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Hoover Reports on Germany

Former President recommends United States and Great Britain each appropriate \$475 millions to feed Germans, otherwise there will be no peace and occupational costs will be greatly increased. Says German masses are sunk to lowest level in century and their condition menaces survival of western civilization. In statement to House Foreign Affairs Committee he outlines relief policy.

Reporting to President Truman on his economic mission to Germany, which he recently completed, former President Herbert Hoover gave a dark picture of the condition of the German masses, and urged, as a temporary remedy of a situation which, he states, precludes a lasting peace, an expenditure of approximately \$1 billion to be shared equally by Britain and U. S. to feed the population in their respective zones of occupation. At a hearing of the House Foreign Affairs Committee he urged strict regulation of food distribution.



Herbert Hoover

as reparations. The population thus became largely dependent for its life upon the armies of occupation.

It is hardly necessary to repeat that parts of Germany were annexed to Poland and Russia and that the shrunken territory was divided into four military occupation zones between the Russians, French, British and Americans. The American and British Zones have now been administratively combined, each nation bearing one-half the expense, and this report relates to that area only.

Changes in Population and Manpower

The changes which have taken place in population profoundly affect all economic problems. The population of the combined zones in 1939 was about 34,200,000. The Germans expelled from the Russian and Polish annexations together with those from Czechoslovakia, Hungary, and Austria, have raised the population in the American and British Zones to about 41,700,000. It is estimated that an additional 1,000,000 will come into this area by December 1947. There are also about 400,000 British and American military and civil personnel. Thus, the two zones will have to accommodate about 43,000,000 people, bringing the population approxi-

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Anderson, President of Economists' Group On Monetary Policy

Dr. Benjamin M. Anderson, Connell Professor of Banking, University of California, Los Angeles, has been elected by the Executive Committee of the Economists' National Committee on Monetary Policy as President of the organization.



Benj. M. Anderson

In succeeding the late Dr. Leonard P. Ayres, for many years Vice-President of the Cleveland Trust Company and internationally recognized authority on business trends, Dr. Anderson becomes the fourth President of the Committee. The two previous incumbents were the late Dr. Edwin W. Kemmerer, Walker Professor of International Finance, Princeton, who held office for more than ten years, and Dr. Ray B. Westerfield, Professor of Economics, Yale University, who became the Committee's first President 14 years ago.

Other officers of the Committee for the current year are: Executive Vice-President and Treasurer, Dr. Walter E. Spahr, Professor of Economics, New York University; Vice-Presidents, Dr. James Washington Bell, Professor of Economics, Northwestern University, and Dr. Neil Carothers, Professor of Economics and Dean, Lehigh University; Assistant Treasurer, Dr. William W. Cumberland, Laidenberg, Thalman & Co., New York City.

As We See It

EDITORIAL

Mr. Hoover and Germany

Ex-President Hoover has returned from an extended, if somewhat hurried, tour of parts of Europe. He has submitted a report to the President which shows plainly the imprint of the ex-President's experience in food relief, and at points a brand of common sense which has of late years been all too often absent from public documents. Yet, for our part, we find it difficult to shake off a feeling of disappointment. Mr. Hoover has set forth in arresting terms the horrors of a situation which have long in broad outline been familiar to all informed observers. In doing so, doubtless, he will help to bring more vividly to the mind of the average American, largely engrossed in his own problems and difficulties, a situation which cannot, or at least must not, be cast lightly aside. He has apparently made some suggestions as to administrative and other matters, the merits of which are difficult to appraise at this distance.

But the fundamentals of the situation in Germany—the abiding causes which if permitted to continue must give rise to long abiding effects of the nature of those now described by Mr. Hoover—draw hardly a passing reference. Says the ex-President:

"Promptly after the surrender her (Germany's) liquid resources from which she could have been provided with supplies were seized and divided as reparations. The population thus became largely dependent for its life upon the armies of occupation.

"It is hardly necessary to repeat that parts of Germany were annexed to Poland and Russia and that the shrunken territory was divided into four military occupation zones between the Russians, French, British and Americans."

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From Washington Ahead of the News

By CARLISLE BARGERON

By way of showing that they are abreast of the march of progress, that they are capable of dealing with the maturity which we have attained in world affairs, the Washington correspondents have come to vying with one another in the holding of salons to which high officials are invited to frankly relate their problems. A correspondent, for example, will have a cabinet official in for cocktails



Carlisle Bargeron

and dinner and invite a few of his colleagues to drop in for a hair down session. The rule is that the correspondents may write what they learn without ascribing it to the official. Thus the get-togethers have come to constitute effective propaganda cells. They explain the sudden flush of stories about a given project or an "emergency" such as the situation in Greece.

These get-togethers are a current fad and for those whose business it is to know what really goes on in the Nation's Capital they are somewhat of a problem. When one of these emergencies pops up in several papers at about

the same time, the problem is to find out at just which of these parties and by whom it was planted. This information is invaluable in assaying the "emergency."

This correspondent recalls one of several months ago, long enough ago to tell about. A high brass really did a job on us in the matter of the "problem" in Austria. Those invited to the salon were impressed that they had been selected because of their influence and standing and reliability, as well as their ability to comprehend problems. Then the high brass confided behind closed doors that he was letting us in on this secret because of our importance.

Well, it seems that we are face to face with, and overwhelmed by, the Russians in Austria. But we can head them off and keep them from accomplishing their nefarious ends by some very competent administration in our zone, together with the spending of some (Continued on page 1303)

Buy Bonds on Merit Without Regard to Taxes

By ROGER W. BABSON

Mr. Babson discusses yields and prospects of both taxable and non-taxable bonds, and concludes in today's market it is better to buy good yielding taxable corporation bonds than to gamble in non-taxables. Prefers good industrials to rail issues.

Several weeks ago I discussed the stock market. I gave 10 reasons favoring higher prices. This week I will discuss bonds. These



Roger W. Babson

bonds may be divided into two major groups.

By taxable bonds I have in mind those of established corporations and U. S. Government bonds. Nearly all such corporation bond issues now on the market should be safe. They yield from 3%

to 5½% according to their marketability. For an investor buying only for income and security, the medium-grade bonds often are better than the low-yielding

bonds. Each issue should, however, be judged on its own merits.

All the U. S. Governments should be safe. The small investor should buy Series "E" which yield about 3% although you must wait ten years before getting your interest. Large investors buy the "F's" or "G's" which yield 2½%. The interest on these bonds is taxable like the interest from any corporation bond, but the security should be of the highest possible.

Non-Taxables Too High

I am bearish on non-taxable bonds at this time and this applies to all of the three leading groups as follows:

1. Municipal bonds of our biggest cities such as New York, Boston, Philadelphia, Baltimore, Pittsburgh, Detroit, etc., are truly risky (Continued on page 1303)

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*Not available this week.

Attention, Planners!

"After mentioning 'the grave drought' that required 'a reduction in food consumption' in 1946, the statement (of the Council of Ministers of the USSR) enumerates last year's industrial deficiencies.

"As summarized from the statement these are:

"Slow growth of the coal industry, which delays the development of various branches of heavy industry and transportation.

"Deficit in the production of consumers goods.

"Failure to fulfill the plan for housing construction, which delays the organization of the permanent labor force and holds back labor productivity.

"Failure to open a number of new mines and ferrous metallurgical plants for production in 1946, leaving a considerable amount of uncompleted construction on hand.

"A 'serious' lag in the production of electrical equipment and agricultural machinery.

"Failure to produce enough tracks and wheels for railroads, pipes for the petroleum industry and sheet metal for automobiles.

"A considerable gap between stocks of building materials on hand and the national housing requirements, mostly as a result of slow development in lumbering."—Drew Middleton under a Moscow date line in the New York "Times."

We hope that those among us who seem to suppose that "planning" and central direction are an answer to our economic problems will not miss this Moscow dispatch.

Industrial Activity to February 15 Reported by Federal Reserve Board

"Industrial output reached a new record peacetime level in January—one-sixth higher than at the beginning of last year," said the summary of general business and financial conditions in the United States, based upon statistics for January and the first half of February and issued on Feb. 27 by the Board of Governors of the Federal Reserve System. "Dollar volume of retail sales during January and the early part of

February was substantially larger than in the same period last year, reflecting mainly increased prices," the Board noted, and it stated that "prices of agricultural commodities have risen in recent weeks, following earlier declines," while "prices of building materials have shown further increases." The Board further reported.

Industrial Production

"Total output at factories and mines in January was at a rate of 188% of the 1935-39 average, according to the Board's seasonally adjusted index, as compared with 181% in December and with the previous peacetime peak of 183% in November. The large rise in January reflected chiefly sharp gains in output of coal, iron, and steel. Production of these materials had been curtailed in November and December owing to the bituminous coal work stoppage.

"Production of iron and steel in January was in the largest volume since May, 1945. Steel mill operations averaged 93% of capacity and were at a slightly higher scheduled rate during the first three weeks of February. Output of building materials was maintained at an unusually high level for this season, and activity in the nonferrous metals, machinery, and transportation equipment industries was maintained close to the December rate.

"Production of nondurable goods was at a rate of 177% of the 1935-39 average in January as compared with 173% in November and December. Activity in the chemicals, foods, and paper and printing industries reached new postwar peak rates in January, while output of most textile and leather products was below earlier peak rates.

"Output of bituminous coal, after being curtailed in November

and December, increased in January to the highest level in 20 years and was 9% above a year ago. Production of metals advanced somewhat, while output of anthracite and crude petroleum declined slightly.

Employment

"Employment in manufacturing and most other nonagricultural industries continued to show little change in January, after allowing for the usual seasonal variation. The number of persons unemployed increased further to a level of 2,400,000.

Construction

"Value of construction contracts awarded, as reported by the F. W. Dodge Corporation, increased by ¼ in January following a marked decline during the preceding seven months. About ½ of the increase was accounted for by public nonresidential construction, reflecting chiefly large awards for Veterans' hospitals. Residential contracts expanded by ½ due principally to awards for several large apartment projects.

Distribution

"Value of department store sales in January and the early part of February was maintained close to the level prevailing since last June, after allowance is made for the usual seasonal changes. Sales during the first seven weeks of this year were 17% larger than the same period last year. Sales at other retail stores were at a relatively higher level compared with last year, reflecting mainly advanced prices for foods and increased supplies of such durable goods as automobiles and hardware. Unit sales of numerous nondurable goods apparently have declined somewhat from earlier advanced levels.

Freight carloadings increased

somewhat further in January, reflecting chiefly increased shipments of coal, iron, steel, and lumber. Shipments of most manufactured-products and agricultural commodities showed little change. Shortages of cars continued to limit the movement of some classes of freight.

Commodity Prices

"Prices of farm products and foods, which declined from the middle of December to the latter part of January, have risen since that time, reflecting partly severe weather conditions and increased Federal export allocations for grains. Wholesale prices of most industrial products have shown little change but building material prices have increased further.

Bank Credit

"Income tax collections greatly increased Treasury deposits at the Reserve Banks in January and the first half of February and placed member banks under moderate reserve pressure. A post-holiday return flow of currency of about \$900 millions and an increase in monetary gold stock supplied some reserve funds to member banks and there was a decline in required reserves. To maintain their reserve positions, however, banks sold short-term Government securities to the Reserve Banks.

"Bank deposits were also reduced by tax collections, notwithstanding the return flow of currency. At member banks in leading cities demand deposits adjusted declined by \$1.3 billion in the four weeks ending Feb. 19. Commercial and industrial loans continued to expand during January and early February; the rate of increase was more moderate than during last summer and fall. Government security holdings declined further, reflecting Treasury debt retirement and bank sales of bills and certificates."

Orie Kelly Heads Div. For Catholic Charities

Orie R. Kelly of the Lawyers Trust Co. has accepted the Chairmanship of the Banks and Trusts division of the Special Gifts Committee of the Cardinal's Committee of the Laity for the 28th Annual Appeal of New York Catholic Charities. Vice-Chairman of the division are Robert Louis Hoguet, of Amend & Amend; Daniel J. Mahoney, Jr., of Bronx County Trust Co., and Thomas J. Shanahan, of Federation Bank & Trust Co. Announcement of these appointments was made by John A. Coleman, Chairman of the Board of Governors of the New York Stock Exchange, who is Executive Chairman of the Special Gifts Committee. John S. Burke, President of B. Altman & Co., is Chairman of the committee.

The Special Gifts Committee, composed of business and professional leaders of New York City, appeals on a non-sectarian basis to the general public on the ground of the wide community service rendered by the 174 welfare institutions affiliated with Catholic Charities. Last year, Mr. Coleman explained at a recent committee meeting, Catholic Charities expended \$2,297,075 in family, child and health care, in preventive and correctional work among young people, and many other services for children and adults. The Special Gifts Committee in 1946 raised \$852,144 out of a total appeal fund of \$1,920,005. Its goal for 1947 has been set at \$1,000,000.

Mr. Kelly is now completing the membership of his committee, and actual solicitation has already started. It will continue through the house-to-house canvass of Catholic families in the 374 parishes of the Archdiocese, which will run from April 20 to April 30.

Two-Year Contracts Upheld by NLRB

The National Labor Relations Board on Feb. 27 ruled unanimously that a two-year labor-management contract cannot be disturbed by an application of another union for an employee election. This revises the Board's usual practice of the past eleven years, when such elections have been permitted after one year. The result of the Board's decision, as pointed out in special advices to the New York "Times" from Washington, is to give assurance to unions and employers that hereafter, regardless of custom, they may make two-year contracts which will not be prematurely disturbed by rival unions seeking bargaining rights.

The case which has brought about this far-reaching effect upon the Board's slowly maturing policy is that of the Reed Roller Bit Company of Houston, Texas, the United Steelworkers, CIO, with which the company made a two-year contract in August, 1945, and the International Association of Machinists, Independent, which started to seek a collective bargaining election shortly before the contract was a year old. Both the employer and the CIO union contended that their agreement, which runs until next Aug. 30, precluded a current determination of representatives. In the special advices to the "Times" it was stated:

Early in its history the Board was confronted with the problem whether an existing contract was a bar to a determination of an employee bargaining representative. In its first decisions the board held that a contract for a term of one year, whose expiration date was not imminent, would bar a determination of representatives, but that no contract which had been in effect for more than one year could foreclose an election.

It was held, however, that a two-year contract which was customary in the industry served to preclude a determination of representatives, although it had already run for more than one year.

Beginning in 1945, the Board modified previous decisions and ruled that a contract for a term of two years was presumed to be of reasonable duration, and that the burden was on the petitioning union to prove the contrary by showing that two-year agreements were not customary in the industry.

We thus progressed, said the Board, from the rule that no contract, which had been in effect for more than one year could operate as a bar to a determination of representatives to the principle that a two-year agreement is presumed to be of reasonable duration and therefore operates as a bar to an election unless the presumption is overcome.

In its recent ruling the Board decided: "The time has come when stability of industrial relations can be better served, without unreasonably restricting employees in their right to change representatives, by refusing to interfere with bargaining relations secured by collective agreements of two years duration." The decision went on to say, the "Times" advices stated:

In the present case the petitioner rebutted the presumption by proving that one-year agreements are customary in the industry in which the employer is engaged. Consequently, the question before us now is whether we should complete the cycle by holding that a two-year contract operates as a bar to an election until the approach of its terminal date, even in the face of a contrary custom in the industry.

Whenever a contract is urged as a bar, the Board is faced with

the problem of balancing two separate interests of employees and society which the act was designed to protect: the interest in such stability as is essential to encourage effective collective bargaining, and the sometimes conflicting interest in the freedom of employees to select and change their representatives.

In furtherance of the purposes of the act, we have repeatedly held that employees are entitled to change their representatives, if they so desire, at reasonable intervals; or conversely, that a collective bargaining contract may preclude a determination of representatives for a reasonable period.

In the light of our experience in administering the act, we believe that a contract for a term of two years cannot be said to be of unreasonable duration.

Saturday Closings in N. Y. Reserve District

Calling attention on Feb. 27 to the newly enacted law in New York State providing that banks located in New York may be closed on any one or more Saturdays, the Federal Reserve Bank of New York in a notice to the banking institutions in the District issued by Allan Sproul, President of the Bank, said:

"Pursuant to such sections, the Federal Reserve Bank of New York, including its Buffalo Branch, will be closed on each Saturday beginning April 5, 1947; and each such Saturday will be a public holiday in all respects affecting the Federal Reserve Bank of New York. The books of this bank will, therefore, be closed on each Saturday beginning April 5, 1947.

"Pursuant to our time schedules, credit for cash items that would otherwise be given on any such Saturday will be given on the next succeeding business day; and no such Saturday will constitute a business day in determining the time when credit will be given, pursuant to our time schedules, for deferred-credit items drawn on or payable at banks located in the Second Federal Reserve District.

"Pursuant to section 36:1-1 of the Revised Statutes of New Jersey, as amended effective Feb. 24, 1947, Saturdays are treated and considered as public holidays in New Jersey for all purposes whatsoever as regards the presenting for payment or acceptance, and of the protesting and giving notice of dishonor, of bills of exchange, bank checks and promissory notes." In the case of cash items drawn on or payable at members of the Northern New Jersey Clearing House Association, credit which would otherwise be given by our head office on a Saturday prior to April 5, 1947, will be given on the next succeeding business day; and our head office and Buffalo Branch will defer for an additional business day i.e., for three business days after receipt, credit for cash items drawn on or payable at other New Jersey banks located in the Second Federal Reserve District which are received by us on Fridays prior to April 4, 1947.

"Your attention is called to the fact that Saturday bank closings will in many instances result in delay in the presentation of items and in the advice of dishonor and return of unpaid items."

Maritime Bill Signed

Legislation under which the Maritime Commission is authorized to continue to operate shipping vessels until July 1 received the signature of President Truman on Feb. 26, according to an Associated Press dispatch from Washington.

House Passes Bill to Ban Portal Pay Senate Bill Returned to Committee

Pending and future portal pay suits would be banned under legislation which was passed by the House of Representatives on Feb. 28 by a vote of 345 to 56, and sent to the Senate. The portal-to-portal pay claims, which the measure is designed to bar, now amount to \$5,785,000,000. The bill was approved by the House Judiciary Committee on Feb. 21, at which time the Associated Press, in stating that the measure would virtually outlaw all such claims, added:

The bill would also let employers advance as a defense against claims the contention that they acted in "good faith." They could offer it in controversies involving the wage-hours, Walsh-Healy and Bacon-Davis acts.

The Walsh-Healy and Bacon-Davis acts establish working standards which must be observed on Government contracts. The burden of proof in claiming "good faith" would rest with the employer.

Representative Michener (R.-Mich.), the Chairman, said the Committee approved the bill "by a very large majority." Questioned further, he said that there was not a formal vote—"not even a show of hands."

Under date of Feb. 28, in reporting the House action, the Associated Press advised, as given in the New York "Sun" had the following to say:

In the first action of the new Republican-dominated Congress on a major labor bill, the House rebuffed all efforts to amend the measure.

Action came after numerous speakers declared the wave of portal suits, following the Supreme Court Mount Clemens Pottery decision, threatens the stability of the nation's economy and the Federal Treasury itself.

The bill in effect overturns the Supreme Court interpretation of what is work time for which employers must pay under the wage-hour law. The court decision opened the way for workers to sue for pay for time not actually spent in productive work.

Beaten back were two motions to increase the statute of limitations fixing the time which suits may be brought against employers under the nation's minimum wage and hour laws.

The House also rejected an amendment designed to narrow the grounds under which an employer could plead good faith as a defense in minimum wage suits.

A similar bill was approved on Feb. 24 by the Senate Judiciary Committee by a vote of 9 to 3.

The Senate Committee's bill, substantially approved a week earlier by a subcommittee, as indicated in advices to the "Wall Street Journal" from its Washington bureau, proposes to:

1. Invalidate pending and future back portal pay suits, unless they are consistent with work contracts or historical practice and custom within the industry involved.

2. Provide that, if the first method of invalidation is held unconstitutional, employees individually or collectively must file their own suits. Wage demands could not be filed by any employe representative who did not have an interest in the claim.

3. Set a two-year statute of limitations on all suits filed under the wage-hour law. (The pending House bill provides a one-year limitation.)

4. Permit out of court settlements of valid portal pay claims. This would annul a Supreme Court decision which held that wage claims may not

be compromised for less than the amount to which employees are entitled under the wage-hour law.

The following Associated Press account from Washington, Mar. 3, appeared in the New York "Journal of Commerce" of Mar. 4.

The Senate's bill to wipe out nearly \$6,000,000,000 in suits for portal-to-portal pay was returned to committee today for some finishing touches.

Chairman Wiley (Rep., Wis.) of the Judiciary Committee, obtained unanimous consent to recall the bill. He told reporters the action was requested by Senator Donnell (Rep., Mo.), who headed the subcommittee which drafted the bill.

Year-Round Closing Of Boston Res. Bank

The closing of all commercial banks in Boston on Saturdays beginning March 8 was recommended on Jan. 31 at a special meeting of officials of member banks of the Boston Clearing House Association and other local bank executives. The Boston "Herald" of Feb. 1 in reporting this said:

The action was taken following the signing by Gov. Bradford of the recently-enacted bill permitting Massachusetts banks to close on Saturday on year-round basis.

"Meanwhile, Kenneth McDougall, Executive Manager of the Savings Bank Association of Massachusetts, announced that savings banks will remain open Saturdays for at least another month until a uniform policy has been adopted in the various areas.

The Federal Reserve Bank of Boston has announced that it will remain closed on Saturdays, beginning March 8, pursuant to the provisions of the act, approved January 30 permitting such closing.

The New York Federal Reserve Bank in advices Feb. 11 to banks in its District bearing on the action of the Boston Reserve Bank stated that it had been advised that the Massachusetts law "provides that all acts, authorized, required or permitted to be performed at, or by, or with respect to, any bank in Massachusetts on a Saturday, may be performed on the next succeeding business day."

In his advices in the matter, Allan Sproul, President of the New York Reserve Bank added:

Accordingly, on and after March 8, 1947, pursuant to our time schedules, credit which would otherwise be given on Saturday for cash items forwarded for collection to the Federal Reserve Bank of Boston will be given on the next succeeding business day; and Saturday will not constitute a business day in determining the time when credit will be given for deferred-credit items drawn on banks located in the First Federal Reserve District.

In view of the fact that the Federal Reserve Bank of Boston will, and other banks in Massachusetts may, remain closed on Saturdays, there may be a delay in the return of many dishonored cash items and in our advice to you of the non-payment of such items.

L. W. Douglas Named Ambassador To Britain

President Truman on Feb. 26 nominated Lewis W. Douglas, one-time Director of the Budget and since 1940 President of the Mutual Life Insurance Co. of New York, to be Ambassador to Great Britain, Associate Press Washington advices stated. Although selection of Mr. Douglas was said to have come as a surprise, it is regarded with favor in official circles, and Chairman Vandenberg (R.-Mich.) of the Senate Foreign Relations Committee, which will pass on the appointment, said in his comment, "Mr. Douglas is totally qualified for the high responsibilities which he will assume."

Mr. Douglas himself expressed surprise at his nomination, but said that he accepted the appointment because he considered it a great honor and "a duty." He takes the post to which O. Max Gardner, former Governor of North Carolina, was bound when he died suddenly in New York just before sailing. Mr. Gardner's death was noted in our issue of Feb. 20, page 1057.

Mr. Douglas, a native of Arizona, who is 52 years of age, has served as, to quote from the Associated Press:

A soldier in France in World War I, a State Legislator, member of Congress, Director of the Federal Budget, a lend-lease expediter in London in World War II, and Deputy War Shipping Administrator.

In part the Associated Press accounts from Washington Feb. 26 also said:

He also took a two-year turn (1938-39) as Vice-Chancellor of Canada's McGill University, where he had a close-up opportunity for studying the British commonwealth.

While it took a world war to bring Mr. Douglas and President Roosevelt back together after their 1934 break on spending and their 1940 differences on the third term, they got along amicably in the end.

