount Clemens (Mich.) Pottery Co. case from which the $5,000,000,000 in portal suits sprang, delivered while Justice Jackson was in Nuernberg for the Nazi war crimes trials.

2. The 5-to-4 decision in the Jewell Ridge (Va.) Coal Corp. case of 1945, in which the United Mine Workers Union won portal-to-portal pay for underground travel time. Justice Jackson criticized this in a dissenting opinion at the time.

Justice Jackson argued that the true function of the Court in wage-and-hour cases is to "give decisiveness and integrity in borderline cases to collective bargaining" or to "give strength and where possible decisiveness in doubtful cases to the studied rulings of the (wage-and-hour) Administrator."

Both of these considerations," he asserted, "were thrown to the four winds in Jewell Ridge Corp. versus United Mine Workers."

The Court rejected his view in that case, Justice Jackson said, and laid down rules "which take no account of contract or custom," The disregard of those elements, he said, was "pressed into other fields of industry" in the Mount Clemens case.

Consumer Spending During 1946

Consumers spent a record total of $127 billion for goods and services in 1946, according to preliminary estimates of the Office of Business Economics, Department of Commerce, made available Dec. 26. This represents an increase of $21 billion, or about one-fifth, over 1945 and 70% over the prewar peak year of 1941, said the announcement from the Department, which added:

"The record high level of expenditures and sales in 1946 is accounted for, in part, by higher prices. The Department's index of retail prices in 1946 was about 10% above 1945 and more than 40% above the average for 1941. Nevertheless, after dollar expenditures are adjusted for the increase in prices, the volume of expenditures in 1946 appears to be substantially above last year and considerably above 1941. It is significant that this year, for the first time since 1941, consumers spent as much as could have been expected on the basis of the prewar relationship of expenditures and consumer incomes. In other words, in this first full year of peace the expenditure-income relationship has reverted to its prewar pattern.

"The reestablishment of the peacetime relationship does not mean, however, that purchases of all groups of goods are now in line with incomes. In general, expenditures for nondurable goods are high relative to incomes, whereas deficiencies still exist in sales of durable goods and of the various types of services. Purchases of nondurable goods, such as food, clothing, tobacco, and gasoline, amounted to $77 billion in 1946. This was $12 billion more than in 1945, thus accounting for more than half of the total increase in consumer spending. Expenditures for food—including alcoholic beverages—and clothing increased about 17% over 1945. These constituted more than four-fifths of all expenditures for nondurable goods.

"Expenditures for durable goods, such as furniture, household appliances, automobiles and jewelry, are estimated at $14 billion for 1946. Despite relative shortages of certain hard goods, these expenditures were half again as large as in the peak year 1941 and four-fifths more than in 1945. Nevertheless, expenditures for durable goods were still considerably below the amount which consumers would have spent on the basis of their high incomes if more of these goods had been available. All of this deficiency, amounting to $4 billion, was in the automobiles and parts segment, despite a gain in expenditures for this category of $2.5 billion over 1945.

"Expenditures for services such as housing, medical care and recreation increased more than 10% over 1945 to a total of $37.5 billion in 1946. Expenditures for housing, including rent, were slightly above $8.5 billion in 1946, or 5% above 1945. With the exception of domestic service, the increase from 1945 to 1946 in all other service groups was more than 10%. This high level of consumer outlay meant, of course, record retail sales. Not all sales at retail stores are included in consumer expenditures, it was pointed out. However, with the exception of such items as building materials, trucks and automobiles for business uses, purchases at retail outlets are made primarily for final consumer use. Sales of all retail stores in 1946 were about $96 billion, one-fourth above 1945 and almost three-fourths more than in 1941. Sales of nondurable goods stores, such as food stores, eating and drinking places, apparel stores and department stores are estimated at $77 billion for 1946, about one-fifth more than in 1946. In contrast, durable goods store sales in 1946 exceeded last year's by two-thirds and were one-fifth larger than in 1941.

"Since many of these stores substituted nondurable lines during the war period for hard goods which were in short supply, sales of all durable goods stores did not fall as sharply as did total durable goods expenditures. Consequently, the 1945-46 gains in sales of durable goods stores were not commensurate with the increases in consumer expenditures for durable goods."

Truman Confers Honors On Saudi Arabia Rulers

President Truman on Feb. 18 conferred on Abdul Aziz Ibn Adbur Rahman Al Faisal Al Saud, King of Saudi Arabia, the Legion of Merit, in the degree of Chief Commander, for services to the Allied cause in World War II. This was indicated in a Washington dispatch Feb. 18 to the New York "Times" which stated that the medal was handed by the President to the Crown Prince of Saudi Arabia in the Executive Offices of the White House. In part the advices to the "Times" also said:

The Crown Prince, on whom Mr. Truman conferred the Legion of Merit in the degree of Commander, will end his visit to the United States tomorrow, when he will fly to London in the President's C-54 four-engined transport airplane.

The Crown Prince was cited for his execution of his father's policies in his capacity as the King's deputy.

He was accompanied to the White House by Sheikh Asad Al Faquih, the Minister of Saudi Arabia in Washington.

Arrangements for the homeward journey of the Crown Prince on the President's personal plane, with its regular crew, headed by Col. Henry Myers, were made by invitation of the President, it was stated in Associated Press advices from Washington on Feb. 16.

The Prince had been in the United States for three weeks on an air tour of the country. The Crown Prince recently issued a statement through an interpreter in which he said:

"I have learned a great deal of the achievements made in the United States in the fields of agriculture, irrigation, industry, education and the sciences.

"I hope to come again to have more time to study these projects in detail. I hope that I can adapt all these things which I have learned here that would be profitable for the progress of my country."

It was reported that he had been particularly impressed with the irrigation developments in California because the problem in Saudi Arabia is similar.

The State of Trade

With the trickle of consumer goods now developing into a healthy flow, business is beginning to recognize a problem that has been dormant a long time due to shortages of civilian goods which normally accompany a war-time economy.

The lifting of government restrictions on prices and production, it was expected, would bring living costs within more reasonable bounds. However, the opposite is true, since commodity price indexes at present continue to reflect new high levels and despite rather spotty price declines in some soft goods lines where supply has equalled or exceeded demand, the general trend of prices continues upward due to rising costs of materials and wages.

A clear example of this condition may be found in one of the major key industries, the steel industry, where in its effort to raise output and scale down the unprecedented volume of unfilled steel orders, the industry is running into higher steelmaking costs. Marginal or high cost equipment, states "The Iron Age," a steel trade authority, 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. These abnormal costs do not cease at the fountainhead of production, but are transmitted through the various stages of production to the finished product and the ultimate consumer.

This trend toward higher and higher prices has reached a point where in many instances the consumer is being priced out of the market and the only alternative left for him is to supplement his income and earnings by credit in the form of charge accounts, instalment buying or personal loans that he may obtain the necessities and luxuries he desires.

That he is already availing himself of this method of financing his needs can best be illustrated by the report of the Institute of Life Insurance which reveals a sharp growth in the use of consumer credit. Personal indebtedness for 1946 the Institute notes was increased by $6,000,000,000, the total standing at $39,600,000,000, or within $1,100,000,000 of the 1929 peak. At the current rate of borrowing it appears that personal debts will reach a new high level early this year. Basis for this contention may be found in the action of automobile dealers throughout the country who are already seeking the abolition of Regulation W, the Federal credit regulation which governs down payments and the length of time required to pay for merchandise.

The pent-up demand for durable goods such as houses, automobiles, refrigerators, heating units and a multiplicity of other items continues without abatement and there is a real danger with prices being what they are and the consumer's desire to fulfill his wants that he may overreach himself in the use of such available credit.

To avoid such a situation from getting out of control, Mr. J. Gordon Dakins, manager of the credit management division of the National Retail Dry Goods Association, raises the storm signals by warning businessmen that only close credit checking, sensible terms, and a regular collection follow-up will keep people from overbuying.

A slight rise was noted in total industrial production last week with many industries recovering from the moderate decline caused by the sudden cold wave the week previous. Many workers were recalled from furloughs that had been granted when industrial gas shortages in some areas had limited operations during the cold spell. Further increases in production were frequently restricted by the lack of additional skilled labor or the difficulty of obtaining additional supplies of raw materials.

Attendance at durable goods shows throughout the country generally was light. Buyers were cautious and the volume of orders placed was small. Notwithstanding a noticeable improvement in the supply of housewares and appliances strict allotments were kept in force for name brand cooking utensils, electrical appliances and kitchenware. Demand for hardware, paint and automobile parts continued at the high levels of previous weeks.

Total dollar volume for the week compared favorably with the preceding week but was only moderately above that of the corresponding week a year ago. Gift buying for St. Valentine's Day resulted in a sharp increase in the number of purchases of candy and other specialty items. The demand for Spring apparel rose appreciably with the advent of milder weather.

Wholesale volume remained at a high level during the week and it continued to be moderately above that of the corresponding 1946 week. The demand for appliances and other durable goods remained high and some improvement in the supply of many previously scarce items was reported.

Steel Industry — By straining every piece of equipment and using all of the shortcuts learned during the hectic wartime peak periods, the steel industry last week set a new peacetime record with ingot operations at 94.5% of rated capacity, up one point from the previous week, according to "The Iron Age," national metalworking paper. 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, the magazine adds.

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. The 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, the above trade authority observes, 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.

For steel firms there was little relief in scrap market conditions the past week. While quoted prices in the various major markets were unchanged last week many steel producers continued to pay from $2 to $3 a ton more for

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Export-Import Bank Credits to Finns—Interests to Promote Imports into U. S.

William McChesney Martin, Jr., Chairman of the board of directors, announced on Feb. 20 that the Export-Import Bank has authorized a credit of $2,500,000 to the Finnish-American Trading Corp., an enterprise recently established in the United States by private Finnish capital to carry out a sales-promotion campaign in the American market for a wide array of commodities produced by Finnish enterprises. The advices made available by the Export-Import Bank went on to say:

"The funds are to be used to finance the purchase of machinery and equipment necessary for expanding and modernizing production in the Finnish industries concerned. These industries include those manufacturing various types of wooden articles; ceramics, crockery, chinaware, and glassware; granite products; special metal goods; veneers and veneer products; furs; and miscellaneous specialties and handicraft articles, as distinguished from lumber, pulp, and paper products which presently account for the major part of Finnish exports. Mr. Martin pointed out that the credit will enable Finland both to increase and to diversify its sales in the American market and will thus strengthen Finland's ability to service its already substantial volume of obligations to the Export-Import Bank.

"The credit is contingent upon additional private capital, both Finnish and American, being drawn into the program, particularly with reference to the financing of necessary raw materials.

"The Finnish-American Trading Corporation is to establish headquarters at the Finland House, located at 39-41 East 50th Street, New York City. An exhibition of Finnish products will be presented next fall as part of the trade-promotion effort. A joint Finnish-American Chamber of Commerce is also planned, with offices in the Finland House. The Finnish-American Trading Corporation has expressed to the Export-Import Bank its desire to cooperate closely with American business in the promtion of two-way trade between Finland and the United States without interfering with established business channels such as already exists in the pulp and paper trade."

Mr. Martin stressed that both the private-enterprise character of the Finnish-American Trading Corporation's program and its orientation toward promotion of exports to this market are features to which the Export-Import Bank is attaching great importance in its curent lending operations.

Average Worker Has Fantastic Ideas of Profits, Says Robinson

Dr. Claude E. Robinson, President of Opinion Research Corporation, in an address on Feb. 18 to a meeting of the Illinois Manufacturers Association at Chicago, said that the average American worker has a "fantastic misconception of the amount of profit industry makes and also of what his share is of the wage-dividend-management dollar." Chicago advices to the New York "Times" of Feb. 18, from which the foregoing is taken, also gave the following further account of the remarks of Dr. Robinson:

These misconceptions have had grave repercussions for business, said Dr. Robinson. They have provoked unrealistic wage demands solidified union ranks, reduced worker productivity on the assumption that the problem is not one of production but of distribution, and have contributed to the feeling that management is selfish and without heart.

Dr. Robinson said a national study of 472 corporations showed that 37% do nothing to communicate profits information to employees, 63% were found to employ various means of disseminating profits information among employees, but only 3% employed what may be the most effective medium — meetings, Dr. Robinson said.

As We See It

(Continued from first page)

been so greatly reduced. The drain on the "labor force" of that country has not, moreover, been anywhere near this great even if allowance is made for the number of men in the armed forces at the present time. The fact is that coal production, even before the adverse weather of the past few weeks, was less than half that of the later prewar years.

As to ourselves our population and our civilian labor force has continued to increase despite war losses and is higher now than at any time in our history. That part of the population devoting itself to peacetime pursuits is very much larger than during the perfervid days of pressure war production.

What then is the explanation of this paradox? It is found in part, of course, in the fact that we are impatient to produce more than usual of many things—in part to fill accumulated backlogs of demand both from distributors and consumers as well as to supply relatively large residual armed forces and to afford relief to starving and destitute peoples, some of whom are not yet permitted to go productively to work. Accumulations of cash in the hands of many consumers in this country have enabled them to come into the market with the wherewithal to buy large quantities of goods if they could be had at prices which do not reflect the inflation which has entered the financial mechanism of the country.

Much More to Be Explained

But all such facts leave much to be explained about the current situation. That highly significant remainder is, however, easily accounted for by the fact that output per worker is far, far below what it could be and should be. Despite lack of a great deal of particularly reliable statistical information on the subject, it is clear beyond any reasonable doubt that output per man hour is far below what it could and should be—in light of the technological advances of recent years. For this state of affairs there are a number of reasons. It has taken and is taking time to get our peacetime industry back to its normal smooth functioning so characteristic of it at its best and essential to its efficiency. Many things were disrupted during the war including a number which could not be mended in a day in the best of circumstances.

Our modern economic system is a complicated mechanism and a delicate mechanism. Supply channels have had to be renewed. Price controls have done a great deal to make such renewals difficult. Price relationships even more than absolute price levels have been a source of great difficulty. The labor unions apparently have had to have their "fling," and when one union or set of unions were not blocking traffic at one point another was impending seriously at another during much of the past year. Industry is not wholly free of these difficulties even now, and may, of course, be heading for more of it in the months ahead. Spread of unionization and of the labor philosophy which tends very definitely to add to work restrictions, lack of that discipline so essential to any sort of joint endeavor, featherbedding and all the rest which hamper production in a thousand ways. Individuals, too, in this country seem to demand that work opportunities be created for them at the same time that they have developed an indisposition to perform as was until quite recent years regarded as perfectly normal. Much of this is a "hangover" of the "spread-the-work" campaigns of depression years, and much of it has its origin elsewhere, but whatever its origin it definitely and seriously curtails economic output.

The 40-Hour Week

But reduced output per man hour (in the presence, let it not be forgotten, of enormous advances in technology) is not the whole story by a wide margin. There is, of course, no way of computing the precise cost in production of the forty-hour week which came to the fore in the 1930's with such powerful support that it is today all but universally regarded as sacrosanct. The precise number of hours of work which would maximize production over the long term doubtless varies widely in various industries and in different occupations, but we are certain in our own minds that in very few are top results obtainable in forty hours each week. Certainly they are not attainable in that length of time unless the shortened period of effort gives rise to more intense endeavor which is rarely if ever the case.

It is probable that many do not realize the distance we have traveled toward more leisure during the past two or three decades. In 1914 the average work week in manufacturing plants seems to have been about 51.5. From 1925 through 1929, the average was roughly 48 hours. Then came the drive of the 1930's to "spread-the-work." Not even during the war with all the pressure for production and all the profligate overtime paid did the work week ever on the average get back even near to 48. Now that the war is over the forty-hour week fetish is at work with all its old-time vigor. The law, of course, upholds it, the unions revere it and the businessman in light of penalty wages must observe it in very large part.

Now if the American people prefer leisure to what they could produce by harder work for longer hours, there is, of course, no one to say them nay. If that is their choice, and they make it knowingly, no blame attaches to anyone. But it is a choice which they must make—between more goods and more leisure.

They appear to have chosen the leisure, and that is the chief explanation of the current "manpower shortage."

Price Increase Rate Greatest From June To Dec. 1946

The rate of price increases from June to December, 1946, was the greatest in the nation's history for any similar time period, and many factors indicate that prices may drop in 1947, according to Louis J. Paradiso, Chief of the Business Structure Division, Office of Business Economics, Department of Commerce.

Speaking in New York City at the New School for Social Research on Jan. 29 Mr. Paradiso said that he expects consumer demands for goods and services to continue strong for seveal years to come, according to the Commerce Department, Mr. Paradiso, citing overall figures on recent price increases, said that the average wholesale price of all commodities rose by 26% from June to December, 1946, while prices of consumer goods increased by 15%. "These are the sharpest rates of price increase which have occurred in any six months period of our history, exceeding the rates of increases in the three previous periods of inflationary price movements—1812-14, 1861-65, and 1916-20," Mr. Paradiso said. He added that "the sharp price movement which has occurred since June, 1946, has resulted in a greatly distorted price structure with the result that many prices have risen in excessive amounts while many others have recorded little or no change." The Commerce Department stated that Mr. Paradiso cited three factors which indicated that a readjustment of the price structure might soon be in order, viz.:

1. While consumer expenditures are now in line with disposable incomes on the basis of the prewas relationships, consumers are spending a larger proportion of their incomes on nondurable goods and this has contributed to the boosting of prices of such commodities as food and clothing. As more durables become available the pressure of demands for nondurables will lessen with the result that prices will tend to soften in the latter segment of the economy.

2. The recent high rate of inventory accumulation amounting to about one billion dallars per month has resulted in a channeling of about 8% of the output of goods into inventories. Thus, the flow of finished goods to consumers during the reconversion period has been low in relation to total production and to the incomes received. This rate of inventory accumlation cannot go on indefinitely. As total production increases many producers will be able to achieve a balance in their aggregate inventories and will curtail their demands for goods for further inventory building. At the same time the ratio of finished goods to total goods produced will increase.

3. Production of many goods has been extremely low in relation to demand. Increased output is expected in many lines this year. There is evidence that productivity per worker is on the increase in many plants. This should permit lower costs to producers which in turn would allow in many cases a reduction in prices without impairing profits.

Because of the distorted pattern of consumer buying in the past year and the large demands stemming from inventory needs, the price structure is now out of balance, Mr. Paradiso said; he cited certain developments in suport of this, and said:

It appears from these developments that the pressures will be for a readjustment of prices this year which should bring the price-cost relationships into better balance. However, the basic demands of both consumers and producers are expected to remain strong. Demands for many goods such as automobiles, houses and other hard goods will not have been entirely met by the end of the year. It is expected that after the readjustments in prices, costs, inventories and the consumer spending pattern take place the basic demands will become reactivated and provide the basis of sustained business volume for an extended period.

Summer School for Financial Executives

A summer school for credit and financial executives will be held at the University of Wisconsin from August 17 to 29, it was announced on February 16 by Dr. Carl D. Smith, Director of Education of the National Association of Credit Men. This school, it is indicated, will provide a professional program of credit education for credit, financial and other executives. The purpose of the program is to interpret economic and financial policies; to broaden the perspective of business executives; to aid them in the development of their managerial and administrative abilities; to encourage the improvement of leadership qualities; to provide for a broader knowledge and to stimulate habits of orderly thinking upon business problems.

The new program is a revival and enlargement of the Summer Institute of Credit held in 1941 and 1942 at Babson Institute of Business Administration, of which Dr. Smith was then President. Dr. Smith will serve as Executive Director of the school and Dr. Fayette H. Elwell, Dean of the School of Commerce of the University of Wisconsin, and members of his staff, will cooperate in its administration. The announcement also says:

"The program of study will consist of three annual periods of two weeks each. Students will not be required to attend three consecutive summer sessions, though it is desirable that they do so. The first year of the three year program will be offered in 1947; the first and second years will be offered in 1948 and all three years in 1949. Four study subjects will be required each year and in addition a series of round table conferences will be held. Students who attend three full sessions, not necessarily consecutive, who complete all the prescribed courses and all the extension problem work which will be assigned, and who pass a final oral examination will be granted a diploma issued jointly by the National Institute of Credit and the University of Wisconsin."

U. S. Rules on China's Subsidy Plan

With Chinese currency continuing to collapse, an announcement by the United States Consul General at Shanghai on Feb. 8 was considered to have blasted all hope for Chinese exports to the United States under present conditions. The consular notice, according to Shanghai Associated Press advices, advised exporters that for every cent paid as a subsidy by the Government on Chinese exports an equal amount would be collected by the United States as tax, in addition to normal duties. The result is estimated to probably mean China's economic downfall.

In business circles dissatisfaction with the Government's policies mounted, the contention being that every step taken by the government to stabilize the economic situation seems inevitable to develop a reverse effect. On Feb. 5 the United Press reported Chinese Premier T. V. Soong had decreed that exporters who are paid in foreign exchange should surrender their holdings to the Government, which in return would give them double the present official rate of American dollars. The official exchange is pegged at 3,350 Chinese dollars to $1 American. These press advices from Shanghai Feb. 8 as given in the New York "Sun" added:

> The export "bonus" or subsidy would be financed by a 50% ad valorem surcharge on selected imports.
>
> The immediate effect of the export measure was a sharp upward swing in prices, many of which have doubled since Wednesday.
>
> To the Chinese exporters, who already were reeling from the chaotic conditions of their business, the United States consular notice today was a knockout punch in so far as commerce with the United States is concerned.

Wage Board Terminated

The National Wage Stabilization Board, which went out of existence on Feb. 21, had on a day earlier marked the end of its emergency functioning by a final report to President Truman, presented at the White House where members of the Board received the President's thanks to a personal interview. Made public later, the report, according to Associated Press Washington advices, as given in the New York "Journal of Commerce," said that from the time of its establishment Jan. 1, 1946, to Nov. 9, 1946, when wage and price controls ended, the board handled 22,113 cases covering wage adjustments for more than 6,500,000 employes. Since Nov. 9, the board added, it has been disposing of a backlog of 6,676 enforcement cases in which employers "reportedly had violated the wage stabilization regulations."

Sixty cases remaining for disposition by the Board are to be transferred to the Bureau of Internal Revenue for final processing. The Associated Press noted that members of the Board are: Phillips L. Garman, Chairman, and Peter Seitz, Vice Chairman, public representatives; John L. Lovett, C. Copeland Gray, industry members; David J. Concannon and Herbert Buckman, alternate industry members; Carl Shipley and Robert J. Watt, labor members; John H. Leonard and David R. Stewart, alternate labor members.

Steel Output Continues to Rise—Bookings Running More Than 50% Ahead of a Year Ago

After several weeks of discussions involving non-economic factors leading towards a new wage contract, the United States Steel Corp. and the United Steel Workers of American this week began an initial approach to the wage question and other economic factors to be included in the final contract, according to "The Iron Age," national metalworking paper, which in its issue of today (Feb. 27), states as follows:

While both sides have at least two months to go before the end of the current contract extension, it is expected that a satisfactory agreement on wages and some social benefits will be reached before that time—possibly by the early part of April.

Both the steel industry and the union are already facing a different set of circumstances than was the case when negotiations opened more than a month ago. The industry has suffered a substantial increase in the price of scrap, one of the major raw materials in the present high rate of steel production, while the union on the other hand is currently facing a cost of living which is approaching the peak established last fall.

While these two major factors will have considerable bearing on the progress of the wage negotiations there is little doubt that a moderate increase in wages will be granted and that the time between now and the agreement will be spent by each side in presenting its case and deciding how far each will go towards an effective compromise. While the portal-to-portal suits are still considered serious by industry and labor leaders, each group expects that the Supreme Court and Congress will straighten out this Frankenstein.

Competition for scrap this week became so frenzied that quotations in secondary areas were approaching those in major scrap consuming districts. This situation was bound to occur as a defense measure on the part of consumers in those areas in an effort to retain as much scrap for their own use as possible. Substantial increases in the price of heavy melting steel have occurred in Birmingham, Detroit, Philadelphia, Boston and New York as consumers in those areas attempt to eliminate "raiding" by scrap users from other areas.

While scrap market prices are unchanged this week at Pittsburgh and Chicago, the markets there are vulnerable to an upward movement. An increase in the price of heavy melting steel in Philadelphia this week moved "The Iron Age" scrap composite price from $33.75 a gross ton to $34.08, up 33¢ a gross ton.

The Dept. of Justice this week has under consideration complaints about high steel prices and high scrap prices and is proceeding informally in the matter. It is not known what action the Department can or will take. The complaints involve high steel prices charged by steel brokers and warehousemen who have never before sold steel. The complaints have come from consumers and members of Congress.

This week there were no general signs of a slackening in the volume of new steel orders. In most cases order volume so far this month was ahead of the same period a month ago and bookings placed since the first of the year were running more than 50% ahead of the same period a year ago.

Despite reports to the contrary, the railroad industry last year obtained about the same percentage of steel supplies as it did in prewar years and since the total steel produced last year was greater than in 1939, actual tonnage of steel shipped to the carriers was higher. During the latter part of 1946 and early this year steel shipments to the railroads were increased on a percentage basis and further expansion will be made on these shipments during the second quarter of this year. Consumers other than railroads will be notified of a cut in their quotas in order to make possible the increase to the railroads. Last October, the latest date for which actual distribution figures are available, the amount of steel shipped to car builders for freight car construction alone was slightly more than 165,000 tons — the figure which is now considered to be a goal.

According to trade reports there is the probability that the price of pig iron will be advanced in the near future. Such a step would follow an increase of $3 a ton a few weeks ago, made by an independent producer.

The American Iron and Steel Institute this week announced that telegraphic reports which it had received indicated that the operating rate of steel companies having 93% of the steel capacity of the industry will be 94.4% of capacity for the week beginning Feb. 24, which is the highest rate reached since the 95.3% level in the week of May 14, 1945 and the third consecutive week of record post-war production. The current figure also compares with 94.1% one week ago, 93.6% one month ago and 58.6% one year ago. The operating rate for the week beginning Feb. 24 is equivalent to 1,651,900 tons of steel ingots and castings, compared to 1,646,700 tons one week ago, 1,637,300 tons one month ago and 1,032,800 tons one year ago.

"Steel" of Cleveland, in its summary of latest news developments in the metalworking industry, on Feb. 24 stated in part as follows:

Metalworking operations are held back by acute shortages of steel, but signs are appearing signaling the time is not far distant when noticeable easing in the tight market situation will be evident.

Steel production booms along at a peacetime record-shattering pace, and, if uninterrupted, supply pipelines for some products should begin to fill up over the next three months, accompanied by corresponding slackening in demand pressure.

Anticipating such easing, buyers are watching inventories with a sharper eye. At the same time, consumer resistance to quoted prices is developing, the so-called "black market" now presenting a noticeably weaker front with prices off three to five cents per pound. Also, talk is heard of a possible break in certain mill extras within the next few months. All this points to a definitely softer market situation in the making.

Broadly, supply is most stringent in sheets and strip, with plates close behind. However, except for alloy steels and certain specialities, notably wire rope, steel product supply generally still falls far short of demand. Little hope is held out for appreciable betterment in flat-rolled products before late year at earliest. Plates are in similar position, and heavy railroad car allocations may necessitate diversion of some strip capacity to plate production at the expense of sheets and strip.

Pig iron is critcally short. Housing allocations have diverted such large tonnage from normal channels that widespread shutting down of foundries is threatened with accompanying curtailment of assembly operations depending on castings. Foundry operators are pressing for removal of all allocations. However, expectations are priorities will continue through second quarter. Meanwhile, some foreign iron is being imported, chiefly from England and Poland, and additional offerings are in the market. High prices and extended deliveries hold out little promise of any major relief from this quarter, however.

Fed. Home Loan Bank Paying Maturing Notes

Consolidated notes of the 11 Federal Home Loan Banks, totaling $29,000,000 and maturing Feb. 17, will be paid off in cash, Harold Lee, Governor of the Federal Home Loan Bank System, announced on Feb. 16. This retirement, it was announced, will reduce the outstanding obligations of the Home Loan Banks to $140,000,000 of bonds, maturing April 15, 1948. Since their organization the Home Loan Banks have marketed a total of $1,030,500,000 of their securities and advanced almost $2 billion to their member institutions, the announcement said. It is added that while seasonal repayment on advances by member institutions in recent weeks have been sufficient to provide for the Feb. 17th retirement, 1946 was the most active year for the district Federal Home Loan Banks since their establishment in 1932 to provide reserve credit for member savings and loan associations and other home financing institutions, Governor Lee reported.

"The return to conditions approaching normal peace-time, together with the present heavy demand on financial institutions for home loans, brought advances of the district Banks to their member institutions during the year to a total of $329,000,000," Governor Lee said. "Repayments amounted to $231,000,000. Advances outstanding on December 31, 1946 aggregated $293,000,000. Each of these dollar indexes constitutes a peak record of activity for the Federal Home Loan Bank System. The figures, too, are a reflection of the steady growth in resources of the member institutions." He further said "Because their receipts of local savings were then far ahead of their investment outlets in dollar totals, during the war years savings and loan associations had comparatively little recourse to their Home Loan Banks for additional credit. This picture has changed. Although the inflow of savings still substantially exceeds pre-war years, institutions have been making loans in record volume to finance the construction and sale of houses."

Berge Resigns As Anti-Trust Head

Announcement has been made of the resignation, effective May 1, of Wendell Berge as Assistant Attorney General in charge of the Anti-Trust Division, Associated Press Washington advices of Feb. 16 stated, adding that Attorney General Tom Clark has expressed regret at Mr. Berge's pending departure. It was reported that Mr. Berge intended returning to private law practice.

Supreme Court Upholds Hatch Act

The Hatch Act, prohibiting activity in political campaigns by Federal employes or by State employes whose wages are financed by Federal grants, was upheld by the United States Supreme Court on Feb. 10 in two separate rulings, according to Washington Associated Press dispatches. The Federal employes case was one brought by the United Public Workers of America (CIO) on behalf of 12 employes, one of whom, a roller in the Federal mint in Philadelphia, had been accused of violating the Act by the Civil Service Commission because he had also served as a Democratic ward executive committeeman and worked at the polls on election day, Nov. 5, 1940. From the Associated Press we quote:

The CIO appealed to the Supreme Court after a special three-judge United States Court for the District of Columbia rejected the union's attempt to enjoin the Civil Service Commission from enforcing the section. The District Court upheld the constitutionality of the section.

Department of Justice attorneys defended the section as a proper exercise of the power of Congress "to establish a sound, impartial civil service based upon merit and divorced from 'spoils,' as well as freed from subtle pressures and influences."

The Supreme Court heard argument on the case on two separate occassions before reaching its decision.

The Court's majority opinion, delivered by Justice Reed, said that the tribunal believes that "Congress and the administrative agencies have authority over the discipline and efficiency of the public service." The press advices added:

"When actions of civil servants in the judgment of Congress menace the integrity and competency of the service, legislation to forestall such danger and adequate to maintain its usefulness is required," the opinion continued. "The Hatch Act is the answer of Congress to this need. We cannot say with such background that these restrictions are unconstitutional."

The majority opinion said that none of the 12 employes concerned except G. P. Poole had actually violated provisions of the Hatch Act.

The State rights case involved an Oklahoma Highway Commissioner who, according to a Civil Service Commission finding, had also served for a time as Democratic State Chairman. In this case, brought by Oklahoma, the Supreme Court ruled that while the Federal Government could not regulate local political activities of State employes, it could attach any conditions it wished to grants of funds.

Truman Urges Health Drive

In a statement on Feb. 8 President Truman appealed to the American people to cooperate in the fight against "the present-day national peril—heart disease," and to make a united effort to reduce automobile accidents which, he said, took 28,600 lives last year. The President attributed the ravages of heart disease to "the increased tempo of modern life," United Press Washington advices stated. To deal with the problem of motor accidents the President has reactivated last year's safety conference; another conference to be held in June, from which he hopes will come an "action program" to promote steady progress in a campaign against the perils of careless driving. The State Governors have been asked to continue their cooperation with the safety program.

Incident to the President's appeal in the health problem fight against heart disease, an appeal for $500,000 for research, public education and clinical services, was announced on Feb. 8 by the New York Heart Association, according to the New York "Times." The appeal also marked the start of National Heart Week.

State Dept's Daily Broadcasts to Russia

The State Department at Washington through its International Broadcasting Division began a daily program series of Russian-language broadcasts to the Soviet Union on Feb. 17 with what it termed "emphasis on factual, unbiased news of the world and news of the United States." A preliminary announcement by the State Department released Feb. 2 said:

"Russian will be the 25th language to be incorporated into the program structure of the Voice of the United States of America, which already beams by shortwave and relays an average of more than 1,600 hours of programs each month to Europe, the Far East and Latin America. The addition of Russian progamming has been made possible by the recent rehabilitation of three shortwave transmitters at Munich, Germany. Russian broadcasts will originate in the New York studios of the International Broadcasting Division, and will be picked up and simultaneously retransmitted by the three Munich transmitters, each with power of 85,000 watts. The programs will be beamed to the Moscow-Leningrad area. Initially they will be broadcast one hour daily, seven days a week. It is planned to expand the broadcast time as soon as adequate facilities and personnel are available.

"The broadcasts will consist of news of the world, and of the United States; representative American music, both classical and popular; discussions, interviews and other features designed to present an accurate and objective picture of American life in all of its cultural, scientific and sociological aspects. These features will include frank discussions of such problems as housing, production, labor-management relations and social security. Special attention will be given to important settlements and speeches by high United States officials explaining American aims and policies."

To prepare the Russian-language programs, a special staff was selected and trained in New York, the staff being headed by Charles W. Thayer as Special Consultant and Nicholas Nabokoff as chief editor. The programs are broadcast daily at 1 p.m. EST. (9 p.m. Moscow time).

Under date of Feb. 17 Associated Press accounts from Washington said in part:

"The first broadcast beamed to Soviet Union by the State Department's 'Voice of America' short wave station presented a 2,000 word dissertation on 'State's Rights' and a summary of world news, interspersed with such tunes as 'Turkey in the Straw' and 'Git Along Little Doggie.'

"The program marks this country's initial effort to hurdle Russia's 'iron curtain' by means of radio.

"A translation of the script for the hour-long program was released by the State Department. It led off with an introductory statement quoting Secretary of State Marshall as saying that the United States will 'attempt to give the peoples of the world the pure and unadulterated truth'."

We've Outgrown Our Thinking

(Continued from first page)

pains which no optimist can deny. We feel, on all sides, unsatisfied needs and restrictions. We are squeezed into subways, street cars and buses. We stand in line at restaurants, dining cars and before telephone booths. That great triumph of government ownership, the United States mail, grows slower and slower. The mailman still rings twice, but he is twice as slow as he used to be.

Newspapers and magazines have plenty of news. Circulation and advertising are growing. But newsprint is scarce. Hotel reservations often depend on pull or bribery. Income has doubled, but living space cannot be found. Schools and colleges cannot catch up for years. The sick wait at the doors of hospitals.

In your business I assume that the customer is still theoretically always right. But he finds that even the righteous have to wait. He finds a lot of people directly ahead of him, and they are always right, too. When we try to ship an over-supply of grain to under-fed foreigners, the Secretary of Agriculture has to declare that our domestic transportation facilities cannot do the job. Home industries are held up by the lack of raw materials awaiting shipment abroad. Nearly everyone expected a surplus of steel and aluminum after the war. But we are short of iron and steel, and no surplus of aluminum has appeared. Automobiles and trucks have multiplied closely, but our streets and parking facilities are far behind our present traffic volume. Elaborate plans for improvement offer little hope of relief for years to come.

Channel Too Small for Stream

I need not elaborate these things, which highbrows call "maladjustments" in our economy. The simplest way to say it is that the channel is too small for the stream—the jacket is too small for the body. The body grows. The jacket remains the same. We are straining at the seems of our life.

We speak of foreign trades as if it depended on this or that change in tariff rates. I would not minimize the effects of tariff on foreign trade, but tariffs are not the whole problem.

Our tremendous efficiency in production makes tariffs and foreign trade barriers less important to us. But we must enlarge our physical means of reaching the world. Anyone who examines the problems of our great ports—New York, New Orleans, Houston, Los Angeles, Seattle and others—can see that the jackets are too small for the body of trade. Our ports must be modernized. Our access to these ports must be improved. And our governmental machinery for handling such matters as customs must be brought into line with the enlarged demands of our economy. Our customs are still administered as if the burden of proof were on every importer to show that he is engaged in legitimate trade. Our machinery is still geared to the thinking of the days when prevailing political thinking assumed that full dinner pails at home depended on rotting wharves and empty seaports.

Lower Not Higher Tariffs

The retailer has an immense stake in foreign trade. The days are past when the claims of infant industries were paramount. Most of our manufacturing interests need lower, not higher tariff protection. But in the halls of Congress we still hear the language of Smoot and Hawley and Paine and Aldrich.

Foreign trade, I need hardly add, flows on currents of credit. For generations, the basis of that credit was the wealth and sound financial practice of Great Britain. That basis is now sadly shattered. The only nation with the resources necessary to provide credit for the flow of foreign trade is our own. We may wish that this responsibility were not ours. But wishing cannot put us back into more isolated, perhaps happier days. Our ideas about foreign trade must expand to meet these new facts. The success or failure of the new World Fund and World Bank depend on our action. These institutions are having difficulties which must receive the attention of Congress. And yet, some leaders of Congress are still immersed in the dead past of protective tariffs.

Tariff discussions are only one example of the fact that our jacket of law is too small for our physical facts.

Statesmen are slow people. Perhaps that is because they are dealing with the slowest moving of commodities, which is public opinion. The laws they make are always behind the facts. And once enacted, those laws are straight-jackets. Before the statesman can comprehend a situation and decide what to do about it, the situation has changed. A British statesman said once that the law of today is the public opinion of yesterday. I would add to that, the public opinion of yesterday deals with the facts of last week.

Legal Misfits

Congress is struggling with a dozen such legal misfits. Its probings into the Wagner Act suggest an archeological expedition into the tomb of the old King Tut. They are trying to fit an old jacket on a new industrial world.

The Wagner Act, passed in an atmosphere of depression when labor claimed to be an infant seeking protection, now restricts and binds an industrial life in which labor is fullgrown. Government's might tips the scale to such an extent that management is unable any longer to manage or bargain on an equal basis or even to speak with assured freedom.

Last week we heard two powerful labor leaders arguing before the Senate Labor Committee. These men profess to be spokesmen for millions and millions of Americans. And yet they spoke in terms of the past. What they said might have applied to conditions 20 or 30 years ago. Nothing they said applied to 1947. They want no change in the law. Those who believe in growth and development, they say, are inhuman. Let us alone with our advantages and our monopolies. Cooperate in bringing legal rights into line with present relative powers? Certainly not, they said. These men are the true reactionaries. Let us alone, they say, in our shell of things-as-they-were. They hear not; see not—they speak only to resist change.

This stubborn refusal to recognize the facts hangs a millstone around the neck of the true friend of labor. It is notable that Senators Ives and Morse, who have always defended labor's rights, raised their voices in protest. If men like Messrs. Green and Murray, who are the real architects of the problems before the Senate Labor Committee, refuse to see that and to cooperate in wise and just improvements, they, and they alone, will be responsible if their enemies have their way.

Our Diplomacy Out of Date

Our diplomacy is still in the cutaways and spats of the past. Current descriptions of the Russian problem, both in official quarters and in large sections of the press, suggest what people heard 130 years ago at the Congress of Vienna. Listen to these words of a statesman: "The arrogant tones of that insolent and nonsensical document so deeply offended the English foreign minister that, departing from his habitual calmness, he declared that the Russians were claiming to lay down the law and that England was not disposed to accept that from anybody." These words did not originate at a meeting of the UN. They were written by Talleyrand in a letter to his king, Louis XVIII, in 1815.

Russian statesmen, too, are living in the past. The Marxism of Lenin is still gospel. But the fact of modern Russia no longer fits that gospel. Perhaps we would fear Russia less if we could conceive the difficulty of her statesmen, bound by the ideology of revolution. For Russia is struggling with internal problems for which technology, not ideology offers the only hope of solution.

I am suggesting not merely the necessity of more thinking—more speculation. If more thought could cure human ills, the Hindus or the Chinese, dreaming away the day, would transform the earth.

Our trouble is in the nature of our thinking. The world of fact is too big for our jacket of ideas. We live in a new world with an old mind. Facts have an inexorable priority. They are not, as Emerson said, to be trifled with. It is written in the Talmud that "things are more intelligent than men."

To meet the vast responsibilities that go with our power, we can, if we will, enlarge our ideas to accommodate our size. Our mastery of facts can be sharpened by ever improved research. Those facts must be efficiently gathered and realistically interpreted. Beyond that lies the task of what we call vision. Vision is the capacity to create ideas in harmony with our observations of the march of facts. Vision means an intelligently comprehended future.

America has its feet on the road to greatness. But it must lift its eyes and expand its knowledge. Our vision must be worthy of our responsibility.

Alexander Visits Wash.

After a brief visit of state in Washington, Viscount Alexander, the Governor General of Canada, with Lady Alexander, left the capital early Feb. 7 for a few days' stay in New York en route to Canada. Before their departure from Washington, according to United Press advices of Feb. 6, the Governor General and Lady Alexander called at the White House, where they had been entertained during their visit, to say farewell to President Truman and to extend to him an invitation to visit Canada.

Speaking at the 50th Anniversary dinner of the Canadians Society of New York on Feb. 8, at the Hotel Biltmore in New York, Viscount Alexander, in urging that the historical friendship between the United States and Canada be jealously guarded so that the whole world may see how two countries come to "pretty good" solutions of their differences, declared that level-headedness is the keystone of peace.

We quote the foregoing from the New York "Times" of Feb. 9, which in part also stated:

The Viscount, former desert strategist who is credited with a major role in the defeat of the Germans in North Africa, said that economic and diplomatic differences of nations could be threshed out with the same friendly compromise that marked military decisions among Allied commanders during the war.

His theme of the tolerant understanding in United States-Canada relations was also expressed by Governor Dewey, another speaker.

Governor Dewey observed that a formula for peace is to be found in the record of the two bordering nations in which there has been, he said, "no secrets between us, no haggling, no struggle for power."

Viscount Alexander returned to Canada on Feb. 13.

From Washington Ahead of the News

(Continued from first page)

same so-called global thinking. These "interests" are a motley crowd. They include those who are financially interested, intellectuals who have become bored with purely domestic politics, adventurers and out and out Commies, and those with racial ties abroad. Publishers in the highly populated centers, charged with reflecting their views, though they may be listed in the current propaganda as "reactionary" bend off backwards to echo the global world chant.

Frankly, we've never quite understood their propaganda to the effect that we must grow up and realize that we can't live by ourselves. There has never been much of such thought in the country. We are all quite cognizant that there are other countries in the world and that what they do affect us. One of the very first agencies of our government, in fact, was the Foreign Service. Since our very first beginning as a Republic, we have had embassies, ministries and agents in other countries. So early did we recognize that there were other countries in the world and set up an agency to deal with them, in fact, the Secretary of State is now the first man in succession to the President in the event he should die.

But it seems that having won two World Wars we must now accept our "moral leadership" of the world. How does a country do that? We are trying to get Russia out of Eastern Europe. We can't do it.

Well, we must stop the spread of Communism. How do we do that? If we don't pour some more money into China quickly that country will go Communist. If we don't pour some more into France it will go more Communist. All a dictator in the world has to do these days for us to pour some more money to him is to say: "I am afraid I am about to go Communist." And, we are frequently told, we had better watch out for our own country. If we don't open up the government coffers to the "plain people" here in our own midst, they will go Communist, too. The question arises as to why we shouldn't just say, go ahead and go Communist and see who it will hurt.

A fellow like Taft just can't swallow this bunk. We have problems here at home and he wants to solve them. One is a national debt of more than $250 billion. We've got to do something about that, for the purposes of stabilization, make a gesture towards cutting it down; we've got labor problems, etc.

He has travelled widely in Europe, knows a lot about the Far East. Indeed, he is a widely cultivated man. But because his mind revolts against it, his mind being a very logical one, and because he is still intensely interested in real problems, he can't bring himself to posing as an "international" statesman. That is more high sounding, but it doesn't lend itself to any real accomplishment.

Vandenberg, a clubable fellow, one who is rather tired, and fed up on working, which dealing with domestic problems entails, has gone off on the international junkets. In talking with his friends he can tell about the time he met Molotov, Stalin, Attlee, Churchill; perhaps be a more interesting conversationalist. He has had a good time; for a bored man, he has thoroughly enjoyed it.

The two of them, Taft and Vandenberg, appreciating the forces moving on and within the Republican party, have had a tacit agreement that the former should be the leader on domestic affairs, the latter on foreign affairs. There has been no rivalry between them on that basis. Each would go out of his way to say he followed or looked to the other in his respective sphere.

But now the two spheres are coming to overlap. It is going to cost money for Vandenberg to be an international statesman, not just the expenses of his trips abroad. But as an international statesman he must advocate pouring more money into foreign countries to "head off Communism," to assume our "rightful leadership."

Taft doesn't see any harm in our "exercising our proper place in the world," in "our exercising our global leadership," unless it costs so damned much money. He is appropriation minded.

Nevertheless, the two would still try to get along. Taft would probably be willing to open up the national pocketbook to an extent in the interest of party harmony and also with a view to trying to appease the Internationalists' propaganda. The efforts of the two men to try to meet each other half way, may be seen in what happened about the reciprocal trade agreements. Taft's real inclination would be to follow the Western Senators and scuttle the agreements as having accomplished nothing and done a lot of harm. But he went along with Vandenberg in the latter's remonstration to the State Department that it had better go slow.

However, watch the Eastern newspapers' determination, in spite of this effort of theirs to go along together, to split them. They have a purpose in advancing Vandenberg for the Presidency to head off Taft. When the vote on Lilienthal comes, the "split" between Vandenberg and Taft will be loudly advertised.