Mr. Douglas was a 38-year-old Congressman when Mr. Roosevelt was first elected. He resigned on the day Mr. Roosevelt took office, March 4, 1935 and became Director of the Budget.

In this post he was given authority to cut down on Government spending. But in 1934, "pump priming" was the Government's policy for fighting the depression and Mr. Douglas couldn't go along with this theory of heavy spending. He resigned in August, 1934, and afterward opposed the New Deal as leading toward inflation and dictatorship.

In 1940, Mr. Douglas supported Republican Wendell L. Willkie for President. He fought a third term for Mr. Roosevelt on the grounds it was an "attempt, encouraged and supported by the most powerful political machine in all American history, to continue the same personnel in responsible positions of public power, even in the White House itself, beyond the allotted two-term period."

Aid for Britain brought Mr. Douglas and Mr. Roosevelt back on a common footing and a few weeks after Pearl Harbor the President ordered Mr. Douglas to London to hurry the flow of American weapons, food and equipment.

The State of Trade

Industrial production for the country as a whole last week held at the very high levels attained in recent weeks with output above or close to postwar peaks. Heavy snowstorms and extreme cold weather in many eastern sections hampered outdoor work. It was reported that the increased use of gas for home heating purposes curtailed the supply of gas available to industry.

As for employment, it is noted that in the week ended Feb. 15, total continued claims for unemployment compensation dropped almost 2% to the lowest level reached in any full week in 1947, while initial claims rose less than 1%.

In the automotive field, production of cars and trucks reached a new postwar high last week, according to Ward's Automotive Reports, which placed output at 104,802 units. This compared with a revised figure of 103,400 units in the preceding week.

Output for the same week a year ago was 17,575 and 126,550 for the corresponding period in 1941.

A breakdown of last week's total shows 71,019 passenger cars and 29,258 trucks built in United States plants and 2,685 and 1,840, respectively, in Canada.

Preliminary figures for February production in the United States are 264,659 passenger cars and 11,397 trucks. Canada's production is estimated at 10,905 cars and 7,475 trucks, making a total for both countries of 395,436 for the month.

For last week the supply of durable goods continued to increase despite delayed shipments resulting from freight car shortages. In the case of some electrical appliances and housewares the backlogs of orders remained huge.

At gift, houseware and hardware shows in New York, Boston and Detroit, the past week, new order volume was low, while attendance was high but below previous peak levels. It was also noted that buyers exhibited a conservative attitude toward placing orders at present prices in many wholesale markets.

A release from the Association of American Railroads reveals the past week that based on advance reports from 87 class I railroads, whose revenues represent 81.6% of total operating revenues, estimated railroad operating revenues in January, 1947, increased 6.5% above the same month of 1946. This estimate, it was pointed out, covers only operating revenues and does not touch upon the trends in operating expenses, taxes, or final income results. Estimated freight revenue in January, 1947, was also greater than in January, 1946, by 21.2%, but estimated passenger revenues decreased 39.5%.

Heavy snowstorms in the Eastern section of the country and a general lull in consumer purchasing throughout the nation resulted in a noticeable decline in total retail volume the past week. There was a continued improvement in the supply of many previously scarce items. Buying was light and consumers continued to maintain their cautious attitude.

Wholesale volume declined fractionally in the week as adverse weather delayed shipments and hampered travel. Mail and telephone orders were numerous and total order volume was moderately above that of a year ago. Food volume was very high and prices of some commodities rose perceptibly. Attendance at some wholesale durable goods shows was high but buyers were reticent to place large orders at prevailing prices.

Steel Industry—The U. S. Steel Corp. and the United Steel Workers of America last 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, in its weekly review of the steel trade. Both sides have at least 2 months to go before the end of the current contract extension, but 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, the magazine states.

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, such as a substantial increase in the price of scrap and the current high cost of living which is approaching the peak established last fall.

While these two major factors will have considerable bearing on the progress of wage negotiations, little doubt exists that a moderate increase in wages will be granted and that the time between now and the agreement will be used in effecting a satisfactory compromise. The portal-to-portal suits are still considered serious by industry and labor leaders, but each group expects that the Supreme Court and Congress will straighten out this Frankenstein.

Competition for scrap last 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, the magazine reports, 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.

There were no general signs of a slackening in the volume of new steel orders last week and in most cases order volume so far in February 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, The "Iron Age" notes.

Despite reports to the contrary, the railroad industry last year obtained about the same percentage of steel supplies as it did in pre-war years and since the total steel produced last year was greater than in 1939, actual tonnage of steel shipped to the carriers was higher.

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 Mar. 3, 1947, unchanged from one week ago, 93.4% one month ago and 76.7% one year ago, the steel strike accounting for a sharp curtailment of operations.

The week's operating rate is equivalent to 1,651,900 tons of steel ingots and castings the same as one week ago, 1,633,700 tons one month ago and 1,351,700 tons one year ago.

Electric Production—The Edison Electric Institute reports that the output of electricity declined to 4,777,740,000 kwh. in the week ended Feb. 22, 1947, from 4,778,179,000 kwh. in the preceding week. Output for the week ended Feb. 22, 1947, was 21.8% above (Continued on page 1302)

As We See It

(Continued from first page)

At the end of the detailed report on conditions in Germany, Mr. Hoover adds that "It may come as a great shock to American taxpayers that, having won the war over Germany, we are now faced for some years with large expenditures for relief for these people. Indeed, it is something new in human history for the conqueror to undertake.

"Whatever the policies might have been that would have avoided this expense, we now are faced with it. And we are faced with it until the export industries of Germany can be sufficiently revived to pay for their food. The first necessity for such a revival is sufficient food upon which to maintain vitality to work."

Beyond the "First Necessity"

There can be no doubt, of course, that the "first necessity," or at any rate, a "first necessity," is "sufficient food," but the really serious tragedy in this whole matter is that all too many of us have refrained from going vigorously beyond the "first necessity" in our analysis of this situation. We are confident that Mr. Hoover has made no such mistake, but there is not very much in his report now made public to help in the elimination of that infirmity from the thought of the great rank and file, which will in the end direct and control the policies of this country *vis-a-vis* all these European and Asiatic problems. We can only hope that further observations which he says he will presently hand the President will make amends for this short-coming of the first report.

There were doubtless good "reasons of state" which prevented Mr. Hoover from making plain, blunt statements of two fundamental facts essential to any understanding of the present situation or any intelligent planning of the future, but there is every reason in the world why they should be called to the attention of the American people by any and all who are not under the restraints which the ex-President felt it necessary or wise to impose upon himself. These facts, in brief, are:

1. The extremities of the catastrophic situation so eloquently set forth by Mr. Hoover are the results of policies imposed by the conquerors upon the conquered, and unless those policies are radically altered it may be questioned whether the German people can ever within the foreseeable future gain a position of self support—certainly not a position sufficiently comfortable to prevent political chaos in the heart of Europe.

2. When the whole situa-

tion is carefully studied and dispassionately appraised, the conclusion is almost inescapable that the force behind the apparently very general feeling in well informed circles in this country that we shall have to "stay" and "see this thing through to the bitter end" is less a fear of a recrudescence of German militarism or German aggression than a want of confidence, or any basis for confidence, that Russia will not push her expansionist and aggressive foreign policy to the point, first, of gravely endangering the British Empire, already in distress, and then of colliding with the interests of the United States.

Let Us Reconsider

In addition, therefore, to any direct relief which may be necessary to prevent mass starvation in the months immediately ahead, or, for that matter, in the year or two immediately ahead, the American Government (for which read the American people) must, first of all, completely alter its rather hastily adopted notion that the basic nature of the German economy must be altered in order to prevent preparation for another war of aggression. German industry through the decades, despite some modification at the behest of the militarists, had on the whole developed in response to natural conditions and thus had "planlessly" applied itself to those pursuits to which it was best suited by nature. Limitations, restrictions, or controls which doom Germany to pursuits which are relatively unrelated to the manufacture of modern armament would condemn the country to economic impotency in perpetuity. As Mr. Hoover himself incidentally points out in his report, moreover, "punishment" meted out to "Nazis" whom we hopefully expect to "convert" is robbing the German people of a substantial part of the vital assets they need to become self-supporting.

Of course, this situation is further complicated by the division of Germany into "zones." All experience dictated at the beginning that this be avoided this time, but it was not. Newly acquired experience has now again shown how difficult it is to reach any sort of unified administration and consistent policy applying throughout Germany under such conditions. In particular, Russia is a thorn in the side of any promoter of unified and cooperative policy in Germany. Next to Germany itself the United States of America appears to be expected to bear the burden of all this nonsense. We, therefore, have the largest,

and what ought to be the most influential, voice in demanding a change of tactics and of policy. Some of us had hoped that possibly one of the main purposes of the Hoover mission was to place these vital facts effectively before the American people.

Russia and the World

Of course, the problem posed by Russian policy is much broader than any questions which have to do simply with Central Europe, or, for that matter, all of Europe. In the Near and Middle East, to say nothing of India and surrounding areas, it takes on a definitely disturbing aspect. In the Orient, whether it be China, Japan or the other adjoining areas, the Russian question is eternally kept to the fore. It would be absurd to suppose that Russia, no matter what her policy or attitude, is threatening or could directly threaten the United States. She is, however, day and night pressing forward. There is good reason for the uneasiness in Britain about it all, and, once again, Americans are inclined to the view that we must take up the "burden" of the British Empire at least in substantial part.

For our part, we hope that the entire matter will be studied much more carefully before we are too deeply committed.

House Group Finds Marshall Optimistic

After a two-hour closed session with the House Foreign Affairs Committee on Feb. 18, Secretary of State Marshall was reported by members to have appeared "optimistic on the whole" over prospects for maintaining peace, Associated Press advices reported from Washington. Mr. Marshall was said to have reviewed the world's "sore spots" for the committee, and Chairman Eaton (R.-N. J.) later told reporters that the Secretary of State's visit had been the basis of a "very exhaustive and interesting session."

From the Associated Press advices from Washington, Feb. 18 we also quote:

Secretary Marshall, informed persons said today, also assured the committee that he would review United States policy in Latin America when he returned from Moscow. Informants in a position to know said General Marshall told the committee that he had not had time since becoming Secretary of State to study United States relations with the other American republics.

These informants said Secretary Marshall promised a "full careful and thorough survey" of United States policy toward Argentina. The Secretary of State was quoted as saying he planned to formulate a new "Marshall policy" of relations with the Governments of the Americas.

Surplus Inquiry Funds

A resolution to grant the Senate Expenditures Committee \$100,000 for investigation of the Government's disposal of surplus property was approved by the Rules Committee on Feb. 19, Associated Press Washington advices, reported.

Truman Sends Service Merger Bill to Congress

President Truman sent to Congress on Feb. 26 the draft of a bill to unify the armed forces, and accompanied it by a letter which stated according to Associated Press Washington advices: "It is my belief that this suggested legislation accomplishes the desired unification of the services and I heartily recommend its enactment by the Congress."

Entitled, "National Security Act of 1947," the proposed legislation would set up a national defense establishment, under a civilian Secretary of National Defense with Cabinet rank, and bring under the defense establishment equally important departments of the Army, Navy and Air Force. Each of the three branches would have a Secretary to direct its activities as an individual unit, and these three secretaries, in turn, would operate under direction of the Secretary of National Defense, with only the last named having Cabinet rank. Clark M. Clifford, the President's special counsel, who completed the draft of the measure, was said to have first consulted at length with the Secretaries of War and Navy and the joint chiefs of staff, all of whom, Mr. Truman stated, approved the bill. The following regarding the proposed legislation, was contained in an Associated Press account from Washington Feb. 26 given in the New York "Sun":

Under the measure, the United States Air Force would be established under the Department of the Air Force to which would be transferred the Army Air Forces the Air Corps of the United States Army, and General Headquarters Air Force (Air Force Combat Command).

The President would appoint, subject to Senate confirmation, a Chief of Staff of the Air Force for a term of four years. The functions of the commanding general of the Air Force Combat Command, the chief of the Air Corps, and the commanding general of the Army Air Forces would be transferred to his chief of staff.

The legislation sets up within the National Defense Establishment the Joint Chiefs of Staff, to be made up of the Chief of Staff of the United States Army, the Chief of Naval Operations, the Chief of Staff of the United States Air Forces, and the Chief of Staff to the commander in chief, "if there be one."

This joint command would act as principal military adviser to the President and the Secretary of National Defense, preparing strategic plans and providing for strategic direction of the military forces.

While the Secretaries of the Army, the Navy and the Department of the Air Force would function under the overall direction of the Secretary of National Defense, the legislation provides that any of the three may appeal directly to the President, after informing the National Defense Secretary of any matter he wishes to take up with the White House.

Other provisions of the legislation include:

(1) Creation of a War Council made up of the Secretary of National Defense, as chairman, with power of decision; the secretaries of the Army, the Navy, the Air Force, the Chief of Staff of the Army, Chief of Naval Operations and Chief of Staff of the United States Air Forces.

(2) A Joint Staff, under the Joint Chiefs of Staff, to be made up of not exceeding 100 officers to be drawn in equal numbers from the Army, Navy and Air Force, operating under a director to be appointed by the Joint Chiefs of Staff.

(3) The establishment of a Munitions Board to co-ordinate industrial procurement, production and distribution, including standardization of specifications and to prepare estimates of potential production, procurement and personnel. This board would

determine priorities for the military procurement programs.

(4) A Research and Development Board to advise the National Defense Secretary on scientific research for military programs.

(5) A National Security Council to advise the President with respect to integration of "foreign and military policies." It would be made up of the Secretaries of State, National Defense, Army, Navy, Air Force and the chairman of the National Security Resources Board.

(6) A National Security Resources Board to advise the President on co-ordination of military, industrial and civilian mobilization.

(7) A Central Intelligence Agency which would take over the functions of the current National Intelligence Authority.

Under the legislation, the Secretary of National Defense in line of succession to the presidency would replace the Secretary of War, currently fourth on the list behind the Vice-President, and Secretaries of State and the Treasury.

Miller Vice-President Of Natl. Assn. of Mfrs.

Kenneth R. Miller, Treasurer-Business Manager of the National Association of Manufacturers, has been appointed Vice-President in charge of member relations effective immediately, it was announced on Feb. 23 by Walter B. Weisenburger, NAM executive Vice-President. Mr. Miller succeeds Byron Shimp, who resigned to return to the field of public relations and financial counsel for educational and philanthropic organizations. John C. Bosted, Assistant Treasurer, was appointed Acting Treasurer.

In 1926, Mr. Miller began a 15-year career in life insurance sales management and association work, and in 1941 was named managing director of the National Federation of Sales Directors. With the organization of WPB in 1942, Mr. Miller joined the staff as management-engineer, and the following year went to NAM as assistant to the Executive Vice-President. In July, 1945, he was appointed Treasurer-Business Manager. Mr. Miller is a member of the National Federation of Sales Executives, the Society for the Advancement of Management, the National Office Management Association, and the Sales Executives Club of New York.

Mr. Bosted, a native New Yorker and graduate of Fordham University, joined NAM in 1943 as accountant system technician, and in 1945 was appointed Assistant Treasurer and Assistant Business Manager.

Chairman of Three NAM Committees

Chairmen of three principal committees of the National Association of Manufacturers have been reappointed to serve during 1947, it was announced on Feb. 21 by Earl Bunting, President of NAM. The chairmen are:

E. A. Converse, Jr., Secretary, Belknap Hardware & Manufacturing Co., Louisville, Ky., Tax Administration Committee; Clarence B. Randall, Vice-President, Inland Steel Co., Chicago, Industrial Relations Program Committee; H. E. Humphreys, Jr., Chairman Finance Committee, U. S. Rubber Co., New York, Government Finance Committee.

Steel Output Maintained at High Postwar Level—Car Shortage Cuts Shipments to Users

Further increases in basic metals this week featuring nonferrous metals, iron and steel scrap and pig iron, definitely point up an inflationary period overshadowed only by temporary periods during and shortly after World War I, according to "The Iron Age," national metalworking paper, which in its issue of today (March 6) states as follows:

"Pig iron prices this week were raised as much as \$2.50, \$3.00 and \$4.00 a ton depending on the grade and the producer. Some makers advanced the price \$3.00 a ton on all grades, others raised quotations \$2.50 a ton on some types and \$3.00 on others, while at least one pig iron producer advanced his prices \$4.00 a ton. Some makers have not taken any action as yet but it is certain that they too will advance their quotations.

"The Iron Age" pig iron composite price this week moved from \$30.15 a gross ton to \$32.23 a gross ton up \$2.08 a ton. A further advance in the composite is expected next week after other makers take price action. In 1920 "The Iron Age" pig iron composite averaged \$42.76 a gross ton with a peak of \$47.83 a ton reached in July of that year. In 1939 the composite was \$21.19 a ton and during the war years when controls were in effect the average price of pig iron was \$23.61.

"The iron and steel scrap market situation this week is in its most chaotic state in steelmaking history. Buyers and sellers alike appear to have lost their perspective and are openly admitting that scrap prices are entirely out of control.

"The air is full of charges and counter charges as to the responsibility for zooming prices. According to authoritative sources within the steel industry itself it is now privately admitted that the bitter competition for material at some distance from the steel mills has contributed primarily to the snowballing effect in higher prices. Some sources fear that quotations may go higher before a reaction sets in and point to the supporting factor of an anticipated high steel operating rate for some months to come.

"As the result of a realistic policy in recognizing delivered prices of scrap to consumers regardless of the origin, practically all Iron Age markets reflect higher scrap prices this week. The composite price, which is an average of Pittsburgh, Chicago and Philadelphia heavy melting scrap quotations, moved up this week from \$34.08 a gross ton to \$36.67 a gross ton, and advance of \$2.59 a gross ton.

"In June, 1917 "The Iron Age" composite price for scrap hit \$37.21 a gross ton and in other periods around that time, some isolated sales of heavy melting steel were made at close to \$50 a ton. In 1939 the average price of scrap was \$16.39 a ton and during the war the controlled price reflected a composite for steel scrap of \$19.17 a ton. Actual payments during the latter period, however, were higher due to bringing scrap in from distant points.

"Nonferrous metals prices have reached new peaks with copper at 21.50¢ a lb., exceeded only by highs of nearly 24.00¢ a lb. in 1929 and 1919 and 37.00¢ a lb. in 1917. Lead at 15.00¢ a lb. is at an all-time high, approached only in 1917 by the previous high of 12.25¢ a lb. Current prices for these metals have been forced up by the world shortage coupled with unprecedented world demand for reconstruction and civilian production.

"There is evidence that current increases in these metals may be followed up by new price increases in other metals that are in a similar supply-demand position. Such increases may well be expected in tin, antimony, cadmium and perhaps zinc. The present copper price represents an increase of 49.6% over the last OPA-approved price effective un-

til Nov. 10, 1946. The present lead price is increased 81.8% over the last OPA price.

"With neither the United States Steel Corp. or the steel union having met this week to continue discussions on the expected wage increase, it is anticipated that both sides will make some headway when they sit down again next week to discuss economic factors in the coming wage agreement.

"The United States Steel Corp. has approved a bonus of \$250 for each of its 9,500 foremen in the company's basic steel subsidiaries. This remuneration which amounts to \$2,375,000 is already being distributed at some plants and is recognition for the supervisory assistance in the elimination of wage inequalities, a project which has extended over many months."

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 March 3, unchanged from last week when the highest rate was reached since the week of May 14, 1945 when operations were at the rate of 95.3% of capacity. The current week is the fourth consecutive week of postwar production and compares with an operating rate of 93.4% one month ago and 76.7% one year ago. The operating rate for the week beginning March 3 is equivalent to 1,651,900 tons of steel ingots and castings the same as last week, and compares with 1,633,700 tons one month ago, and 1,351,700 tons one year ago.

"Steel" of Cleveland, in its summary of latest news developments in the metalworking industry, on March 3 stated in part as follows:

"Acute freight car shortages and adverse weather are playing havoc with steel producers' efforts to dent the huge order accumulations on their books. Shipments into and out of steel and metalworking plants have been slowed to a walk by lack of cars, while the heavy snowfall over a large section of the nation has disrupted traffic generally, both rail and truck. Metalworking shop shutdowns are reported due to lack of storage space to accommodate abnormal piling of finished goods delayed in shipment.

"In addition, shortages of industrial gas have forced curtailment of steelmaking operations at some producing points, and many metalworking shops have been so pinched they have been forced to furlough thousands of workers temporarily pending resumption of normal gas pressures.

"The slowdown in shipments is accentuating the tight steel supply situation. Sheet producers, for example, report the transportation bottleneck not only is hampering deliveries to consumers, but it is restricting production by limiting receipt of essential raw materials, such as scrap.

"Few companies are able to ship tonnage promptly, and, meanwhile, orders continue to pour in on the mills with demand showing no signs of a let-up. Sheet requirements are expected to out-run production the remainder of this year, possibly longer. Of all major products, bars appears the only item to show any noticeable easing in supply, and even here the situation seems as tight as ever in the smaller sizes.

"Surge of freight car buying features current market developments. At least 15,400 units were

placed in February reflects the concerted efforts to get the projected car-building program going as soon as possible. In support of this program, steel producers last week indicated they would endeavor to supply steel for monthly production of 10,000 cars, instead of the 7,000 recently agreed upon. This proposed change, it is estimated, will require 235,000 tons of steel per month, instead of the 165,000 tons originally scheduled.

"Upping of car steel requirements will be at the expense of other consumers. Should enlarged operations become effective with second quarter it probably will mean a further cutback in quotas to other consuming lines as order books for the products involved already are overflowing. This new burden added to that carried by the mills in the form of earmarked steel for housing and exports is certain to intensify tight steel supply conditions.

"Steel prices were steady last week. Talk continued to be heard of a likely early increase in pig iron. Carnegie-Illinois Steel Corp. again revised its extra card on hot-rolled sheets and strip from the list issued last December. An advance on heavy melting steel scrap in eastern Pennsylvania lifted Steel's composite price on steelmaking scrap 50 cents to \$34.33. Averages held unchanged on finished steel at \$69.73, on semi-finished steel at \$52.10, and on steelmaking pig iron at \$29.56."

Indicates Acheson Matter Closed

That the diplomatic incident caused by testimony of Under-Secretary of State Dean Acheson before the Senate Atomic Energy Committee was closed and that he would not reply to the second Soviet protest was indicated on Feb. 25 by Secretary of State Marshall, according to special Washington advices on that day to the New York "Times." On Feb. 18, in reply to a protest by Soviet Foreign Minister Molotov against a statement by Under-Secretary Acheson—which was said to have described Russia's foreign policy as aggressive and expansionist—Secretary Marshall in a formal note to the Soviet Union rejected the protest and upheld Mr. Acheson in his statement, according to Associated Press Washington advices. The Under-Secretary's remarks were made in response to the committee's questioning, Mr. Acheson stating, according to a transcript of the proceedings quoted by the Associated Press: "I am quite aware of the fact that Russian foreign policy is an aggressive and expanding one." Mr. Molotov it is said had objected to the "inadmissible behavior" of Mr. Acheson in making a declaration which Moscow called "a gross slander and hostile to the Soviet Union."

Secretary Marshall in his reply to the Soviet Union defended Mr. Acheson as having spoken "in line of duty," and explained that in his appearance before the Committee the Under-Secretary had acted pursuant to this country's Constitutional system of Government. "Under our standards," Mr. Marshall told Mr. Molotov, "a restrained comment on a matter of public policy is not a slander. Therefore, I know that on second thought you will not attribute hostility to frankness."

In London Associated Press advices Feb. 22 it was reported that the Moscow radio Saturday night (Feb. 22) said the Soviet Union had reiterated its displeasure with statements attributed to Mr. Acheson in a second note from Mr. Molotov to Mr. Marshall. The advices by the latter, indicated above, to the effect that the incident had been closed, followed on Feb. 25.