The fact is that Vandenberg is telling his friends that he got caught. Truman called him before he nominated Lilienthal and asked if he would vote for him, and Vandenberg having said he would, without giving it much thought, intends to stick to his promise. But he wishes he hadn't made it.

Construction Contracts Awarded in January

Construction contracts were awarded in January for 34,393 dwelling units in the 37 states east of the Rocky Mountains compared to 13,225 units included in contracts awarded during January, 1946 and 28,917 in December of last year, it was reported on Feb. 17 by F. W. Dodge Corporation, a fact-finding organization for the construction industry.

Last month's residential building contracts had a dollar valuation of $257,419,000 against $89,715,000 in the corresponding month of last year, and $193,365,000 in December. Six percent of last month's residential awards were classified as publicly owned housing.

Sharp gains were reported last month for heavy engineering construction, to bring the total of all contracts awarded to $571,628,000 against $357,501,000 in January of last year, and $457,278,000 in December, the Dodge corporation reported. Last month's total of all awards was the highest January total in the Dodge statistical series dating back to 1925.

18 Proposed as Voting Age

Senator Arthur H. Vandenberg (R.-Mich.), who was joined by Senator Harley M. Kilgore (D.-W. Va.), offered a Constitutional amendment on Feb. 19, according to Associated Press Washington advices, under which all United States citizens 18 and older would have the right to vote. At present the voting age is 21, except in the state of Georgia where it is 18. The proposal was referred to the Senate Judiciary Committee, headed by Senator Alexander Wiley (R.-Wis.).

Britain's Economic Budget—1947

(Continued from first page)

new building and repair, for nearly 300,000 families, and the way has been cleared for as fast an expansion in housebuilding as the material supplies will permit.

5. There has been little change on balance in food consumption but a considerable expansion in supplies of manufactured goods to the home civilian market, to levels ranging from two-thirds to over 100% of prewar.

At the time of the loan negotiations in Washington, it was estimated that our adverse balance in 1946 would be about £750 millions. The export drive developed faster than had been expected when these estimates were made, and imports fell below earlier expectations, so the deficit for 1946 is now estimated at around £450 millions. The following very provisional figures illustrate the position:—

	1938	1946
	(£ millions)	
Payments—		
For imports (f.o.b)	826	1,100
Net overseas govt. expend.	13	300
	839	1,400
Receipts—		
From exports and re-exports (f.o.b)	533	900
*From interest, profits and dividends	175	60
From other sources (net)	61	—10
	769	950
Deficit	70	450

*Excluding oil, shipping, insurance.

This deficit of £450 millions in 1946 has been covered mainly by drawings of $600 millions (£150 millions) on the United States and of $540 millions (£130 millions) on the Canadian credits.

Our balance of payments in 1946 has been more favorable than expected. But this is largely because we have been unable to obtain all the food and raw materials that we need. Moreover, during 1946 as a whole, the rate of expansion of our exports has been no more than enough to balance the rate of expansion of our imports. At the end of 1946, exports were running at 110-115% of prewar volume; but these exports, together with our invisible exports, were not enough to pay for imports even at 70-75% of 1938 volume.

The Situation in 1947

The central fact of 1947 is that we have not enough resources to do all that we want to do. We have barely enough to do all that we must do. The Government has examined the national needs for 1947, and has decided that first importance must be attached to payments for imports and to the equipment of basic industries and services.

Imports and Exports—Imports and exports must take first priority, now and for some years to come. We need more imports in 1947. In the last year we have been getting 70% of the 1938 quantities, and have had to draw on stocks. The 1947 import program provides an expansion to 80-85% of 1938 volume as follows:

	£ millions (f.o.b.)
Food and supplies for agriculture	725
Raw materials and supplies for industry	525
Machinery and equipment (including ships)	60
Petroleum products	55
Tobacco	50
Consumer goods	35
Total	*1,450

*Estimated film remittances of £18 millions in 1947 are debited against net invisible income.

There are other claims upon our foreign exchange resources. The expenditure abroad of the Armed Forces; our share of the cost of Germany; expenditure on relief; advances for rehabilitation; grants for Colonial development and welfare—all these, like imports, must be paid for by exports.

We expect to have to find in all some £1,625 millions of foreign exchange in 1947—£1,450 millions for imports and £175 millions for net overseas Government expenditure. This must be covered by our exports and re-exports, by our invisible income, or by borrowing from abroad. For reasons explained below, the Government considers that it would be unsafe to plan in 1947 to borrow more than £350 millions net. Our net invisible income may yield £75 millions. This leaves £1,200 millions to be provided by receipts from exports and re-exports.

Our exports and re-exports in the latter part of 1946 were running at a rate of about £1,100 millions a year. We cannot now expect an expansion in the first half of 1947. This is all the more reason why a strong effort must be made to recapture the lost ground and to bring about a substantial recovery in the second half of 1947. Otherwise we shall be faced with the inescapable alternatives of cutting down our essential imports or drawing dangerously fast upon the United States and Canadian credits. We must enter 1948 with a much narrower gap between our imports and our exports than there will be in the year 1947 as a whole. The Government has, therefore, set an export target of 140% of the 1938 volume to be reached by the end of 1947 as against the end 1946 level of 110-115% of 1938. It will be extremely difficult to achieve this target. This year, we cannot export coal. The volume of exports of manufactured goods must therefore rise to about 165% of the 1938 level. Our exports of steel and cotton textiles will not expand further this year. Special reliance must therefore be placed upon a further substantial growth of engineering, vehicle, chemical and miscellaneous exports.

The Dollar Problem—This layout of imports and exports ends with a prospective deficit of £350 millions to be met by borrowing from abroad. This is itself considerable alongside the £955 millions remaining of the United States and Canadian credits at the beginning of the year. But the drain upon these credits in 1947 threatens to be much larger than this. After the middle of this year our convertibility obligations under the Anglo-American Financial Agreement may result in some loss of dollars.

Moreover, our dollar position is much more difficult than would appear from our total balance of payments. We are now drawing some 42% of our imports from the Western Hemisphere, which is now the main source of the food and raw materials that we must have. But we are selling there only 14% of our exports. We are thus running large deficits with these countries. These must be settled in dollars or their equivalent. To much of the Eastern Hemisphere, on the other hand, we tend to sell more than we buy. But many of the Eastern Hemisphere countries have no gold or dollars or essential goods with which to pay. We, therefore, shall not be able to use our surpluses with Eastern Hemisphere countries against our deficits with Western Hemisphere countries. To the extent that this occurs, the drain on our dollars will exceed the total deficit of £350 millions.

This dollar problem within our total balance of payments can be solved only by the economic recovery of Europe and the Far East and the establishment of equilibrium in all the major trading countries' balances of payments. The United States and Canadian credits must last us not only until we have ourselves established a stable balance of payments and are exporting as much as we import; they must last until this special dollar problem is also solved.

Basic Industries and Services—The second main national need is to restore the full efficiency and productive power of our basic industries and services.

The present crisis underlines the basic importance of COAL, and of power derived from coal. We cannot afford to set a lower production target for 1947 that 200 million tons of coal, deep-mined and opencast. It will be a hard target for the miners to reach, but it will meet only our minimum requirements.

The immediate POWER crises of course, results from lack of coal. But even when there is enough coal to run the power stations to full capacity, there will still be an electricity shortage. In 1938, electricity production by authorized undertakings was at its prewar peak of 24,000 million units; in 1946, it was 41,000 million units. In January, it was running 15% above last year. In spite of a substantial program for the production of a generating plant, which will provide 0.8 million kilowatts of plant in 1947 and 2.6 million kilowatts by the end of 1949, the position is likely to get worse in the next two years. There will be some relief in Scotland in 1949 from the hydro-electric development in the north of Scotland. But in the country as a whole, in the Winter of 1947-48, the deficit is likely to rise to 1.6 million kilowatts; in the following Winter, to 1.7 million kilowatts. Drastic steps will be taken to keep down the domestic load.

The STEEL shortage results from lack of imports and from lack of coal to maintain maximum production of steel. In 1946, steel output was nearly 12¾ million ingot tons, compared with the prewar peak of 13 million tons. In 1947, there is capacity for a considerable increase, but the coal shortage is cutting down production. It is hoped, however, that output for the year will not be far below the 1946 level. Consumption before the war never exceeded 8½ million tons of finished steel. In 1946, it was 8.1 million tons, but rose to an annual rate of 9.2 million tons in the fourth quarter. The amount available in 1947 as a whole should be appreciably above that of 1946.

The RAILWAYS also have a large backlog of re-equipment and maintenance work to be done. In the summer before the outbreak of war, the railways carried 326 million ton-miles of traffic a week. During the war, the average was nearly 450 million ton-miles a week. The load is still running at over 400 million ton-miles a week.

The restoration of our SHIPPING is another major task. The merchant fleet in British ownership is 13.9 million gross tons, compared with 17.4 million gross tons at the beginning of the war. The shipbuilding industry is of just the same importance as an earner of foreign exchange as an industry producing entirely for export. Last year, it produced nearly 1 million gross tons of ships—about the same as in 1938. The target for 1947, achievement of which depends upon increased output per man-year and upon adequate supplies of materials, fittings and other components, is 1¼ million gross tons, with a large repair program in addition.

The net output at constant prices of British AGRICULTURE increased by about 35% during the war. The calorific value increased by about 70%. Intensive mechanization made British agriculture among the most highly mechanized in the world, with 190,000 tractors compared with the prewar 50,000; output per man-year rose by 10-15%. The Government's policy, both to save foreign exchange and for good farming, is to switch our production, as rapidly as the cereals position permits, from the production of crops for direct human consumption to the production of livestock and livestock products, especially pigs and poultry. The import of £1,000 worth of feeding stuffs will save nearly £2,000 worth of imports of livestock products.

The BUILDING labor force has expanded nearly to the prewar level, but output per man-year is far below prewar. Raw materials are a serious limitation upon production—first, timber; second, structural steel; third, clay products.

Summary Plan for 1947

Having examined our economy as a whole, the Government has sought to frame a balanced series of objectives for 1947. They are:—

1. Defense—A reduction in the Armed Forces from the December, 1946 level of 1,427,000 to 1,087,000 by the end of March, 1948 and a fall in the numbers of workers needed for supplying them.
2. Payment for Imports—Exports must be raised to 140% of 1938 volume by the end of 1947.
3. Capital Equipment and Maintenance—The housing program is 240,000 new permanent houses and 60,000 temporary houses in 1947. The amount of capital equipment and maintenance work (other than work on houses) to exceed that of a normal prewar year by at least 15%.
4. Consumption—Food supplies will not increase much in 1947 because of world shortages. The shortage of the most important manufactured consumer goods such as clothing and household textiles, pottery, and furniture will necessarily continue. A steady effort must be made to increase supplies but the progress will inevitably be patchy, depending mainly upon the extent of the fuel and labor shortages in the various industries.
5. Public Service—Programs for education, public health and national insurance to go forward, and a proper degree of efficency of the public services to be maintained, with special attention to economy in manpower.

The achievement of all of these objectives depends upon the basic industries and services, and in particular coal, power, steel and transport. Failure in any of these—and particularly failure to produce 200 million tons of coal in 1947—will set back the entire productive effort. Indeed, the possibility of securing those objectives depends upon the effort of the miners. They are difficult objectives.

At the present output per man-year, we shall require a larger labor force than the prospective labor force of 18,300,000 men and women unless special measures are taken to increase it. Moreover, the present distribution of the labor force, by industries and by places, is not satisfactory; a wide range of industries are under-manned, while others are getting too much manpower in relation to the raw materials available.

The Government therefore appeals to women who are in the position to do so and to others about to retire from industry to contribute to the national task by staying on at their work.

Foreign labor can make a useful contribution to our needs. The Poles who are here or who are coming here and who are unwilling to return to their own country and displaced persons from the Continent are the only substantial additional source of manpower open to us—especially for the under-manned industries.

The Government is planning on the basis of at least an additional 100,000 workers from all these sources by the end of 1947, giving a prospective total civil employment of 18,400,000.

The approximate distribution which is needed to carry out the objectives is:—

Industry	Dec. 1946	Dec. 1947
	(000's omitted)	
Coal industry	730	770
Public utilities	258	275
Transport	1,373	1,370
Agriculture and fishing	1,081	1,120
Building & civil engineer'g	1,250	1,300
Building mater. & equip.	628	650
Metals and engineering	2,811	2,840
Textiles and clothing	1,405	1,475
Other manufactures	2,186	2,225
Distribut'n & consumers' services	4,270	4,325
Public service	2,130	2,050
Total civil employment	18,122	18,400

The size and the distribution of the labor force are important, but what ultimately counts is the output which the nation produces. In the longer view, increased output per man-year is the only way to expand production and the standard of living. Our record of industrial peace since the end of the war is one of which we can be proud. But more is called for than the absence of industrial unrest. It is necessary to build up the factories into productive units of the highest efficiency. With this direct object, the Government has allocated large resources to industrial equipment and maintenance work in 1947 and is ready to make foreign exchange available for imports of machinery which increase efficiency. The Government also attaches great importance to the introduction of systems of payment and other arrangements which provide the maximum incentive to increase output.

Conclusion

The Government has set out its conclusions on the economic state of the nations and has fixed targets and objectives for 1947. The central problem is coal and power and upon this everything else depends. The second problem is to expand the nation's labor force to increase its output per man-year and above all to get men and women where they are needed most. These are the essentials for increased national production. Next is the problem of payment for our imports and the necessary condition here is a steady recovery of our exports towards the target level of 140% of 1938 volume which must be reached by the end of the year. Unless we concentrate on these really important things we may never restore the foundations of our national life.

The tasks are, however, for the nation as a whole, and only the combined efforts of everyone can carry them through. The Government therefore invites the attention of industry and the public to its plans; it intends to arrange discussion with both sides of each industry of the problems which arise from them; it will welcome constructive criticism, and it is ready to modify its plan if a case for doing so is made out.

These plans call for a great constructive effort by all the British people. This is a critical moment in our affairs. There is now no place for industrial arrangements which restrict production, prices or employment. Such regulations and traditions grew up as means of protecting those engaged in industry from the effects of a shortage of work and of empty order books. But now there is no such shortage, nor need there ever be under a policy of full employment. There is more than enough work for industry to do. Against this background there is no justification for action by either side of industry which limits production. On the other hand if the entire strength of industry—mining, manufacture, building, agriculture and services—is wholeheartedly exerted for the attainment of the objectives set out the Government is confident that our present difficulties will be overcome and that we shall succeed in carrying out the great tasks before us.

Warns of Low Interest On Mortgage Loans

(Continued from first page)

of small savers who furnish the great bulk of the money which builds our homes. Men and women who save a few dollars at a time are the owners of nearly all our savings institutions, and they are not today receiving the consideration and encouragement they should have."

Speaking of the low rate on veteran loans, Mr. Fahey remarked, that "in response to public sentiment, Congress fixed a mortgage rate of 4% on homes for veterans, with a complete guarantee by the Veterans Administration against loss to the lending institution. The law reflected the intent of the people of the United States to favor the veteran as compared with other borrowers and to do everything practicable to enable him to secure a worthwhile home. We cannot disregard the fact, however, that in too many cases lending institutions have relied entirely on the Veterans Administration guarantee and have not adequately protected either the veteran or the public interest. Overlending has unquestionably stimulated real estate speculation and an inflationary market."

Continuing, Mr. Fahey gave further reasons for maintaining present interest rates:

"In my opinion," he stated "it is unsafe and unwise to establish interest rates on long-term amortized mortgages for home owners generally below 5%. As a result of the complete change of the home mortgage pattern in this country since 1933, influenced by the Home Owners' Loan Corporation longer-term loan with a flat 5% interest rate, and the Federal Housing Administration insurance plan, the interest cost on home mortgages to the average family has been nearly cut in half. Second and third mortgages with their extreme rates have been practically wiped out. The resulting annual savings to home owners totals hundreds of millions of dollars. As yet there has been no saving to the home purchaser in any other direction.

"Except in unusual cases, like that of the veterans, while the interest on a long-term home loan should not be less than 5%, the mortgage may fairly include provision for a lower figure when it has been reduced to 40% or 50% of the unquestioned value of the property and there is no doubt as to the credit responsibility of the borrower.

"The great army of savers in the country who furnish our home mortgage funds are now receiving but 1% to about 2½% on their money. A limited number of institutions are paying 3% but it is a doubtful policy in view of the low mortgage rates. Compared with the 3½% to 4½% and 5% formerly paid, the present return is far from attractive. I think we are in danger of discouraging thrift in this country if we do not find a way to compensate our savers more liberally. I see no prospect that we will move in that direction in the near future. The greatest opportunity for reducing the size of the home mortgage and interest expense lies in making really good houses available to more families by cutting out the wastes and excessive costs which have been so common in the past.

"We should discourage attempts to take a few more pennies out of the pockets of the people who, through their mutual mortgage-lending institutions, lend money to their neighbors and fellow citizens to finance home ownership. As you know so well—indeed as you have promised emphatically—price levels on homes can and will be reduced. They must be if we are going to have the large, sustained market and the kind of a construction industry we should have for the years ahead.

"There never has been such an accumulation of funds to finance sound construction of all kinds at defensible prices, but right prices will determine the rate of the monetary flow and its steady continuance.

"On the question of the sale of home mortgages by Federal savings and loan associations, if they need money to meet community needs, I think their present authority to sell up to 25% of the new mortgages they are making is as liberal as it should be. When the Congress provided for Federal charters of mutual savings associations it intended that they should be examples of the soundest methods of managing and protecting savings and making home mortgages. The legislation did not contemplate that they should become mortgage-brokerage concerns.

"If a local mortgage-lending institution is convinced that the mortgage it is making is safe and sound, in my opinion it should retain it as an earning asset for the benefit of its shareholders. If to meet the demonstrated need of its community it should have more funds than local savers can provide, it can readily obtain additional money from its district Federal Home Loan Bank.

"If as much as half of the business of mutual institutions is merely buying and selling mortgages, clearly the operation is much different from the encouragement of savings for which it has been generally assumed they were organized.

"Among all classes of lending institutions, as everyone familiar with conditions well knows, too many doubtful mortgages have been made in recent years in disregard of the safeguards which should characterize long-term loans, solely because the government was in fact guaranteeing the lender against loss. I think we need to get away from that attitude rather than to encourage it further."

Report on Social Taxes for '46

The Bureau of Internal Revenue announced on Feb. 16 figures pertaining to its Social Security taxes during 1946, an Associated Press Washington dispatch stated. Total collections for the period amounted to $1,784,242,785, representing an increase of $34,623,187 over the amount collected in 1945. From the Associated Press we also quote:

> Federal old-age and survivors' insurance contributions—2% of the taxable payrolls under the Federal insurance contributions act—amounted to $1,296,715,278 during 1946 compared with $1,282,349,994 the previous year, the report said.
>
> Collections of Federal unemployment taxes totaled $176,226,720 last year compared with $185,253,966 in 1945, while the railroad retirement levies collected were $311,300,787 in 1946 compared with $283,915,647 the previous year.
>
> The collections of Federal old-age and survivors' insurance contributions, Federal unemployment taxes and railroad retirement taxes, respectively, by states, include:
>
> Connecticut—$24,317,171, $3,583,971 and $5,455,558.
>
> New Jersey—$45,140,631, $6,562,974 and $2,235,634.
>
> New York—$263,442,962, $35,062,444 and $47,048,210.

House Votes to Extend Maritime Comm. Authority

The House, by voice vote, on Feb. 17 adopted and sent to the Senate a resolution by Representative Fred Bradley (R.-Mich.), Chairman of the Committee on Merchant Marine and Fisheries, providing for extension of the Maritime Commission's authority to operate government-owned ships in domestic and foreign trades until July 1. As passed by the House, the resolution, according to advices to the New York "Journal of Commerce" from its Washington bureau, stated that "not withstanding any other provisions of law any temporary authority issued or to be issued by an appropriate government agency to the Maritime Commission to provide service as a carrier by water may be valid for a period not extending beyond July 1, 1947." These advices added:

> It also provided for substitution of this date for March 1, 1947, in the third deficiency appropriation act of 1946, which had limited the vessel operations as well as salaries of personnel paid out of revenues from these operations.

Mr. Bradley, in urging the legislation, pointed out that the President had recommended continuance of the Commission's operations for another four months to handle the foreign coal and grain shipments as well as domestic shipping until freight rate adjustments in the latter trades are effected.

The resolution must be acted upon by the Senate and then be sent to the White House for the President's signature, after which it will still be necessary for the Maritime Commsision to obtain ICC extension of temporary operating authority for certificated carriers in the intercoastal and coastwise trades beyond March 1. In the report by Representative Bradley's committee to the House it was stated, according to a Washington dispatch to the New York "Times":

> At the present time private operation of ships in the domestic trades has not reached a level adequate to provide necessary service for coastal and intercoastal traffic.
>
> Private owners of vessels have been loath to resume operations in these trades because of their inability to operate profitably under present rates because of various factors, including the increases during the war years in their costs of operation.

Regional Conferences Of Bank Auditors

President Arthur R. Burbett announced recently the National Association of Bank Auditors and Comprollers' 1947 convention calendar, which includes the usual three regional meetings and the National Convention. Mr. Burbett is Comptroller of the First National Bank, Baltimore, Md.; and, following a precedent whereby the National Convention of the Association is held in the home city of the President, the 1947 national meeting will be held in Baltimore, October 22, 23, 24, and 25, 1947.

The Spring regional meetings are scheduled for the following cities on the dates indicated: Twelfth eastern regional conference—New York City, April 21, 22, 23; Tenth mid-continent regional conference—Grand Rapids, Mich., April 7, 8, 9, and Second western states regional conference—San Francisco, Calif., May 14, 15, 16.

New Rights Bill for Women

New legislation to establish the legal status of women was recently introduced in Congress, according to special advices from Washington on Feb. 17 to the New York "Times"; the legislation is reported to have the sponsorship of at least half a dozen members in each House. Representative James W. Wadsworth (R.-N. Y.), the bill's chief sponsor in the House, is reported to have said at a news conference that he believed the measure would give women their rights without losing them their legal protections.

All seven women members of Congress were present at the press conference held in Mr. Wadsworth's office, and the three who are among the bill's sponsors in the House spoke warmly in its behalf. Representative Edith Nourse Rogers (R.-Mass.) called the measure "a valuable contribution" and said she wished "it had been done long ago." Representative Helen Gahagan Douglas (D.-Cal.) spoke of it as "implementing the United Nations declarations" on equal rights for women. Both she and Representative Mary T. Norton of New Jersey called it a plan whereby women on both sides of the long-controversial equal rights issue could "go down the road together."

The proposed legislation, the same advices continued, would:

1. Declare it to be the legislative policy of the United States to make no distinctions on the basis of sex "except such as are reasonably justified by differences in physical structure, biological or social function";

2. Set up a commission on legal status of women to be appointed by the President to review local discriminations based based on sex and recommend legislation to correct them. It would require Federal agencies to report their practices on sex equality, and would ask State cooperation.

The legislation's sponsors in the Senate are said to be Senators Robert Taft (R.-Ohio), Robert Wagner of New York, Harley M. Kilgore of West Virginia and J. H. McGrath of Rhode Island. From the "Times" we also quote:

> A joint statement from Miss Marion Martin, formerly in charge of the work of Organized Republican Women for the Republican National Committee, and Mrs. Thomas F. McAllister, who formerly held the same post with the Democratic National Committee, was distributed.
>
> It said: "We see in the bill a positive, constructive approach to the problem of how to eliminate unfair legal discriminations against women and at the same time retain those laws needed by women as mothers and workers."

Senate Confirms Clayton To Federal Reserve Board

The U. S. Senate confirmed on Feb. 10 the nomination of Lawrence Clayton of Massachusetts to be a member of the Board of Governors of the Federal Reserve System; the nomination was sent to the Senate by President Truman on Feb. 3. Mr. Clayton was named for a term expiring on Feb. 1, 1952. Under date of Feb. 3 Associated Press advices in the New York "Times" said:

> Mr. Clayton was assistant to Marriner S. Eccles, Chairman of the Board, from December, 1934, until he resigned in January, 1945, to become President of the Clayton Securities Corporation, Boston.
>
> The nomination will fill the seventh post on the Board of Governors for the first time in ten years.
>
> Mr. Clayton was born on March 1, 1891, at Salt Lake City, Utah. He was graduated from Stanford University in 1914 and the Harvard Law School in 1917. He served in the first World War with the field artillery. He was a Vice President of the First National Bank at Ogden, Utah, when he first went with the Federal Reserve Board.

International Fair at Milan, Italy

The date of the International Fair at Milan, Italy, previously scheduled for April 12-27, has been postponed to September 12-27. It is announced that the Fiera Di Milano of Milan, Italy, has entrusted SIFEM, (Servizi Internazionali Fiere Esposisioni Mostre) to organize the joint participation of exhibitors from the United States. An early announcement said that it is anticipated that there will be official participation by the USSR, Britain, the Balkans, Scandinavia, Germany, Austria, South Africa, France, Holland, Switzerland, and Czechoslovakia. The Fiera Di Milano, through SIFEM, its agent, has authorized John B. Erskine of Chicago to handle all its affairs and interests in this country and in some cases in Canada. Mr. Erskine is temporarily located in Room 2251, 135 South La Salle Street, Chicago.

Result of Treasury Bill Offering

The Secretary of the Treasury announced on Feb. 24 that the tenders for $1,300,000,000 or thereabout of 91-day Treasury bills to be dated Feb. 27 and to mature May 29, which were offered on Feb. 21, were opened at the Federal Reserve Banks on Feb. 24.

Total applied for, $1,784,112,000.

Total accepted, $1,310,520,000 (includes $18,884,000 entered on a fixed price basis at 99.905 and accepted in full).

Average price, 99,095+; equivalent rate of discount approximately 0.376% per annum.

Range of accepted competitive bids:

High, 99,906, equivalent rate of discount approximately 0.372% per annum.

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

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

There was a maturity of a similar issue of bills on Feb. 27 in the amount of $1,312,502,000.

Fair Trade Council Opens Washington Office

The opening by Fritz G. Lanham, at Woodley Park Towers, Washington, D. C., of an office out of which, under his management, activities and trends of interest to the American Fair Trade Council, Inc., will be reported regularly to it, was made known recently. Mr. Lanham will in turn make available in his area all related information which may be requested of his office. He will be available also for cooperation with state and local field activities of AFTC. Mr. Lanham is sponsor of the trade-mark act which bears his name — and has been a defender of traditional principles of American incentive enterprise. His office will represent also the National Patent Council—and one national civic activity of his native state of Texas.

It is stated by the Council that these relationships were in contemplation long before Mr. Lanham's voluntary retirement from Congress, after 28 years of continuous service in the House. John W. Anderson is President of the Counsel.

The State of Trade

(Continued from page 1167)

material coming from distant points and cross-hauling of scrap was increasing as many steel companies continued to compete for available material outside their own district, reports "The Iron Age."

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, however, 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 surrround this market that most consumers refuse to participate, the magazine points out. These twilight markets which are carry-overs from the OPA black markets are still utilized by some steel consumers. The general trend today, however, is away from premium markets and there has been a definite decline in some of the twilight market prices.

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 94.4% of capacity for the week beginning Feb. 24, 1947, compared with 94.1% one week ago, 93.6% one month ago and 58.6% one year ago, the steel strike accounting for a sharp curtailment of operations. This represents an increase of 0.3 point or 0.3% from the previous week.

The week's operating rate is equivalent to 1,651,900 tons of steel ingots and castings and compares with 1,646,700 tons one week ago, 1,637,300 tons one month ago and 1,032,800 tons one year ago.

Electric Production—The Edison Electric Institute reports that the output of electricity declined to 4,778,179,000 kwh. in the week ended Feb. 15, 1947, from 4,801,-179,000 kwh. in the preceding week. Output for the week ended Feb. 15, 1947, was 21.0% above that for the corresponding weekly period one year ago.

Consolidated Edison Co. of New York reports system output of 205,800,000 kwh. in the week ended Feb. 16, 1947, compared with 180,600,000 kwh. for the corresponding week of 1946, or an increase of 13.9%. Local distribution of electricity amounted to 196,400,000 kwh. compared with 178,200,000 kwh. for the corresponding week of last year, an increase of 10.2%.

Railroad Freight Loadings—Car loadings of revenue freight for the week ended Feb. 15, 1947, totaled 799,977 cars, the Association of American Railroads announced. This was an increase of 32,496 cars, 4.2% above the preceding week and 99,923 cars or 13.1% above the corresponding week for 1946. Compared with the similar period of 1945, an increase of 15,274 cars, or 1.9% is shown.

Business Failures Continue High—Commercial and industrial failures, although a little lower than in the previous week, were three times as numerous as in the week ending February 20, as in the corresponding week of 1946. Dun & Bradstreet, Inc., reports 58 concerns failing as compared with 62 last week and 18 a year ago. This represented the 22nd straight week in which failures have exceeded those in the comparable weeks of the preceding year.

Large failures outnumbered small failures 4 to 1 in the week just ended. Concerns failing with losses of $5,000 or more fell off a little from last week, 47 against 55, but remained far above the 13 recorded a year ago. Small failures involving liabilities under $5,000 increased from 7 in the prior week to 11 this week, twice the number reported in the comparable week of 1946.

Four-fifths of the week's failures appeared in manufacturing and the two trade groups. Wholesaling showed the sharpest rise in concerns failing, with 15 this week as compared with 7 a week ago. In fact, this was the only trade or industry group in which concerns failing were more numerous than in the previous week. Compared with the 1946 level, all groups except construction had more failures this year. Retailers failing, at 19 against only 3 last year, showed the sharpest uptrend from the same week of 1946.

The Pacific States with 25 and the Middle Atlantic States with 16 accounted for the largest number of failures in the week just ended. In these two regions, concerns failing were almost three times as numerous as in any other area. Furthermore, these regions showed an increase not only from the 1946 level but from the previous week's level as well. Only the West North Central States did not report any failures this week, as compared with four districts with no failures a year ago.

Canadian failures numbered 5, against 3 in both the preceding week and in the same week of last year.

January Building Permit Values Rise—The steady decline in the volume of buildings permits which began last August was halted in January. The estimated cost of permits issued in 215 cities during that month rose 5.8% to $156,531,157, from $148,031,510 in December, according to Dun & Bradstreet, Inc. Compared with January 1946 when permits totaled $204,052,082, there was a drop of 23.3%. The decline from last year was quite general throughout the country with only the New England region registering a gain.

Permit values for New York City in January amounted to $22,229,240, as compared with $35,168,491 in the previous month and $31,483,585 in the corresponding month a year ago. This represented respective decreases of 36.8 and 29.4%.

Food Price Index Slightly Under All-Time High—Up sharply for the fourth straight week, the Dun & Bradstreet wholesale food price index registered $6.47 on February 18, only 2 cents under the post-decontrol peak and all-time high of $6.49 touched last November 19. The current figure represents a rise of 15 cents, or 2.4%, over the $6.32 recorded a week earlier, and stands 56.7% above the corresponding date a year ago when the index stood at $4.13.

During the week advances occurred in flour, wheat, corn, rye, oats, hams, bellies, lard, butter, cheese, coffee, cottonseed oil, cocoa, eggs, potatoes, steers and hogs. Declines were shown only for dried beans, prunes and lambs. The index represents the sum total of the price per pound of 31 foods in general use.

Daily Wholesale Commodity Price Index—Continuing its upward climb of almost a month, the Dun & Bradstreet daily wholesale commodity price index reached a new post-decontrol peak of 247.05 on Feb. 18. This compared with 244.96 on Feb. 11, and represented a rise of 34.2% over the 184.12 recorded at this time a year ago.

Under the stimulus of broad export demand, grain prices scored additional sharp advances during the past week. All delieveries of wheat sold at new seasonal highs with the March contract touching a new 27-year peak of $2.36 per bushel. Volume of sales on the Chicago Board of Trade continued heavy with wheat furnishing the bulk of the activity. Mill buying of wheat futures was on an aggressive scale and there was a marked lack of hedging pressure, despite the advancing trend. Country offerings of cash corn were quite liberal and processors were again in the market for substantial quantities for deferred shipment from the country. Export demand for corn was likewise a feature of the strength shown in that cereal. Trading in oats was fairly active and prices rose, reflecting relatively small receipts at terminal markets and strength in other grains. Domestic flour buying was still rather slow with most users displaying considerable caution in making forward commitments. Butter and cheese developed a firmer undertone in the week. Hog prices soared to near-record highs as receipts at the Chicago livestock market fell to the lowest level since last October. Lard registered further gains, reflecting broad domestic and foreign demand and continued advances in other edible oils.

Cotton markets maintained a firm tone and prices again moved up steadily during the week. Quotations reached the highest levels since the setback of last October, aided by active mill price fixing, short covering and demand stimulated by reports of expanding textile sales. Spot market sales were moderately active with inquiries on the increase. Total reported sales in the 10 spot markets were 134,800 bales last week, against 117,300 in the preceding week and 137,100 in the same week a year ago. Registered sales under the government export program totaled 18,900 bales in the week ended Feb. 8. This represented the smallest weekly volume since last December, and compared with 79,800 a week previous, and 35,900 two weeks earlier. A feature of the week was the announcement by the Department of Agriculture of a cut in the export subsidy rate on the United States staple from 4 to 2 cents a pound, effective last Thursday. Leading textile markets were moderately active. Sales for third quarter delivery continued to expand at prices generally about 10% above former ceilings.

Business in domestic wools remained very quiet in the Boston market last week and lack of orders was said to be causing the closing down of additional wool sections in the textile industry. Imports of foreign wools were reported considerably below the quantities received during this time last year. Values on spot foreign wools remained firm.

Retail and Wholesale Trade—Stimulated by mild weather and Valentine's Day gift buying, retail volume rose appreciably last week, according to Dun & Bradstreet, Inc., in its summary of trade. While total dollar volume compared favorably with that of the preceding week, it was only moderately above that of the corresponding week a year ago. Specialty shops were generally crowded and candy, jewelry and flowers were among the most frequently requested items. A noticeable increase in the number of newly opened charge accounts was reported.

Retail food volume remained at the high levels of previous weeks and continued to be well above that of a year ago. Many previously scarce items were reported to be in more plentiful supply. Interest in canned foods, especially canned fish, rose slightly but consumer resistance to high prices continued. Ample quantities of fresh fruits and vegetables were available.

Hardware and appliances continued to be best sellers. The demand for furniture remained high and some improvement in stocks was reported. Bedsprings and mattresses were available in larger quantities than in many previous weeks. Consumers continued to be selective in regard to style and quality with insistence on well known brands high.

Interest in Spring apparel and sportswear rose as weather conditions became more favorable. The supply of men's suits and furnishings improved noticeably and demand continued strong. Numerous clearance sales of Winter items met with fair response. Some price declines in furs were reported but consumer interest remained at a low level.

Retail volume for the country in the week ended last Wednesday was estimated to be from 9 to 13% 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 10 to 14, Middle West and Southwest 9 to 13, Northwest 11 to 15, South 6 to 10 and Pacific Coast 8 to 12.

The number of buyers registered in wholesale centers declined the past week but brisk selling in many lines kept wholesale volume at the high levels of previous weeks. Dollar volume remained moderately above that of the corresponding week a year ago. Progressively greater resistance to high prices and poor quality on the part of the consumer was reflected in the growing attitude of caution among buyers. Deliveries continued to improve and were well above the 1946 level.

Department store sales on a country-wide basis, as taken from the Federal Reserve Board's index for the week ended Feb. 15, 1947, increased by 18% above the same period of last year. This compares with an increase of 2% in the preceding week. For the four weeks ended Feb. 15, 1947, sales increased by 12% and for the year to date by 17%.

Here in New York retail trade volume which early last week had been running better than 10 to 12% ahead of a year ago, was obliged to revise the week's results following the snow storm on Thursday afternoon which affected trade expansion adversely. It was estimated that department store sales would show practically no change from last year's levels.

As a result of the storm buying in wholesale markets was spotty, with demand good for better and medium price merchandise and light low-end popular price goods. Cotton textile merchants reports state, sold actively for third-quarter delivery and rayon piece goods prices held at high levels despite active bidding for better quality finished goods. Durable goods were featured by a 20% price cut on a leading make of portable radio set. As for wholesale food prices, they continued to move higher largely due to poor weather conditions across the nation.

According to the Federal Reserve Board's index, department store sales in New York City for the weekly period to Feb. 15, 1947, increased 23% above the same period last year. The large increases in this week reflect in part the fact that last year sales in the City of New York were reduced because of the closing of all business establishments on Feb. 12 to avoid a fuel shortage, those in the City of Philadelphia were reduced because of a curtailment in public transportation service on Feb. 11 and 12, and those in Pittsburgh were reduced because stores were closed on Feb. 12 owing to a power shortage. This compared with an increase of 1% in the preceding week. For the four weeks ended Feb. 15, 1947, sales rose 13% and for the year to date increased to 19%.

National Fertilizer Association Commodity Price Index Continues Upward

During the week ended Feb. 22, 1947 the weekly wholesale-commodity price index compiled by The National Fertilizer Association and made public on Feb. 24, rose to an all-time high of 195.4 from the previous high point of 193.8 which was reached in the preceding week. A month ago the index stood at 189.0 and a year ago at 142.1, all based on the 1935-1939 average as 100. The association's report added:

During the past week seven of the composite groups in the index advanced while one declined; the other three remained at the level of the previous week. The index for the farm products group rose because of higher prices for cotton and generally higher prices for grains and livestock. Prices for most meats fell during the past week but the index for the foods group advanced because of price rises for butter, cheese, flour, potatoes, lard, and some oils. The rise in the fuels index was due to higher prices for coke. In the miscellaneous commodities group price declines for cottonseed meal and wood pulp were offset by price rises for hides and feeds, and the group index rose slightly. A rise in the price of castor oil was responsible for the rise in the chemicals and drugs index. The index for fertilizers advanced slightly. Lower prices for oak flooring and linseed oil caused the index for building materials to fall.

During the week 29 price series in the index advanced and 13 declined; in the preceding week 35 advanced and eight declined; in the second preceding week 26 advanced and four 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. 22, 1947	Preceding Week Feb. 15, 1947	Month Ago Jan. 25 1947	Year Ago Feb. 23, 1946
25.3	Foods	220.4	218.1	214.0	141.5
	Fats and Oils	296.9	286.6	266.3	146.6
	Cottonseed Oil	387.5	387.5	347.6	163.1
23.0	Farm Products	241.6	238.8	226.1	169.7
	Cotton	320.8	313.2	294.6	247.8
	Grains	214.7	210.1	198.0	169.9
	Livestock	241.3	239.9	227.1	157.1
17.3	Fuels	159.4	158.5	157.6	128.7
10.8	Miscellaneous Commodities	155.6	154.5	151.3	133.9
8.2	Textiles	216.4	215.3	212.9	161.3
7.1	Metals	142.9	142.9	142.3	110.2
6.1	Building Materials	212.2	215.5	212.9	161.3
1.3	Chemicals and Drugs	155.3	155.0	153.8	127.2
.3	Fertilizer Materials	125.5	125.5	125.6	116.4
.3	Fertilizers	133.7	133.6	133.6	119.8
.3	Farm Machinery	124.3	124.3	124.3	105.2
100.0	All groups combined	195.4	193.8	189.0	142.1

*Indexes on 1926-28 base were: Feb. 22, 1947, 152.2; Feb. 15, 1947, 151.0; and Feb. 23, 1946, 110.7.

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. 25	122.08	117.40	122.09	120.22	117.00	110.70	112.93	118.40	121.04
24	122.11	117.40	122.09	120.22	117.20	110.70	112.93	118.40	121.04
22			Stock Exchange Closed						
21	122.14	117.40	122.09	120.22	111.20	110.70	112.93	118.40	121.04
20	122.17	117.40	122.09	120.22	117.20	110.70	112.93	118.40	121.04
19	122.17	117.40	122.29	120.22	117.00	110.70	113.12	118.40	121.04
18	122.17	117.40	122.09	120.02	117.00	110.88	113.12	118.40	121.04
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, 1946	122.17	116.80	121.04	119.61	116.80	110.15	112.56	118.80	119.82
20	121.92	116.61	120.84	119.20	116.61	109.97	112.37	117.60	119.82
13	121.92	116.41	120.63	119.20	116.41	109.97	112.37	117.40	119.61
6	121.74	116.22	120.84	119.00	116.22	109.60	111.81	117.40	119.61
Nov. 29	121.55	116.22	121.04	118.80	116.02	109.60	111.81	117.60	119.61
22	121.80	116.41	121.04	119.00	116.02	109.79	112.00	117.60	119.82
15	122.05	116.61	121.46	119.20	116.41	110.15	112.37	117.80	120.02
8	122.17	116.61	121.25	119.20	116.22	110.34	112.37	117.60	120.02
1	122.14	116.41	121.04	119.20	116.02	110.15	112.19	117.60	119.82
Sept. 27	121.08	116.61	121.04	119.00	116.61	110.15	112.37	117.80	119.82
Oct. 25	121.77	116.61	121.04	119.20	116.22	110.34	112.19	117.60	120.02
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	122.29	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. 25, 1946	125.97	119.61	123.56	121.88	119.00	114.27	116.41	120.22	122.09
2 Years Ago									
Feb. 24, 1945	121.92	114.66	120.22	118.60	114.46	106.04	110.52	114.27	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. 25	1.57	2.78	2.55	2.64	2.80	3.13	3.01	2.73	2.60
24	1.57	2.78	2.55	2.64	2.79	3.13	3.01	2.73	2.60
22			Stock Exchange Closed						
21	1.57	2.78	2.55	2.64	2.79	3.13	3.01	2.73	2.60
20	1.57	2.78	2.55	2.64	2.79	3.13	3.01	2.73	2.60
19	1.57	2.78	2.54	2.64	2.80	3.13	3.00	2.73	2.60
18	1.57	2.78	2.55	2.65	2.80	3.12	3.00	2.73	2.60
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, 1946	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	2.54	2.63	2.78	3.11	2.99	2.71	2.60
1 Year Ago									
Feb. 25, 1946	1.33	2.67	2.48	2.56	2.70	2.94	2.83	2.64	2.55
2 Years Ago									
Feb. 24, 1945	1.69	2.92	2.64	2.72	2.93	3.39	3.14	2.94	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.

Wholesale Prices Rose 1% in Week Ended February 15, Labor Department Reports*

"Higher prices for agricultural commodities were primarily responsible for an advance of 1% in primary market prices during the week ended Feb. 15, 1947," according to the Bureau of Labor Statistics, U. S. Department of Labor, which on Feb. 20 stated that the Bureau's index of commodity prices in primary markets reached a new post-war peak, 143.1% of the 1926 average, 1.6% above mid-January and 33.5% higher than the corresponding week of last year. In its further advices the Bureau reported:

"**Farm Products and Foods** — Average market prices of farm products rose 2.1% during the week, as bad weather again limited shipments of most products and demand continued high. Grain quotations were up 2.4% and livestock and poultry 1.8%. Export demand for grains was high, particularly for corn and wheat, and the box car shortage was aggravated by the bad weather. Prices of hogs, sheep and live poultry increased. Steer quotations, which have been high in relation to beef prices, dropped 3.1% despite light shipments. Prices of some fruits and vegetables rose sharply. Raw cotton quotations continued to advance. On the average prices of farm products were 1.7% higher than a month ago and 28.9% above last year.

"Substantially higher prices for meats and fresh fruits and vegetables were chiefly responsible for an advance of 2.7% in average prices of foods. There were sharp increases for most meats, ranging up to nearly 25% for veal. Cereal products averaged slightly higher, with quotations for wheat flour in Kansas City at the highest level since the last war. Decreased supplies of livestock resulted in price increases for lard and edible tallow. The group index for foods was 2.0% above a month ago and 49.0% above a year ago.

"**Other Commodities**—The group index for all commodities other than farm products and foods remained unchanged at the peak level of the previous week as substantial declines in quotations for raw silk offset increases for Southern pine, cattle hides and a few other commodities. At the Government's February silk auction, bids were 25 to 30% lower for medium and lower quality grades, reflecting the competition of synthetic fibers. Small price advances were reported for some desirable cotton goods and topcoat materials. Hide prices again advanced as increased exports were expected, and side leather prices rose slightly. Increases for Southern pine ranged from 3% to nearly 17%, with the largest advances in the better grades. Prices of linseed oil, at present largely imported, were higher. Higher costs were reflected in increased prices for tools and for some industrial fats and oils. Prices of scrap steel advanced as shipments of better grades were received, largely from more distant areas. Recent declines in prices for bar silver resulted in a decline of 13% for silver nitrate."