Senate Group Approves Revised Rent Control

A Senate Banking sub-committee on Feb. 25 approved legislation embracing new rent-control proposals, which would include transfer of all controls now remaining with the Office of Price Administration to the courts, except in states where an enforcement system is established, decontrol of new construction and newly re-conditioned rooms, and a general 10% increase in ceilings. Although the sub-committee's Chairman, Senator Buck (R.-Del.), admitted that the five-man group had split 3 to 2 on many provisions of the measure, he told reporters that the bill would be ready to lay before the full committee in about a week.

The following are the provisions of the proposed legislation as Senator Buck outlined them, according to Washington Associated Press advices:

- (1) Permission to increase rents 10% over the ceilings of last December 31.
- (2) Decontrol of new housing and accommodations which were not rented between Feb. 1, 1946 and Jan. 31, 1947.
- (3) Lift controls on all hotel accommodations including trailer camps.
- (4) Remove ceilings on rents above \$225 a month after application of the 10% increase. Buck had urged this provision saying people who can afford to pay that amount, need no protection.
- (5) Allow reasonably increased rent by agreement between landlord and tenant for certain improvements.
- (6) To continue rent control but without the help of the OPA, ending Federal supervision next Dec. 31.
- (7) Leave enforcement to the Courts, permitting the tenant to go into any court with his grievance. Recovery would be fixed at \$500 or triple damages, whichever was greater.
- (8) Allow the States to apply to a Federal agency not yet designated to take over controls.

(9) Transfer of rent records and files to the Department of Commerce, where they would be made accessible to the courts, tenants or landlords.

(10) Make the bill effective the first day of the first month after its adoption.

(11) Exempt the District of Columbia from the provisions of the bill. This area has its own rent control law.

(12) To require continuance of present services for which the tenant was paying last Dec. 31.

According to Associated Press advices from Washington on Feb. 28, President Truman reaffirmed his stand for continued rent control on that day but left in doubt whether he will approve or veto the proposed 10% increase. These advices added:

He denied vigorously, however, making a "deal" with Senator Hawkes (R.-N. J.) by which he would accept the 10% boost in return for continuation of the controls themselves, telling his news conference he makes no deals with anyone and acts on legislation strictly on its merits as it comes to him from Congress.

A month before, replying to congressional advocates of rent control repeal, President Truman on Jan. 23 stated emphatically that although responsibility rests with Congress he was in favor of continuing controls on rents throughout the country.

Retail Store Sales at \$97 Billion in 1946

December sales of retail stores are estimated at \$10,280,000,000 bringing the yearly total to \$97 billion, the Office of Business Economics, Department of Commerce, said on Feb. 13. Sales in December according to the Department were 20% above December 1945 and after seasonal adjustment only slightly below the November 1945 time high. The Department further reported:

"Retail store sales in the fourth quarter of 1946 totaled \$28 billion, an increase of 5% from the third quarter after allowance for seasonal factors. This gain was due entirely to price increases. After adjustment for price changes the sales volume was at about the third quarter level.

"Sales of non-durable goods stores were \$22 billion in the fourth quarter, 17% above the fourth quarter of 1945 and 4% above the third quarter of 1946 after seasonal adjustment. Sales of durable goods stores continued the sharp advance in progress since V-J Day. Fourth quarter sales amounted to \$6 billion, 60% above the fourth quarter of 1945 and 8% above the third quarter of 1946 after seasonal adjustment.

"For both apparel and general merchandise stores sales during the fourth quarter of 1946 failed to equal the third quarter levels. High price lines and luxury products in particular sold less readily in the fourth quarter than formerly. The year closed with many stores launching clearance sales in an effort to realign inventories. The fourth quarter dollar volume of sales for apparel stores was 10% above that of the same period a year ago. General merchandise store sales were up more than 20%, and food store sales were up 25%.

"Despite higher prices and increased population, sales at eating and drinking places in the fourth quarter were only 6%

above those of the same period of 1945. The average year-to-year gain for the first three quarters was 13%. After seasonal adjustment, sales at eating and drinking places were 5% above the third quarter.

"Drug store sales in the fourth quarter of 1946 were 12% higher than in the same period of 1945 and filling station sales were up 18%. In both cases sales after seasonal adjustment were above those in the third quarter.

"In the automotive group fourth quarter 1946 sales were 125% above fourth quarter 1945 and 15% higher than those in the third quarter of 1946 after seasonal adjustment. However, the dollar volume of sales in the fourth quarter of 1946 was still 8% below the peak established in 1941. Sales of both the home furnishing and building material and hardware groups continued at high levels in the fourth quarter 1946. As compared with the same period of 1945, home furnishing sales were up 55% and hardware sales were up 37%.

"The only durable goods group showing a declining trend in the fourth quarter sales was jewelry stores. Sales in the fourth quarter 1946 fell 7% below those of the third quarter after seasonal adjustment. The decline reflected to some extent the decreasing demand for certain types of luxury products."

Hoover Reports on Germany

(Continued from first page)

mately 9,000,000 above that in 1939.

The skilled manpower and the ratio of working males in the population have been greatly affected by the war. For the whole of Germany, it is estimated that 5,700,000 were killed or permanently injured. It is also estimated that over 3,000,000 prisoners of war are held in work camps in Russia; 750,000 in France; 400,000 in Britain, and 40,000 in Belgium. The detention of large numbers of skilled Sudenten German workmen in Czechoslovakia bears on this problem.

As applied to the American and British Zones, this represents a present subtraction of over 6,000,000 of the most vital and most skilled workers in the population. Likewise, the 90,000 Nazis held in concentration camps and the 1,900,000 others held under sanctions by which they can only engage in manual labor naturally comprise a considerable part of the former technical and administrative skill of the country, and the restrictions upon them, however necessary, add to administrative and industrial problems.

One consequence of these distortions is that in the age groups between 20 and 40 there are 6 men to 10 women, and in the age group between 40 and 60, about 7 men to 10 women. Thus, there are in these groups between 6 and 7 million more women than men. The results upon productive power are bad enough, but the consequences to morals are appalling.

Housing

The housing situation in the two zones is the worst that modern civilization has even seen. About 25% of the urban housing was destroyed by the war. Therefore, 25% of the urban population must find roofs from among the remaining 75 per cent, in addition to all the destitute "expellees" and other groups brought in. There has been little repair of damaged houses, due to lack of materials and transportation. The result of all this is that multitudes are living in rubble and basements. The average space among tens of millions is equivalent to between three and four people to a 12 ft. by 12 ft. room. Nor is the overcrowding confined to urban areas, for the "expellees" have been settled into every farm house. One consequence is the rapid spread of tuberculosis and other potentially communicable diseases.

Coal

The shortage of coal is, next to food, the most serious immediate bottleneck to both living and the revival of exports to pay for food. The Ruhr, which is now almost the sole coal supply of the Anglo-American Zones, is, due to lack of skilled men and physical vitality in labor, producing only 230,000 tons per day, as against a former 450,000 tons per day. Of the present production, a considerable amount must be exported to surrounding nations which are also suffering. The shortage leaves the two zones without sufficient coal for transport, household and other dominant services, with little upon which to start exports in the industry.

The coal famine all over Western Europe and the unprecedented severity of the winter have produced everywhere the most acute suffering. As an example in Germany, no household coal has been issued in Hamburg since October. Other German cities have been but little better off.

Agricultural Production

It must be borne in mind that about 25% of the German pre-war food production came from the areas taken over by Russia and Poland. Moreover, the Rus-

sian Military Zone in Germany was a large part of the bread basket of Germany. Some millions of tons formerly flowed into the American and British Zones from these areas. These sources now contribute nothing.

The British and American armies and civilians are entirely fed from home. The large Russian army is fed upon their zone.

Due to a lack of fertilizers, good seed, farm implements and skilled labor, the 1946 agricultural production in the American and British Zones was about 65% of pre-war. A generalized appraisal indicates that in the American Zone the harvest of 1946 yielded a supply, beyond the needs of the farmers (self-suppliers) equal to about 1,100 calories per day for the "non-self suppliers." The similar supply in the British Zone was about 900 calories per day average to the "non-self suppliers." These amounts contrast with 3,000 calories of the pre-war normal German consumption.

With the efforts being made to improve agricultural production, there is an expected small increase from the harvest of 1947, especially in potatoes (if better seed is provided in time). The steps which I recommend, however, should show greater production from the 1948 harvest.

Food Distribution

This terrible winter, with frozen canals and impeded railway traffic, has rendered it impossible to maintain even the present low basis of rationing in many localities. The coal shortage and the consequent lack of heat, even for cooking, has added a multitude of hardships. The conclusions in this report as to the food situation are, however, not based upon the effect of this temporary dislocation, but upon the basic conditions, to which the winter has added many difficulties.

From the food point of view, the population of the combined zones has been divided as below, based upon the German census undertaken last autumn. The table must not be regarded as precise for the different groups, as the Berlin Sector was not distributed on the same basis as others. It is, however, accurate enough for food computation purposes.

"Self-Suppliers," i. e. farmers and their families	7,640,000
"Non-self Suppliers," i. e. urban population:	
Prospective and nursing mothers	660,000
Children 0-6 years of age	3,070,000
Children 6-15 years of age	4,495,000
Adolescents, 15-20 years of age	2,100,000
"Normal Consumers," 20 years up to moderate hard workers	17,910,000
Heavy workers	2,500,000
Extra heavy workers	1,910,000
Displaced persons	720,000
	680,000
Total population, two zones	34,045,000
	41,685,000

The base ration is 1,550 calories per person per day to the "normal consumer" group, with priorities and supplements, as the situation requires or permits, for other groups. For instance, milk and fats are given in priority to nursing mothers and children up to six years of age; more food, including more meat, is given in supplement to hard workers, etc.

This basic ration for the "normal consumer" compares with the minimum temporary maintenance food intake recommended for "normal consumers" by eminent nutritionists, as follows:

	Present German	Recommended Minimum	% Deficiency
Carbohydrates	283 grams	535 grams	16%
Fats	24 grams	45 grams	47%
Protein	52 grams	65 grams	20%
Calories	1,550	2,000	24%

Thus with the deficiency in quantity and in fats, protein and other nutrients, the 1,550 ration is

wholly incapable of supporting health of the groups, which do not have supplements.

Nutritional Condition of the Population

The nutritional condition of the above different groups, irrespective of the immediate consequences of the hard winter, are:

(a) The 7,640,000 self-suppliers are, naturally, in good condition.

(b) The supplements and priorities in special foods given to 3,730,000 prospective and nursing mothers, and children under six years of age, appear to be enough to keep them in good condition.

(c) Over half of the 6,595,000 children and adolescents, especially in the lower-income groups, are in a deplorable condition. Their situation is better in limited localities where school feeding has been undertaken but outside these limits stunted growth and delayed development is widespread. In some areas famine edema (actual starvation) is appearing in the children. A study of groups of boys between the ages 9 and 16 years showed 5.5 lbs. under minimum standard weights, with girls 5.1 lbs. below such standard. Other groups studied showed even worse conditions.

(d) A considerable part of the "normal consumer" group of 17,910,000 is likewise in deplorable condition.

This group comprises the light physical workers and is in large majority women and many are aged. Some portion of this group are able to supplement the 1,550 calorie ration by purchase of some supplies from the black market, from the free markets in the vegetable seasons, and from package remittances. Some part of this group are too poor to purchase even the 1,550 calorie ration.

In any event, a large part of the group shows a steady loss of weight, vitality and ability to work. A study in the British Zone shows urban adult males over 19 pounds and females nearly 5 pounds under proper weight. A study in the American Zone showed from 5 to 20 pounds under proper weight. Famine edema is showing in thousands of cases, stated to be 10,000 in Hamburg alone. The increased death roll among the aged is appalling. In persons over 70, in three months last autumn the increase was 40%.

(e) While the workers' rations, due to supplements, are perhaps high enough in themselves, yet the universal tendency is for the worker to share his supplement with his wife and children, and therefore it does not have its full effect in supplying energy for the worker himself.

(f) The 680,000 Displaced Persons are about one-third in the British Zone and two-thirds in the United States Zone. In the British Zone they receive the German ration only. In the United States Zone they receive supplements which amount to 700 calories per day, so there can be no doubt as to their adequate supply in that area. In fact, the American ration is above the "normal ration" of the other nations on the Continent, except the former neutrals.

These nutritional conclusions are based upon surveys made by Dr. Wm. H. Sebrell, Jr., of the United States Public Health Service, who was a member of my Mission. At my request, he also visited Italy, France, Belgium, Holland and Britain, to study the comparative nutritional situations of these countries with that of Germany. He reports that the nutritional condition in those countries is nearly pre-war normal, while the special German groups that I have mentioned are not only far below the other nations but disastrously so.

A New Program

The Anglo-American bi-zonal agreement of last autumn calls for

an increase of rations by 250 calories per day at some undetermined date. Such an increase is highly desirable. However, the world shortage in cereals, evidenced by the early reduction of bread rations in several other nations, renders such an increase impossible until after the harvest of 1947. Such a program also implies increased import supplies which, in terms of grain, would add 1,260,000 tons and \$136,000,000 annually to costs, above the already huge burden upon the taxpayers of our two nations.

As the present base of 1,550 calories for "normal consumers" is not enough to maintain health in many children or health and working energy in many adults, I propose a different program. This new approach is to repair the weakest spots in the nutritional situation, I believe that this method will accomplish the major purpose of the proposed general increase in ration as nearly as can be accomplished within the limits of available supplies and finances for the remainder of the fiscal year 1946-1947.

In many ways, I believe it is a better program, and if this method proves a successful remedy during the next few months, it may modify the necessity of so large an increase in imports in the fiscal year 1947-1948 as has been proposed under the bi-zonal agreement.

There are two groups to which this repair of weakness should be given quickly:

First are the children over six years of age and the adolescents. The number of this group who are under-nourished is estimated to be about 3,500,000 or more than 50%. To cover this group and assure that the food reaches the child, the British in their zone, aided by the Swedish and other charities, are giving a small ration in certain schools. There is no systematic school feeding in the American Zone. A system of soup kitchens to provide a hot meal of appropriate body-building foods (meat, fats, milk, etc.) of at least 350 calories daily is imperative for the children in the worst areas of the combined zones, if a future Germany of wholesome character is to be created.

In order to start this system at once, I recommend using the Army surplus 10-in-1 rations, now enroute, and certain excess stocks not adapted to Army feeding and now in control of the American Occupation Forces. These resources can form the major base of this system for a considerable period. This is the more possible as it is proposed to slaughter during 1947 over 5,000,000 head of cattle, hogs and sheep in order to lessen the animal consumption of ground crops, and a portion of these meats and fats can be applied to this program. These various supplies, together with some minor cereal allotments, should carry the program for six months.

The second group demanding immediate relief is the "normal consumer" group of about 17,910,000 persons, now receiving 1,550 calories per day. I strongly recommend several lines of action.

(a) A certain portion of them should be advanced to the group of moderate heavy workers and receive the supplement applicable to that category. (b) An emergency supply of cereals should be allotted to the German welfare organizations with which to provide a supplement to families in need and the soup kitchens. (c) I recommend that the aged in the "normal consumers" group and others where medically certified, be issued tickets upon the soup kitchens for the meal of 350 calories per day during the school week, to be consumed either at these kitchens or taken home. These supplemental measures will substantially improve, and will at least carry over, the most needy part of this group.

By aid to the children and adolescents, some pressure will be removed from the "normal consumer" group, who naturally tend to cut their own food to help their children.

In support of the above program for children and "normal rations," I have included in the recommended deficiency appropriation an emergency supply of 65,000 tons of cereals. These measures as I have said, are in substitution for the great increase otherwise necessary to import for the proposed program of a lift in the whole ration system by 250 calories.

In addition to these measures, I have included in the sums given below which I recommend to be appropriated for the balance of this fiscal year 1946-1947 an amount necessary for the shipment of 400,000 tons of surplus potatoes from the United States. The object is two-fold.

Due to spoilage during this unprecedented winter, and other causes, there are not enough potatoes by 250,000 tons to cover that portion of the minimum 1,550 calorie ration until the next harvest. Certainly we cannot allow the ration to fall below its already dangerous levels.

Of even more importance, most of the potato seed of our zones normally comes from the Polish-annexed area and the Russian Zone and is not available. If we can forward 200,000 to 250,000 tons of good potato seed, with some already in hand, we should be able to assure a yield from the 1947 harvest of 5,000,000 tons, and thereby effect some savings in overseas food imports for the fiscal year 1947-1948.

Necessary Imports and Finance

The supply and finance of food and collateral relief imports and the development of exports with which ultimately to pay for these imports, has been organized upon the basis of dividing foreign trade into two categories:

Category "A" covers imports of food, fertilizers, and petroleum products for the civil population. This Category is to be paid for by appropriations, and thus one-half of the taxpayers each of the United States and the United Kingdom. It has not been determined whether seeds fall in this group. In my opinion they should be, and I have included them in my estimates of supply and cost which appear below.

Category "B" is under the "Joint Export-Import Agency," who regulate the importation of raw materials and the export of coal, some other raw materials and manufactured products. The organization started with a certain working capital and all exports of coal and other commodities are credited to this fund until the exports exceed the raw material imports, when the surplus will be applied to the cost of Category "A." It is hoped that the export surplus will begin to contribute to Category "A" in the last half of 1948 and cover virtually all the cost in the calendar year 1950.

Therefore, the cost of Category "A" for the balance of the 1947 fiscal year, in which a deficiency appropriation is involved, and the whole of the 1948 fiscal year, will fall upon the taxpayers of America and Britain.

Cost and Supplies of Category "A" Imports for the Last Half of Fiscal Year 1946-47

The program of supplies and costs to cover Category "A" for the six months from January 1st to July 1st, 1947 will appear large compared to the program given later for the whole fiscal year 1947-1948. The reasons are that imports were unduly low during the last six months of 1946 and the drain on indigenous food unduly large. Also, it is necessary to include the cost of purchases and shipments prior to July 1st so as to provide in June for arrivals in Germany during the pe-

riod July 1st to Aug. 15th, for which appropriations for the 1947-48 fiscal year cannot be available until after July 1st. This works to lessen the burden on the fiscal year following that date. I have, as said, included the allotment of 65,000 tons of cereals to support the "normal ration" group, and the potato imports.

The following is the estimated cost for both zones; for the six months Jan. 1st to July 1st, 1947, in which are included the supplies already shipped for this period:

Cereals (wheat equivalent) 2,505,000 tons	\$288,000,000
Other foods, 720,000 tons	54,000,000
Fertilizers	17,500,000
Seeds	12,500,000
Petroleum products (civil population)	12,000,000
Total	\$384,000,000

The United States contribution of one-half of this is \$192,000,000. What portion of these expenditures are already covered by appropriations, and what portion must need be covered by deficiency appropriations, is not known to me.

Supplies and Costs for Fiscal Year 1947-1948

In considering the supplies and cost of Category "A" for the fiscal year 1947-1948, the supplemental supports I have proposed to strengthen the children, adolescents and "normal ration" group, should undoubtedly carry through these groups until October, especially with the Spring and Summer produce. Therefore, it will not, in any event, be necessary to increase the general ration by the 250 calorie provided in the bi-zonal agreement until that date. It is my hope that the revised methods by which the weak places in the system are strengthened may partially or wholly avoid this necessity after that date. I have, however, provided in the estimates an item of \$62,300,000 for such an increase after October. I have also included in these estimates an enlarged fertilizer and seed program. It is my belief that these latter measures will greatly lighten the burden on our taxpayers in the fiscal year 1948-1949.

The following is my estimate of the supplies and costs needed for the fiscal year 1947-1948 covering Category "A":

Cereals (in terms of wheat) for 1,550 calorie level, 2,785,000 tons	\$278,500,000
Cereals for "normal consumers" emergency supplemental feeding, 192,000 tons	19,200,000
Child feeding program (includes special foods), 130,000 tons	35,000,000
Other foods, 450,000 tons	75,000,000
Fertilizers (available)	45,000,000
Seeds	27,000,000
Petroleum products for civilian population	25,000,000
	\$504,700,000
Cost of ration increase to 1,800 calories on or about October, 1947	62,300,000
Total	\$567,000,000

of which the United States share of 50% amounts to \$283,500,000.

Due to these changes in method, the above program is different from that submitted by the War Department for the fiscal year 1947-48, but the total cost is no greater.

It is my conviction that these appropriations for Category "A" for both the 1947-1947 and the 1947-1948 fiscal years should have first consideration, even in priority to appropriations for military purposes. The occupational forces cannot be reduced without these assurances of minimum food supply, from the point of view only of maintaining order, the need for these forces is not great, if we can meet the food needs. Their size will depend upon other considerations.

Further Savings to the Taxpayers That Can Be Made

There are ways by which these costs could be reduced, although they are not certain enough to be deducted in advance against ap-

propriations which must now be determined.

1. If these changes in rationing program render the general calorie lift unnecessary, there would be a saving of \$62,000,000.

2. If through the 1947 deficiency appropriation the seeds are provided in time, there should be substantial additions to the German potato harvest, in relief of 1947-1948 expenditures. If the fertilizer and seed recommendations for the fiscal year 1947-1948 are accepted, there should be savings by increased indigenous production in the year 1948-1949.

3. There would be savings if prices proved lower and if climatic conditions for the indigenous crops turned out exceptionally favorable.

4. The Potsdam Declaration results in Germany having no consequential overseas shipping. If we could effect some temporary operation by German crews of, say, 75 Liberty ships, now laid up, to transport food and raw materials, all of the expense could be paid by the Germans in marks, except for fuel, and thus save a very large amount of dollars otherwise coming from the American and British taxpayers. This would probably amount to \$40,000,000 per annum.

5. A further saving of possibly several million dollars could be made for the taxpayers if the large American Army return equipment, now being transported at high ocean rates, were sent home on the return voyages of these Liberty ships.

6. There are food surpluses in the control of other nations than ourselves and the British. They comprise possible increased catches of fish in Norway, Sweden and Denmark, which otherwise are little likely to find a market, and some surpluses possible from the South American States. It would seem to me that some supplies could well be furnished by these nations, being repaid as indicated below, pari passu with the British and ourselves.

7. The Germans lost a considerable part of their deep sea fishing fleet. If more such boats could be found and leased from American surplus small shipping, the fish supply could be greatly increased. The fishing grounds in the Baltic and North Seas are being limited against German fishing. As there are ample supplies of fish in these seas, it seems a pity that with this food available, British and American taxpayers are called upon to furnish food in substitution for fish the Germans could catch for themselves.

Fish is particularly needed as the present diet is sadly lacking in protein content.

8. A still further saving to British and American taxpayers is possible if maximum expedition could be made of exports of German manufacture. The Joint Export-Import Agency is doing its best, but such exports are hampered by the lack of coal for manufacture; by Trading-with-the-Enemy Acts, and restrictions on free communication together with limitations on dealings between buyers and sellers. The restoration of trade is inevitable, and every day's delay in removing these barriers is simply adding to the burden of our taxpayers for relief that could otherwise be paid for in goods. No one can say that in her utterly shattered state, Germany is a present economic menace to the world.

Should there be such good fortune as to realize all these possibilities, we could not only increase the food supply to health levels but also lessen the joint costs by \$150,000,000 during the fiscal year 1947-1948. However, as I have said, I am convinced that the larger sum should be provided for.

German Repayment for These Outlays

The great sums hitherto spent on relief of the German, civilian

population form outside Germany's borders, together with those in the future, should not be an irrecoverable expenditure to our two Governments.

I have, therefore, urged upon the American and British authorities that it be announced as a policy, and stipulated in all peace arrangements, that these expenditures for the relief of the civil population, (Category "A") past and future, should be made a first charge upon the economy of Germany and repaid from any future net exports from Germany before any payments to other nations of any kind.

At my instance, all Allied nations in the first World War agreed that German civilian relief expenditures at that time should be repaid from any liquid assets and ranked ahead of any reparation claims. They were so repaid. The grounds which I advanced at that time are no less valid today. By these relief expenditures, we are rebuilding the economy of the German people so that other payments can be made by them. These costs should be a sort of "Receiver's Certificate." If this policy be pursued, these appropriations for relief asked from the Congress, and the Parliament, can become a recoverable expenditure and not a charity loaded onto our taxpayers. It would seem that a tax upon exports, of some per cent, to be paid in dollars after July 1, 1949 might be an effective implementation of such a provision.