CHANGES IN WHOLESALE PRICES BY COMMODITY GROUPS
FOR WEEK ENDED FEB. 15, 1947
(1926=100)

Commodity Groups—	1947 2-15	1947 2-8	1947 2-1	1947 1-18	1946 2-16	Percentage change to Feb. 15, 1947 from— 1947 2-8	1947 1-18	1946 2-16
All commodities	143.1	141.7	140.3	140.8	107.2	+ 1.0	+ 1.6	+33.5
Farm products	168.9	165.5	164.8	166.0	131.0	+ 2.1	+ 1.7	+28.9
Foods	160.9	156.7	154.1	157.8	108.0	+ 2.7	+ 2.0	+49.0
Hides and leather products	173.6	172.9	171.0	171.7	120.1	+ 0.4	+ 1.1	+44.5
Textile products	135.5	137.7	135.8	135.7	101.1	— 1.6	— 0.1	+34.0
Fuel and lighting materials	98.6	98.6	98.5	98.3	85.7	0	+ 0.3	+15.1
Metals and metal products	138.4	138.3	138.3	136.7	105.8	+ 0.1	+ 1.2	+30.8
Building materials	172.8	170.6	168.6	164.5	120.0	+ 1.3	+ 5.0	+44.0
Chemicals and allied products	128.3	127.6	127.8	127.1	95.9	+ 0.5	+ 0.9	+33.8
Housefurnishings goods	123.0	123.0	122.8	122.4	106.8	0	+ 0.5	+15.2
Miscellaneous commodities	110.0	110.0	109.9	109.5	95.4	0	+ 0.5	+15.3
Special Groups—								
Raw materials	154.3	153.1	152.6	153.3	119.7	+ 0.8	+ 0.7	+28.9
Semi-manufactured articles	141.7	141.3	139.5	137.8	98.5	+ 0.3	+ 2.8	+43.9
Manufactured products	139.1	137.5	135.6	136.4	103.2	+ 1.2	+ 2.0	+34.8
All commodities other than Farm products	137.6	136.5	135.0	135.3	102.0	+ 0.8	+ 1.7	+34.9
All commodities other than Farm products and foods	128.1	128.1	127.5	126.6	101.1	0	+ 1.2	+26.7

PERCENTAGE CHANGES IN SUBGROUP INDEXES FROM
FEB. 8, 1947 TO FEB. 15, 1947

Increases

Meats	6.4	Paint and paint materials	1.1
Fruits and vegetables	4.0	Other foods	0.9
Lumber	2.8	Cereal products	0.3
Grains	2.4	Leather	0.3
Other farm products	2.1	Woolen and worsted goods	0.3
Mixed fertilizers	2.0	Iron and steel	0.2
Livestock and poultry	1.8	Agricultural implements	0.1
Fats and oils	1.7	Cattle feed	0.1
Hides and skins	1.6	Cement	0.1
Cotton goods	0.1		

Decreases

Silk	27.7	Dairy products	0.4
Chemicals	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.

Electric Output for Week Ended Feb. 22, 1947 21.8% 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. 22, 1947, was 4,777,740,000 kwh., an increase of 21.8% over the corresponding week last year when electric output amounted to 3,922,796,000 kwh. The current figure also compares with 4,778,234,000 kwh. produced in the week ended Feb. 15, 1947, which was 20.0% higher than the 3,948,620,000 kwh. produced in the week ended Feb. 16, 1946. The largest increases were reported by the Central Industrial and Southern States groups which showed increases of 30.8% and 23.5% respectively over the same week in 1946.

PERCENTAGE INCREASE OVER SAME WEEK LAST YEAR

Major Geographical Division—	Week Ended— Feb. 22	Feb 15	Feb. 8	Feb. 1	Jan. 25
New England	16.4	12.8	12.6	11.1	13.2
Middle Atlantic	14.3	13.6	12.4	9.4	10.7
Central Industrial	30.8	29.3	30.3	29.4	26.7
West Central	17.0	16.7	14.7	13.7	15.4
Southern States	23.5	24.1	22.5	21.8	22.4
Rocky Mountain	7.6	7.0	8.0	9.0	10.5
Pacific Coast	19.9	19.4	19.1	22.8	26.2
Total United States	21.8	21.0	20.5	19.9	20.4

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	4,777,740	3,922,796	+21.8	4,473,962	1,519,679	1,706,719

NLRB Uphold Employer On Discharges

The National Labor Relations Board, ruling in a case involving 14 employees of Joseph Dyson & Sons, Inc., of Cleveland, restated its policy of withdrawing the protection of the Wagner Act from workers who walk off their jobs in violation of a no-strike pledge in their union contract, according to Associated Press Washington advice of Feb. 11, which as given in the New York "Sun" said:

"The 14 Dyson employees, members of an independent union known as the Joseph Dyson Victory Club, had been fired after strikes last January and February. Their case was taken to the Board by the CIO United Automobile, Aircraft and Agricultural Implement Workers.

"The Board Ruled that:

"'The evidence adduced at the further hearing which we find to be fully and accurately set forth by the trial examiner in his supplemental intermediate report shows that during the time that the employees were out on strike in January and February, 1946, there was in effect a valid and operative contract between the respondent and the Victory Club, and that this contract contained a no-strike clause and accorded to the Victory Club exclusive recognition for a collective bargaining unit which included the striking employees.

"'In these circumstances, there being no showing that the respondent had breached the contract or that the strikes were caused by any unfair practices, we find, as we did in the Scullin steel case, that the striking employees were not protected by the Act against the respondent's reprisals for their strike action and accordingly we shall order that the complaint be dismissed as to these allegations.'

"The Board overruled the finding of Trial Examiner Henry J. Kent of last October. In the Scullin case, 19 employees were discharged."

House Approves Two Terms for President

By a vote of 285 to 121, according to Associated Press advices from Washington on Feb. 6, the House approved a constitutional amendment which would limit Presidential tenure to two terms. If adopted by two-thirds of the Senate, the resolution would go before State Legislatures for ratification. Ratification by three-fourths of the Legislatures would establish it as the twenty-second amendment to the Constitution. The President's signature is not required. As noted in the "Washington "Post" of Feb. 5, the proposed restriction is an outgrowth of Franklin D. Roosevelt's third and fourth-term elections. The same paper said:

As written by Chairman Michener (R., Mich.) of the Judiciary Committee, the amendment puts a ceiling of two terms or parts of terms on presidential tenure. Hence it could have the effect of limiting individuals in certain cases to four years and a day in the Presidency.

Moody's Daily Commodity Index

Tuesday, Feb. 18, 1947	398.5
Wednesday, Feb. 19	400.5
Thursday, Feb. 20	401.6
Friday, Feb. 21	401.4
Saturday, Feb. 22	Holiday
Monday, Feb. 24	408.3
Tuesday, Feb. 25	411.5
Two weeks ago, Feb. 11	391.4
Month ago, Jan. 11	374.1
Year ago, Feb. 25, 1946	269.5
1946 High, Dec. 24	380.6
Low, Jan. 2	264.7
1947 High, Feb. 25	411.5
Low, Jan. 20	371.5

Changes in Holdings of Reacquired Stock Of N. Y. Stock and Curb Listed Firms

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

Company and Class of Stock—	Shares Previously Reported	Shares Per Latest Report	
Alleghany Corp., prior preferred	7,000	7,700	
Preferred, series A	45,700	45,900	
American Hide & Leather Co., 6% cum. conv. preferred	2,000	2,400	
American Tobacco Co. (The), common	48,826	93,713	(1)
Common B	166,359	168,180	(1)
Associates Investment Co., common	39,270	39,195	
Atlantic Gulf & West Indies Steamship Lines, 5% non-cumulative preferred	1,925	2,925	
Atlas Corp., common	149,430	166,849	
Austin, Nichols & Co., cum. conv. prior preference	None	2,600	(2)
Borden Co. (The), capital	200,658	200,958	
Carriers & General Corp., capital	700	None	
Clinton Industries, Inc., common	18,700	21,200	
Crucible Steel Co. of America, 5% cum. conv. preferred	None	2,200	(3)
Electric Boat Co., $2 cum. non-partic. conv. preferred	28,169	28,469	
Flintkote Co. (The), $4 cum. preferred	80	2,000	(4)
Gimbel Brothers, $4.50 cum. preferred	11,587	14,087	
Guantanamo Sugar Co., $5 cum. preferred	500	750	
Hat Corp. of America, 4½% cum. preferred	260	290	
International Minerals & Chemical Corp., common	15,634	14,474	
Jewel Tea Co., Inc., common	1,314	1,270	
4¼% cum. preferred	3,000	4,000	
Johnson & Johnson, cum. 2nd preferred series A 4%	1,043	890	
Common	21,701	18,555	(5)
Kinney (G. R.) Co., Inc., $5 prior preferred	970	1,000	
National Cylinder Gas Co., common	18,230	18,454	
National Distillers Products Corp., common	87	94	
Outboard, Marine & Manufacturing Co., common	46	48	
Paramount Pictures Inc., common	23,700	58,000	
Pittsburgh Coke & Chemical Co., $5 conv. preferred	None	30	
Plymouth Oil Co., capital	314	2,314	
Reliable Stores Corp., common	1,510	1,710	
Safeway Stores Incorporated, common	45,304.48	15,304.48	(6)
Sheaffer (W. A.) Pen Co., common	1,999	341	
Sinclair Oil Corp., common	954,163.32	954,164.14	
Tide Water Associated Oil Co., $3.75 preferred	None	1,100	
United Corporation (The), $3 cum. preferred	78,300	78,500	
United Merchants & Manufacturers, Inc., 5% cum. pfd.	1,615	1,715	
Common	30,000	36,600	
United States Gypsum Co., common	53,935	53,390	
Westvaco Chlorine Products Corp., $3.75 cum. preferred	810	1,540	
Wilson & Co., $4.25 preferred	7,914	9,114	

NOTES

(1) On Dec. 4, 1946, purchased from subsidiary, American Cigarette and Cigar Co., 44,887 shares of common and 1,821 shares of common B stock.
(2) Purchased during December 1946, pursuant to Employees' Stock Purchase Agreement.
(3) Purchased for purposes of preferred stock sinking fund.
(4) During December 1946 acquired 1,920 shares held for retirement.
(5) 153 shares of preferred and 3,146 shares of common issued during December 1946, pursuant to Employees' Extra Compensation Plan of corporation.
(6) On Dec. 31, 1946, Mr. Lingan A. Warren exercised all of the options granted to him under his contract of Feb. 24, 1937, for 30,000 shares of the $5 par value common stock. The 30,000 shares of $5 par value common stock subject to said options were transferred from the treasury to Mr. Warren on Dec. 31, 1946.

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

Company and Class of Stock—	Shares Previously Reported	Shares Per Latest Report
Air Investors, Inc., conv. preference	636	5
American General Corp., common	32,823	32,954
Charis Corp., common	8,510	8,610
Crown Central Petroleum Corp., common	635	636
Dennison Manufacturing Co., common A	8,525	7,907
Esquire, Inc., capital	49,163	49,263
First York Corp., common	29,375	29,947
First York Corp., $2 div. preferred	5,770	5,883
Hussmann-Ligonier Co., $2.25 preferred	1,475	1,675
Hygrade Food Products Corp., common	48,273	48,374
King-Seeley Corp., common	2,222	2,172
Kleinerts (I. B.) Rubber Co., common	28,137	28,337
Merritt-Chapman & Scott Corp., preferred A	1,875	1,950
New York Merchandise Co., Inc., common	137,881	138,181
Niagara Share Corp., common B	268,090	270,190

December Portland Cement Output Rose 49%— Year's Production and Shipments Both Up 59%

Production of 14,557,000 barrels of cement in December, 1946, as reported to the Bureau of Mines, United States Department of the Interior, was 49% above that reported for December, 1945. Although the December, 1946 total represents a decrease from the September peak of 16,450,000 barrels, it still remains above the usual seasonal trend. Seventy-one per cent of capacity was utilized, a figure 23% above that reported for the corresponding month of the previous year. Stocks of 10,893,000 barrels on Dec. 31, 1946 are 34% below that reported for December, 1945, but follow the usual seasonal upswing at the end of the year. Mill shipments reached 11,494,000 barrels in December, 1946, an increase of 88% over that reported in December, 1945. Clinker production of 15,043,000 barrels in December, 1946, shows an increase of 45% over that reported in December of 1945.

Demand for cement in December, 1946, as indicated by mill shipments, continued good and although they follow the usual seasonal trend the quantity shipped was considerably above that reported for the same month of the previous year, and the 1935-39 average. This is reflected in the fact that all districts in continental United States show an increase over the corresponding month of 1945. The increases range from 21% in Texas to 254% in Tennessee.

PORTLAND CEMENT IN UNITED STATES, PUERTO RICO AND HAWAII (Bbls.)

Period Ended Dec. 31—	1945—Month	—1946	*1945—12 Months	—1946
Finished cement:				
Production	9,772,000	14,557,000	102,812,000	163,805,000
Shipments	6,112,000	11,494,000	106,400,000	169,336,000
Stocks (Dec. 31)	16,423,000	10,893,000	-----	-----
Capacity used	48%	71%	43%	68%
Clinker:				
Production	10,363,000	15,043,000	102,704,000	164,956,000
Stocks (Dec. 31)	4,463,000	3,874,000	-----	-----

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

The Portland cement industry during 1946, the first year after the cessation of hostilities of World War II, experienced a sharp increase in production activity and demand. Total production of 163,805,000 barrels of finished cement, reported to the Bureau of Mines, Department of the Interior, was 59% above the previous year's total and shipments of 169,336,000 barrels also represent a 59% increase over the 1945 total.

Monthly output during 1946, with the exception of the last quarter, bore little resemblance to the usual seasonal pattern. Production reached 9,635,000 barrels in January and, after a slight decrease in February, monthly output for the remainder of the year ranged from 11,305,000 barrels in March to a peak of 16,450,000 barrels in September, and then declined to 14,557,000 barrels in December for a monthly average for the year of 13,650,000 barrels. Monthly production, by districts, with the exception of January, May, October, November, and December, which show a maximum of two districts with lower totals than the previous year, was higher throughout the year than in 1945. Output continued strong, even in some of the Northern States, in the last quarter of the year as New York and Maine show an increase of 120% in output for December, 1946, over the 1945 total, and Oregon and Washington 31%.

Operating activity of the Portland cement industry utilized 68% of capacity in 1946, an increase of 25% over that reported in 1945. The capacity used monthly in 1946 ranged from 47% in January to a peak of 83% in September and then declined to 71% in December. Plant activity, by districts, in continental United States, in 1946, was highest in Tennessee (90% of capacity) followed closely by California, Kansas, Texas, Colorado-Wyoming-Montana-Utah-Idaho, and Alabama, which utilized 80% to 88% of capacity.

The long-term trend of the moving 12-months' total of production of finished cement continued its upward trend throughout 1946 and reached a position at the end of the year comparable to that of July, 1943.

Monthly shipments in 1946 followed essentially the 1935-39 trend but at a much higher volume level, increasing steadily with the exception of a slight decline in June, from a January, 1946 total of 7,391,000 barrels to a peak of 17,955,000 barrels in August and then declined sharply to 11,494,000 barrels in December, 1946, or a monthly average of 14,111,000 barrels. The August, 1946 total represents the largest single month shipments since 1942, the all-time peak year, when sales from mills ranged from 18 to 21 million barrels from June through October. Monthly shipments, by districts, with the exception of January and November which each show one district with a lower total than the previous year, were higher throughout the year than in 1945.

Although fuel shortages, strikes, and difficulties in obtaining materials militated to some extent against full expansion, the outlook for the cement industry is believed to be good, according to the Bureau of Mines.

Real Estate Financing Highest in 1946

The nation's non-farm real estate financing continued to a new high in 1946 when about $10,400,000,000 of mortgages were recorded, the Federal Home Loan Bank Administration reported on Feb. 16. The year's total is 85% greater than for 1945 and 120% above 1941, the announcement added.

"The rise in recent years is due not only to a sustained demand for loans on houses and today's high prices, but the almost 100% financing of homes under the GI Loan Act and a larger volume of credit extended for new construction. 50% more mortgages were recorded than in 1945 and the average loan was 45% above the average for 1941, the last prewar year. Showing a usual seasonal decline, mortgage financing last December totaled $836,000,000, 4% below the previous month but 59% over December, 1945. Revealing the trend of financing activity by types of lenders, the 1946 increases over 1945 in dollar totals of mortgages recorded were as follows: mutual savings banks, 153%; commercial banks and trust companies, 146%; miscellaneous lenders, 91%; insurance companies, 94%; savings and loan associations, 70%, and individuals, 44%.

"The average mortgage recorded in 1946 amounted to $4,206, which is 22% more than in 1945. The average for mutual savings banks in 1946 was $5,146, up 29% over 1945. Other increases in averages were: for commercial banks and trust companies, 25%; for miscellaneous lenders, 21%; savings and loan associations, 19%, and for insurance companies, 10%. All of the compilations are limited to non-farm mortgages of $20,000 or less. Following are the number and amount of mortgages recorded in 1946, by class of lenders, together with their relative participation in the total:

	Number	Amount	% of Amount
Savings and loan associations	820,520	$3,421,027,000	33
Insurance companies	82,334	474,852,000	5
Banks and trust companies	585,788	2,685,061,000	26
Mutual savings banks	101,180	547,977,000	5
Individuals	623,438	2,023,015,000	19
Miscellaneous lending institutions	261,666	1,257,899,000	12
Total	2,474,946	$10,409,831,000	100

Latest Summary of Copper Statistics

The Copper Institute on Feb. 11 released the following statistics pertaining to production, deliveries and stocks of duty-free copper.

SUMMARY OF COPPER STATISTICS REPORTED BY MEMBERS OF THE COPPER INSTITUTE
(In Tons of 2,000 Pounds)

U. S. Duty Free Copper	Production *Crude	Production Refined	Deliveries to Customers †Domestic	Deliveries to Customers Export	‡Refined Stocks End of Period	Stock Increase (+) or Decreases (—) §Blister	Stock Increase (+) or Decreases (—) Refined
Year 1939	836,074	818,289	814,407	134,152	159,485	+17,785	—130,270
Year 1940	992,293	1,033,710	1,001,886	48,537	142,772	—41,417	— 16,713
Year 1941	1,016,996	1,065,667	1,545,541	307	75,564	—48,671	— 67,208
Year 1942	1,152,344	1,135,708	1,635,236	----	65,309	+16,636	— 10,255
Year 1943	1,194,699	1,206,871	1,643,677	----	52,121	—12,172	— 13,188
Year 1944	1,056,180	1,098,788	1,636,295	----	66,780	—42,608	+ 14,659
Year 1945	841,667	843,113	1,517,842	----	76,512	— 1,446	+ 9,732
Year 1946	651,260	604,071	1,260,921	909	80,832	+47,189	+ 4,320
Jan., 1946	58,178	69,008	115,601	----	72,799	—10,830	— 3,713
Feb., 1946	41,667	49,923	86,089	909	74,339	— 8,256	+ 1,540
Mar., 1946	41,832	20,139	58,590	----	70,249	+21,693	— 4,090
Apr., 1946	29,280	18,989	75,756	----	65,448	+10,291	— 4,801
May, 1946	31,897	20,551	93,647	----	75,754	+11,346	+ 10,306
June, 1946	32,785	23,870	95,267	----	79,145	+ 8,915	+ 3,391
July, 1946	56,906	43,606	97,527	----	101,183	+13,300	+ 22,038
Aug., 1946	64,462	59,591	118,381	----	94,669	+ 4,871	— 6,514
Sept., 1946	69,748	67,803	113,158	----	98,619	+ 1,945	+ 3,950
Oct., 1946	72,807	77,947	136,481	----	91,161	— 5,140	— 7,458
Nov., 1946	73,024	75,066	129,206	----	90,896	— 2,042	— 265
Dec. 1946	78,674	77,578	141,218	----	80,832	+ 1,096	— 10,064
Jan. 1947	79,341	80,144	143,692	----	76,680	— 803	— 4,152

*Mine or smelter production or shipments, and custom intake including scrap.
†Beginning March, 1941, includes deliveries of duty paid foreign copper for domestic consumption.
‡At refineries on consignment and in exchange warehouses, but not including consumers' stocks at their plants or warehouses.
§Computed by difference between mine and refined production.
NOTE—Statistics for the month and 12 months ended Dec. 31, 1946, have been revised.

Three Regional ABA Bank Conferences

Several thousand country banks in three different sections of the country were brought into closer relationship with the American Bankers Association through a series of Regional Country Bank Conferences which the Association arranged for the Far West, the Middle West, and the South, during February, it was made known by C. W. Bailey, President of the Association. The first was held in Salt Lake City, Utah Feb. 17-18; the second in Omaha, Neb., Feb. 20-21; and the third in Birmingham, Ala., Feb 24-25.

Officers of the Association and leaders of its activities in country banking and small business were slated as participants in the discussions. Mr. Bailey, himself a country banker, headed the program as the keynote speaker at each conference with an address, "The Challenge to Country Banking." He is President of the First National Bank at Clarksville, Tenn.

Robert M. Hanes, an ABA past President and a leader in small business activity, led the discussions on this subject with a talk, "Small Business Is Bank Business." Mr. Hanes is President of the Wachovia Bank and Trust Company, Winston-Salem, N. C.

The states included in the Salt Lake Western Conference territory are Arizona, Colorado, Idaho, Montana, Nevada, New Mexico, Utah, and Wyoming. The Omaha Mid-Continent Conference area includes Indiana, Iowa, Kansas, Michigan, Minnesota, Missouri, Nebraska, North Dakota, Oklahoma, South Dakota, and Wisconsin. The Birmingham Southern Conference area includes Alabama, Arkansas, Florida, Georgia, Kenucky, Louisiana, Mississippi, North Carolina, South Carolina, Tennessee and Virginia.

NYSE Short Interest Increased to Feb. 14

The New York Stock Exchange reported on Feb. 19, that the short interest as of the close of business on the Feb. 14, 1947, settlement date, as complied from information obtained by the exchange from its members and member firms, was 1,046,797 shares, compared with 798,081 shares on Jan. 15, 1947, both totals excluding short positions carried in the odd-lot accounts of all odd-lot dealers. As of the Feb. 14, 1947, settlement date, the total short interest in all odd-lot dealers' accounts was 52,898 shares, compared with 63,715 shares on Jan. 15, 1947. The report added:

Of the 1,342 individual stock issues listed on the Exchange on Feb. 14, 1947, there were 59 issues in which a short interest of 5,000 or more shares existed, or in which a change in the short position of 2,000 or more shares occurred during the month.

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

1946—	
Feb. 15	1,181,222
Mar. 15	1,015,772
Apr. 15	994,375
May 15	1,022,399
June 15	867,891
July 15	849,698
Aug. 15	732,649
Sept. 13	627,964
Oct. 15	757,215
Nov. 15	927,002
Dec. 13	893,178
1947—	
Jan. 15	798,081
Feb. 14	1,046,797

Gross and Net Earnings of United States Railroads for the Month of October

Both gross and net categories in railroad earnings showed increases for the month of October in comparison with October, 1945. The gross and net earnings for the month of October were also the highest recorded in 1946 thus far with the exception of the month of August.

The gross earnings of the railroads were $709,938,026 in comparison with $696,991,354 in the preceding October. This is equivalent to a gain of 1.86%. Operating expenses were 10.89% less than in October, 1945, when these expenses amounted to $626,664,313. In October, 1945, the net earnings were $70,327,041, which was a new low in net earnings for October. Last October net earnings showed a substantial increase over these earnings with a gain of 115.44%. The net earnings for October, 1946, amounted to $151,513,771. These comparisons are presented in detailed form in the appended tabulation:

Month of October—	1946	1945		Inc. (+) or Dec. (—) Amount	%
Mileage of 129 roads	227,385	228,258	—	873	— 0.38
Gross earnings	$709,938,026	$696,991,354	+	$12,946,672	— 1.86
Operating expenses	558,424,255	626,664,313	—	68,240,058	—10.89
Ratio of expenses to earnings	(73.48%)	(89.91%)			
Net earnings	$151,513,771	$70,327,041	+	$81,186,730	+115.44

We now turn to our usual breakdown of these figures into geographical subdivisions. The greatest increase in gross earnings was recorded by the Pocahontas region, one of 41.51%. The second greatest increase was shown by the Great Lakes region with a gain of 17.15%. The Central Eastern and Northwestern regions came up with the only other increases in gross earnings. All other regions recorded decreases with the Central Western region showing the largest decrease of all. In net earnings the Pocahontas region showed the biggest gain. The Great Lakes region showed the second largest gain. Both of these regions had deficits in the previous October. The Northwestern region showed an increase of 102.40%. Only two regions, the New England and Central Western, showed decreases, the New England region with a drop of 30.59% coming up with the poorest showing. These details are more clearly presented in the following tabulation which is grouped in conformity with the classification of the Interstate Commerce Commission as explained in the footnote appended thereto.

SUMMARY BY GROUPS—MONTH OF OCTOBER

District and Region	Gross Earnings 1946 $	1945 $		Inc. (+) or Dec. (—) $	%
Eastern District—					
New England region (10 roads)	24,858,876	24,880,282	—	21,406	— 0.09
Great Lakes region (23 roads)	119,117,968	101,676,809	+	17,441,159	+17.15
Central Eastern region (19 roads)	142,551,183	127,809,947	+	14,741,236	+11.53
Total (52 roads)	286,528,027	254,367,038	+	32,160,989	+12.64
Southern District—					
Southern region (23 roads)	93,217,639	94,096,506	—	878,867	— 0.93
Pocahontas region (4 roads)	36,129,762	25,531,790	+	10,597,972	+41.51
Total (27 roads)	129,347,401	119,628,296	+	9,719,105	+ 8.12
Western District—					
Northwestern region (16 roads)	87,700,613	87,413,532	+	287,081	+ 0.33
Central Western region (14 roads)	149,944,922	175,559,574	—	25,614,652	—14.59
Southwestern region (20 roads)	56,417,063	60,022,914	—	3,605,851	— 6.01
Total (50 roads)	294,062,598	322,906,020	—	28,933,422	— 8.96
Total, all districts (129 roads)	709,938,026	696,991,354	+	12,946,672	+ 1.86

District and Region—	Mileage 1946	Mileage 1945	Net Earnings 1946 $	1945 $		Inc. (+) or Dec. (—) $	%
Eastern District—							
New England region	6,541	6,563	4,142,861	5,968,933	—	1,826,072	—30.59
Great Lakes region	25,429	25,556	20,836,137	*8,999,150	+	29,835,287	----
Cent. East'n region	23,934	23,877	25,851,584	17,091,436	+	8,760,148	+51.25
Total	55,904	55,996	50,830,582	14,061,219	+	36,769,363	+261.49
Southern District—							
Southern region	37,234	37,320	17,481,298	23,350,102	—	5,868,804	—25.13
Pocahontas region	6,046	6,019	11,382,291	*34,824,121	+	46,206,412	----
Total	43,280	43,339	28,863,589	*11,474,019	+	40,337,608	----
Western District—							
Northwest'n region	45,587	45,675	27,012,536	13,346,429	+	13,666,107	+102.40
Cent. West'n region	54,511	54,663	31,358,914	41,227,190	—	9,868,276	—23.94
Southwest'n region	28,103	28,585	13,448,150	13,166,222	+	281,928	+ 2.14
Total	128,201	128,923	71,819,600	67,739,841	+	4,079,759	+ 6.02
Total, all dists.	227,385	228,258	151,513,771	70,327,041	+	81,186,730	+115.44

*Deficit.

NOTE—Our grouping of the roads conforms to the classification of the Interstate Commerce Commission, and the following indicates the confines of the different groups and regions:

EASTERN DISTRICT

New England Region—Comprises the New England States.

Great Lakes Region—Comprises the section on the Canadian boundary between New England and the westerly shore of Lake Michigan to Chicago, and north of a line from Chicago via Pittsburgh to New York.

Central Eastern Region—Comprises the section south of the Great Lakes Region east of a line from Chicago through Peoria to St. Louis and the Mississippi River to the mouth of the Ohio River, and north of the Ohio River to Parkersburg, W. Va., and a line thence to the southwestern corner of Maryland and by the Potomac River to its mouth.

SOUTHERN DISTRICT

Southern Region—Comprises the section east of the Mississippi River and south of the Ohio River to a point near Kenova, W. Va., and a line thence following the eastern boundary of Kentucky and the southern boundary of Virginia to the Atlantic.

Pocahontas Region—Comprises the section north of the southern boundary of Virginia, east of Kentucky and the Ohio River north to Parkersburg, W. Va., and south of a line from Parkersburg to the southwestern corner of Maryland and thence by the Potomac River to its mouth.

WESTERN DISTRICT

Northwestern Region—Comprises the section adjoining Canada lying west of the Great Lakes Region, north of a line from Chicago to Omaha and thence to Portland, and by the Columbia River to the Pacific.

Central Western Region—Comprises the section south of the Northwestern Region west of a line from Chicago to Peoria and thence to St. Louis, and north of a line from St. Louis to Kansas City and thence to El Paso and by the Mexican boundary to the Pacific.

Southwestern Region—Comprises the section lying between the Mississippi River south of St. Louis and a line from St. Louis to Kansas City and thence to El Paso, and by the Rio Grande to the Gulf of Mexico.

In the table which follows we furnish our customary summary of the October comparisons of the gross and net earnings of the railroads of the country from the current year back to and including 1909:

Month of October	Gross Earnings Year Given	Year Preceding	Inc. (+) or Dec. (—)	%	Mileage Year Given	Year Preced'g
1909	$251,187,152	$225,109,822	+$26,077,330	+11.58	222,632	219,144
1910	256,585,392	253,922,867	+ 2,662,525	+ 1.05	232,162	228,050
1911	260,482,221	259,111,859	+ 1,370,362	+ 0.53	236,291	233,199
1912	293,738,091	258,473,408	+ 35,264,683	+13.64	237,217	233,545
1913	299,195,006	300,476,017	— 1,281,011	— 0.43	243,690	240,886
1914	269,325,262	298,066,118	— 28,740,856	— 9.64	244,917	241,093
1915	311,179,375	274,091,434	+ 37,087,941	+13.53	248,072	247,009
1916	345,790,899	310,740,113	+ 35,050,786	+11.28	246,683	246,000
1917	389,017,309	345,079,977	+ 43,937,332	+12.73	247,048	245,967
1918	484,824,750	377,867,933	+106,956,817	+28.31	230,184	230,576
1919	508,023,854	489,081,358	+ 18,942,496	+ 3.87	233,192	233,136
1920	633,852,568	503,281,630	+130,570,938	+25.94	231,439	229,935
1921	534,332,833	640,255,263	—105,922,430	—16.54	235,228	234,686
1922	545,759,206	532,684,914	+ 13,074,292	+ 2.45	233,872	232,882
1923	586,328,886	549,080,662	+ 37,248,224	+ 6.78	235,608	236,015
1924	571,405,130	586,540,887	— 15,135,757	— 2.58	235,189	235,625
1925	590,161,046	571,576,038	+ 18,585,008	+ 3.25	236,724	236,564
1926	604,052,017	586,008,436	+ 18,043,581	+ 3.08	236,654	236,898
1927	582,542,179	605,982,445	— 23,440,266	— 3.87	238,828	238,041
1928	616,710,737	579,954,887	+ 36,755,860	+ 6.34	240,661	239,602
1929	607,584,997	617,475,011	— 9,890,014	— 1.60	214,622	241,451
1930	482,712,524	608,281,555	—125,569,031	—20.64	242,578	241,555
1931	362,647,702	482,784,602	—120,136,900	—24.88	242,745	242,174
1932	298,076,110	362,551,904	— 64,475,794	—17.78	242,031	242,024
1933	297,690,747	298,084,387	— 393,640	— 0.13	240,858	242,177
1934	292,488,478	293,983,028	— 1,494,550	— 0.51	238,937	240,428
1935	340,591,477	292,495,988	— 48,095,489	+16.44	237,385	238,971
1936	390,826,705	340,612,829	+ 50,213,876	+14.74	236,554	237,573
1937	372,283,700	390,633,743	— 18,350,043	— 4.70	235,173	235,750
1938	352,880,489	372,283,700	— 19,403,211	— 5.21	234,242	235,161
1939	418,934,974	352,823,729	+ 66,111,245	+18.74	233,361	234,182
1940	412,774,363	418,934,974	— 6,160,611	— 1.47	232,632	233,369
1941	517,592,773	412,896,707	+104,696,066	+25.36	232,081	232,682
1942	745,582,964	517,592,774	+227,990,190	+44.05	229,144	232,055
1943	796,282,370	745,582,947	+ 50,699,423	+ 6.80	229,168	230,141
1944	818,737,486	796,213,930	+ 22,523,556	+ 2.83	228,536	229,000
1945	696,991,354	818,302,899	—121,311,545	—14.82	228,258	228,361
1946	709,938,026	696,991,354	+ 12,946,672	+ 1.86	227,385	228,258

Month of October	Net Earnings Year Given	Year Preceding	Increase (+) or Decrease (—)	%
1909	$99,243,438	$85,452,483	+$13,790,955	+16.14
1910	91,451,609	102,480,704	— 11,029,095	—10.76
1911	93,836,492	91,725,725	+ 2,110,767	+ 2.30
1912	108,046,804	93,224,776	+ 14,822,028	+15.90
1913	97,700,506	110,811,359	— 13,110,853	—11.83
1914	87,660,694	95,674,714	— 8,014,020	— 8.38
1915	119,324,551	89,244,989	+ 30,079,562	+33.71
1916	130,861,148	119,063,024	+ 11,798,124	+ 9.91
1917	125,244,540	131,574,384	— 6,329,844	— 4.81
1918	107,088,318	122,581,905	— 15,493,587	—12.64
1919	104,003,198	106,196,863	— 2,193,665	— 2.07
1920	117,998,825	103,062,304	+ 14,936,521	+14.49
1921	137,928,640	115,397,560	+ 22,531,080	+19.52
1922	120,216,296	137,900,248	— 17,683,952	—12.82
1923	141,922,971	121,027,593	+ 20,895,378	+17.26
1924	168,750,421	142,540,585	+ 26,209,836	+18.39
1925	180,695,428	168,640,671	+ 12,054,757	+ 7.15
1926	193,990,813	180,629,394	+ 13,361,419	+ 7.40
1927	180,600,126	193,701,962	— 13,101,836	— 6.76
1928	216,522,015	181,084,281	+ 35,437,734	+19.57
1929	204,335,941	216,519,313	— 12,183,372	— 5.63
1930	157,115,953	204,416,346	— 47,300,393	—23.14
1931	101,919,028	157,141,555	— 55,222,527	—35.14
1932	98,336,295	101,914,716	— 3,578,421	— 3.51
1933	91,000,573	98,337,561	— 7,336,988	— 7.46
1934	80,423,303	89,641,103	— 9,217,800	—10.28
1935	108,551,920	81,039,275	+ 27,512,645	+33.95
1936	130,165,162	108,567,097	+ 21,598,065	+19.89
1937	102,560,563	130,196,850	— 27,636,287	—21.23
1938	110,996,723	102,560,563	+ 8,436,165	+ 8.23
1939	148,098,290	110,994,564	+ 37,103,726	+33.43
1940	136,866,261	148,098,290	— 11,232,029	— 7.58
1941	156,128,607	136,924,911	+ 19,203,696	+14.03
1942	329,157,843	156,128,608	+173,029,235	+110.83
1943	282,712,452	329,157,826	— 46,445,374	—14.22
1944	279,580,680	282,673,990	— 3,093,310	— 1.09
1945	70,338,993	279,343,308	—209,004,315	—74.82
1946	151,513,771	70,327,041	+ 81,186,730	+115.44

Civil Engineering Construction Totals $98,463,000 for Week

Civil engineering construction volume in continental United States totals $98,463,000 for the week ending Feb. 20, 1947, as reported by "Engineering News-Record." This volume is 80% above the previous week, 91% above the corresponding week of last year, and 18% above the previous four-week moving average. The report issued on Feb. 20 continued as follows:

Private construction this week, $71,722,000, is 114% greater than last week, and 106% above the week last year. Public construction, $26,741,000, is 26% above last week, and 60% more than the week last year. State and municipal construction, $15,714,000, 8% below last week, is 47% above the 1946 week. Federal construction, $11,027,000, is 171% above last week, and 85% above the week last year.

Total engineering construction for the eight-week period of 1947 records a cumulative total of $695,757,000, which is 39% above the total for a like period of 1946. On a cumulative basis, private construction in 1947 totals $463,341,000, which is 38% above that for 1946. Public construction, $232,416,000, is 42% greater than the cumulative total for the corresponding period of 1946, whereas state and municipal construction, $164,821,000 to date, is 52% above 1946. Federal construction, $67,595,000, gained 22% above the eight-week total of 1946.

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

	2-20-47	2-13-47	2-21-46
Total U. S. Construction	$98,463,000	$54,778,000	$51,564,000
Private Construction	71,722,000	33,566,000	34,898,000
Public Construction	26,741,000	21,212,000	16,666,000
State and Municipal	15,714,000	17,146,000	10,702,000
Federal	11,027,000	4,066,000	5,964,000

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

New Capital

New capital for construction purposes this week totals $23,810,000, and is made up of $5,877,000 in corporate securities and $17,933,000 in state and muncipal bond sales. New capital for construction purposes for the eight-week period of 1947 totals $153,012,000, 46% less than the $294,607,000 reported for the corresponding period of 1946.

Bohne Heads Comm. Of Intl. Claim Assn.

Edward J. Bohne of The Equitable Life Assurance Society of the United States has been appointed Chairman of the newly formed Public Relations Committee of the International Claim Association as announced by its President, James N. Cunningham, Crown Life Insurance Co., Toronto, Canada, following a meeting of the Executive Committee of the International Claim Association. The Association, in its announcement issued at Boston, on Feb. 14, also stated in part:

"Mr. Bohne has been with the Equitable since 1933, received his LLB from St. Johns University Law School and was admitted to the Bar in Nov. 1933, and has also done Post-Graduate work in Forensic Medicine and Medical Jurisprudence at St. Johns University and New York University. He is the author of a Manual on Claims Procedure which is used by the Claims Representatives of the Equitable and has presented several papers at the annual meetings of the International Claim Association on various claim topics. In the past he has served on a number of committees of the International Claim Association. Currently he is the Vice-Chairman of the Life Insurance Companies Executive Committee, Boy Scouts of America Drive. He is a member of the Society of Medical Jurisprudence of New York."

In commenting on the creation of this Committee as a Standing Committee to succeed the former Press Committee, Mr. Cunningham said:

"The work of this Committee will be to give further emphasis to the efforts of the International Claim Association to promote good will among the companies, particularly in relation to claims, and thus have the public become more conscious of the efforts of the companies to render prompt and efficient service."

Other members on the Committee are, A. G. Fankhauser, Continental Casualty Co. of Chicago, and W. Keith Kropp, Provident Life & Accident Co., Chattanooga, Tenn.

Safety Convention in N. Y. During March

The 17th annual Safety Convention and Exposition will be held in New York City for four days beginning March 25, it was announced by the Greater New York Safety Council, sponsor of the event. There will be 49 separate sessions, all at the Hotel Pennsylvania, and 300 speakers including experts from all over the nation on various phases of safety, leaders in government, industry and labor, and traffic officials, educators, and engineers.

William F. Brown, General Chairman of the executive committee, disclosed that the 1947 convention would have, for the first time, a labor-management session, in an attempt to halt the industrial accident rate which has risen steadily since the end of the war. Among the subjects to which sessions will be devoted are safety in the home, aviation, public assembly, traffic and vehicular problems, construction, building management, public education, industrial health and industrial nursing, smaller plants, fire protection, public utilities, foods and beverages, shipyards and cargo handling, and eye protection. The Exposition, annually the largest of its kind in the East will display in 114 booths the latest developments in safety devices and equipment.

Daily Average Crude Oil Production for Week Ended Feb. 15, 1947, Decreased 12,600 Barrels

The American Petroleum Institute estimates that the daily average gross crude oil production for the week ended Feb. 15, 1947, was 4,757,650 barrels, a decrease of 12,600 barrels per day from the preceding week. It was however, an increase of 47,700 barrels per day over the output in the week ended Feb. 16, 1946, and exceeded by 117,650 barrels the daily average figure estimated by the United States Bureau of Mines as the requirement for the month of February, 1947. Daily production for the four weeks ended Feb. 15, 1947, averaged 4,712,400 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 4,737,000 barrels of crude oil daily and produced 13,962,000 barrels of gasoline; 2,232,000 barrels of kerosine; 5,290,000 barrels of distillate fuel, and 8,261,000 barrels of residual fuel oil during the week ended Feb. 15, 1947; and had in storage at the end of that week 103,048,000 barrels of finished and unfinished gasoline; 12,813,000 barrels of kerosine; 42,793,000 barrels of distillate fuel, and 46,515,000 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. 15, 1947	Change from Previous Week	4 Weeks Ended Feb. 15, 1947	Week Ended Feb. 16, 1946
**New York-Penna.	48,200		45,950	+ 3,250	47,050	48,650
Florida			250	----	250	100
**West Virginia	8,200		6,250	— 200	7,000	7,300
**Ohio—Southeast }	7,800		5,050	----	5,500	4,650
Ohio—Other }			1,850	— 400	2,250	3,200
Indiana	18,000		17,350	— 2,550	18,300	16,250
Illinois	204,000		187,200	— 9,150	194,500	208,350
Kentucky	28,000		27,050	— 1,300	27,700	29,950
Michigan	46,000		39,400	— 3,300	42,800	42,100
Nebraska	800		†700	----	700	750
Kansas	263,000	270,000	†260,650	—15,850	276,800	259,650
Oklahoma	370,000	371,700	†370,150	+ 2,200	366,950	389,450
Texas—						
District I			19,950	----	19,500	----
District II			146,000	----	139,550	----
District III			451,000	----	431,600	----
District IV			223,250	----	214,900	----
District V			36,450	----	35,000	----
East Texas			328,200	----	314,600	----
Other Dist. VI			106,100	----	102,750	----
District VII-B			36,100	----	35,050	----
District VII-C			32,650	----	30,150	----
District VIII			467,450	----	466,100	----
District IX			126,350	----	122,300	----
District X			83,150	----	82,600	----
Total Texas	2,030,000	‡2,042,500	2,056,650	----	1,994,100	2,103,250
North Louisiana			94,600	+ 550	94,450	79,200
Coastal Louisiana			310,300	----	311,950	288,850
Total Louisiana	387,000	447,000	404,900	+ 550	406,400	368,050
Arkansas	76,000	79,580	74,100	— 150	73,500	77,500
Mississippi	66,000		85,550	— 3,800	87,000	55,100
Alabama	2,000		1,000	— 50	950	1,000
New Mexico—So. East }	98,000	110,000	103,400	----	103,200	93,000
New Mexico—Other }			450	+ 50	400	450
Wyoming	93,000		108,050	+ 3,550	105,850	103,400
Montana	23,000		23,700	+ 3,300	21,300	19,050
Colorado	33,000		37,900	+ 1,850	36,550	24,050
California	838,000	§844,300	900,100	+ 9,400	893,350	843,700
Total United States	4,640,000		4,757,650	—12,600	4,712,400	4,709,950
**Pennsylvania Grade (included above)			57,250	+ 3,050	59,550	60,600

*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. 13, 1947.

‡This is the net basic allowable as of Feb. 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 for 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 OIL, WEEK ENDED FEB. 15, 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	732	87.2	1,587	21,759	6,124	15,655	6,691
Appalachian—								
District No. 1	76.3	102	71.3	294	2,725	271	442	205
District No. 2	84.7	68	109.7	221	947	27	69	133
Ind., Ill., Ky.	87.4	805	92.5	2,621	20,563	1,273	3,319	2,665
Okla., Kans., Mo.	78.3	384	81.9	1,411	10,410	489	1,510	1,084
Inland Texas	59.8	215	65.2	1,023	4,272	198	333	688
Texas Gulf Coast	89.2	1,099	89.6	3,171	15,739	2,440	7,365	5,834
Louisiana Gulf Coast	97.4	348	108.4	874	5,292	1,017	2,539	1,780
No. La. & Arkansas	55.9	52	41.3	156	2,145	251	570	101
Rocky Mountain—								
New Mexico	19.0	9	69.2	28	104	16	31	32
Other Rocky Mt.	70.9	130	78.8	438	2,709	66	479	662
California	85.5	793	79.8	2,138	16,383	641	10,481	26,640
Total U. S. B. of M. basis Feb. 15, 1947	85.8	4,737	85.2	13,962	*103,048	12,813	42,793	46,515
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. Feb. 16, 1946		4,669		13,697	†105,297	8,109	27,392	40,041

*Includes unfinished gasoline stocks of 8,278,000 barrels. †Includes unfinished gasoline stocks of 8,211,000 barrels. ‡Stocks at refineries, at bulk terminals, in transit and in pipelines. §In addition, there were produced 2,232,000 barrels of kerosine, 5,290,000 barrels of gas oil and distillate fuel oil and 8,261,000 barrels of residual fuel oil in the week ended Feb. 15, 1947, which compared with 2,357,000 barrels, 5,193,000 barrels and 8,278,000 barrels, respectively, in the preceding week and 2,358,000 barrels, 5,778,000 barrels and 9,019,000 barrels, respectively, in the week ended Feb. 16, 1946.

Trading on New York Exchanges

The Securities and Exchange Commission made public on Feb. 19 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 Feb. 1, 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 Feb. 1 (in round-lot transaction) total 2,692,238 shares, which amount was 18.18% of the total transactions on the Exchange of 7,402,850 shares. This compares with member trading during the week ended Jan. 25 of 1,803,557 shares, or 19.17% of the total trading of 4,703,850 shares.

On the New York Curb Exchange, member trading during the week ended Feb. 1 amounted to 667,830 shares or 18.24% of the total volume on that Exchange of 1,830,515 shares. During the week ended Jan. 25 trading for the account of Curb members of 434,175 shares was 18.32% of the total trading of 1,184,895 shares.