Organization

I have made certain recommendations to the joint Military Governments of the two zones as to organization matters, which I believe will improve administration, now that bi-zonal operation, under larger German responsibility, has been undertaken.

Conclusion

It may come as a great shock to American taxpayers that, having won the war over Germany, we are now faced for some years with large expenditures for relief for these people. Indeed, it is something new in human history for the conqueror to undertake. Whatever the policies might have been that would have avoided this expense, we are now faced with it. And we are faced with it until the export industries of Germany can be sufficiently revived to pay for their food. The first necessity for such a revival is sufficient food upon which to maintain vitality to work.

Entirely aside from any humanitarian feelings for this mass of people, if we want peace; if we want to preserve the safety and health of our Army of Occupation; if we want to save the expense of even larger military forces to preserve order; if we want to reduce the size and expense of our Army of Occupation—I can see no other course but to meet the burdens I have here outlined.

Our determination is to establish such a regime in Germany as will prevent forever again the rise of militarism and aggression within these people. But those who believe in vengeance and the punishment of a great mass of Germans not concerned in the Nazi conspiracy can now have no misgivings for all of them—in food, warmth and shelter—have been sunk to the lowest level known in a hundred years of Western history.

If Western Civilization is to survive in Europe, it must also survive in Germany. And it must be built into a cooperative member of that civilization. That indeed is the hope of any lasting peace.

After all, our flag flies over these people. That flag means something besides military power.

In addition to his report to President Truman, Mr. Hoover, on Feb. 28 appeared before the House

Foreign Affairs Committee and outlined a policy for American food distribution to needy countries throughout the world. His oral statement to the Committee follows:

I have made no personal inquiry into the relief programs proposed except that of Germany and Austria and the children's fund. I have brought the committee a copy of my report on German agriculture and food requirements and should be able to furnish such information on Austria in a few days.

In view of the world shortage of food and the great strain upon the American taxpayer, I have thought it necessary to recommend that we hold the German and Austrian programs to the very minimum under which health and work can be sustained. I suggest to the committee that relief to other countries cannot, in view of these same considerations, be put at any higher levels than those I have recommended for Germany and Austria.

I strongly favor aid to the United Nations project for special feeding of subnormal children. This fund, however, would take some part of the relief load off the countries it is proposed to serve with this \$350,000,000 appropriation and as I am including child feeding in the German and Austrian program, that would, in turn, take some of the load off the United Nations' children's fund.

The total of all these claims upon the generosity of the United States comes to a very large sum. And we must not forget that they are supplemental to the five to six billion we have already spent on civilian relief since the war and of our own resources.

Charitable relief by Government is today a double tax upon most of our people. It is not only a direct burden upon the taxpayer, but these unremunerative and unbalanced exports keep up prices and the cost of living.

Advocates Caution

In their miseries the people abroad believe our possibilities of giving are unlimited. They do not realize that our taxes, Federal and local, are now, two years after the war, still taking about 35% of the national income. It is in the interest not only of ourselves but of the whole world that we stop, look, and listen.

America, even with all our burdens, never has, and I hope, never will, cease to do its utmost to prevent starvation in any country.

However, we should bring governmental relief to an end as soon as is possible, encourage the assumption of the burden by well-equipped private organizations. Moreover, I believe we should begin to secure repayment of these sums and have the full right to demand efficiency and economy in the use of public funds for relief and we have the further right to see that they contribute to that productivity and peace which will alone end these burdens.

I would, therefore, like to suggest to the committee some policies or methods that should be placed administratively or legally under this proposed appropriation. These suggestions are not made in criticism of the proposed legislation but in the hope that they will be helpful in accomplishing the ends we all desire.

(1) No relief other than food, medicine, seed and fertilizers should be furnished under these relief appropriations. In some cases limited supplies of clothing might be included.

(2) Relief from our contribution to these funds should be limited to United States products and to transportation. We should not use American dollars to purchase elsewhere.

(3) None of this fund should be used for countries which are able to pay in cash or to secure

credit or supplies through other channels.

(4) A further careful estimate of need and costs of this relief should be made after full examination on the ground by specialists appointed by the United States Department of Agriculture and the United States Public Health Service and the International Emergency Food Council.

These estimates (except for Austria) should include only the period from the end of the UNRRA operation to the 1947 harvest. At that time the whole relief problem should be taken up afresh in the light of the situation then.

In view of short world supplies and the needs of our own taxpayers, any further governmental relief program should, as I have said, be calculated upon no higher bases than that we have proposed for Germany.

(5) The distribution should be continuously under supervision of, and satisfactory to, specialists from the agencies named.

(6) No obligation or promise should be entered into with any country for any specific amount of relief; the distribution must be a month-to-month program, terminable at any time.

There are many reasons for such action implied in its emergency nature. Moreover, difficult policy questions arise in connection with relief to peoples whose governments are said by our Government not to have kept their promises or agreements with the United States.

No Relief to Nations with Large Military Forces

Another such difficult situation is that of the governments of small countries which are maintaining military forces far beyond any necessity for police purposes—say, a number not more than one-half of 1% of the population. This mobilization keeps men from producing food or making things that could be exported to pay for food.

We have no desire to fail to do our full part in alleviating the starvation of women and children merely because of actions by their officials. But at some point American patience and humane action is likely to become exhausted.

(7) No food from relief or domestic production in any relief country should be used for political pressure and there should be no racial or other discrimination.

(8) No relief should be given where either commodities or cash are going out of that country for reparations or the purchase of arms. Such commodities or cash should be used to pay for food.

(9) In my view, any nation receiving relief should obligate itself to pay the cost thereof, either to the United States and other donors or, preferably, to a fund to be established by the United Nations for future famine relief.

The nations receiving reparations from relief countries should be asked to defer reparations until these relief costs are repaid. The justice of this proposal lies in the fact that this relief obviously serves to preserve the manpower productivity, and therefore the ability to pay reparations.

Both the nations under reparations and those who are not should agree to assure repayment by a tax of say, 5 or 10%, upon all exports from the debtor country, to be paid in the currencies of the countries receiving such exports, such payments to begin in two or three years.

In conclusion, such methods as these would give some production to the American taxpayer yet would deprive no needy people of relief if their Governments are willing to cooperate with the United States in securing efficiency and economy in the use of relief, in the restoration of productivity and the promotion of freedom and peace.

General Crop Report of the U. S. Department of Agriculture for 1946

The Crop Reporting Board of the U. S. Department of Agriculture made public on Dec. 17 its report of Crop Acreage and Production for the United States, from reports and data furnished by crop correspondents, field statisticians, and cooperating State agencies.

The report in part follows:

ACREAGE AND PRODUCTION OF CROPS 1946

Crop and Unit—	Acreage Harvested— (in thousands)			Production— (in thousands)		
	Average 1935-44	1945	1946	Average 1935-44	1945	1946
Corn, all (bu.)	91,698	88,079	88,718	2,608,499	2,880,933	3,287,927
Wheat, all (bu.)	55,404	65,120	67,201	843,692	1,108,224	1,155,715
Winter (bu.)	39,113	46,989	48,510	618,019	817,834	873,893
All spring (bu.)	16,290	18,131	18,691	225,673	290,390	281,822
Durum (bu.)	2,488	2,004	2,453	31,900	32,840	35,836
Other spring (bu.)	13,803	15,127	16,238	193,774	257,550	245,986
Oats (bu.)	36,711	41,933	43,648	1,129,441	1,535,676	1,509,867
Barley (bu.)	12,550	10,465	10,477	289,598	266,833	263,350
Rye (bu.)	3,410	1,856	1,598	42,356	23,952	18,685
Buckwheat (bu.)	424	409	390	7,138	6,644	7,105
Flaxseed (bu.)	2,673	3,785	2,430	23,426	34,557	22,962
Rice (bu.)	1,169	1,494	1,567	55,257	68,150	71,520
Popcorn (lbs.)	87	312	183	116,300	427,780	266,752
Sorghums for grain (bu.)	5,556	6,408	6,765	86,543	97,014	106,737
*Sorghums for forage (tons)	8,643	7,504	6,248	12,012	9,816	8,619
†Sorghums for silage (tons)	916	680	646	5,184	3,622	3,701
Cotton, lint (bales)	24,890	17,059	17,639	12,553	9,015	8,482
Cottonseed (tons)				5,240	3,664	3,452
Hay, all (tons)	70,431	77,017	74,352	91,308	108,539	100,860
Hay, wild (tons)	12,075	14,532	14,020	10,616	13,250	11,530
Alfalfa seed (bu.)	767	888	1,071	1,176	1,182	1,658
Red clover seed (bu.)	1,292	2,186	2,584	1,314	1,750	2,113
Alsike clover seed (bu.)	141	153	149	304	351	390
Sweet clover seed (bu.)	337	239	229	883	606	616
Lespedeza seed (lbs.)	718	922	974	143,169	187,000	213,900
Timothy seed (bu.)	491	362	378	1,783	1,333	1,398
Sudan grass seed (lb.)	159	73	59	57,514	29,100	23,000
†Beans, dry edible (bags)	1,879	1,495	1,617	16,408	13,083	15,797
†Peas, dry field (bags)	362	518	512	4,580	5,915	6,926
Soybeans for beans (bu.)	5,698	10,661	9,906	103,457	192,076	196,725
Cowpeas for peas (bu.)	1,259	648	558	6,591	3,790	3,222
Peanuts picked & threshed (lbs.)	2,243	3,160	3,168	1,587,964	2,042,235	2,075,880
†Velvetbeans (tons)	2,083	1,256	1,075	850	525	433
Potatoes (bu.)	2,968	2,696	2,578	372,756	418,020	474,609
Sweet potatoes (bu.)	778	671	679	66,422	64,665	66,807
Tobacco (lbs.)	1,554	1,821	1,938	1,479,621	1,993,837	2,235,328
Sorgo syrup (gals.)	211	159	179	12,213	9,850	12,074
Sugarcane for sugar and seed (tons)	291	290	310	5,873	6,718	6,418
Sugarcane syrup (gals.)	132	133	120	20,625	28,711	24,450
Sugar beets (tons)	787	713	821	9,568	8,626	10,666
Maple sugar (lbs.)	110,442	17,336	18,000	643	237	372
Maple syrup (gals.)	110,442	17,336	18,000	2,625	991	1,328
Broomcorn (tons)	300	279	298	44	39	44
Hops (lbs.)	34	41	41	**39,631	56,772	53,171
Flax fiber (Oreg.) (tons)	††	8	8	†††	12	14
Apples, commerc. crop (bu.)				**120,962	68,042	121,520
Peaches, total (bu.)				**59,938	**81,564	**86,448
Pears, total (bu.)				**29,002	**34,011	35,488
Grapes, total (tons)				**2,553	2,792	2,851
Cherries (12 States) (tons)				**160	**148	215
Apricots (3 States) (tons)				**236	**194	343
Plums (2 States) (tons)				**74	**73	105
Prunes, dried (3 States) (tons)				210	234	214
Prunes, other than dried (3 States) (tons)				81	110	125
Oranges (5 States) (boxes)				81,450	104,520	125,430
Grapefruit (4 States) (boxes)				40,083	63,550	67,320
Lemons (Calif.) (boxes)				11,520	14,500	13,900
Cranberries (5 States) (bbls.)				624	657	846
Pecans (12 States) (lbs.)				105,746	138,082	77,155
Tung nuts (5 States) (tons)				†††	37	47
Commercial truck crops—						
For market (25 crops)	3,304	3,837	4,099			
For processing (11 crops)	1,726	1,928	2,087			
†Total 52 crops	334,823	346,482	345,773			

*Dry weight. †Green weight. ‡Bags of 100 pounds (uncleaned). §All purposes. ¶1,000 trees tapped. **Includes some quantities not harvested. ††Short-time average. †††Excluding crops not harvested, minor crops, duplicated seed acreages, strawberries and other fruits.

Crop and Unit—	Yield per Acre		
	Average 1935-44	1945	1946
Corn, all (bushels)	28.5	32.7	37.1
Wheat, all (bushels)	15.3	17.0	17.2
Winter (bushels)	15.9	17.4	18.0
All spring (bushels)	13.9	16.0	15.1
Durum (bushels)	12.9	16.4	14.6
Other spring (bushels)	14.0	16.0	15.1
Oats (bushels)	30.7	36.6	34.6
Barley (bushels)	22.8	25.4	25.1
Rye (bushels)	12.2	12.9	11.7
Buckwheat (bushels)	16.8	16.2	18.2
Flaxseed (bushels)	8.3	9.1	9.4
Rice (bushels)	47.6	45.6	45.6
Popcorn (pounds)	1,328	1,372	1,634
Sorghums for grain (bu.)	14.9	15.1	15.8
*Sorghums for forage (tons)	1.38	1.31	1.38
†Sorghums for silage (tons)	5.53	5.33	5.73
Cotton, lint (pounds)	243.8	253.8	230.7
Hay, all (tons)	1.29	1.41	1.36
Hay, wild (tons)	0.88	0.91	0.82
Alfalfa seed (bushels)	1.57	1.33	1.55
Red clover seed (bushels)	1.09	0.80	0.82
Alsike clover seed (bushels)	2.23	2.29	2.62
Sweet clover seed (bushels)	2.67	2.54	2.69
Lespedeza seed (pounds)	193	203	220
Timothy seed (bushels)	3.51	3.68	3.70
Sudan grass seed (lb.)	362	399	391
†Beans, dry edible (pounds)	873	881	977
†Peas, dry field (pounds)	1,213	1,142	1,353
Soybeans for beans (bushels)	18.0	18.0	20.5
Cowpeas for peas (bushels)	5.3	5.8	5.8
†Velvetbeans (lb.)	728	646	655
Potatoes (bushels)	818	836	806
Sweet potatoes (bushels)	125.8	155.0	184.1
Tobacco (pounds)	85.4	96.3	98.3
Sorgo syrup (gallons)	95.2	1,035	1,153
Sugarcane for sugar and seed (tons)	58.0	61.9	67.5
Sugarcane syrup (gallons)	20.1	23.1	20.7
Sugar beets (tons)	186	216	204
Maple sugar and syrup (pounds)	12.1	12.1	13.0
Broomcorn (pounds)	298	280	317
Hops (pounds)	1,168	1,395	295
Flax fiber (Oreg.) (tons)	†††	1.50	1.90

*Dry weight. †Green weight. ‡All purposes. §Total equivalent sugar per tree. ¶Short-time average.

NOTE—The 1945 data for all crops except fruits and nuts are revised on the basis of the 1945 Census of Agriculture, covering crop

acres and production for 1944, as well as other check data which become available at the end of each crop season. The 10-year averages are not revised, with the exception of cotton.

The total output of crops in 1946 is the greatest in the history of our country. High yields are primarily responsible although the harvested acreage is fairly large, and the growing season has been more favorable than usual. The aggregate volume of crops is 26% above the 1923-32 (pre-drought) average, 2 points above the previous record production in 1942 and 7 points above that of last year. Not only the quantity but also the quality of crops is outstanding.

Production of individual crops reflects the generally favorable growing conditions. A 3.3-billion bushel corn crop of excellent quality tops any previous crop. For the third successive year more than a billion bushels of wheat were harvested, production this year breaking all previous records. Rice, soybeans and cherries set new marks in the final harvest returns to join potatoes, tobacco, peaches, pears, plums, and truck crops. Crops with near-record production are oats, peanuts and grapes. Better than average crops of hay, sorghum grain, popcorn, dry peas, sweet-potatoes, apples, prunes, apricots, hops, sugarcane and sugar beets were harvested. Cotton and cottonseed production, however, is about one-third below average and, with the exception of 1921, the smallest since 1895. Other crops falling below average are barley, flaxseed, buckwheat, rye, broomcorn, dry beans, cowpeas, pecans, and maple products.

Growing conditions throughout the 1946 growing season were mostly favorable. Although winter rains went into the winter in only fair to good condition, they got an excellent early start in the spring. April weather permitted unusual progress in spring work and seeding of grains, but frosts in May over a large West North Central area set some field crops back severely and damaged fruits. Planting conditions in late May and June were nearly ideal in most of the Corn Belt. But in the Ohio River Valley and virtually all the rest of the country frequent heavy rains kept fields waterlogged and limited planting and care of row crops. By July 1, however, most sections had worked out of their difficulties and prospects improved rapidly. Lack of rainfall in the central and southern Great Plains however, cut into prospects for wheat and late crops. Dry areas also developed in sections adjacent to Lakes Michigan and Erie and in parts of North Dakota and Montana. New Mexico was the center of an area embracing portions of adjacent States where prolonged lack of rain severely decreased plantings and production and dried up range pastures. Fall rains improved the situation in this area and made it possible to seed a large acreage of winter grains for 1947 harvest. Most major crop areas enjoyed favorable summer and fall conditions, which improved yields and quality of maturing crops. Rains in the first half of November delayed harvesting of corn, particularly in the northwestern part of the Corn Belt, and snow interfered with other late crops in the Mountain States. But after mid-November progress was rapid under favoring circumstances throughout the country.

In 1946 the harvested acreage for 52 crops amounted to nearly 346 million acres. This total is slightly smaller than in any of the preceding three years, larger than in any year from 1933 to 1942, but substantially below the 1929-32 level of 355 to 362 million acres. Total acreage changes vary significantly by geographic regions. In 1946 the South Atlantic region harvested the smallest aggregate acreage in the 18 years

of record. The South Central region is virtually at the record low level of 1945. The Western region has never harvested a larger acreage. The North Atlantic region is only slightly below the peak total of 1935. The North Central region, which usually accounts for more than half of the total harvested acreage of the country was within 2% of the 1930 peak of 198.6 million acres. In 6 States, — Vermont, Illinois, Michigan, Idaho, Oregon and California — the 1946 harvested acreage tops that of any previous year. Harvested acreages were significantly below the high totals of the early Thirties in the Great Plains States, but this was not so much due to acreage losses as to larger proportion now summer-fallowed and pastured.

The 355 million acres actually planted in 1946 reflected a favorable planting season. Some intentions were unfulfilled because of the wet spring in much of the South. But another important factor was the relatively light abandonment of winter wheat, particularly in the Great Plains, where it is customary to replant large acreages of abandoned wheat to corn and sorghums. The low abandonment in 1946 left less land available for replanting, with consequent reduction in corn, sorghum and broomcorn plantings. The drought centering in New Mexico also reduced planting in dry land areas. Generally, however, the planting season gave farmers ample opportunity to prepare fields well and plant at optimum dates.

Some factors other than weather which affected plantings were carried over from the wartime economy and the continuing emergency. The heavy demand for food and feed influenced increases in wheat, rice and oats since these crops also have the advantage of relatively low labor requirements. Increased acreages of spring grains also fitted in well with farmers' plans to return land to clover and alfalfa for which they serve as a nurse crop. The increase in sugar beets was limited by prospects for labor, but on the other hand, relatively high prices for tobacco and truck crops and the increases in family and local labor favored expansion of these high-labor crops. Some farmers who had grown flaxseed and soybeans with only marginal success turned their acres to other crops, especially those with less labor requirement. The fact that land was not as fully utilized as in the previous 3 years reflects the desire of farmers to return to previous rotation, pasture and fallowing practices.

Acreage losses, the difference between planted acres and harvested acres, amounts to only 9.6 million acres, about 2.7% of the planted acreage. This reflects in part the favorable season and is the smallest acreage loss of the past 17 years. During that period, losses ranged from only slightly larger in 1930 and 1945 up to 46 million acres in 1936. Most of the other years show losses of 12 to 16 million acres. Among the usual major causes of acreage losses, frosts, floods and drought occurred in limited areas. Most losses were of only local significance, and much early damage was overcome as the season progressed. May frosts in West North Central States for the most part merely set back such crops as wheat, oats and barley that had made earlier than usual starts, but necessitated some replanting of flax and caused the loss of a first cutting of alfalfa locally. Drought in the Southwest resulted in relatively small acreage loss although it decreased yields in the major crop sections. But excessive rains, favoring weevil activity,

caused severe losses of cotton acreage and permitted weeds and grass to overrun some other row crops in the South. In all other areas abandonment was relatively light. On the whole, quality of crops was relatively high, although there was some damage. September frost damaged corn in northern sections; disease was prevalent among some new varieties of oats; and rain damaged some rice in Texas.

Yields per acre reached new heights this year for corn, potatoes and tobacco. Except for cotton, rye, rice, peanuts, broom-corn and wild hay, virtually every major crop yielded better than average. As a result, the composite yield index is 134% of the 1923-32 average, exceeded only by the peak of 136 set in 1942, when harvested acreages totaled less than this year.

Production of food grains and feed grains, both, are the largest of record. The tonnage of the 8 grains, amounting to 162.5 million tons, exceeds by 7.5 million tons the previous top total of 155 million tons set in 1942. The feed grains make up 125.5 million tons of the total to which corn contributed a record crop, oats a near-record quantity, sorghum grains more than average and barley a below-average crop. Though carry-over stocks were relatively small, the feed supply per animal unit is likely to be the most liberal in history. Supplies of hay and roughage are also liberal and fairly well distributed, except in the Mountain States where consumption was unusually heavy in November because of fall snow storms. Elsewhere, pastures have been contributing to feed supplies until a much later than usual date. The 37 million tons of food grains consists of the largest crops of wheat and rice ever harvested in this country, but below average crops of rye and buckwheat. This total is about 1.4 million tons above the previous high mark set in 1945.

Oilseed crops totaling over 11 million tons were produced in 1946, only 3% less than in 1945 and 13% above the 1935-44 average. The deficit from small tonnage of cottonseed and flaxseed was partially offset by the record tonnage of soybeans and near-record total for peanuts. A relatively low yield and a small harvested acreage resulted in a cotton crop of only 8½ million bales. Flax fiber in Oregon yielded well and production was well above average. Hemp fiber production has dwindled from a wartime peak to a relatively small acreage now grown in Wisconsin, though Kentucky still produces a small hemp seed crop.

Nearly 2¼ billion pounds of tobacco were produced in 1946. The flue-cured and Southern Maryland crops are the largest ever produced, with burley only slightly below the record 1944 total. Sugar production from cane and beets is expected to reach 2 million tons, raw value, about one-seventh more than last year. The tonnage of sugar beets is the largest since 1942.

Fruit production, with both citrus and deciduous fruits at new high levels, reached the largest volume in history. The combined total of 13 fruits was one-sixth more than last year and nearly one-third more than average. For the individual fruits, production of each ranged from above average to record proportions. Apples were slightly above an average crop and 79% more than in 1945. Of the nut crops, almonds and filberts set new high marks, walnuts were above average in quantity, but pecans were only about three-fourths of the average crop.

More than 9.2 million tons of the 25 commercial truck crops for fresh market were produced in 1946, exceeding by 9% the previous high aggregate of nearly 8.5 million tons produced in 1945.

Eight of the individual crops, cantaloups, cauliflower, celery, eggplant, lettuce, onions, peppers and tomatoes, contributed record-breaking tonnages, and all but artichokes, kale, peas and spinach were above average. Commercial truck crops for processing also exceeded the tonnage in any previous year. For the 11 vegetables, the total was 6.3 million tons, 18% more than last year, 8% above the previous high mark of 1942 and nearly one-half more than average. The tonnage of cucumbers for pickles and green peas, lima beans and tomatoes for processing was the largest of each every produced. Sweet corn was at a near-record level.

With record or near-record production of alfalfa, red clover and lespedeza, the total of the 6 principal legume and grass seeds is a sixth larger than last year and more than one-quarter above average. The supplies of these seeds are regarded as adequate for domestic needs and for some of the heavy foreign demand. Movement from farms has been unusually rapid and at prices well above average.