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

WEEK ENDED FEB. 1, 1947

	Total for Week	†%
A. Total Round-Lot Sales:		
Short sales	332,760	
‡Other sales	7,070,090	
Total sales	7,402,850	
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	831,590	
Short sales	158,610	
‡Other sales	677,390	
Total sales	836,000	11.26
2. Other transactions initiated on the floor—		
Total purchases	135,660	
Short sales	15,700	
‡Other sales	140.400	
Total sales	156,100	1.97
3. Other transactions initiated off the floor—		
Total purchases	349,127	
Short sales	56,260	
‡Other sales	327,501	
Total sales	383,761	4.95
4. Total—		
Total purchases	1,316,377	
Short sales	230,570	
‡Other sales	1,145,291	
Total sales	1,375,861	18.18

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

WEEK ENDED FEB. 1, 1947

	Total for Week	†%
A. Total Round-Lot Sales:		
Short sales	51,850	
‡Other sales	1,778,665	
Total sales	1,830,515	
B. Round-Lot Transactions for Account of Members:		
1. Transactions of specialists in stocks in which they are registered—		
Total purchases	140,835	
Short sales	12,330	
‡Other sales	154,325	
Total sales	166,655	8.40
2. Other transactions initiated on the floor—		
Total purchases	32,295	
Short sales	16,775	
‡Other sales	33,105	
Total sales	49,880	2.24
3. Other transactions initiated off the floor—		
Total purchases	167,305	
Short sales	9,750	
‡Other sales	101,110	
Total sales	110,860	7.60
4. Total—		
Total purchases	340,435	
Short sales	38,855	
‡Other sales	288,540	
Total sales	327,395	18.24
C. Odd-Lot Transactions for Account of Specialists—		
Customers' short sales	0	
§Customers' other sales	109,701	
Total purchases	109,701	
Total sales	74,893	

*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."

Commercial Paper Outstanding on Jan. 31

Reports received by the Federal Reserve Bank of New York, from commercial paper dealers show a total of $236,400,000 of open market paper outstanding on Jan. 31, 1947, compared with $227,600,000 on Dec. 31, 1946, and $173,700,000 on Jan. 31, 1946, the bank announced on Feb. 17.

The following are the totals for the last two years:

	$		$
1947—		1946—	
Jan. 31	236,400,000	Jan. 31	173,700,000
1946—		1945—	
Dec. 31	227,600,000	Dec. 31	158,900,000
Nov. 29	226,800,000	Nov. 30	156,100,000
Oct. 31	201,500,000	Oct. 31	127,100,000
Sep. 30	147,600,000	Sep. 28	111,100,000
Aug. 31	141,600,000	Aug. 31	110,200,000
July 31	130,800,000	July 31	106,800,000
Jun. 28	121,400,000	Jun. 29	100,800,000
May 30	126,000,000	May 31	102,800,000
Apr. 30	148,700,000	Apr. 30	118,600,000
Mar. 29	171,500,000	Mar. 30	146,700,000
Feb. 28	178,200,000	Feb. 28	157,300,000

NYSE Odd-Lot Trading

The Securities and Exchange Commission made public on Feb. 19 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 February 8, 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. 8, 1947

	Total For Week
Odd-Lot Sales by Dealers— (Customers' purchases)	
Number of orders	32,025
Number of shares	967,941
Dollar value	$37,427,930
Odd-lot Purchases by Dealers— (Customers' sales)	
Number of Orders:	
Customers' short sales	475
*Customers' other sales	29,966
Customers' total sales	30,441
Number of Shares:	
Customers' short sales	19,815
*Customers' other sales	871,576
Customers' total sales	891,391
Dollar value	$31,914,473
Round-lot Sales by Dealers—	
Number of Shares:	
Short sales	0
†Other sales	241,140
Total sales	241,140
Round-lot Purchases by Dealers—	
Number of shares	349,170

*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."

Market Transactions in Gov't Securities in Jan.

During the month of January, 1947, market transactions in direct and guaranteed securities of the government for Treasury investment and other accounts resulted in net purchases of $121,000, Secretary Snyder announced on Feb. 17.

The following tabulation shows the Treasury's transactions in government securities for the last two years:

1945—	
February	$48,131,000 sold
March	2,940,000 sold
April	55,600,000 sold
May	34,400,000 sold
June	56,414,050 sold
July	17,000,000 sold
August	150,000 sold
September	12,526,000 sold
October	300,000 purchased
November	No sales or purchases
December	No sales or purchases
1946—	
January	$8,137,000 sold
February	700,000 sold
March	No sales or purchases
April	3,300,000 purchased
May	385,000 purchased
June	69,800,000 sold
July	157,800,000 sold
August	41,211,700 sold
September	74,053,450 sold
October	122,954,250 sold
November	57,572,000 sold
December	20,300,000 sold
1947—	
January	121,000 purchased

Savings Bank Deposits Rise Further in January

During January, 1947, total mutual savings bank deposits in the United States increased more than $120 millions. This growth was somewhat greater than during the late months of 1946, it was reported on Feb. 17, by the National Association of Mutual Savings Banks, which added:

During the same month, savings banks invested more than $100 millions in U. S. Government securities and made mortgage loans of about $28 millions. Later in the year when mortgage lending is expected to increase for seasonal and other reasons, the proportion of funds going into these channels is expected to increase. During January mutual savings banks showed a net gain of about 68,000 accounts.

Weekly Coal and Coke Production Statistics

The total production of soft coal in the week ended Feb. 15, 1947, as estimated by the United States Bureau of Mines, was 12,350,000 net tons, as compared with 12,300,000 tons in the preceding week and 12,065,000 tons in the corresponding week of 1946. The total output of bituminous coal and lignite for the current calendar year to Feb. 15, 1947, was estimated at 85,430,000 net tons, an increase of 3.2% over the 82,764,000 tons produced from Jan. 1 to Feb. 16, 1946.

Production of Pennsylvania anthracite for the week ended Feb. 15, 1947, as estimated by the Bureau of Mines, was 970,000 tons, a decrease of 137,000 tons, or 12.4%, from the preceding week. When compared with the output in the corresponding week of 1946 there was a decrease of 266,000 tons, or 21.5%. The calendar year to date shows a decrease of 5.1% when compared with the corresponding period of 1946.

The Bureau also reported that the estimated production of beehive coke in the United States for the week ended Feb. 15, 1947, showed an increase of 7,100 tons when compared with the output for the week ended Feb. 8, 1947; and was 41,800 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. 15, 1947	Feb. 8, 1947	Feb. 16, 1946	—Jan. 1 to Date— *Feb. 15, 1947	Feb. 16, 1946
Total, including mine fuel	12,350,000	12,300,000	12,065,000	85,430,000	82,764,000
Daily average	2,058,000	2,050,000	2,011,000	2,185,000	2,064,000

*Subject to current adjustment.

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

	—Week Ended— ‡Feb. 15, 1947	§Feb. 8, 1947	Feb. 16, 1946	—Calendar Year to Date— Feb. 15, 1947	Feb. 16, 1946	Feb. 20, 1937
Penn. Anthracite—						
*Total incl. coll. fuel	970,000	1,107,000	1,236,000	7,400,000	7,801,000	7,189,000
†Commercial produc.	933,000	1,064,000	1,188,000	7,115,000	7,501,000	6,830,000
Beehive Coke—						
¶United States total	124,700	117,600	82,900	787,400	588,700	486,200
Beehive Coke—						

*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. 8, 1947	Feb. 1, 1947	Feb. 9, 1946
Alabama	391,000	417,000	317,000
Alaska	7,000	7,000	6,000
Arkansas	36,000	40,000	40,000
Colorado	192,000	190,000	151,000
Georgia and North Carolina	1,000	1,000	1,000
Illinois	1,375,000	1,542,000	1,550,000
Indiana	562,000	623,000	550,000
Iowa	33,000	38,000	43,000
Kansas and Missouri	130,000	132,000	136,000
Kentucky—Eastern	1,075,000	1,285,000	1,144,000
Kentucky—Western	378,000	482,000	427,000
Maryland	52,000	52,000	51,000
Michigan	1,000	2,000	3,000
Montana (bituminous and lignite)	71,000	95,000	97,000
New Mexico	33,000	35,000	25,000
North and South Dakota (lignite)	59,000	73,000	57,000
Ohio	675,000	802,000	782,000
Oklahoma	68,000	68,000	67,000
Pennsylvania (bituminous)	2,970,000	3,225,000	2,868,000
Tennessee	160,000	173,000	146,000
Texas (bituminous and lignite)	2,000	3,000	2,000
Utah	194,000	183,000	147,000
Virginia	393,000	438,000	379,000
Washington	24,000	26,000	23,000
†West Virginia—Southern	2,327,000	2,595,000	2,269,000
‡West Virginia—Northern	893,000	1,026,000	1,009,000
Wyoming	197,000	206,000	210,000
§Other Western States	1,000	1,000	*
Total bituminous and lignite	12,300,000	13,760,000	12,500,000

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

Non-Ferrous Metals—Copper Consumers Look For Squeeze During March—Cadmium Up 25c

"E. & M. J. Metal and Mineral Markets," in its issue of Feb. 20, stated: "Domestic consumers of copper were disappointed last week that Washington officials have not yet acted on the question of relieving the industry from further anxiety over the import tariff. Though hope lingers that something may yet be done to afford at least temporary relief, the industry appeared rather gloomy over prospects for March. The price situation in domestic copper was unchanged. Foreign copper averaged slightly higher than in the preceding week. Lead was firm in all directions. Foreign zinc was irregular. Silver was in fairly active demand at firm prices. Cadmium advanced 25c per pound on Feb. 17." The publication further went on to say in part as follows:

Copper

Exactly how the government intends to treat copper that has been coming into the country since Jan. 1, 1947, on which the 4c import duty would apply, was a matter of widespread interest during the last week. The government could (1) stockpile this copper, (2) release it to domestic consumers at cost-plus duty, or (3) release it as bonded copper. The cost-plus duty equivalent of its most recent purchases would come to about 21½c. However, the possibilty of some last-minute action to waive the duty temporarily has not been dismissed.

January deliveries of copper to consumers amounted to 143,692 tons, of which Metals Reserve supplied 59,396 tons. Deliveries probably were in excess of actual needs. It is pointed out that even the sharply revised total for December (141,218 tons) was about 10,000 tons greater than the quantity consumed at fabricating plants. Anticipatory buying against the day when Metals Reserve drops out of the picture no doubt was a factor in recent heavy purchases of copper.

From present indications, domestic consumers will obtain around 33,000 tons of copper from Metals Reserve during February. Between 7,000 and 9,000 tons of duty-free copper will be left for possible March allocation, but only hardship cases will be considered in releasing metal, market authorities believe.

The price situation in the domestic market was unchanged last week, with all but one seller recognizing the 19½c Valley basis as the prevailing price. The American Smelting & Refining Co. sold almost daily at 20½c. Included in the week's business in foreign copper was a fair tonnage sold to domestic consumers.

Lead

The price situation in domestic lead remains firm, with consumers as eager for supplies as ever. Distribution of refined lead this month is expected to total around 65,000 tons, with the Tin-Lead-Zinc branch of CPA contributing about 6,000 tons. Under normal conditions this would be considered an excellent month's business, but with consumers still asking for considerably larger tonnages the market continues in a tight position. Foreign metal brought as high as 12c, Gulf ports. Quotations here continued at 13c, New York, and 12.80c, St. Louis.

Sales of lead for the week amounted to 12,152 tons.

Italy is producing lead at the rate of 35,000 tons a year, according to Dr. L. Morandi, managing director of Montecatini. The company's chemical and metallurgical plants were not greatly damaged by the war. Fuel shortages have been retarding Italy's industrial recovery.

Zinc

Competition in foreign zinc appears to be increasing, causing some irregularity in prices named outside of this country. The domestic market, however, continued firm, particularly in reference to Prime Western and Special High Grade. The East St. Louis base price for Prime Western was unchanged at 10½c.

Special High Grade for export sold at prices ranging from 11½c. to 11¾c., Gulf ports. Prime Western for export brought from 11⅛c. to 11¼c.

Cadmium

Though several sellers raised prices as early as Feb. 13, the advance of 25c per pound did not take hold in other directions until Feb. 17. Effective on the last-named date, the market for commercial sticks was quotable at $1.75 per pound. On special shapes to platers the revised quotation, also effective Feb. 17, was advanced to $1.80. The demand for cadmium continues active, indicating that the "pipe lines" have not yet been filled. Production this year will be substantially greater than last year if strikes do not limit output. High prices, some observers claim, eventually will reduce the volume of business.

Tin

In raising the price of tin in Canada last week to 71c per pound (was 63½c), consumers in that market will obtain the metal on approximately the same basis as here. The United States market continues unchanged at 70c per pound. Tin-can manufacturers claim that the shortage of tinplate is due chiefly to the tight situation in sheet steel.

The United Kingdom consumed 25,600 long tons of primary tin in 1946, against 16,396 tons in 1945.

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

	Feb.	March	April
Feb. 13	70.000	70.000	70.000
Feb. 14	70.000	70.000	70.000
Feb. 15	70.000	70.000	70.000
Feb. 17	70.000	70.000	70.000
Feb. 18	70.000	70.000	70.000
Feb. 19	70.000	70.000	70.000

Chinese, or 99% tin, 69.125c.

Quicksilver

Press reports from London to the effect that the British have purchased several lots of Mexican quicksilver were correct, authorities here state. This buying resulted chiefly from an advantageous exchange situation. There were no fresh developments in reference to the sale of the metal that the government brought here from Japan. Demand last week was on the quiet side, with prices steady at $87 to $90 per flask, depending on quantity. There has been no selling pressure in this market from European sources.

Silver

London advices report that Indian authorities now are considering legislation for the substitution of nickel for silver in the rupee. Last year the Indian legislature substituted nickel for silver in the half and quarter rupees.

The New York Official quotation for silver continued at 70¾c throughout the week. Most observers regarded the market as firm at that level.

London reported silver unchanged at 44d per fine ounce.

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

	—Electrolytic Copper— Dom. Refy.	Exp. Refy.	Straits Tin, New York	—Lead— New York	St. Louis	Zinc St. Louis
Feb. 13	19.400	20.425	70.000	13.000	12.800	10.500
Feb. 14	19.325	20.425	70.000	13.000	12.800	10.500
Feb. 15	19.525	20.525	70.000	13.000	12.800	10.500
Feb. 17	19.325	20.425	70.000	13.000	12.800	10.500
Feb. 18	19.400	20.450	70.000	13.000	12.800	10.500
Feb. 19	19.425	20.425	70.000	13.000	12.800	10.500
Average	19.350	20.446	70.000	13.000	12.800	10.500

Average prices for calendar week ended Feb. 15, are: Domestic copper f.o.b. refinery, 19.390c; export copper, f.o.b. refinery 20.421c; Straits tin, 70.000c; New York lead, 13.000c; St. Louis lead, 12.800c; St. Louis zinc, 10.500c; and silver, 70.750c. Export copper f.o.b refinery, Feb. 12, 20.425c; average for week ended Feb. 12, 20.383c.

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; the premium on Special High Grade in most instances is 1¼c.

Quotations for lead reflect prices obtained for common lead only.

Nat'l Research Council To Set Up Research Bd.

John C. Stevens, Chairman of the Construction Industry Advisory Council, announced on January 31, that the National Research Council has agreed to set up a Building Construction Research Board to serve as a clearing house of technical research information in the field of building construction. This decision was reached at a conference with Dr. Frank B. Jewett, President of the National Academy of Sciences, and Dr. D. W. Bronk, Chairman of the National Research Council of the Academy. According to the advices from the Chamber of Commerce of the United States, from which the foregoing information was received, the new board will be patterned after the existing Highway Research Board. Its principal function will be to collect and disseminate technical research information of importance to the building industry. It will also provide a meeting place at which those actively engaged in research activities will be able to exchange ideas, and a mechanism for the correlation of activities carried on simultaneously by several organizations. No direct laboratory activity is contemplated. It is added:

"The proposal to establish a Building Construction Research Board was advanced at a recent meeting of the Construction Industry Advisory Council, composed of more than 100 trade and professional associations with a direct interest in construction. It will be supported by contributions from the industry.

"A meeting of construction industry leaders will be called in the near future by the Division of Industrial and Engineering Research of the National Research Council to determine upon acceptable procedure for setting up the new organization."

Freight Cars on Order Increased in January

The Class I railroads on Feb. 1, 1947, had 69,538 new freight cars on order, the Association of American Railroads announced on Feb. 24. This included 19,373 hopper (including 2,073 covered hoppers), 4,520 gondolas, 886 flat, 28,716 plain box, 5,366 automobile, 9,609 refrigerator, 750 stock and 318 miscellaneous freight cars. New freight cars on order Jan. 1, last, were 63,829 and on Feb. 1, 1946 totaled 38,090. Since Feb. 1, this year, additional orders for freight cars have been placed.

They also had 639 locomotives on order Feb. 1, this year, which included 53 steam, six electric and 580 Diesel locomotives. On Feb. 1, 1946 they had 454 locomotives on order, which included 81 steam, six electric and 367 Diesel.

The Class I railroads put 2,795 freight cars in service in January which included 435 hopper (including 46 covered hopper), 185 gondolas, 42 refrigerator, 524 automobile box, 1,299 plain box, 210 flat and 100 miscellaneous freight cars. In January, 1946, they put 2,457 freight cars in service.

The Class I railroads also put 74 new locomotives in service in January, of which seven were steam, and 67 were Diesel. New locomotives installed in January, 1946, totaled 21, of which 11 steam, and 10 Diesel.

The figure given above include only locomotives and commercial service freight cars installed and on order by Class I rairoads and by railroad-owned refrigerator car lines. Locomotives and cars installed or on order by private car lines, shortlines or industrial railroads are not included.

Revenue Freight Car Loadings During Week Ended Feb. 15, 1947, Increased 32,496 Cars

Loading of revenue freight for the week ended Feb. 15, 1947 totaled 799,977 cars, the Association of Amercian Railroads announced on Feb. 20. This was an increase of 92,923 cars, or 13.1%, above the corresponding week in 1946, and an increase of 15,274 cars, or 1.9%, above the same week in 1945.

Loading of revenue freight for the week of Feb. 15, increased 32,496 cars, or 4.2%, above the preceding week.

Miscellaneous freight loading totaled 360,462 cars, an increase of 14,859 cars above the preceding week, and an increase of 73,051 cars above the corresponding week in 1946.

Loading of merchandise less than carload freight totalled 119,097 cars, an increase of 5,938 cars above the preceding week, and an increase of 765 cars above the corresponding week in 1946.

Coal loading amounted to 178,935 cars, an increase of 2,579 cars above the preceding week, but a decrease of 2,905 cars below the corresponding week in 1946.

Grain and grain products loading totaled 51.624 cars, an increase of 4,320 cars above the preceding week, but a decrease of 219 cars below the corresponding week in 1946. In the Western Districts alone, grain and grain products loading for the week of Feb. 15 totaled 36,942 cars, an increase of 4,079 cars above the preceding week, and an increase of 2,576 cars above the corresponding week in 1946.

Livestock loading amounted to 13,320 cars, an increase of 2,044 cars above the preceding week, but a decrease of 4,779 cars below the corresponding week in 1946. In the Western Districts alone, loading of Livestock for the week of Feb. 15 totaled 9,845 cars, an increase of 1,921 cars above the preceding week, but a decrease of 4,211 cars below the corresponidng week in 1946.

Forest products loading totaled 49,797 cars, an increase of 1,675 cars above the preceding week and an increase of 13,479 cars above the corresponding week in 1946.

Ore loading amounted to 12,233 cars, an increase of 938 cars above the preceding week and an increase of 6,821 cars above the corresponding week in 1946.

Coke loading amounted to 14,509 cars, an increase of 143 cars above the preceding week and an increase of 6,710 cars above the corresponding week in 1946.

All districts reported increases compared with the corresponding week in 1946, and all reported increases over 1945 except the Eastern, Allegheny 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
Week of February 15	799,977	707,054	784,703
Total	5,570,906	5,027,458	5,283,746

The following table is a summary of the freight carloadings for the separate railroads and systems for the week ended Feb. 15, 1947. During this period 87 roads reported gains over the week ended Feb. 16, 1946.