Corn

A record yield of 37.1 bushels per acre, on a relatively small acreage, has produced the Nation's largest corn crop. The 1946 crop is, also, one of the best from the standpoint of quality. The year's harvest is now estimated at 3,288 million bushels from 88,718,000 acres. This total production exceeds by 85 million bushels the previous record set in 1944 and is more than one-fourth larger than the 10-year average. Last year's production, now revised down to 2,881 million bushels, is exceeded this year by about 407 million bushels or 14%. These estimates of all corn production include, besides corn for grain, an equivalent production of corn for silage, forage, hogging and grazing.

Corn harvested for grain is estimated at 2,990 million bushels, more than ever before produced. This is equivalent to 91% of all corn production, compared with 2,594 million bushels for grain in 1945, about 90% of all corn. This higher proportion for grain reflects this year's better quality which left little to be salvaged as immature forage, compared to 1945. The acreage of corn used as silage, 4,555,000 acres, is less than usual, but produced about 36 million tons of silage, near the usual quantity. The acreage for forage, including that hogged and grazed, was only 4,452,000 acres or 5% of the total harvested acreage, compared with 5,197,000 acres which was 6% of the total in 1945.

In only 5 of the past 50 years, 1898, 1939, 1940, 1941 and 1945, has the harvested acreage of corn been smaller than in 1946. The 90,027,000 acres planted was a comparatively small acreage and abandonment, 1.5%, was relatively low. But the average yield per acre was nearly 2 bushels above the previous high point of 1942, and 8.6 bushels above average. Hybrids, planted on 67.5% of the total acreage and on 91% of the high-yielding Corn Belt acreage, were a major factor influencing the higher yields. The long and favorable growing season resulted in excellent quality and steadily improving yield prospects.

Overcoming most of the early obstacles by July 1 the corn crop gave promise of breaking all production records. Planting had been delayed by frequent rains during the latter part of May in the Ohio River Valley and most of the country outside the main Corn Belt. In most of the Corn Belt and especially in the western part, planting conditions were nearly ideal, though the excellent conditions for seeding spring grains and the light abandonment of winter wheat had left a smaller acreage available for corn than

farmers had originally planned. Favorable weather in late June and most of July improved prospects in practically all areas. But dry weather in late July and August affected yield prospects in the Great Plains, the northern Lake States, and scattered parts of the West. By October 1 it was apparent that the crop would be of excellent quality, since September growing conditions were favorable except in the dry areas. Though light frosts occurred in northern and Great Plains States in September most of the corn was too far along to be damaged to any serious extent. In fact, a killing frost was needed in October and early November to check growth and permit curing of the ears. Harvest progress was rapid during November, with farmers taking steps to insure safe storage of the high moisture corn, occurring chiefly in Iowa and the northwestern part of the Corn Belt.

Yields per acre of corn equal or exceed the average in all States, except Maine, Michigan, Montana and Idaho. The yield for the North Central States as a group is about 9 bushels above average with other regions 3 to 4½ bushels above. The largest gain in yield over last year was also in the North Central regions, about 6 bushels, though all regions averaged higher than in 1945. New production records were set by Iowa, Illinois, Indiana and North Carolina, with numerous other States particularly in the South at near-record levels.

Wheat

The 1946 record production of 1,156 million bushels of wheat was 4% larger than the previous record of 1,108 million bushels in 1945. This is the third consecutive billion-bushel wheat crop, and the third consecutive record-breaking year. The only other year when production reached a billion bushel was 1915, which still holds this record for the largest spring wheat production. The 1946 record-breaking crop is attributed primarily to the increased acreage of winter wheat seeded; low winter losses, the remarkable recovery from the early season shortage of moisture in both the southern Great Plains winter wheat and the northern Plains spring wheat regions; and the outstanding good season in the Pacific Northwest. The 67,201,000 acres of all wheat harvested is 3% above the 65,120,000 acres harvested last year, and is the largest since 1938. The seeded acreage increased to 71,510,000 acres from the 69,130,000 acres seeded for the 1945 crop season.

The 1946 winter wheat crop of 874 million bushels was 56 million bushels larger than the 818 million bushels produced in 1945 and 6% larger than the previous record of 825 million bushels produced in 1931. The current year's record production climaxes three consecutive years with bumper winter-wheat crops, the largest ever produced except for 1931. The area of winter wheat harvested, at 48,510,000 acres, was exceeded only in 1919 and 1938. The 52,206,000 acres seeded in the fall of 1945 was exceeded only by seedings in the fall of 1936 and 1937. Winter wheat acreage was reduced from early intentions in the Southeast because of the delay in harvesting 1945 crops and wet fields at seeding time but an increased acreage was seeded under generally favorable soil moisture conditions in the Great Plains area and western States. In the Pacific Northwest, particularly in Washington, the favorable soil moisture situation resulted in a marked shift from spring wheat to winter wheat.

Winter killing was light and wheat came out of the dormant period in good condition. The light precipitation in the western Great Plains area together with deple-

tion of soil moisture by heavy early spring growth caused sharp deterioration in the crop in Oklahoma, Texas, Kansas and Nebraska before the late May rains came. Conditions from mid-May until harvest were quite favorable for winter wheat development and maturity. Although a considerable acreage headed short because of the early season drought, heads filled well and grain was of high test weight. The final outturn was substantially above earlier expectations in all areas, except in Illinois and Missouri where serious Hessian fly injury occurred locally. Abundant straw growth in some eastern States did not result in high grain yields. Harvest was completed a week or more earlier than usual. The abandonment of winter wheat (acreage not harvested for grain), at 7.1% of the planted acreage, reflects the good conditions under which the 1946 crop was produced. Favorable prices and the urgent need for wheat encouraged producers to harvest some low-yielding acreage that usually would have been abandoned. In the Southeast a larger percentage of wheat acreage was harvested for grain than in recent years. Most of the volunteer acreage carried through the winter in the western Great Plains Area was not harvested for grain because of the winter and early spring drought. Abandonment this year was slightly larger than in 1945, and 1942, when it was 6.8 and 6.9% respectively, but aside from those two years was lower than any other year since 1931.

Production of all spring wheat is estimated at 282 million bushels. This is below last year's production of 290 million bushels and the smallest crop since 1942. The 18,691,000 acres harvested this year was slightly above the 18,131,000 acres harvested last year. However, the 1946 crop season in the northern Great Plains started off with a cumulative moisture deficiency and rather poor prospects for spring wheat. This situation was not relieved until rains fell in late June. Straw was very short as growth was largely determined during the period of early season dryness. Later rains aided the development of well filled heads of medium size, but with plump, high quality grain. In the Pacific Northwest yields were unusually high.

The durum wheat States harvested 2,453,000 acres in 1946, an increase of 22% from the 2,004,000 acres harvested last year. The abandonment of durum wheat was unusually low — 1.6% of the planted acreage, approaching the 1.1% abandonment last year.

A large part of the durum wheat acreage was in the section of the northern Plains that was too dry during the early part of the growing season. Yield prospects were cut back sharply during June. In spite of the remarkable recovery of durum wheat after the needed moisture supply was received, the damage from dry weather was reflected in the yield of 14.6 bushels per acre, nearly 2 bushels lower than in 1945. This is due largely to North Dakota's yield of 14.5 bushels per acre, which is 2 bushels under the 1945 yield. South Dakota's yield per acre equals last year, while that for Minnesota is 2 bushels higher than last year.

Other spring wheat production, estimated at 246 million bushels, is lower than last year's 258 million bushels, even though the harvested acreage is a little larger than in 1945—16,238,000 acres compared with 16,127,000 in 1945. The yield of 15.1 bushels per acre is 0.9 bushels under last year. The effects of the dry spring in the northern Plains States are less pronounced in the case of other spring wheat production than for durum because the acreage of other spring is more widely dispersed, and the Western States in general enjoyed a quite favorable

year. The abandonment of other spring wheat for the entire United States is 3.4%, the same as last year, whereas in the northern Plains area it was 2.5% compared with 2.1 last year.

Wheat Production by Classes

The 1946 production of wheat by classes is: hard red spring 214,361,000 bushels, durum 36,317,000 bushels, hard red winter 581,832,000 bushels, soft red winter 196,947,000 bushels and white wheat 126,258,000 bushels. Production of hard red winter and white wheat is the largest on record, while hard red spring and soft red winter are lower than last year and below recent years. Durum wheat production, although at a comparatively low level is above both of the preceding 2 years. The revised 1945 distribution of wheat production, by classes, is as follows: hard red spring 220,849,000 bushels, durum 33,285,000 bushels, hard red winter 520,843,000 bushels, soft red winter 213,350,000 bushels and white wheat 119,897,000 bushels.

Oats

The second consecutive 1½-billion bushel oats crop is now harvested. The 1946 production of 1,510 million bushels is only 26 million bushels or about 1.7% below the record 1945 crop.

The acreage harvested for grain this year is estimated at 43,648,000 acres, about 4% more than the acreage harvested in 1945, and about 19% more than average. The estimated acreage planted for all purposes in 1946 was 47,048,000 acres, about 2.5% more than the acreage planted a year ago. Abandonment this year was 7.2% of the planted acres, compared with 8.6% last year. It was an exceptionally good season in most areas, so that little oats acreage was abandoned or diverted to uses other than grain.

An early spring season, favorable for seeding, increased acreages in the North Central and North Atlantic States. Other factors responsible for acreage increases in the Corn Belt States, where 75% of the acreage is located, were: the very tight feed situation, upward trends in yields in recent years, and relatively light labor requirements for producing oats. In some other areas, particularly South Atlantic and South Central States where considerable fall oats are grown, the wet fall season of 1945 was unfavorable for sowing.

The yield per acre this year of 34.6 bushels per acre is about 2 bushels less than the 1945 yield but far above the 10-year average. Weather during the growing season was highly favorable for oats over most of the country. Although autumn rains interrupted harvesting activities in many areas, losses were comparatively light and the quality and test weight is good. The use of rust-resistant varieties and high yielding strains contributed materially to the high yields obtained this year; however, yields declined somewhat from early expectations due to disease which affected some of the newer strains.

Barley

Production of barley declined in 1946 for the fourth consecutive year. The 1946 production estimate of 263,350,000 bushels is 1% less than the 1945 output and 9% less than the 1935-44 average.

The downward trend in barley acreage started after the 1942 peak and largely accounts for the smaller crops of the past few years. The United States acreage seeded to barley has fallen off about 8% a year since 1942. The 11,594,000 acres planted in 1946 was only three-fifths of the acreage in the first year of the War. Harvested acreage, following the same trend, is estimated at 10,477,000 acres for 1946.

In some of the major producing States, however, the trend was

reversed this year. The North Central group of States harvested over 5% more acres of barley in 1946 than in 1945. This region grows well over half of the barley acreage. The nine States of the North Atlantic region also harvested more barley this year—an increase of nearly 9% over 1945. In other parts of the country, particularly in the South, barley acreage continued to decline with the increase in oat acreage. Acreage changes in 1946 for the more important barley growing States of the West, however, have been moderate except for Montana which had considerable increase.

Yields of barley this year have been satisfactory. The United States average of 25.1 bushels per acre is slightly below last year, but still exceeds the 10-year 1935-44 average by a margin of 2.3 bushels. Harvest results have been good despite the cool, wet weather early in the season which retarded growth. Weather conditions after June were favorable for the crop and final yield results generally good.

Rye

Rye production this year is estimated at 18,685,000 bushels, 22% less than the 23,952,000 bushels produced in 1945, and about 56% less than the 1935-44 average. The smaller production is due to both the smaller acreage for harvest and lower yield per acre than last year. Except for the small crop of 1934, this year's production is the smallest since 1875.

Rye acreage harvested for grain this year is estimated at 1,598,000 acres, 14% below the 1,856,000 acres harvested in 1945 and about 53% less than 10-year average. Decreases from last year occurred in all regions except the western States where there was a 3% increase. The acreage of rye harvested for grain in the North Central States this year is estimated at 1,140,000 acres compared with 1,301,000 acres last year. However, in Minnesota and North Dakota, the acreage harvested was larger than last year. Nebraska ranks first in acreage harvested, while the Dakotas are in a close second and third position.

The yield per acre this year is estimated at 11.7 bushels compared with last year's 12.9 bushels and the 10-year average of 12.2 bushels. Harvest weather was generally favorable. Freezing weather during May and dry weather during most of June adversely affected development of heads in some areas, especially Nebraska and the Dakotas.

Buckwheat

The 1946 buckwheat production of 7,105,000 bushels was slightly less than the 1935-44 average production, but about 7% more than the 6,644,000 bushels produced in 1945. The yield per acre was 18.2 bushels, compared with 16.2 bushels last year and the 10-year average of 16.8 bushels. Yields were above average in most of the important producing States, except Michigan where September frosts curtailed prospects. This year's crop was planted under favorable conditions and benefited by the late fall. Conditions at harvest time were nearly ideal.

The planted acreage this year was the smallest since 1942. The early season was very favorable for planting other grains, holding buckwheat which is used extensively as a catch-crop in some areas, to 415,000 acres or 8% below the 10-year average acreage.

The harvested acreage of buckwheat this year is estimated at 390,000 acres, compared with 409,000 acres harvested in 1945 and the average of 424,000 acres. Acreage losses this year were 6.0% of the planted acreage compared with average abandonment of 5.8%, and a 16.0% abandonment last

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year due largely to adverse weather at harvest time. Heaviest losses this year occurred in New York, Pennsylvania, and Michigan.

Tobacco

The December 1 indicated production of tobacco is 2,235 million pounds, an all-time record crop, and compares with 1,994 million pounds for 1945, and is about 1½% lower than was indicated on November 1. The acreage of all tobacco is estimated at 1,938,000 acres, somewhat below earlier estimates but 6.4% above the 1945 acreage.

The crop of flue-cured tobacco is placed at 1,322 million pounds, almost 150 million pounds larger than the previous record crop of 1945. The marketing season is largely over for flue-cured types. Only negligible quantities of types 11 and 12 remained unsold on December 1.

A total of 581 million pounds of burley tobacco from the crop of 1946 is indicated as of December 1. This is approximately the same as was harvested in 1945 and about 2% below the record crop of 1944. The December estimate of total acreage of burley tobacco, at 477,000 acres is 7% below the 511,000 acres harvested in 1945. The indicated average yield per acre in 1946 is an all-time high, about 88 pounds per acre above that of 1945.

The Southern Maryland crop of tobacco was harvested under favorable conditions and gives promise of the highest production of record—40.5 million pounds—more than twice the small crop of 1945 and about 6% above the previous record crop (1944).

The indicated production of dark fired tobacco—96 million pounds—is substantially above that of any year since 1940 when 108 million pounds were produced and compares with 58 million pounds in 1945. The preliminary acreage of dark fire-cured tobacco is placed at 88,700 acres or 45% above 1945.

In spite of an estimated acreage of dark air-cured tobacco about 10% below last year, a very favorable season brought record yields and the resultant production 46.9 million pounds exceeds that of 1945 by nearly 8%. There were some acreage shifts from dark air-cured to the dark fired types.

Except for some local hail damage in the New England States and minor storm damage in the Georgia-Florida shade section, the cigar types of tobacco had an unusually favorable season. A total of 64.4 million pounds of fillers is in prospect, more than 25% above last year's crop. An acreage increase of 10% over last year combined with almost ideal growing conditions in the Lancaster area accounted for the substantial increase in production in 1946.

The production of binders is placed at 71.9 million pounds compared with last year's total of 61.9 million pounds. This increase was due mainly to higher acreage since the yield per acre was only 10 pounds above that of 1945.

On an acreage of 12,400 acres, about 11% above last year, a total of 12.5 million pounds of wrappers is indicated. This compares with production of 11.2 million pounds in 1945.

Potatoes

The Nation's 1946 potato crop of 474,609,000 bushels exceeds by 2% the previous record-high crop of 464,999,000 bushels harvested in 1943. Production this year exceeds the revised estimate of the 1945 crop of 418,020,000 bushels by 14% and is 27% above the 1935-44 average of 372,756,000 bushels. This record-large crop was har-

vested from only 2,578,000 acres, which is the smallest acreage since 1892. In 1945, potatoes were dug from 2,696,000 acres and the average is 2,968,000 acres. The 1.8% abandonment of planted acreage is the lowest since 1931.

A record high yield per acre of 184 bushels was harvested this year for the United States. Prior to this season, the highest national potato yield was the 155 bushels obtained last year. Above-average yields this year: with a continued State except Louisiana. Only in this State and in North Dakota, Indiana, Alabama, and Washington were the 1946 yields below those of last year. Many different factors contributed to the bumper yields this year, with a continued downward trend in the national acreage, potato production is becoming more concentrated in high yielding commercial areas; weather throughout most of the country was very favorable during the growing season; the late fall permitted tubers to add much additional tonnage; and considerable commercial acreage was sprayed with DDT that apparently was very effective in controlling insects.

Estimated production in the 30 late potato producing States is 357,865,000 bushels, compared with 324,529,000 bushels harvested in 1945 and the average of 293,111,000 bushels. The 1946 crop is 6 million bushels below the 364,011,000 bushel crop produced in these States in 1943.

In the eastern part of the country, production in the late States exceeds the 1945 crop by 37% and is 47% above average. Unusually high yields were harvested in each of the States in this area. The growing season was very favorable and continued longer than usual. Record-large crops were produced in Maine, Rhode Island, Connecticut, and on Long Island. The 158-bushel yield per acre produced in Pennsylvania is the highest of record. The 1946 acreages in Maine and Rhode Island exceed the acreages harvested in 1945. In these States the potato acreage is highly commercialized. The Maine crop was harvested with negligible losses from freezing.

Production of 85,698,000 bushels estimated for the 10 central late States (Michigan, Wisconsin, Minnesota, North Dakota, South Dakota, West Virginia, Ohio, Indiana, Illinois, and Iowa) is 9% below the 93,866,000 bushels harvested in 1945, and 15% below the average of 101,043,000 bushels. In each of these States, the acreage harvested is below the 1945 acreage, and only in North Dakota is the 1946 acreage above average. In the Red River Valley, dry weather during much of the growing season reduced the prospective crop. Damage from the spotted frosts of early September proved loss extensive in North Dakota, Minnesota, Wisconsin, and Michigan than first estimated. The area harvested in the non-commercial States of this group (West Virginia, Ohio, Indiana, Illinois, and Iowa) is about half the average acreage.

Production of late-crop potatoes in the western States is about the same as the 1945 production and 35% above average. Acreage harvested is above-average in Idaho, Colorado, Utah, Nevada, Oregon, and California. However, only in Montana, Washington, and Arizona does the late acreage exceed the acreage harvested in 1945. Growers in Idaho reduced acreage 16% from the record harvested last year. Production in Arizona, Oregon, and California is a record-high this year. In Idaho, Colorado, and Wyoming there was

some frost damage to potatoes at harvest time.

Production in the 7 intermediate States (New Jersey, Delaware, Maryland, Virginia, Kentucky, Missouri, and Kansas) is placed at 36,434,000 bushels. In 1945 these States produced 31,325,000 bushels and the average is 31,210,000 bushels. Missouri is the only State in this group in which growers harvested a larger acreage in 1946 than in 1945. There has been a downward trend in potato acreage in these States and only in New Jersey is the 1946 acreage above average. In New Jersey, Kentucky, and Missouri yields are the highest of record.

The estimated crop of 80,310,000 bushels harvested in the early producing States was 29% larger than the crop of 62,166,000 bushels harvested in 1945. There was a further expansion of the early acreage in California, where an average yield of 410 bushels was harvested. All of the early States except Alabama, Arkansas, and Louisiana harvested larger acreages in 1946 than in 1945. Potato production in South Carolina and Florida is a record-high this year. Yields in these two States, North Carolina, and Tennessee are the largest ever harvested.

Sweetpotatoes

A sweetpotato crop of 66,807,000 bushels was harvested in 1946. This production is 3% larger than the revised estimate of the 1945 production of 64,665,000 bushels and slightly higher than the 1935-44 average of 66,422,000 bushels. The 679,300 acres harvested in 1946 is 1% more than 1945 harvested acreage, but 13% below the average of 777,600 acres. The estimated yield of 98.3 bushels approaches the record-high of 102 bushels. In 1945 the yield was 96.3 bushels per acre and the 1935-1944 average is 85.4 bushels.

In the South Atlantic States, the acreage harvested in 1946 was slightly lower than the acreage harvested in 1945 and 18% below average, as growers in Virginia and Georgia continued to reduce sweetpotato acreage. In the South Central States, the acreage harvested in 1946 exceeded the 1945 acreage despite further declines in the Alabama and Mississippi acreages. In this group of States larger acreages in Louisiana, Texas, and Tennessee increased the total. Growers in Louisiana harvested 18% of the national acreage in 1946 compared with the average of 13%.

Weather this season generally favored the development of sweetpotatoes, and the crop was harvested with minimum losses. Above-average yields were produced in all States except Illinois, Kansas, Oklahoma, and California. The 1946 yield is below the 1945 yield in Mississippi, Arkansas, Louisiana, Texas, and California. Yields in Louisiana have increased sharply in recent years as production has become highly commercialized, but they were reduced this season by dry weather during August and September.

Douds Regains NLRB Post

Charles T. Douds has been reinstated as New York regional director of the National Labor Relations Board, on recommendation of the Civil Service Commission, a Washington dispatch from the Associated Press stated on Feb. 24. Mr. Douds, who, the same advices said, was dropped from the Board on Feb. 20, 1945, appealed his removal to the Civil Service Commission under the Veterans Preference Act and won. The same advices stated:

Mr. Douds, one-time regional director in Pittsburgh, was succeeded in the New York office by Howard Le Baron, former Atlanta regional director. A Board spokesman said a place probably would be found for Le Baron.

The State of Trade

(Continued from page 1295)

that for the corresponding weekly period one year ago.

Consolidated Edison Co. of New York reports system output of 217,000,000 kwh. in the week ended Feb. 23, 1947, compared with 185,600,000 kwh. for the corresponding week of 1946, or an increase of 16.9%. Local distribution of electricity amounted to 201,300,000 kwh. compared with 180,700,000 kwh. for the corresponding week of last year, an increase of 11.4%.

Railroad Freight Loadings—Car loadings of revenue freight for the week ended Feb. 22, 1947, totaled 776,689 cars, the Association of American Railroads announced. This was a decrease of 23,288 cars, 2.9% below the preceding week and 53,408 cars or 7.4% above the corresponding week for 1946. Compared with the similar period of 1945, an increase of 4,293 cars, or 0.6% is shown.

Paper and Paperboard Production—Paper production in the United States for the week ended Feb. 22, was 104.9% of mill capacity, against 104.5% in the preceding week and 98% in the like 1946 week, according to the American Paper & Pulp Association. This does not include mills producing newsprint exclusively. Paperboard output for the current week was 103%, compared with 102% in the preceding week and 97% in the corresponding week a year ago.

Business Failures Up Sharply—Commercial and industrial failures in the week ending Feb. 27 totaled 74, the highest number registered in any week since June of 1943. Up from 58 in the previous week, concerns failing were almost five times as numerous as in the comparable week a year ago when only 15 failures were reported.

All except 5 of the week's failures involved liabilities of \$5,000 or more. Numbering 69, these large failures rose from 47 last week and were over 5 times as high as in 1946's corresponding week when 13 concerns failed in this size group. Small failures with losses under \$5,000 remained low. There were only half as many as in the previous week, 5 against 11. This compares with 2 small failures recorded for the same week a year ago.

Manufacturing accounted for almost half of the week's total failures. At 36, manufacturers failing more than doubled the number occurring a week ago and furthermore, were six times as frequent as in the comparable week last year. Retailing with 22 had the next-largest number of failures in the week just ended. Increasing from 19 a week ago to 22 this week, retailers failing were more than seven times as numerous as last year. In other industry and trade groups, wholesale trade, construction, and commercial service, concerns failing remained at a low level. Although failures in these groups were a little higher this year than in 1946's comparable week, they did not exceed 7 in any of the three groups.

Wholesale Food Price Index Up Sharply—A further sharp upswing in foodstuffs in the past week pushed the Dun & Bradstreet wholesale food price index over the previous peak of \$6.49 recorded on Nov. 19 to establish a new all-time high of \$6.62 on Feb. 25. This marked a gain of 2.3% above last week's \$6.47, and compared with \$4.16 a year ago, an increase of 59.1%.

Contributing to the week's rise were advances in flour, wheat, corn, rye, oats, barley, hams, bellies, lard, butter, cottonseed oil, cocoa, steers, hogs, sheep and lambs. Declines occurred only in raisins and currants. The index represents the sum total of the

price per pound of 31 foods in general use.

Daily Wholesale Commodity Price Index—The rising trend in commodities continued through the past week, carrying the Dun & Bradstreet daily wholesale price index of 30 basic commodities to a new post-war peak of 252.33 on Feb. 25. This compared with 247.05 a week earlier, and with 184.48 on the corresponding date a year ago.

Some irregularity developed in leading grains last week as trading in futures markets reached the best volume in many months, with wheat furnishing the bulk of the activity. All deliveries of wheat futures advanced to new high ground for the season aided by continued aggressive world demand and reports of increased allocations for export to European countries. Corn was slightly easier but elevator interests purchased large amounts for deferred shipment. Oats were irregular and slightly lower at the close. Domestic flour buying remained cautious as a result of adequate stocks now on hand, the current high level of prices and reported consumer resistance to prevailing costs of baked goods. Export flour inquires continued numerous but most countries were said to be holding off pending issuance of new allocations. Lard prices reached new seasonal highs last week as hogs at Chicago rose to an all-time high of \$29 per hundredweight, as against a previous high of \$27.50 set shortly after the removal of price controls last October. The rise was attributed to slim receipts and sustained strong consumer demand.

Cotton values continued to move moderately upward last week with spot cotton at New York up 78 points to 35.08 cents per pound. The uptrend largely reflected active price fixing for mill accounts for the purpose of replacing cotton being rapidly consumed. Other factors included purchasing stimulated by the ever tightening supply situation, the unexpectedly large mill consumption of the staple during January and the belief that the export subsidy payment may be further reduced or eliminated entirely. The Bureau of the Census reported consumption during January at 947,000 bales, up sharply from the 774,000 for December and 811,000 reported in January a year ago. Last month's consumption on a daily rate basis averaged about 43,000 bales, against 40,700 in December, and 36,900 during January last year. Carded gray cotton cloth markets were featured by heavy selling of print cloths and sheetings for third quarter delivery at firm prices.

As for some time past, activity in both foreign and domestic wools in the Boston market continued quiet. A few lots of revalued defective domestic wools were reported changing hands during the week. Imports of apparel wools received at Boston, New York and Philadelphia in the week ending Feb. 14 amounted to 5,262,000 clean pounds, compared with 2,609,000 in the preceding week and 4,147,300 two weeks previous.

Retail and Wholesale Trade—Heavy snow and extreme cold weather in some sections of the country were responsible for the sharp decline in total retail volume last week. However, dollar volume was slightly above that of the corresponding 1946 week, reports Dun & Bradstreet Inc. in its weekly review of trade. Unit sales in almost all localities were moderately below those of a year ago. The general increase in consumer selectivity and a resistance to high prices and inferior goods continued.

Heavy buying for the holiday

week-end kept retail food volume at the high levels of previous weeks and total food volume compared favorably with that of the corresponding week a year ago. There was an abundance of fresh fruits and vegetables and the supply of many kinds of previously scarce canned goods continued to improve. Some increases in the price of meat were reported.

The supply of hardware and other durable goods was more abundant. While demand for electrical appliances and housewares remained strong, name brand refrigerators and radios were among the most frequently requested items. Consumer interest in furniture and housefurnishings continued at a high level. An increase in the number of purchases on the installment plan was noted.

Apparel volume declined appreciably in the week. Unseasonable weather in many sections of the country discouraged the sale of Spring merchandise. Interest in women's ready-to-wear was noticeably low with a sharp drop in the demand for furs, jewelry and other luxury items reported. Stocks of men's suits and coats increased and consumer interest remained at the high levels of previous weeks. Resistance to high prices and poor quality continued in most lines.

Retail volume for the country in the week ended on Wednesday of last week was estimated to be from 4 to 8% above that of the corresponding week a year ago. Regional estimates exceeded those of a year ago by the following percentages: East and Middle West 4 to 8, South 3 to 7, Southwest 8 to 12, Northwest 11 to 15. New England declined 1 to 5 and Pacific Coast varied from 2% above to 2% below that of a year ago.

In the wholesale trade shortages of freight cars and adverse weather in some sections of the country hampered deliveries in the week. While mail and telephone orders remained high, total order volume dropped slightly as the number of buyers registered in wholesale centers fell considerably below that of a week ago. Total wholesale volume last week was moderately above that of the corresponding week a year ago.

Department store sales on a country-wide basis, as taken from the Federal Reserve Board's index for the week ended Feb. 22, 1947, increased by 2% above the same period of last year. This compares with an increase of 17% (revised figure) in the preceding week. For the four weeks ended Feb. 22, 1947, sales increased by 8% and for the year to date by 15%.

The course of retail trade here in New York City the past week was reversed, reflecting an upward trend during the week ended March 1, following the decline under that of a year ago in the preceding week. Department store volume was estimated at 10 to 12% over the like week of 1946. It was reported that the gain in dollars was not sufficient to place unit sales ahead in view of the higher price level.

In the garment markets activity was slackened on account of bad weather which restricted consumer response to spring goods at present being offered. Price ease-ment was in evidence in some cotton textile prices, with indications that they have passed their peak despite recent wage increases.

Durable goods and machinery continued in short supply. Prospects for higher prices are in view in many lines, according to reports of industrial purchasing executives.

Wholesale food prices, too, reflected increases in primary markets the past week.

According to the Federal Reserve Board's index, department store sales in New York City for the weekly period to Feb. 22, 1947, decreased 3% below the same period last year. Sales last week

were sharply reduced because of heavy snow storms along the Atlantic Coast. This compared with an increase of 22% (revised figure) in the preceding week. The large increases in this week reflected 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 February 12 to avoid a fuel shortage, those in the City of Philadelphia were reduced because of a curtailment in public transportation service on February 11 and 12, and those in Pittsburgh were reduced because stores were closed on Feb. 12 owing to a power shortage. For the four weeks ended Feb. 22, 1947, sales rose 8% and for the year to date increased to 16%.

Joint Labor Study Urged by Sen. Ives

A proposal has been made by a member of the Senate Labor Committee, Senator Irving M. Ives (R.-N. Y.), who is a freshman in the national legislative body, that before Congress takes action on labor legislation a joint committee of both House and Senate members be set up to make a thorough study of the situation and hold separate private conferences with union and management heads. Mr. Ives, who is recognized as a labor relations expert, said, according to a Washington dispatch from the Associated Press, Feb. 22, that he believes a joint committee is needed because:

1. "There is not too much liaison" between the House and Senate Labor Committees. (In the House, Representative Hartley (R.-N. J.), the Chairman, has announced there will be no action on labor legislation until the Senate moves. He contended that House labor bills always are butchered in the Senate.)

2. Management and labor are at loggerheads over what kind of legislation, if any, Congress should enact.

The New York Senator is reported to have stated that he thought that such a joint committee arrangement would make it possible for Congress to "work out a program helpful to every one." Senator Ives said he thought the first thing to do "would be to get the Republicans together," because since the Republican party is in control of Congress it should show the way. He emphasized, however, that if a joint group is set up in Congress it should be bipartisan. "Labor legislation should never be on a partisan basis," he declared, "nor should any matter involving human relations." He expressed disappointment that union leaders who have testified thus far, including William Green, President of the A. F. of L., and Philip Murray, C. I. O. President, "have offered no ideas for the proper kind of labor legislation program which the people are demanding." But he said he does not go along with the stand of Senator Morse (R.-Ore.) that if it comes to a choice between no legislation and bills which go too far, the bills should be adopted.

Turkey—Parcel Post

Postmaster Albert Goldman announced on Feb. 26 that the weight limit applicable to parcel post packages addressed to all places in Turkey-in-Europe and Turkey-in-Asia to which parcels may be sent has been increased from 22 pounds to 44 pounds per parcel. The advice added:

The postage rate applicable to such parcels has been changed, and a uniform rate of 22 cents for the first pound and 14 cents for each additional pound or fraction, now applies to all places in Turkey-in-Europe and Turkey-in-Asia to which parcels may be sent.

Purchase Bonds on Merit, Says Babson

(Continued from first page)

to hold. Only a world spiritual awakening can prevent World War III. If this War III comes, some of these cities will surely be bombed and their bonds could drop to 50 cents on the dollar over-night. No, I don't want any of these non-taxable bonds.

2. Municipal bonds of small cities which defaulted about 15 years ago and were "re-organized" are risky to buy at present prices. Bonds of many Florida cities are illustrations of this group. These bonds were originally sold at par to pay 5%. Then they defaulted and their prices fell to 20 cents on the dollar or less. Then their interest was scaled down to 1-2-3-4%. Recently, these same bonds have sold at nearly par again. Yet, many of these cities are no better off fundamentally than they were ten years ago. Arcadia, Florida, is not paying her coupons on time and asks for another "re-organization." Probably other Florida cities will make the same demand. This could hurt all municipal bonds which were re-adjusted in the 30's.

3. Municipal bonds of high-grade medium-sized cities which are in a safe locality and have excellent credit should be a sound investment. These bonds should not default but, due to the great demand by rich people for "tax exempts," these bonds yield only 1% to 2%. Now, in view of the coming cut in income taxes, rich people will not be so crazy to buy them. Hence, even these best municipals will gradually sell off in price.

What About Taxes?

Investors have lost more money in the long run by trying to save taxes than by paying them. My advice is to buy and sell on merits without thought of taxes. Don't buy questionable securities to save income taxes; don't refrain from taking profits for fear of paying a 25% profits tax.

Certainly in today's market it is better to buy good yielding taxable corporation bonds than to gamble in non-taxables of any group. Of these corporation bonds, I further prefer the industrial bonds of long-established companies rather than railroad bonds. Utility bonds are good; but their yield is low and they are liable to be called at anytime.

Foreign Relief Restrictions Pledged

William L. Clayton, Under-Secretary of State for Economic Affairs, assured the House Committee on Foreign Affairs on Feb. 25 that the \$350,000,000 fund sought by the administration for relief in liberated countries after discontinuance of UNRRA activities would be administered under the strictest agreements to guard against its use for other than relief purposes. Members of the committee, Associated Press Washington advices stated, had been insistent on the need for assurance that countries "under Russian domination" would be required to distribute relief without discrimination and under inspection of the American radio and press.

Mr. Clayton was reported to have stated that aid from the United States would be limited to Austria, Greece, Hungary, Italy, Poland and China. Yugoslavia and White Russia were not mentioned in the list. The Under-Secretary told the committee that the \$350,000,000 sought represented approximately 57% of the minimum needs of the six countries. He expressed the opinion that the provisions of the relief agreements would be so "tough" that some countries might decline the aid.

From Washington Ahead of the News

(Continued from first page)

money. My recollection is that this general thought about \$65 million would do the trick.

Indeed, every one of these hush-hush affairs that I have attended is nothing more than an effort to get money. The Austrian theme had been rehearsed in the War Department. The department, in fact, had indirectly set up the gathering. Nothing was said by the general that he could not have said publicly to a committee of Congress. But it was far more effective to have a group of correspondents write beforehand about the grave situation and how much it cost.

At several of these parties more recently high brass have said bluntly that war with Russia is inevitable. And the correspondents have come away goggle-eyed and frightened lest the secret which they shared would escape them. It so happens that the matter of how much money the military establishment is to get is sharply to the fore in Congress, and a tremendous propaganda is waging that there must be no reduction in the military outlay. The military knows no more or less, of course, about the prospects of war with Russia than the thousands of other students cognizant of the situation.

Not all of the salons, however, have to do with foreign affairs. There was quite a flush of these anonymous source stories recently about a fear on the part of right thinking men that the Republicans were going to scuttle the Wagner Act by not giving the National Labor Relations Board enough money. Instead of any re-trenchment here, it was contended, the appropriation should be doubled. An NLRB official had really let his hair down at one of these gatherings.

Occasionally you may see a spilling of ink about the high-mindedness and unadulterated Americanism of a certain labor leader and of his justified fears

that "reactionary" industrialists are wreaking irreparable damage to the economy. Some bright Washington correspondent who has a penchant for "meeting important people" has had some of his colleagues in to meet the labor leader in a clubby atmosphere where thinking men can exchange thoughts away from the uproar of labor-management conflict. In such a setting the labor leader puts forward his best manners and English and a philosophical attitude and you become convinced that any management that distrusts him is a fool. You forget that a few weeks later this quiet mannered fellow may be ordering his men to "go into the plant and drag those finks out and beat hell out of them."

Walter Reuther has appeared so gracious at these gatherings that much of the propaganda build-up about his being the smartest labor leader in the country has come from them.

They have in truth come to be quite important in our scheme of things. The correspondents vie for interesting personalities with the same zeal that hostesses go after celebrities. The vogue seems to have been started a few years ago by the correspondent of a Middle Western paper with views considerably to the left of center. Invitations to his salons to meet this and that interesting personality were widely sought. He carved out quite a niche for himself in the corps. Finally other correspondents wanting to get away from dependence upon his hospitality, decided to do the same thing.

It has come to the point now that the bureaucrats and others with something to sell—the scientists, in particular—are amazed at the ease with which they can peddle their wares. But there is no room for industrialists. They are looked upon as just sordid money makers with nothing interesting to tell.

U. S. Chamber Fixes World Trade Week

The United States Chamber of Commerce has announced that invitations have been sent to 6,000 Chambers of Commerce, trade associations and business firms throughout the country to participate in the observance of World Trade Week May 18-24. William K. Jackson, President of the Chamber, commended World Trade Week for special attention this year in view of the extraordinary postwar importance of foreign commerce and opportunities to develop trade on a sound basis. Adding to the interest in World Trade Week will be the United States reciprocal trade program and the forthcoming Geneva conference for the setting up of an International Trade Organization. Moreover, both export and import trade totals of the United States are rising toward new peacetime records.

The theme of World Trade Week, formerly National Foreign Trade Week, will be "World Trade United Nations." Mr. Jackson noting that the change in the title this year is "timely and appropriate" added in part:

"In a world striving to repair the damage of war and to achieve enduring peace and prosperity, the development of trade among nations has assumed extraordinary importance. World trade is a way to understanding, rising living standards and peace among nations. Never was there greater need for promotion of world trade than now. And never was the role of the United States in world trade so important as it is now.

"The world looks to the United States for leadership in economic development. The United States

in turn will need export markets and sources of imports on a larger scale than before the war to maintain high employment and high standards of living for a growing population. The tremendous productive capacity of the United States, greatly expanded in recent years, will provide an increasing margin of surplus for export as pent-up domestic needs are satisfied and industry gains momentum after the change-over from war to peace. The resulting industrial activity and employment will widen the United States market for the products of other nations. That is the way trade develops, in ever-widening areas of mutual advantage and two-way exchange. On the nourishment of trade, the United States has grown to a giant among nations.

"Development of world trade and prosperity at home are closely related. No nation can raise itself to the heights of prosperity by its own bootstraps. For all its wealth of natural resources and productive genius, the United States looks abroad for an increasing variety of imports and for expanding markets for its own products.

"Let us as a nation, therefore, give due recognition to the importance of world trade—now and for the future. The theme of World Trade Week this year is 'World Trade Unites Nations.' Though the organization of the United Nations, the world strives for a system of cooperation which will assure peace and security. Trade can do as much as any other single force to help cement this structure of world cooperation.

"I commend World Trade Week for special attention in this year of opportunity. The opportunity to build for peace, and to develop trade among nations, is here."

Trading on New York Exchanges

The Securities and Exchange Commission made public on Feb. 26 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. 8, 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. 8 (in round-lot transaction) total 2,932,227 shares, which amount was 17.49% of the total transactions on the Exchange of 8,383,500 shares. This compares with member trading during the week ended Feb. 1 of 2,692,238 shares, or 18.18% of the total trading of 7,402,850 shares.

On the New York Curb Exchange, member trading during the week ended Feb. 8 amounted to 660,325 shares or 16.42% of the total volume on that Exchange of 2,011,025 shares. During the week ended Feb. 1 trading for the account of Curb members of 667,830 shares was 18.24% of the total trading of 1,830,515 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. 8, 1947			
A. Total Round-Lot Sales:	Total for Week		%
Short sales	\$406,700		
Other sales	7,976,800		
Total sales	\$8,383,500		
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	894,250		
Short sales	133,630		
Other sales	668,070		
Total sales	851,700		10.41
2. Other transactions initiated on the floor—			
Total purchases	180,100		
Short sales	51,900		
Other sales	216,830		
Total sales	268,730		2.68
3. Other transactions initiated off the floor—			
Total purchases	319,687		
Short sales	56,375		
Other sales	361,385		
Total sales	417,760		4.40
4. Total—			
Total purchases	1,394,037		
Short sales	291,905		
Other sales	1,246,285		
Total sales	1,538,100		17.49

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

WEEK ENDED FEB. 8, 1947			
A. Total Round-Lot Sales:	Total for Week		%
Short sales	43,920		
Other sales	1,967,105		
Total sales	2,011,025		
B. Round-Lot Transactions for Account of Members:			
1. Transactions of specialists in stocks in which they are registered—			
Total purchases	167,520		
Short sales	14,445		
Other sales	146,605		
Total sales	161,050		8.17
2. Other transactions initiated on the floor—			
Total purchases	31,260		
Short sales	7,000		
Other sales	49,930		
Total sales	56,930		2.19
3. Other transactions initiated off the floor—			
Total purchases	151,885		
Short sales	5,500		
Other sales	85,780		
Total sales	91,680		6.06
4. Total—			
Total purchases	350,665		
Short sales	27,345		
Other sales	282,315		
Total sales	309,660		16.42
C. Odd-Lot Transactions for Account of Specialists—			
Customers' short sales	0		
Customers' other sales	208,129		
Total purchases	208,129		
Total sales	92,338		

*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."

National Fertilizer Association Commodity Price Index Still Climbing

During the week ended March 1, 1947 the weekly wholesale commodity price index compiled by The National Fertilizer Association and made public on March 3, rose to an all-time high of 197.8 from the previous high point of 195.4 which was reached in the preceding week. A month ago the index stood at 189.4 and a year ago at 141.9, all based on the 1935-1939 average as 100. The Association's report continued as follows:

During the week six of the composite groups in the index advanced while two declined; the other three remained at the level of the previous week. In the foods group, prices for butter, bread, beans, and veal dropped but price rises for provisions, cocoa, coffee, meats, and oils caused the index to rise slightly. The index for the farm products group was 4.1% higher than for the previous week because of higher prices for cotton, grains, eggs, and livestock. Higher prices for leather, calfskins, cottonseed meal, and feedstuffs caused the index for the miscellaneous commodities group to rise. The building materials index rose slightly because of a rise in the price of glass. The index for fertilizer materials advanced slightly, as did that for farm machinery. Lower prices for finished

steel caused the metals index to drop, although higher prices were quoted for steel scrap and silver. The textiles index declined.

During the week 35 price series in the index advanced and 8 declined; in the preceding week 29 advanced and 13 declined; in the second preceding week 35 advanced and 8 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	Preceding Week	Month Ago	Year Ago
		Mar. 1, 1947	Feb. 22, 1947	Feb. 1, 1947	Mar. 2, 1946
25.3	Foods	222.2	220.4	211.1	140.5
	Fats and Oils	301.0	295.9	278.6	146.6
	Cottonseed Oil	387.5	387.5	387.5	163.1
23.0	Farm Products	251.4	241.6	229.4	172.0
	Cotton	324.4	320.8	300.8	252.3
	Grains	223.2	214.7	200.7	170.0
	Livestock	253.8	241.3	230.4	159.8
17.3	Fuels	159.4	159.4	157.6	126.5
10.8	Miscellaneous Commodities	157.8	155.6	153.6	133.9
8.2	Textiles	208.4	216.4	213.3	162.0
7.1	Metals	142.8	142.9	142.3	110.2
6.1	Building Materials	212.5	212.2	213.0	161.3
1.3	Chemicals and Drugs	155.3	155.3	154.7	127.2
.3	Fertilizer Materials	125.6	125.5	125.5	119.8
.3	Fertilizers	133.7	133.7	133.6	105.2
.3	Farm Machinery	126.3	124.3	124.3	
100.0	All groups combined	197.8	195.4	189.4	141.9

*Indexes on 1926-28 base were: March 1, 1947, 154.1; Feb. 22, 1947, 152.2; and March 2, 1946, 110.5.

Electric Output for Week Ended March 1, 1947 19.9% 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 March 1, 1947, was 4,797,099,000 kwh., an increase of 19.9% over the corresponding week last year when electric output amounted to 4,000,119,000 kwh. The current figure also compares with 4,777,740,000 kwh. produced in the week ended Feb. 22, 1947, which was 21.8% higher than the 3,922,796,000 kwh. produced in the week ended Feb. 23, 1946. The largest increases were reported by the Southern States and Central Industrial groups which showed increases of 24.8% and 24.4%, respectively over the same week in 1946.

PERCENTAGE INCREASE OVER SAME WEEK LAST YEAR						
Major Geographical Division	Week Ended					
	Mar. 1	Feb. 22	Feb. 15	12.6	Feb. 1	11.1
New England	10.3	16.4	12.8	12.4	9.4	9.4
Middle Atlantic	12.3	14.3	13.6	Feb. 8	29.4	29.4
Central Industrial	24.4	30.8	29.3	30.3	13.7	13.7
West Central	16.5	17.0	16.7	14.7	21.8	21.8
Southern States	24.8	23.5	24.1	22.5	9.0	9.0
Rocky Mountain	10.5	7.6	7.0	8.0	22.8	22.8
Pacific Coast	21.7	19.9	19.4	19.1		
Total United States	19.9	21.8	21.0	20.5	19.9	19.9

DATA FOR RECENT WEEKS (Thousands of Kilowatt-Hours)						
Week Ended	1946	1945	% Change Over 1945	1944	1932	1929
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	4,637,975	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	1,733,811
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
Mar. 1	4,797,099	4,000,119	+19.9	4,472,110	1,538,452	1,702,570
Mar. 8		3,952,539		4,446,136	1,537,747	1,687,229
Mar. 15		3,987,877		4,397,529	1,514,553	1,683,262
Mar. 22		4,017,310		4,401,716	1,480,208	1,679,589
Mar. 29		3,992,283		4,329,478	1,465,076	1,633,291

House Passes Alaska Ship Bill

The Maritime Commission would be permitted to contract with private steamship operators to furnish steamship service to Alaska from Mar. 1, 1947, to June 30, 1948, under legislation passed by the House on Feb. 18, according to Associated Press Washington advices. The bill, if enacted, would authorize the commission to furnish to the operators Government-owned ships at nominal charter hire, the Government to receive 75% of the profits, if any, the operators to stand all losses. The Associated Press added:

"The Government has been operating an Alaskan steamship service since 1941 with the owners of the lines acting as its agents. Last year the Government lost more than \$4,000,000 on the operation."

"Under a law enacted at the last session of Congress, the Commission would have been required to turn the ships back to the private operators March 1. The operators said they would not resume service to Alaska unless they received increased rates."

The measure which has been sent on for Senate action provides that the Maritime Commission shall adjust the rates.

Increased Mail Service To Germany

Postmaster Albert Goldman announced on Feb. 20, that the weight limit for letters, for surface or air transmission, to all of Germany is increased to one pound.

The postage rates applicable to letters and nonillustrated post cards intended for surface transmission are: Letters—5 cents for the first ounce and 3 cents for each additional ounce; Post Cards—3 cents each. The air mail postage rate is 15 cents per half-ounce.

The announcement also said in part: Communications must be of a personal, family or nontransactional business nature, limited to the ascertainment of facts and exchange of information. The closing of business deals and contracts by mail, and correspondence concerning German external assets, will not be permitted. The transmission of such documents as birth, death, or marriage certificates, wills, legal notices, etc., is authorized.