REVENUE FREIGHT LOADED AND RECEIVED FROM CONNECTIONS (NUMBER OF CARS) WEEK ENDED FEB. 15

Railroads	Total Revenue Freight Loaded			Total Loads Received from Connections	
	1947	1946	1945	1947	1946
Eastern District—					
Ann Arbor	318	330	321	1,996	1,597
Bangor & Aroostook	3,066	3,069	2,459	496	495
Boston & Maine	7,457	7,814	6,390	12,306	14,252
Chicago, Indianapolis & Louisville	1,444	1,189	1,334	2,185	1,870
Central Indiana	29	52	28	44	44
Central Vermont	968	1,083	1,051	2,236	2,286
Delaware & Hudson	4,781	4,499	4,719	10,865	11,903
Delaware, Lackawanna & Western	6,781	7,051	7,604	9,495	8,518
Detroit & Mackinac	361	247	175	256	176
Detroit, Toledo & Ironton	2,622	1,426	1,699	1,965	2,235
Detroit & Toledo Shore Line	444	258	430	3,912	3,483
Erie	10,895	9,758	12,067	15,701	13,994
Grand Trunk Western	4,393	3,053	4,123	7,846	8,928
Lehigh & Hudson River	140	175	152	3,187	2,884
Lehigh & New England	1,643	2,216	1,813	1,386	1,681
Lehigh Valley	7,362	7,489	7,428	8,008	7,315
Maine Central	3,363	2,946	2,540	3,986	4,537
Monongahela	5,053	7,594	5,289	204	277
Montour	2,442	2,667	2,428	23	20
New York Central Lines	46,268	40,969	46,720	50,583	50,307
N. Y., N. H. & Hartford	9,433	10,387	3,510	14,405	14,890
New York, Ontario & Western	823	804	770	2,502	2,362
New York, Chicago & St. Louis	6,524	4,874	6,540	15,067	12,761
N. Y., Susquehanna & Western	445	390	494	1,240	1,581
Pittsburgh & Lake Erie	5,479	2,089	7,507	7,427	7,545
Pere Marquette	6,030	4,459	5,047	8,493	7,327
Pittsburg & Shawmut	1,047	850	812	21	42
Pittsburg, Shawmut & Northern	316	252	277	96	251
Pittsburgh & West Virginia	740	700	779	2,128	1,306
Rutland	409	358	319	1,192	1,347
Wabash	6,175	5,987	6,000	12,332	10,893
Wheeling & Lake Erie	4,985	3,582	5,706	4,117	2,858
Total	152,236	138,617	152,531	205,700	199,965
Allegheny District—					
Akron, Canton & Youngstown	623	467	841	1,555	1,221
Baltimore & Ohio	38,965	35,627	38,654	23,481	22,412
Bessemer & Lake Erie	2,555	931	2,951	1,644	1,176
Cambria & Indiana	1,268	1,753	1,561	7	9
Central R. R. of New Jersey	6,276	5,539	6,577	17,374	15,257
Cornwall	472	1	481	50	43
Cumberland & Pennsylvania	523	364	199	12	7
Ligonier Valley	49	35	122	5	24
Long Island	1,399	1,505	1,733	4,153	4,952
Penn-Reading Seashore Lines	1,556	1,542	1,829	1,687	1,909
Pennsylvania System	75,186	61,311	77,589	53,679	53,125
Reading Co.	14,086	11,681	14,884	24,214	24,783
Union (Pittsburgh)	18,297	1,826	19,005	3,876	931
Western Maryland	4,581	3,870	3,938	11,229	11,906
Total	165,836	126,452	170,364	142,966	137,755
Pocahontas District—					
Chesapeake & Ohio	32,953	29,283	28,014	11,515	10,129
Norfolk & Western	24,587	20,999	20,951	6,588	6,387
Virginian	5,136	5,046	4,356	1,624	1,437
Total	62,676	55,328	53,321	19,727	17,953
Southern District—					
Alabama, Tennessee & Northern	392	455	395	314	153
Atl. & W. P.—W. R. R. of Ala.	896	862	862	2,103	1,928
Atlantic Coast Line	15,218	15,807	15,336	9,630	10,113
Central of Georgia	4,182	4,468	4,032	4,471	4,737
Charleston & Western Carolina	513	422	453	1,672	1,658
Clinchfield	2,132	1,863	1,704	3,505	3,642
Columbus & Greenville	441	341	285	306	253
Durham & Southern	90	83	141	524	844
Florida East Coast	2,786	3,155	3,470	1,635	1,659
Gainesville Midland	79	65	53	115	166
Georgia	1,238	1,187	1,274	2,324	2,200
Georgia & Florida	388	433	446	795	824
Gulf, Mobile & Ohio	4,913	4,946	4,445	4,027	4,196
Illinois Central System	24,426	27,306	27,620	15,514	13,987
Louisville & Nashville	27,955	25,514	27,204	10,114	9,103
Macon, Dublin & Savannah	222	270	234	952	913
Mississippi Central	346	321	366	386	314
Nashville, Chattanooga & St. L.	3,383	2,928	3,315	4,045	4,080
Norfolk Southern	1,312	1,292	994	1,648	1,657
Piedmont Northern	417	396	392	1,751	1,671
Richmond, Fred. & Potomac	356	406	551	8,914	9,522
Seaboard Air Line	12,333	11,670	10,815	8,560	8,450
Southern System	27,347	24,091	24,619	24,658	23,943
Tennessee Central	811	603	707	862	929
Winston-Salem Southbound	154	136	122	917	759
Total	134,330	129,020	129,835	109,742	107,731
Northwestern District—					
Chicago & North Western	15,157	15,655	14,678	15,429	13,349
Chicago Great Western	2,347	2,876	2,439	3,989	3,058
Chicago, Milw., St. P. & Pac.	21,913	21,249	21,000	11,028	10,767
Chicago, St. Paul, Minn. & Omaha	3,594	4,111	3,242	4,547	4,149
Duluth, Missabe & Iron Range	1,339	862	1,354	350	254
Duluth, South Shore & Atlantic	629	742	649	707	633
Elgin, Joliet & Eastern	8,638	2,042	8,804	11,280	7,190
Ft. Dodge, Des Moines & South	471	532	337	141	131
Great Northern	11,280	10,938	9,979	5,047	4,381
Green Bay & Western	449	523	468	1,081	1,015
Lake Superior & Ishpeming	304	321	262	72	52
Minneapolis & St. Louis	2,050	2,252	2,022	2,908	2,346
Minn., St. Paul & S. S. M.	5,248	5,089	4,243	3,923	3,853
Northern Pacific	10,627	8,354	9,009	5,178	4,861
Spokane International	213	113	254	460	411
Spokane, Portland & Seattle	2,437	1,769	2,483	2,617	2,139
Total	86,696	77,428	81,223	68,757	58,589
Central Western District—					
Atch., Top. & Santa Fe System	26,037	23,242	23,955	10,573	8,742
Alton	2,878	2,615	3,428	3,367	3,093
Bingham & Garfield	243	7	409	86	9
Chicago, Burlington & Quincy	22,270	21,687	19,805	11,630	11,220
Chicago & Illinois Midland	3,132	3,347	3,126	770	783
Chicago, Rock Island & Pacific	12,596	12,361	12,206	13,624	11,506
Chicago & Eastern Illinois	2,793	2,845	2,694	3,349	2,855
Colorado & Southern	569	650	745	1,857	1,337
Denver & Rio Grande Western	3,744	2,876	3,905	4,826	3,569
Denver & Salt Lake	734	676	590	54	29
Fort Worth & Denver City	1,116	902	988	1,514	1,220
Illinois Terminal	2,299	2,104	2,355	1,731	1,650
Missouri-Illinois	932	817	979	481	468
Nevada Northern	1,614	1,409	1,435	176	122
North Western Pacific	667	580	700	578	562
Peoria & Pekin Union	15	19	2	0	0
Southern Pacific (Pacific)	29,881	26,500	27,408	10,112	8,366
Toledo, Peoria & Western	32	0	336	170	0
Union Pacific System	18,616	15,776	17,489	13,459	10,804
Utah	1,095	857	581	8	3
Western Pacific	1,450	1,682	1,938	3,116	3,132
Total	132,713	120,972	125,074	81,481	69,475
Southwestern District—					
Burlington-Rock Island	226	258	415	1,079	657
Gulf Coast Lines	6,173	5,501	6,199	2,361	2,305
International-Great Northern	1,974	1,943	2,397	3,815	4,024
‡K. O. & G.-M. V.-O. C.-A.-A.	1,322	1,162	1,332	2,034	1,717
Kansas City Southern	3,261	2,557	4,568	3,012	2,959
Louisiana & Arkansas	2,310	2,411	3,542	3,116	2,341
Litchfield & Madison	414	305	338	1,571	1,341
Missouri & Arkansas	§	174	142	§	387
Missouri-Kansas-Texas Lines	4,975	4,846	7,166	4,200	3,836
Missouri Pacific	17,359	16,420	17,278	15,422	13,631
Quanah Acme & Pacific	186	115	83	237	168
St. Louis-San Francisco	10,519	9,038	9,285	7,719	7,903
St. Louis-Southwestern	2,935	2,498	3,524	5,270	4,648
Texas & New Orleans	9,494	8,509	10,534	5,478	5,015
Texas & Pacific	4,235	3,361	5,445	7,048	6,287
Wichita Falls & Southern	89	98	82	28	53
Weatherford M. W. & N. W.	18	41	25	8	7
Total	65,490	59,237	72,355	62,398	57,179

*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
Feb. 15	169,624	178,458	589,544	102	100

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.

Fed. Home Loan Bank Of Chicago Ann. Meet'g

Meeting outside Chicago for the first time in 15 years, the stockholders of the Federal Home Loan Bank of Chicago will have their 1947 annual meeting in Milwaukee, Saturday, Feb. 22, it was announced on Feb. 17 by A. R. Gardner, President of the Bank. Executives and directors of a majority of the 459 savings, building and loan associations in Illinois and Wisconsin which hold stock in the Bank will assemble at the Elks Club in Milwaukee for luncheon and program following. Representative John W. Byrnes, member of Congress from the Eighth Wisconsin district, and Earl Wallace of Washington, D. C., Deupty Governor of the Federal Home Loan Bank system, will be speakers. Mr. Gardner will report on the Bank's fourteenth year during which it grew to a new high in total assets.

Jan. Cotton Consumption

The Census Bureau at Washington on Feb. 18 issued its report showing cotton consumed in the United States, cotton on hand and active cotton spindles in the month of January.

In the month of January, 1947, cotton consumed amounted to 947,036 bales of lint and 93,909 bales of linters, as compared with 774,172 bales of lint and 79,352 bales of linters in December and 811,218 bales of lint and 96,735 bales of linters in January, 1946.

In the six months ending Jan. 31, cotton consumption was 5,203,863 bales of lint and 496,299 bales of linters, which compares with 4,405,030 bales of lint and 515,767 bales of linters in the corresponding period a year ago.

There were 2,259,002 bales of lint and 290,318 bales of linters on hand in consuming establishments on Jan. 31, 1947, which compares with 2,226,832 bales of lint and 262,862 bales of linters on Dec. 31, and 2,366,311 bales of lint and 330,321 bales of linters on Jan. 31, 1946.

On hand in public storage and at compresses, on Jan. 31, 1947, there were 5,985,625 bales of lint and 73,649 bales of linters, which compares with 5,985,625 bales of lint and 73,649 bales of linters on Dec. 31, and 9,970,340 bales of lint and 49,121 bales of linters on Jan. 31, 1946.

There were 21,919,368 cotton spindles active during January, which compares with 21,688,028 cotton spindles active during December, 1946, and with 21,244,218 active cotton spindles during January, 1946.

Weekly Lumber Shipments 8.8% Above Production

According to the National Lumber Manufacturers Association, lumber shipments of 387 mills reporting to the National Lumber Trade Barometer were 8.8% above production for the week ending Feb. 15, 1947. In the same week new orders of those mills were 2.2% above production. Unfilled order files of the reporting mills amounted to 63% of stocks. For reporting softwood mills, unfilled orders are equivalent to 23 days' production at the current rate, and gross stocks are equivalent to 35 days' production.

For the year-to-date, shipments of reporting identical mills were 16.0% above production; orders were 16.8% above production.

Compared to the average corresponding week of 1935-1939, production of reporting mills was 31.3% above; shipments were 23.3% above; orders were 16.3% above. Compared to the corresponding week in 1946, production of reporting mills was 26.4% above; shipments were 29.0% above; and new orders were 36.7% above.

Items About Banks, Trust Companies

Guaranty Trust Company of New York anounced on Feb. 21 the appointment of John P. Bochow as Assistant Secretary.

At a recent meeting of the Board of Directors of Bankers Trust Company of New York, Edwin J. Dikeman, Jr. was elected an Assistant Vice-President.

Alan C. Gardner has been appointed Chief Appraiser of The Manhattan Savings Bank of New York, Willard K. Denton, President, announced on Feb. 20. Mr. Gardner will be in charge of the bank's Appraisal and Survey Department. He recently resigned his position as Assistant Vice-President of Institutional Securities Corporation to become associated with the bank.

DeCoursey Fales, President of The Bank for Savings in the City of New York at 280 Fourth Avenue announces that William Howard Taft, 2nd was appointed an Assistant Vice-President at the February Board meeting. Mr. Taft is Secretary of the Bank and will also continue in that capacity.

Albert R. Gurney, Secretary and Treasurer of Gurney, Overturf & Becker Inc., realtors, was on Feb. 18 elected a director of the Buffalo Industrial Bank, President Carlton P. Cooke, announced, it was reported in the Buffalo "Evening News." Among his other interests, Mr. Gurney is Secretary of the R. G. Wright Co. Inc., dairy-equipment supplies, and Vice-President of the Buffalo Music Corporation.

According to the Providence, R. I. "Journal," of Feb. 15 as an initial step toward consolidation of the Plantations Bank of Rhode Island and the Lincoln Trust Company both of Providence, three officers of the Lincoln Trust were on Feb. 14 named to the board of directors of the Plantations Bank. The "Journal," further said in part:

Archibald Silverman, Jesse L. Johnson and William C. Kenney were elected to fill existing vacancies on the Plantations Bank's board and in addition to his election as a director, Mr. Silverman was named Vice-President of the bank.

Mr. Silverman is Chairman of the board and President of the Lincoln Trust Company. Mr. Johnson is Lincoln's Vice-President and Secretary, and Mr. Kenney is Vice-President. They will, it was announced, continue in their official capacities with Lincoln Trust.

Mr. Silverman was a director of the Morris Plan Company of Rhode Island, which was succeeded by the Morris Plan Bank of Rhode Island on July 1, 1944, and later became the Plantations Bank of Rhode Island.

At the time Morris Plan began its career as a State bank he severed his connection to devote his entire attention to the Lincoln Trust. Earlier this year, the then Morris Plan Bank of Rhode Island made an offer to stockholders of the Lincoln Trust to purchase their holdings with a view to a possible consolidation of the two banks at a later date.

The offer made by the Morris Plan Bank called for purchase of the Lincoln Trust stock at \$103.60 a share, provided that at least two-thirds of the latter's 7,500 shares could be obtained by today, Feb. 14.

Henry B. Cross is President of the Plantations Bank.

The Dollar Savings Bank Company of Niles, Ohio, has become a member of the Federal Reserve System, it was announced on Feb. 14 by President, Ray M. Gidney of the Federal Reserve Bank of Cleveland. Member banks in the Fourth Federal Reserve District now total 722, compared with 718 a year ago, and hold approximately 85% of the total bank deposits in the district. The Reserve Bank reports that the Dollar Savings Bank Company, incorporated in 1904, is capitalized with \$100,000, has a surplus of \$125,000 and deposits totaling \$3,960,735. It serves the Youngstown - Niles - Warren area known for its steel and other heavy industries.

W. H. Hamrick is President and director of the bank; John H. Fusco is Vice-President and director; C. E. Morris is Treasurer and Secretary, and Miss Agnes Weidenbach is Assistant Secretary. In addition to President Hamrick and Vice-President Fusco the directors of the Dollar Savings Bank Company are: Joseph Fullerton, Chairman of the Board and a director since 1907; C. A. English, Manager, Niles Glass Works of the General Electric Co.; C. H. Klinger, attorney; Fred H. Law; R. W. Reese, James A. Roemer, President and direcor, Niles Rolling Mills Co.; William H. Stevens, a director for 35 years and until 1939 President of the bank, and G. N. Williams, Niles Transfer Company.

Through the sale of \$75,000 of new stock, the Merchants and Manufacturers National Bank of Sharon, Pa. has increased its capital from \$175,000 to \$250,000 effective Feb. 11, according to the Feb. 17 issue of the Bulletin of the Comptroller of the currency.

Thomas B. McAdams, who had been President of the Union Trust Company of Maryland at Baltimore since Jan. 1934, was elected Chairman of the Board, a newly created position, at a meeting of the Board of directors of the company on Feb. 11, according to an item in the Baltimore "Sun" of Feb. 12 by J. S. Armstrong, Financial Editor of that paper, from whose further information we also take the following:

Charles W. Hoff, Senior Vice-President, and an employee of the bank for more than 30 years, was elected President, succeeding Mr. McAdams.

William H. Gideon, another Senior Vice - President, was made Vice Chairman of the board, and Clifford B. Winchester, a Vice-President, was promoted to be Senior Vice-President.

Nationally known in the banking field, Mr. McAdams is a former President of the American Bankers Association. He also served at one time as President of the Association of Reserve City Bankers.

Mr. McAdams, a native of Richmond, Va., started in the banking business at the age of 18, as a clerk with the Merchants National Bank of that city. After serving about a year, he shifted for several years to the investment banking business. Returning to the Merchants National he eventually was promoted to the position of Senior Vice-President.

He also for several years was a partner of the Richmond firm of Scott and Stringfellow, members of the New York Stock Exchange.

In 1924, Mr. McAdams was elected Executive Vice-President of the State Planters Bank and Trust Company at Richmond, and when he was offered the Presidency of the Union Trust Company about 13 years ago was serving as Executive Manager of the Richmond bank.

Mr. Hoff, the new Union Trust President, started with that company in 1915 as a clerk and moved up to Assistant Secretary-Treasurer in 1923. A year later he was made Treasurer and Assistant Secretary, and in 1926 added to these duties the office of Vice-President. He has been a Senior Vice-President since Jan. 31, 1946.

Mr. Gideon began his banking career as a runner in a bank in his former home town of Huntington, W. Va. After working his way up through various banking positions, he came to Baltimore as a junior officer of the old Farmers and Merchants National Bank and eventually was elected its President. He was serving in the latter post in 1930 when the business of the Farmers and Merchants was absorbed by Union Trust. He became a Vice-President and later a senior Vice-President of Union Trust.

At the annual meeting of stockholders of the Fidelity and Deposit Company of Maryland, held on Feb. 19, Gary Black, son of the late Van-Lear Black, former Chairman of the Company's board, was elected a member of the board. Reporting this in its issue of Feb. 20, the Baltimore "Sun" added:

Since his discharge from the Army in Oct. 1945, after five years' service, Mr. Black has been associated as a business partner with his uncle, Harry C. Black, in various enterprises.

At a meeting of directors, held later, J. Harry Schisler and Dan E. Gorton were elected Vice-Presidents and Oliver W. Littleton and Francis X. Linsemeyer were elected Assistant Secretaries.

Walter F. Truettner, formerly Vice-President of the National Bank of Detroit, of Detroit, Mich., recently purchased the majority stock holdings of Esbern Hanson in the Grayling State Savings Bank of Grayling, Mich. it was reported in the Detroit "Free Press," which stated that the bank, which showed resources of \$1,800,000 at the last call statement, is the only bank in Crawford County. Mr. Truettner resigned in January from the National Bank of Detroit in accordance with the bank's retirement plan. From the "Free Press" we also quote:

All directors of the Grayling Bank will continue to serve with the exception of Mr. Hanson, Chairman of the Board, who has long expressed the desire to retire.

The executive staff and personnel will remain. John Brunn, President, will retire but will remain on the bank's directorate.

Frank G. Exner, President of the Park Savings Bank of Milwaukee, Wis., for 22 years, died suddenly on Feb. 16. The Milwaukee "Journal" which stated that Mr. Exner, who was 62 years of age, had been affiliated with the bank since 1916 and President since 1925.

Associated Press advices from Orlando, Fla., appearing in the Florida "Times-Union" of Jacksonville of Feb. 18, stated that the Citizens National Bank of Orlando marked its official opening on Feb. 17 with first day deposits exceeding \$750,000, Carl C. Hall, President said. This bank, it is said, is the third in Orlando and is capitalized at \$400,000.

It is learned from the San Francisco "Chronicle" of Feb. 15 that the stockholders of the Crocker First National Bank of San Francisco and the Farmers & Merchants Savings Bank of Oakland at separate meetings on Feb. 14 voted approval of the proposed consolidation of the two institutions, to become effective March 3.

Claude H. Alexander, an officer of the Anglo California National Bank of San Francisco since 1919, died on Feb. 13. For several years he was Manager of the service and publicity department, and edited the bank's house organ. Subsequently he was appointed an Assistant Vice-President, and in recent years devoted himself chiefly to business development and public relations activities of the bank. Mr. Alexander, a native of Illinois, was a member of Executives Association of San Francisco, serving as director and Executive Secretary in 1945; and the Mutual Business Club of San Francisco, of which he was Secretary-Treasurer for over 26 years.

The Feb. 17 Bulletin of the Comptroller of the Currency reported that the County National Bank & Trust Co. of Santa Barbara, Calif. increased its capital from \$450,000 to \$500,000 on Feb. 10 through a stock dividend of \$50,000.

The Olympia State Bank & Trust Co. will be formed at Olympia, Wash., with a capitalization of \$200,000, it was announced on Jan. 29, it was stated in United Press advices from Olympia, appearing in the Seattle "Times," which also reported:

"Permission to incorporate was granted by the State Division of Banking, and articles of incorporation were filed with Secretary of State Belle Reeves.

"Seven Olympia residents and two from Tacoma were named directors of the bank. They included Roy C. Moen, President and General Manager; A. W. Lewis, Dr. Ernest E. Jones, Col. D. M. Kent, Dale E. Tresner, Thomas M. Pelly and George F. Yantis, all of Olympia, and Ward A. Smith and Allan H. Link, Tacoma.

In the Montreal "Gazette" of Feb. 17 it was stated that at a meeting of the board of directors of the Montreal Trust Co., Paul F. Sise was elected a member of the executive committee to succeed the late G. H. Duggan. At the same meeting, J. S. D. Tory, O.B.E., K.C., of Toronto, was elected a director. The "Gazette" added:

Mr. Sise is President of the Northern Electric Co. and a director of several companies, including the Royal Bank of Canada and the Bell Telephone Co. Mr. Tory is head of the legal firm of J. S. D. Tory and Associates, and holds numerous directorates, which include Abitibi Power and Paper Co., Ltd., Simpsons Ltd., and Argus Corp. Ltd.

The Swiss Bank Corp. announces that the accounts for the year ended Dec. 31, 1946 show net profits of frs. 13,387,663 including the carry forward from the previous year, as compared with frs. 10,627,647 for 1945. The total assets now amount to frs. 2,139,391,383 against frs. 1,826,427,161 in 1945. At the general meeting which is to be held on Feb. 28 in Basle, it will be proposed to make an extraordinary contribution of frs. 1,000,000 to the pension fund, to pay a dividend of 5% against 4% last year and to carry forward an amount of frs. 4,387,663 against frs. 4,227,647.

Lloyds Bank Limited, London, in its annual report as of Dec. 31, 1946 announced that total resources were £1,078,549,303 and total deposits were £1,013,363,744, these figures comparing with £926,339,959 and £868,316,010 as of Dec. 31, 1945. The chief items in the bank's 1946 report were: Cash in hand with the bank of England £93,205,404 against £94,835,289 a year before; bills discounted at the present time at £118,068,348 compared with £74,801,923 at the end of 1945; Treasury Department receipts £274,000,000 against £290,000,000. Investments at the end of 1946 amounted to £273,788,346 (which includes £244,410,335 British government obligations) compared with investments in 1945 of £221,223,111, of which £192,063,756 were government obligations; loans and advances to customers amounted to £142,491,082 in the most recent report against £116,974,130 the year before. The net profits for 1946 amounted to £1,583,178 compared wtih £1,629,959, while reserve fund for both periods was £500,000.

GI Insurance Extension Bill Passed

A bill, which would give veterans an additional period of grace in which to reinstate their GI life insurance without taking a physical examination was passed unanimously by the Senate and sent to the White House on Feb. 17, having been unanimously passed by the House on Jan. 29. Under present regulations, the United Press report from Washington on Feb. 17 pointed out, the Veterans Administration is authorized to reinstate lapsed policies within a six months' period only if the applicant pays two monthly premiums and passes a physical examination. The new measure, which requires only President Truman's signature, provides no specific deadline for reinstatement, but General Omar N. Bradley, V. A. Administrator, has informed Congress, said the United Press, that ex-service men probably will be given until Aug. 1 to resume their insurance. Thereafter, policies which lapse will have to be reinstated within three months. General Bradley said a "great majority" of veterans have permitted their service insurance to lapse. The V. A. started a nationwide educational campaign to correct the situation.

The passage of the bill by the House on Jan. 29, followed the approval on Jan. 28 of the legislation by the Chamber's Veterans' Committee which had heard the measure endorsed by Veterans Administrator, General Bradley, and by veterans organizations' spokesmen. The bill which the House passed on to the Senate, according to Associated Press Washington advices, provides that the Veterans Administration would determine how long ex-GI's have to put their policies back in force. The measure represents the first veterans' legislation of the Eightieth Congress.

Brotherh'd Week Observed

American Brotherhood Week, sponsored by the National Conference of Christians and Jews, began on Feb. 16, and President Truman issued a statement to his fellow Americans to join with him in its observance. "We cannot hope to commend brotherhood abroad unless we practice it at home," the President declared, according to advices to the New York "Times." A statement by John Foster Dulles, former member of the American delegation to the United Nations, declared, according to the Associated Press, that it was not only morally wrong but "practically dangerous for the United States to have racial and religious intolerance," it was indicated in the New York "Herald Tribune."

Throughout the nation brotherhood services were planned in many churches, and notables all over the country were taking part in the campaign against intolerance and bigotry.