The enclosure of checks, drafts, securities, or currency will continue to be prohibited.

Noncommercial printed matter up to a weight limit of 4 pounds 6 ounces, when sent as gifts, is acceptable for mailing to the British Zone of Germany, as well as to the American Zone, excluding Berlin.

NYSE Odd-Lot Trading

The Securities and Exchange Commission made public on Feb. 26 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 15, 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. 15, 1947	
Odd-Lot Sales by Dealers— (Customers' purchases)	Total For Week
Number of orders	24,990
Number of shares	749,098
Dollar value	\$28,927,933
Odd-Lot Purchases by Dealers— (Customers' sales)	
Number of Orders:	
Customers' short sales	369
Customers' other sales	23,061
Customers' total sales	23,430
Number of Shares:	
Customers' short sales	13,228
Customers' other sales	654,947
Customers' total sales	668,175
Dollar value	\$24,991,412
Round-Lot Sales by Dealers—	
Number of Shares:	
Short sales	0
Other sales	189,620
Number of shares	261,930
Round-Lot Purchases by Dealers—	
Total sales	189,620

*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."

Result of Treasury Bill Offering

The Secretary of the Treasury announced on Mar. 3 that the tenders for \$1,300,000,000 or thereabout of 91-day Treasury bills to be dated Mar. 6 and to mature June 5, which were offered on Feb. 28, were opened at the Federal Reserve Banks on Mar. 3.

Total applied for, \$1,873,522,000. Total accepted, \$1,315,553,000 (includes \$22,932,000 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, 99.907, equivalent rate of discount approximately 0.368% per annum.

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

(69% of the amount bid for at the low price was accepted.)

There was a maturity of a similar issue of bills on Mar. 6 in the amount of \$1,315,534,000.

Increased Mail to Austria

Postmaster Albert Goldman announced on Feb. 20, that mail service to Austria is extended to include all classes of Postal Union articles, that is, letters and letter packages, single and reply-paid post cards, commercial papers, printed matter, and small packets, for surface or air transmission. The advices further state in part:

"For transmission by surface means articles are accepted up to the normal weight limit, in each instance, and subject to the postage rates shown in Table No. 1 on page 3 of part II of the current Official Postal Guide. Articles sent by air to Austria may not exceed the air-mail weight limit of 4 pounds 6 ounces, and must be prepaid at the rate of 15 cents per half ounce or fraction. Dutiable articles may be accepted in letter packages for Austria. All articles may be registered, if desired, upon prepayment of the registry fee of 20 cents in addition to the regular or air-mail postage. Money-order service is not yet available."

Non-Ferrous Metals—Lead Price Advanced to 15c, N. Y.—Copper Quotations Also Higher

"E. & M. J. Metal and Mineral Markets," in its issue of Feb. 27, stated: "The continued strength of the foreign market for lead, coupled with heavy demands for the metal from 'frightened' consumers, brought about another sharp advance in the quotation, establishing the selling basis here at 14c. a pound [further increased on March 3 to 15c. a pound, a new all-time high.—Ed.] Silver gained 5c. from domestic and foreign sources.

Bismuth, one of the minor metals, advanced to \$2 a pound, in ton lots. In copper, interest centered in possible early action by the Office of Metals Reserve in regard to releasing metal for next month from its stocks. Quicksilver declined \$1 per flask." The publication further went on to say in part as follows:

Copper

The matter of settling the question of handling copper still in the government's possession was given special attention during the last week and the industry believed that a decision would be reached by March 3. Various proposals were made, including one that would place all of the government's surplus metal in one pool and release a reasonable tonnage for March at "average cost plus duty." Washington officials apparently wish to avoid taking any action that would tend to raise the price of copper.

Prices named during the last week in both domestic and foreign metal showed little change. The one seller continued to quote 20 1/2c for domestic copper, with the rest of the industry at 19 1/2c. Pending clarification of the government's stand on releasing copper, most operators limited business to a minimum. [Effective March 1, the Reconstruction Finance Corporation raised its copper selling price to 21 1/2c. This increase was matched by two major companies on March 3.—Ed.]

As in the preceding week, copper sold in the foreign market at prices ranging from 20 1/2c to 21c, f.a.s. basis.

The January statistics of the fabricating division of the industry placed consumption at 139,263 tons, a new high for peacetime. December consumption of copper was revised downward from 131,432 tons to 124,432 tons. Fabricators had 393,451 tons of refined copper on hand as January ended.

Lead

The price of lead advanced 1c per pound on Feb. 25, establishing quotations at 14c per pound, New York, and at 13.800c St. Louis. Producers did not like the idea of raising the price to this level, but found that metal ob-

tained from outside sources has been selling at a premium, and consumers were paying the equivalent of the new price in making purchases of foreign lead. In other words, the scramble for the metal has been increasing in intensity, with little regard for prices asked. [Some major sellers on March 3 increased the price further to 15c., New York.—Ed.] The higher market is expected to bring out more lead from various sources, particularly scrap. Production of lead from scrap has been increasing since the beginning of the year.

Lead sales for the week amounted to 13,544 tons.

United States lead refinery statistics for January placed production at 44,422 tons, against 40,448 tons (revised) in December and a monthly average for 1946 of 38,299 tons, according to the American Bureau of Metal Statistics. Shipments from domestic refineries in January amounted to 44,343 tons, against 40,613 tons (revised) in December. The Office of Metals Reserve released 7,010 tons for January.

In addition to the above tonnages, consumers obtained lead from foreign sources imported privately. The supply of foreign lead available in January probably exceeded 10,000 tons.

Zinc

The zinc market remained stable throughout the period of price excitement that followed the sharp uplift in lead and silver. Most producers regard the zinc supply as ample, though it is well known that a tight situation exists in certain grades, as Prime Western and Special High Grade. Possible permanent injury to the market because of growing competition with other metals also tends to keep the price situation in check.

Consumption of slab zinc in November amounted to 74,630 tons, against 79,894 tons in October, according to the Bureau of Mines. Galvanizers took 30,316 tons; zinc-base alloys 19,893 tons; brass mills 13,446 tons; ingot makers and foundries 873 tons; rolling mills 7,783 tons; and others 2,319 tons.

Tin

Meetings that took place during the last week between repre-

sentatives of the RFC and the Bolivian producers to discuss terms of sale on 1947 deliveries of tin concentrates resulted in a deadlock. Bolivian officials are holding out for 76c per pound of tin contained, f.o.b. South American ports. So far, the RFC has shown a willingness to make concessions on smelting charges, which would in effect give to the Bolivians the equivalent of a rise in the price of about one-third of the amount asked for.

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

Table with columns: Date, Feb., March, April. Rows for Feb. 20, 21, 22, 24, 25, 26.

Chinese, or 99% tin, 69.125c.

Quicksilver

The market for quicksilver was unsettled, with sellers at \$86 to \$90 per flask, depending on quantity. Several sellers refused to quote less than \$87 per flask. Bids were noted at a little under \$86.

The fourth-quarter statistics were released by the Bureau of Mines on Feb. 25. Domestic production in the October-December period amounted to 6,150 flasks, against 6,500 flasks in the preceding quarter. General imports in the October-December period totaled 9,205 flasks, against 8,002 flasks in the July-September period. Consumption of quicksilver in the last quarter was estimated at 8,800 flasks, against 7,300 flasks in the third quarter.

Silver

Buying of silver continued to expand, and the New York Official price advanced sharply, beginning Feb. 24, settling at 75 3/4c, or 5c higher than in the preceding week. Domestic consumers purchased the metal more freely, and a substantial volume of business was booked for foreign accounts. The growing currency complications abroad were thought to have been a factor so far as foreign buying was concerned. [It is reported that the price of silver was subsequently increased to 80 1/2c. an ounce.—Ed.]

The London market advanced 46d on spot Feb. 25, following the upturn in the United States market. Forward silver was posted in London at 44 1/2d.

FIC Banks Place Debs.

A successful offering of two issues of debentures for the Federal Intermediate Credit Banks was made Feb. 19 by Charles R. Dunn, New York, fiscal agent for the banks. The financing consisted of \$26,980,000 1.10% consolidated debentures dated March 1, 1947, and due Sept. 2, 1947 and \$31,355,000 1.10% consolidated debentures, dated March 1, 1947, and due Dec. 1, 1947. Both issues were placed at par. Of the proceeds, \$24,035,000 were used to retire \$24,035,000 debentures, maturing March 1, 1947 and \$34,300,000 will be for new money purposes. As of March 1, 1947, the total amount of debentures outstanding stood at \$341,745,000.

Moody's Daily Commodity Index

Table with columns: Date, Index Value. Rows for Feb. 25, 26, 27, 28, Mar. 1, 2, 3, 4, 18, 19, 24, 25, 26, 27, 28, 29, 30, 31, 1947 High, 1947 Low.

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) and MOODY'S BOND YIELD AVERAGES (Based on Individual Closing Prices). Tables with columns for dates, U.S. Govt. Bonds, Corporate by Earnings, and Corporate by Groups.

DAILY PRICES OF METALS ("E. & M. J." QUOTATIONS) - Electrolytic Copper, Straits Tin, Lead, Zinc. Table with columns for date and price.

Average prices for calendar week ended Feb. 22 are: Domestic copper f.o.b. refinery, 19.385c; export copper, f.o.b. refinery 20.429c; Straits tin, 70.000c; New York lead, 13.000c; St. Louis lead, 12.800c; St. Louis zinc, 10.500c; and silver, 70.750c.

Correction—Domestic copper, f.o.b. refinery, average for calendar week ended Feb. 15 was 19.350c per pound.

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 1 1/4c.

Quotations for lead reflect prices obtained for common lead only.

*These prices are computed from average yields on the basis of one "typical" bond (3% 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.

Daily Average Crude Oil Production for Week Ended Feb. 22, 1947, Increased 28,500 Barrels

The American Petroleum Institute estimates that the daily average gross crude oil production for the week ended Feb. 22, 1947, was 4,786,150 barrels, an increase of 28,500 barrels per day over the preceding week and a gain of 72,500 barrels per day over the corresponding week of 1946. The current figure also was 146,150 barrels in excess of the daily average figure estimated by the Bureau of Mines as the requirement for the month of February, 1947. Daily output for the four weeks ended Feb. 22, 1947, averaged 4,741,050 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 4,860,000 barrels of crude oil daily and produced 14,668,000 barrels of gasoline; 2,277,000 barrels of kerosine; 5,929,000 barrels of distillate fuel, and 8,542,000 barrels of residual fuel oil during the week ended Feb. 22, 1947; and had in storage at the end of the week 103,904,000 barrels of finished and unfinished gasoline; 11,697,000 barrels of kerosine; 40,739,000 barrels of distillate fuel, and 44,919,000 barrels of residual fuel oil.

DAILY AVERAGE CRUDE OIL PRODUCTION (FIGURES IN BARRELS)

State	*B. of M. Calculated Requirements February	State Allow-ables Begin. Feb. 1 1947	Actual Production		4 Weeks Ended Feb. 22, 1947	Week Ended Feb. 22, 1946
			Week Ended Feb. 22, 1947	Change from Previous Week		
**New York-Penna.	48,200		47,950	+ 2,000	47,150	45,900
Florida			250		250	100
**West Virginia	8,200		7,700	+ 1,450	7,050	8,000
**Ohio-Southeast	7,800		5,250	+ 200	5,350	4,200
Ohio-Other			2,550	+ 700	2,300	3,200
Indiana	18,000		17,700	+ 350	18,150	17,100
Illinois	204,000		190,750	+ 3,550	192,500	211,000
Kentucky	28,000		27,000	+ 50	27,550	30,400
Michigan	46,000		41,750	+ 2,350	41,900	45,300
Nebraska	800		700	+ 700	700	850
Kansas	263,000	270,000	280,350	+ 19,700	275,550	253,650
Oklahoma	370,000	371,700	370,050	- 100	368,300	390,050
Texas						
District I			19,950		19,750	
District II			146,000		142,750	
District III			451,000		441,300	
District IV			223,250		219,050	
District V			36,450		35,750	
East Texas			328,200		321,400	
Other Dist. VI			106,100		104,450	
District VII-B			36,100		35,600	
District VII-C			32,650		31,400	
District VIII			467,650		466,750	
District IX			126,350		124,300	
District X			83,150		82,900	
Total Texas	2,030,000	2,042,500	2,056,650		2,025,400	2,109,250
North Louisiana			94,400	- 200	94,250	82,000
Coastal Louisiana			310,300		311,150	288,850
Total Louisiana	387,000	447,000	404,700	- 200	405,400	370,850
Arkansas	76,000	79,580	74,450	+ 350	74,000	77,500
Mississippi	66,000		81,750	+ 3,800	85,800	52,850
Alabama	2,000		900	- 100	950	1,050
New Mexico—So. East	98,000	110,000	103,400		103,300	98,000
New Mexico—Other			500	+ 50	450	450
Wyoming	93,000		111,700	+ 3,650	107,250	104,000
Montana	23,000		24,200	+ 50	22,250	19,100
Colorado	33,000		38,300	+ 400	36,800	24,450
California	838,000	844,300	897,600	- 2,500	892,700	846,400
Total United States	4,640,000		4,786,150	+ 28,500	4,741,050	7,713,650
**Pennsylvania Grade (included above)			60,900	+ 3,650	59,550	58,100

*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. 20, 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 STILL; PRODUCTION OF GASOLINE; STOCKS OF FINISHED AND UNFINISHED GASOLINE, KEROSENE, GAS OIL AND DISTILLATE FUEL OIL, WEEK ENDED FEB. 22, 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 Report	Crude Runs to Still	Gasoline Produced	Unfin. Gasoline	Kerosine	Gas Oil	Stks. of Fuel Oil	Stks. of Resid. Oil
East Coast	99.5	776	92.5	1,815	22,200	6,020	14,761	6,597
Appalachian								
District No. 1	76.3	100	69.9	306	2,612	249	475	210
District No. 2	84.7	67	108.1	217	967	24	79	126
Ind., Ill., Ky.	87.4	509	93.0	2,686	21,041	1,273	2,925	2,431
Okl., Kans., Mo.	78.3	371	79.1	1,413	10,529	436	1,349	1,035
Inland Texas	59.8	228	69.1	1,063	4,424	220	312	734
Texas Gulf Coast	89.2	1,156	94.3	3,420	15,808	1,637	7,058	5,214
Louisiana Gulf Coast	97.4	343	106.9	958	5,112	851	2,337	1,578
No. La. & Arkansas	55.9	65	51.6	188	2,362	258	449	118
Rocky Mountain								
New Mexico	19.0	16	123.1	28	98	15	29	31
Other Rocky Mt.	70.9	124	75.2	440	2,843	60	490	698
California	85.5	805	81.0	2,134	15,908	654	10,475	26,147
Total U. S. B. of M. basis Feb. 22, 1947	85.8	4,860	87.4	14,068	103,904	11,697	40,739	44,919
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. Feb. 23, 1946		4,629		12,911	104,921	8,095	26,086	39,321

*Includes unfinished gasoline stocks of 8,648,000 barrels. †Stocks at refineries, at bulk terminals, in transit and in pipe lines. ‡In addition, there were produced 2,277,000 barrels of kerosene, 5,929,000 barrels of gas oil and distillate fuel oil and 8,542,000 barrels of residual fuel oil in the week ended Feb. 22, 1947, as compared with 2,232,000 barrels, 5,290,000 barrels and 8,261,000 barrels, respectively, in the preceding week and 2,509,000 barrels, 5,745,000 barrels and 8,122,000 barrels, respectively, in the week ended Feb. 23, 1946.

Weekly Goal and Coke Production Statistics

The total production of soft coal in the week ended Feb. 22, 1947, as estimated by the United States Bureau of Mines, was 13,030,000 net tons, compared with 12,350,000 tons in the preceding week and 12,625,000 tons in the corresponding week of 1946. The total output for bituminous coal and lignite for the current calendar year to Feb. 22 was estimated at 98,460,000 net tons, an increase of 3.2% over the 95,389,000 tons produced from Jan. 1 to Feb. 23, 1946.

Production of Pennsylvania anthracite for the week ended Feb. 22, 1947, as estimated by the Bureau of Mines, was 1,050,000 tons, an increase of 80,000 tons, or 8.2%, over the preceding week. When compared with the output in the corresponding week of 1946 there was a decrease of 87,000 tons, or 7.7%. The calendar year to date shows a decrease of 5.5% when compared with the corresponding period of 1946.

The Bureau also reported that the estimated production of beehive coke in the United States showed a decrease of 4,800 tons when compared with the output for the week ended Feb. 15, 1947; but was 44,700 tons more than for the corresponding week of 1946.

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

	Week Ended			Jan. 1 to Date	
	Feb. 22, 1947	Feb. 15, 1947	Feb. 23, 1946	*Feb. 22, 1947	Feb. 23, 1946
Total, including mine fuel	13,030,000	12,350,000	12,625,000	98,460,000	95,389,000
Daily average	2,172,000	2,058,000	2,104,000	2,183,000	2,069,000

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

	Week Ended			Calendar Year to Date		
	Feb. 22, 1947	Feb. 15, 1947	Feb. 23, 1946	Feb. 22, 1947	Feb. 23, 1946	1937
Penn. Anthracite	1,050,000	970,000	1,137,000	8,450,000	8,938,000	7,907,000
*Total incl. coll. fuel	1,010,000	933,000	1,093,000	8,125,000	8,594,000	7,512,000
†United States total	120,000	124,800	75,300	907,500	664,000	565,700

*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. 15, 1947	Feb. 8, 1947	Feb. 16, 1946
Alabama	406,000	391,000	302,000
Alaska	7,000	7,000	6,000
Arkansas	43,000	36,000	32,000
Colorado	168,000	192,000	143,000
Georgia and North Carolina	1,000	1,000	1,000
Illinois	1,397,000	1,375,000	1,522,000
Indiana	579,000	582,000	524,000
Iowa	37,000	33,000	42,000
Kansas and Missouri	129,000	130,000	117,000
Kentucky—Eastern	1,157,000	1,075,000	1,101,000
Kentucky—Western	375,000	378,000	427,000
Maryland	57,000	52,000	54,000
Michigan	1,000	1,000	3,000
Montana (bituminous and lignite)	84,000	71,000	91,000
New Mexico	36,000	33,000	23,000
North and South Dakota (lignite)	78,000	59,000	61,000
Ohio	728,000	675,000	741,000
Oklahoma	68,000	68,000	53,000
Pennsylvania (bituminous)	2,725,000	2,970,000	2,766,000
Tennessee	158,000	160,000	134,000
Texas (bituminous and lignite)	4,000	2,000	2,000
Utah	198,000	194,000	145,000
Virginia	409,000	393,000	381,000
Washington	24,000	24,000	28,000
West Virginia—Southern	2,460,000	2,327,000	2,187,000
West Virginia—Northern	835,000	893,000	963,000
Wyoming	185,000	197,000	215,000
Other Western States	1,000	1,000	1,000
Total bituminous and lignite	12,350,000	12,300,000	12,065,000

†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.

Civil Engineering Construction Totals \$91,704,000 for Week

Civil engineering construction volume in continental United States totals \$91,704,000 for the week ending Feb. 27, 1947, as reported by "Engineering News-Record." This volume is 7% below the previous week, 5% below the corresponding week of last year, and 2% above the previous four-week moving average. The report issued on Feb. 27, went on to say:

Private construction this week, \$45,141,000, is 37% less than last week, and 35% below the week last year. Public construction, \$46,563,000, is 74% above last week, and 73% more than the week last year. State and municipal construction, \$42,213,000, 169% above last week, is 173% above the 1946 week. Federal construction, \$4,350,000, is 61% below last week, and 62% below the week last year.

Total engineering construction for the nine-week period of 1947 records a cumulative total of \$787,461,000, which is 32% above the total for a like period of 1946. On a cumulative basis, private construction in 1947 totals \$508,482,000, which is 25% above that for 1946. Public construction, \$278,979,000, is 47% greater than the cumulative total for the corresponding period of 1946, whereas State and municipal construction, \$207,034,000, to date, is 68% above 1946. Federal construction, \$71,945,000, gained 8% above the nine-week total of 1946.

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

	Feb. 27, 1947	Feb. 20, 1947	Feb. 28, 1946
Total U. S. Construction	\$91,704,000	\$98,463,000	\$96,876,000
Private Construction	45,141,000	71,722,000	69,969,000
Public Construction	46,563,000	26,741,000	26,907,000
State and Municipal	42,213,000	15,714,000	15,457,000
Federal	4,350,000	11,027,000	11,450,000

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

New Capital

New capital for construction purposes this week totals \$24,993,000, and is made up of State and municipal bond sales. New capital for construction purposes for the nine-week period of 1947 totals \$183,005,000, 39% less than the \$301,653,000 reported for the corresponding period of 1946.

50th Anniversary of London Office of Guaranty Tr. Co. of N. Y.

The main London office of Guaranty Trust Company of New York, one of the first branches established in Europe by any American bank, observed its 50th anniversary on March 1. The branch has remained open throughout a period witnessing the displacement of two World Wars. The original site at 32 Lombard Street, the heart of the "City," as London's financial district is commonly known, has been occupied continuously by the branch since it was opened on March 1, 1897, except for a period during World War II when damage caused by a direct bomb hit on the building necessitated a temporary move to nearby premises in Birchin Lane, just off Lombard Street. Renovated premises at the original location were reoccupied a year ago. In its announcement the trust company also notes:

Guaranty's London office was established to provide complete banking service to American and British business firms, banks, and individuals. The branch has served as an official United States depository, and during both wars its facilities were used extensively by American and Allied Governments and military personnel. An additional London branch, in the Kingsway section, was opened in 1921 and is located in Bush House, American constructed "skyscraper." The company also maintains branch offices in Paris and Brussels, and a representative in Liverpool. The Paris office, opened in 1917, occupies one of the group of 18th Century buildings fronting on the Place de la Concorde, near the American Embassy and Consulate. The Brussels branch, opened in 1919, is the only American bank in Belgium, serving Antwerp as well as the Brussels area.

An affiliate of the Guaranty, the Guaranty Executor and Trustee Company, Ltd., established in 1925 and also located at 32 Lombard Street, is a fully qualified British Trust Corporation.

N. Y. Savings Banks Retirement System Appoints

Charles Diehl, Chairman of the Board of Trustees of The Savings Banks Retirement System and President of the Empire City Savings Bank of New York, has announced that Robert Matherson, Jr., formerly Executive Manager and Treasurer of the System, has been appointed to the newly created post of Executive Vice President. In addition to his new duties, Mr. Matherson continues as Treasurer of the System, which position he has occupied since the inception of the System—May 1, 1941. Mr. Diehl also announced that William W. Sullivan, formerly Assistant Secretary of Institutional Securities Corporation, has joined the staff of the System as Assistant Treasurer. Mr. Sullivan was associated with Institutional Securities Corporation for 14 years.

First Deputy Supt. N. Y. Banking Dept.

The appointment of William A. Lyon to the newly created position of First Deputy Superintendent of the Banking Department was announced on Feb. 27 by Elliott V. Bell, Superintendent of Banks. The appointment

Revenue Freight Car Loadings During Week Ended Feb. 22, 1947, Decreased 23,288 Cars

Loading of revenue freight for the week ended Feb. 22, 1947, totaled 776,689 cars, the Association of American Railroads announced on Feb. 27. This was an increase of 53,408 cars, or 7.4% above the corresponding week in 1946, and an increase of 4,293 cars, or 0.6% above the same week in 1945.

Loading of revenue freight for the week of Feb. 22, decreased 23,288 cars, or 2.9% below the preceding week.

Miscellaneous freight loading totaled 349,679 cars, a decrease of 10,783 cars below the preceding week, but an increase of 47,219 cars above the corresponding week in 1946.

Loading of merchandise less than carload freight totaled 110,146 cars, a decrease of 8,951 cars below the preceding week, and a decrease of 3,737 cars below the corresponding week in 1946.

Coal loading amounted to 182,420 cars, an increase of 3,485 cars above the preceding week, but a decrease of 1,766 cars below the corresponding week in 1946.

Grain and grain products loading totaled 49,050 cars, a decrease of 2,574 cars below the preceding week and a decrease of 2,670 cars below the corresponding week in 1946. In the Western Districts alone, grain and grain products loading for the week of Feb. 22 totaled 34,074 cars, a decrease of 2,868 cars below the preceding week and a decrease of 327 cars below the corresponding week in 1946.

Livestock loading amounted to 12,299 cars, a decrease of 1,021 cars below the preceding week and a decrease of 4,943 cars below the corresponding week in 1946. In the Western Districts alone loading of livestock for the week of Feb. 22 totaled 9,160 cars, a decrease of 685 cars below the preceding week, and a decrease of 4,005 cars below the corresponding week in 1946.

Forest products loading totaled 46,256 cars, a decrease of 3,541 cars below the preceding week, but an increase of 8,606 cars above the corresponding week in 1946.

Ore loading amounted to 12,636 cars, an increase of 403 cars above the preceding week and an increase of 5,348 cars above the corresponding week in 1946.

Coke loading amounted to 14,203 cars, a decrease of 306 cars below the preceding week, but an increase of 5,351 cars above the corresponding week in 1946.

All districts reported increases compared with the corresponding week in 1946 except the Southern and Southwestern and all reported increases over 1945 except the 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
Week of February 22	776,689	723,281	772,396
Total	6,347,595	5,750,739	6,056,142

The following table is a summary of the freight carloadings for the separate railroads and systems for the week ended Feb. 22, 1947. During this period 80 roads reported gains over the week ended Feb. 23, 1946.

Railroads	Total Revenue Freight Loaded		Total Loads Received from Connections	
	1947	1946	1947	1946
Eastern District—				
Ann Arbor	333	301	1,929	1,667
Bangor & Aroostook	3,179	2,535	392	402
Boston & Maine	6,930	6,467	12,490	12,891
Chicago, Indianapolis & Louisville	1,503	1,161	2,319	2,023
Central Indiana	31	39	55	38
Central Vermont	940	955	2,224	1,992
Delaware & Hudson	4,741	4,047	10,843	11,327
Delaware, Lackawanna & Western	6,644	6,570	8,240	9,279
Detroit & Mackinac	349	200	165	159
Detroit, Toledo & Ironton	2,693	1,582	1,775	1,943
Detroit & Toledo Shore Line	447	268	353	3,497
Erie	10,570	9,542	11,877	15,999
Grand Trunk Western	4,736	3,060	4,043	8,684
Lehigh & Hudson River	143	152	154	2,955
Lehigh & New England	626	2,009	1,959	1,559
Lehigh Valley	7,126	7,064	7,250	8,094
Maine Central	3,089	2,660	2,427	4,298
Monongahela	6,312	6,379	5,678	213
Montoula	2,996	2,854	2,260	23
New York Central Lines	49,181	41,517	46,781	51,715
N. Y. N. H. & Hartford	8,293	8,385	10,292	13,365
New York, Ontario & Western	919	795	649	2,426
New York, Chicago & St. Louis	6,726	5,554	6,776	14,984
N. Y. Susquehanna & Western	359	338	403	1,107
Pittsburgh & Lake Erie	5,638	3,815	7,353	5,732
Pere Marquette	6,427	4,650	5,038	8,646
Pittsburgh & Shawmut	1,152	940	816	7,940
Pittsburgh, Shawmut & Northern	371	302	289	97
Pittsburgh & West Virginia	973	757	678	2,397
Rutland	381	311	260	1,179
Wabash	5,909	5,881	5,906	11,941
Wheeling & Lake Erie	5,462	4,063	5,725	4,241
Total	154,179	135,934	152,557	207,276
Allegheny District—				
Akron, Canton & Youngstown	583	541	759	1,541
Baltimore & Ohio	39,555	36,943	38,853	23,729
Bessemer & Lake Erie	2,939	1,704	2,728	1,884
Camden & Indiana	1,509	1,679	1,647	3
Central R. R. of New Jersey	5,718	5,097	6,153	15,956
Cornwall	395	265	462	53
Cumberland & Pennsylvania	342	244	166	5
Ligonier Valley	110	30	119	5
Long Island	1,214	1,369	1,610	3,819
Penn-Reading Seashore Lines	1,387	1,454	1,800	1,472
Pennsylvania System	76,347	66,040	77,091	53,730
Reading Co.	12,991	11,411	14,998	23,901
Union (Pittsburgh)	18,440	6,359	19,626	4,689
Western Maryland	4,219	3,481	4,068	11,219
Total	165,749	136,617	170,890	142,006
Peachontas District—				
Chesapeake & Ohio	32,447	31,327	29,936	12,061
Norfolk & Western	21,771	21,636	22,278	6,748
Virginian	4,683	5,154	4,786	1,702
Total	58,901	58,117	57,000	20,511

Railroads	Total Revenue Freight Loaded			Total Loads Received from Connections	
	1947	1946	1945	1947	1946
Southern District—					
Alabama, Tennessee & Northern	1947	1946	1945	1947	1946
Atl. & W. P.—W. R. R. of Ala.	463	449	378	330	222
Atlantic Coast Line	979	904	864	2,130	1,968
Central of Georgia	15,985	15,721	15,513	10,013	10,596
Charleston & Western Carolina	4,117	4,626	3,742	4,317	4,517
Chatham	480	419	371	1,637	1,575
Columbus & Greenville	1,918	1,768	1,762	3,941	3,616
Durham & Southern	411	428	225	403	327
Florida East Coast	85	90	115	782	759
Gainesville Midland	2,900	3,875	3,768	1,776	1,649
Georgia	81	61	35	94	154
Georgia & Florida	1,130	1,099	811	2,352	2,179
Gulf, Mobile & Ohio	414	450	398	807	857
Illinois Central System	5,438	5,492	4,388	4,110	4,243
Louisville & Nashville	25,674	27,821	27,828	15,227	14,732
Macon, Dublin & Savannah	27,798	27,191	26,619	10,627	9,549
Mississippi Central	235	280	190	924	1,079
Nashville, Chattanooga & St. L.	396	323	381	465	390
Norfolk Southern	3,313	3,363	3,340	4,159	4,095
Piedmont Northern	1,101	1,346	833	1,770	1,594
Richmond, Fred. & Potomac	334	433	463	1,635	1,556
Seaboard Air Line	377	391	400	7,520	9,260
Southern System	9,861	11,853	10,404	8,022	7,973
Tennessee Central	26,142	25,433	23,905	25,537	24,497
Winston-Salem Southbound	642	617	664	989	972
Total	130,411	134,591	127,534	110,441	109,377
Northwestern District—					
Chicago & North Western	15,610	16,639	14,590	15,147	14,164
Chicago Great Western	2,342	2,616	2,243	3,860	3,484
Chicago, Milw., St. P. & Pac.	22,360	20,872	20,570	11,683	11,244
Chicago, St. Paul, Minn. & Omaha	3,711	3,679	3,133	4,762	4,519
Duluth, Missabe & Iron Range	1,383	1,022	1,271	370	398
Duluth, Sout. Ore & Atlantic	617	613	605	821	550
Elgin, Joliet & Eastern	9,101	3,437	8,970	11,610	8,851
Ft. Dodge, Des Moines & South	391	452	259	120	114
Great Northern	9,526	11,515	9,354	4,385	4,822
Green Bay & Western	455	545	447	1,162	1,037
Lake Superior & Ishpeming	354	298	200	68	55
Maneapolis & St. Louis	2,022	2,311	1,890	2,662	2,563
Minn., St. Paul & S. S. M.	4,843	5,055	3,726	3,627	3,745
Northern Pacific	8,652	9,160	8,638	4,438	5,140
Spokane International	177	120	258	604	427
Spokane, Portland & Seattle	1,895	1,909	2,463	2,499	2,543
Total	83,439	80,243	78,617	67,816	63,554
Central Western District—					
Atch., Top. & Santa Fe System	25,246	22,364	22,366	10,297	9,245
Aiton	3,000	2,915	3,338	3,587	3,238
Bingham & Garfield	210	6	436	98	12
Chicago, Burlington & Quincy	19,159	21,065	18,128	10,810	11,449
Chicago & Illinois Midland	3,286	3,316	3,065	853	796
Chicago, Rock Island & Pacific	10,850	12,113	10,978	11,935	12,343
Chicago & Eastern Illinois	2,768	2,800	2,704	3,525	3,320
Colorado & Southern	521	640	672	1,857	1,387
Denver & Rio Grande Western	3,707	2,852	3,770	4,903	3,581
Denver & Salt Lake	789	663	566	55	43
Fort Worth & Denver City	1,279	827	697	1,796	1,295
Illinois Terminal	2,409	2,178	2,198	1,735	1,689
Missouri-Illinois	831	921	859	474	511
Nevada Northern	1,639	1,486	1,359	190	119
North Western Pacific	764	502	662	638	489
Peoria & Pekin Union	17	14	24	0	0
Southern Pacific (Pacific)	28,577	25,238	28,342	10,385	8,973
Toledo, Peoria & Western	49	0	305	210	0
Union Pacific System	17,785	15,858	15,859	13,188	11,149
Utah	1,140	889	565	6	1
Western Pacific	1,227	1,468	1,983	2,716	2,685
Total	125,253	118,115	118,876	79,258	72,305
Southwestern District—					
Burlington-Rock Island	292	289	319	836	647
Gulf Coast Line	5,061	4,925	6,191	1,968	2,203
International-Great Northern	1,577	1,972	2,295	3,176	3,619
K. C. & G. M. V.—O. C. A.—A.	1,190	1,391	981	2,140	1,583
Kansas City Southern	3,227	2,537	4,653	2,888	3,279
Louisiana & Arkansas	2,213	2,383	3,117	2,870	2,239
Litchfield & Madison	404	367	359	1,471	1,286
Missouri & Arkansas	8	153	131	8	409
Missouri-Kansas-Texas Lines	4,562	4,677	6,743	4,043	3,857
Missouri Pacific	14,731	16,715	15,420	13,936	13,916
Quannah Acme & Pacific	140	118	64	272	192
St. Louis-San Francisco	9,692	9,228	8,523	7,218	7,948
St. Louis-Southwestern	2,990	2,498	3,322	5,359	4,794
Texas & New Orleans	9,234	8,813	10,644	5,542	5,049
Texas & Pacific	3,337	3,452	4,845	6,078	6,170
Wichita Falls & Southern	89	78	90	68	49
Weatherford M. W. & N. W.	28	68	35	23	11
Total	58,757	59,664	67,732	57,888	57,261

Includes Kansas, Oklahoma & Gulf Ry., Midland Valley Ry. and Oklahoma City-Ada-Atoka Ry. Strike.
NOTE—Previous year's figures revised.

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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.

Period	Orders Received		Unfilled Orders		Percent of Activity	
	Tons	Value	Tons	Value	Current	Cumulative
1946—Week Ended						
Nov. 2	205,422</					

Items About Banks, Trust Companies

Robert G. Hogg has been appointed assistant agent at the New York agency of The Dominion Bank. Mr. Hogg joined the bank in Toronto in 1926 and came to the New York office in 1928.

Lafayette National Bank of Brooklyn in New York announces that Harry D. Papenmeyer is now associated with the institution in a representative capacity. Mr. Papenmeyer is a life-long resident of Brooklyn and was formerly Vice-President and Cashier of the Flatbush National Bank of Brooklyn.

The New York State Banking Department approved on Feb. 18 a certificate authorizing an increase in the capital stock of the Huguenot Trust Co. of New Rochelle, N. Y., from \$329,200, consisting of 52,800 shares of preferred stock of the par value of \$1.50 each, and 25,000 shares of common stock of the par value of \$10 each to \$355,600, consisting of 52,800 shares of preferred stock of the par value of \$2 each, and 25,000 shares of common stock of the par value of \$10 each.

As of Feb. 14, the First National Bank of Poughkeepsie, N. Y. (capital \$500,000) and the Vassar Bank of Arlington, Town of Poughkeepsie (capital \$75,000) were consolidated, effective Feb. 17, under the title of the First National Bank of Poughkeepsie, with common capital stock of \$567,500 in shares of 28,375, par \$20 each, and surplus of \$567,500. These advices were contained in a bulletin recently issued by the Office of the Comptroller of the Currency.

Ellsworth H. Rosser, Assistant Secretary at Rochester Trust office of the Lincoln Rochester Trust Co. of Rochester, N. Y., celebrated his 30th anniversary with the bank on March 1, it is learned from the Rochester "Times Union" of March 1, which also stated:

Mr. Rosser joined the old Rochester Trust and Safe Deposit Co. March 1, 1917, and advanced through the positions of clearing house clerk, bookkeeper, teller and assistant secretary. At the close of business yesterday a surprise party was held in his honor in the bank's dining room. Vice-President George H. Hawks presided.

Mr. Rosser is the second member of the bank's organization so honored within a week. Wednesday afternoon at the Lincoln office friends of Elliott T. Dietz, one of the assistant managers of the office gathered to celebrate his 35th anniversary with the bank.

Directors of the Chelsea Trust Co. of Chelsea, Mass., at their regular meeting on Feb. 25 voted unanimously to recommend to the stockholders a plan for merger with the National Shawmut Bank of Boston, Louis R. Kiernan, President of the trust company, disclosed. This was noted in the Boston "Herald" of Feb. 26, which further said:

The proposal calls for the assumption of the deposit liabilities and the purchase of all assets of the trust company by the Shawmut Bank.

The present board of directors will remain actively associated with the Chelsea office as an advisory committee, and all present personnel will become a part of the Shawmut organization, Mr. Kiernan said.

According to the Providence, R. I., "Journal" of March 1 the trustees of the Savings Bank of Newport, R. I., announced on Feb. 28 the creation of two additional officers effective as of March 1. They are Assistant Treasurer and Auditor Charles E. Livesy and Assistant Secretary and Mortgage Officer John H. Hodgson. As a result of the additions, says the "Journal," the bank now has two Assistant Treasurers as compared to one formerly. Election of the two officers was held at a special meeting of the trustees.

An increase in the capital of the Phenix National Bank of Providence, R. I., in the amount of \$50,000, raising the capital from \$450,000 to \$500,000, effective Feb. 17, is announced by the Comptroller of the Currency's office.

The stockholders of the Kensington National Bank of Philadelphia have approved the sale of the bank's assets to the Pennsylvania Company for Insurances, effective March 15, it is learned from the Philadelphia "Inquirer" of Feb. 28. Germantown Trust Co. stockholders will vote March 8 on the merger plans. It is reported that at the coming meeting of the stockholders of the Pennsylvania Company plans to change its name to the shorter title of Pennsylvania Company for Banking and Trust will be acted upon.

Promotion of Peter Wylie from the post of Cashier to that of Vice-President of the National Bank of Germantown & Trust Co. of Philadelphia was announced on March 1 by Glenn K. Morris, President, it was stated in the Philadelphia "Inquirer" of March 2 from which we also quote:

Elections of M. H. Callender, formerly Treasurer of Germantown Trust Co., as cashier, and Nelson W. Jones as an Assistant Cashier also were announced.

Mr. Wylie has been with National of Germantown for 24 years. His appointment fills vacancy caused by death of Edward Meadowcroft. Mr. Callender has been Treasurer of Germantown Trust for last three years. Nelson W. Jones has been associated with the bank for last 16 years.

Effective Feb. 18, the First National Bank of Roanoke, Va., increased its capital from \$1,200,000 to \$1,600,000 by the sale of \$400,000 of new stock, according to the Feb. 24 Bulletin of the Office of the Comptroller of the Currency.

The issuance of a charter on Feb. 14 for the Union National Bank of East St. Louis, Ill., with a capital of \$300,000, all common, was reported in the Feb. 24 Bulletin of the Comptroller of the Currency. The bank, it is indicated, represents a conversion of the Union Trust Co. of East St. Louis, the change having become effective Feb. 17. Paul A. Schlafly is President of the bank and Frank J. Shay is Cashier.

Formal consolidation was scheduled to take place on March 3 of the Crocker First National Bank of San Francisco, Calif., and Farmers and Merchants Savings Bank of Oakland, two of the oldest banks in the San Francisco Bay Area. The banking business of Farmers and Merchants Savings Bank of Oakland will be continued under the name Crocker First National Bank. Plans for the consolidation were noted in our issue of Feb. 27, page 1180.

Wm. W. Crocker, President of the Crocker First National Bank, announced that George W. Hall, Vice-President, will assume charge of Oakland operations. Mr. Hall has been with the bank for 32 years. C. William Brown, Assistant Cashier, has been named manager of the Oakland Real Estate Loan Department. Mr. Brown has been associated with Crocker First National Bank for 33 years. Mr. Crocker also announced that officers of Farmers and Merchants Savings Bank who will remain with Crocker First National Bank, Oakland, include F. C. Martens, J. Harold Brown, John Campe, V. F. Obermuller and F. C. Wheeler.

Farmers and Merchants Savings Bank was incorporated in 1892 under the laws of the State of California and remained a state bank for the entire period of its existence. As of Dec. 31, 1946, the bank, it is stated, had deposits of \$29,500,618 and total resources of \$30,000,000.

Crocker First National Bank of San Francisco was established in 1870. Both James K. Moffitt, Chairman of the board of directors, and Wm. W. Crocker, President, are direct descendants of the founders of the parent institutions of the present bank. Mr. Moffitt is the son of James K. Moffitt, one of the founders of the First National Gold Bank of San Francisco, and Wm. W. Crocker, who succeeded his father, the late Wm. H. Crocker, as President of the bank in 1936, is the grandson of Charles Crocker, one of the founders of Crocker, Woolworth & Co., a private banking concern whose influence still endures both in the name and business principles of the institution. In making the announcement of the consolidation, Mr. Crocker pointed out that the establishment of banking facilities by Crocker First National Bank in Oakland is a logical step. He also said that "while Farmers and Merchants Savings Bank has heretofore conducted a savings account banking business only, it is our intention to immediately broaden present facilities to include every banking service."

Ashenbrenner Named For CED Committee

William Ashenbrenner of the American Bank & Trust Co. of Racine, Wis., has been appointed Wisconsin State Vice-Chairman for Banking and Finance of the Committee for Economic Development, it was announced here in New York on Feb. 27 by Walter Fuller, President of the Curtis Publishing Co. and Chairman of the newly formed CED National Information Committee. Mr. Ashenbrenner's appointment as Vice-Chairman representing banking and finance follows the Wisconsin CED plan of having leading men in industrial, commercial and financial fields named to serve in such capacity on a statewide basis. He formerly was President of the Wisconsin Bankers Assn. and is now a member of the Small Business Credit Commission of the American Bankers Assn. In accepting appointment as State Vice-Chairman he expressed belief that the nation's bankers can be constructively helpful in educational programs such as that which is being carried on by CED through its national research and policy committee and its research staff. Mr. Ashenbrenner said:

It will be my objective to enlist the interest of Wisconsin business men and others who wish to associate themselves in a common effort to bring about a better understanding of the facts and principles underlying the nation's economic problems. CED publications discussing these problems and suggesting their solutions will be made available to all who are interested.

New York Banks and Trust Companies Not Empowered to Sell Transportation

The authority of a bank or trust company in New York State to act as sub-agent for the sale of passenger transportation was the subject of a recent ruling by State Attorney General Nathan L. Goldstein. In reciting the provisions of the Banking Law, the Attorney General noted that Section 96 of the Law, "defining the powers of banks and trust companies does not include a specific grant of power to engage in the sale of transportation"; he added that Subdivision 1 of that section, however, "concludes with a grant of power to 'exercise all such incidental powers as shall be necessary to carry on the business of banking'."

According to the Attorney General, "authority for a bank or trust company to engage in the sale of transportation would . . . have to be found in the determination that such power is necessary to carry on the business of banking," and he sets forth as his view that "I do not consider a determination that such power is 'necessary' to the exercise of banking powers a justifiable one."

The ruling of the Attorney General was conveyed to New York State Superintendent of Banks Elliott V. Bell under date of Jan. 20, and made available by the Banking Department on Feb. 21. In conclusion Mr. Goldstein said:

"I see no exigency requiring the implied power to sell transportation to be read into the Banking Law by implication. If such a power is found desirable for the existence or prosperity of banks, it is a matter for legislation by amendment to the Banking Law."

In part we quote as follows from the opinion of the Attorney General to Superintendent Bell:

Your letter of Sept. 23, 1946, asks my opinion as to whether a New York State bank or trust company has the power to act as sub-agent for transatlantic steamship companies in the sale of ship, rail or air passenger transportation. You state that it has recently come to your attention that various New York State banks and trust companies in the New York City area have for some time been acting as sub-agents for such companies in the sale of passenger transportation and have made or are contemplating making similar arrangements for the sale of air and rail transportation. You note that such arrangements are for profit and as a part of the banks' regular business.

Section 96 of the Banking Law, defining the powers of banks and trust companies, does not include a specific grant of power to engage in the sale of transportation. Subdivision 1 of that section concludes, however, with a grant of power to "exercise all such incidental powers as shall be necessary to carry on the business of banking." The subdivision in which this is a final clause grants the power:

"To discount and negotiate promissory notes, drafts, bills of exchange and other evidences of debt; buy and sell exchange, coin and bullion; lend money on real or personal security; receive deposits of moneys, securities or other personal property from any person or corporation upon such terms as the bank or trust company shall prescribe; and exercise all such incidental powers as shall be necessary to carry on the business of banking."

Subdivision 9, the last subdivision of Section 96, is a grant of powers to banks and trust companies:

"To exercise such of the powers conferred by the general and stock corporation laws as shall be necessary in conducting the business of a bank or trust company."

Authority for a bank or trust company to engage in the sale of transportation would, therefore, have to be found in the de-

termination that such power is "necessary to carry on the business of banking" (subd. 1), or that it is "necessary in conducting the business of a bank or trust company" (subd. 9).

I do not consider a determination that such power is "necessary" to the exercise of banking powers a justifiable one.

Gov. Dewey Signs Bill For 5-Day Bank Week In New York State

The five-day work week for a large number of the 60,000 bank employees in New York State will become a reality within the next few weeks as banks in various communities act to take advantage of the permissive year-around Saturday closing legislation recently enacted by the State Legislature, and signed by Gov. Dewey on Feb. 24.

In commenting on the action of the Legislature, Chester R. Dewey, President of the New York State Bankers Association, pointed out that the measure approved by both houses of the Legislature, requires that boards of directors of banks desiring to close on Saturdays must adopt resolutions authorizing such action. He stated that many banks throughout the State were preparing to follow that procedure. He added that banks planning to close on Saturdays must allow sufficient time to advise their domestic and foreign customers and correspondents so they may plan their remittances accordingly. Also, it will be necessary for individuals and corporations customarily doing their banking on Saturday to make any arrangements required.

It is noted that the New York Clearing House has already recognized the necessity for some reasonable lapse of time after the passage of the bill by stating that its member banks will probably fix a date early in April when Saturday closing will take effect.

The measure approved by the New York Legislature was introduced by Assemblyman D. Mallory Stephens, of Putnam County, and was strongly supported by the Committee on Legislation of the State Bankers Association, of which Frederic E. Worden, President, National Bank of Auburn, is Chairman. The bill was passed by the Assembly on Feb. 10 and by the Senate on Feb. 11 by a vote of 51 to 1. The support of the State Bankers Association, Mr. Dewey indicated, was an extension of the effort initiated by the Association in 1939 when it successfully supported the permissive legislation which enabled banks to close on Saturdays during July and August. In 1940 the Association supported a bill which extended the Saturday closing period from June 30 to Labor Day. During the 1946 session of the Legislature the Association, reflecting the desire of a majority of its members, went on record in favor of the bill permitting Saturday closings during the four months, June to September inclusive.

In New Jersey Gov. Alfred E. Driscoll on Feb. 24 signed, reluctantly, it is stated, a bill permitting year-around closing of banks in that State on Saturdays. The newly enacted law does not require banks to close on that day, but is in the nature of permissive legislation.