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Truman Calls for End Of Economic Wars

In Waco, Texas, address, he stresses need of economic as well as political international cooperation and decries trade barriers. Extolls proposed charter of International Trade Organization as enabling nations in economic difficulty to work their way out. Defends reciprocal trade agreements.

Speaking at Baylor University in Waco, Texas, where he received an honorary degree on March 7, President Harry S. Truman urged the nation to support the charter of the International Trade Organization as a means of avoiding economic conflicts. The President stressed the need of U. S. world leadership and assistance in economic as well as political affairs as a means of future wars, and defended the operation of the reciprocal trade agreements.

President Truman

The following is the text of the President's address:

At this particular time, the whole world is concentrating much of its thought and energy on attaining the objectives of peace and freedom. These objectives are bound up completely with a third objective—reestablishment of world trade. In fact the three—peace, freedom and world trade—are inseparable. The grave lessons of the past have proved it.

Many of our people, here in America, used to think that we could escape the troubles of the world by simply staying within our own borders. Two wars have shown us how wrong they were. We know today that we cannot find security in isolation. If we are to live at peace, we must join with other nations in a continuing effort to organize the world for peace. Science and invention have left us no alternative.

After the first world war the United States proposed a League of Nations, an organization to maintain order in the world. But when our proposal was accepted and the League was established, this country failed to become a member.

Can any thoughtful person fail to realize today what that mistake cost this nation and cost the world?

This time we are taking a different course. Our country has taken a leading part in building

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Reciprocal Trade Pacts Invite War

By SCOVILLE HAMLIN

Mr. Hamlin opposes executive control of tariff as being both unconstitutional and ineffective. Decries "arbitrary lowering of the tariff" as attempt to peg production on worldwide decline of efficiency. Advocates return of tariff to Congressional control with imposition of flat rate, as "a bulwark to peace."

Representative Thomas A. Jenkins has introduced a measure which if adopted would request President Truman and all Federal agencies to postpone action seeking the further adjustment of duties under the so-called Reciprocal Trade Agreement Act, until sufficient time has elapsed to permit the Tariff Commission to make a special study of the Act.

Scoville Hamlin

Such a study is called for not only by the Tariff Commission, but as a means of enlisting the direct interest of the American public in the real intent and purpose of this act.

It is granted that the Reciprocal Trade Agreement program has brought about a marked reduction in the average level of import duties as compared with those prevailing in 1930 under the Smoot Hawley Act. What we want to know is whether executive control of the tariff is the answer to reversal of the movement of the nations in one unbalanced direction; whether it is our answer to Constitutional con-

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If I Were A Banker

By ROBERT P. VANDERPOEL*
Financial Editor, The Chicago "Herald-American"

Mr. Vanderpoel calls attention to rapid increase in consumer instalment credit, and warns banks to extend such loans with caution and restraint. Points out consumer credit accentuates business cycle and says in depression banks will be blamed and banking endangered. Proposes government get out of banking business, but Federal Reserve Board should exercise greater control of quality and quantity of credit.

If I were a banker today, I would be scared to death.

If there is a man in this room who is not frightened, I would suggest he do two things:

R. P. Vanderpoel

First, he should take a refresher course in history, particularly banking history.

Next, he should prepare, or have one of the brightest young men in his bank prepare for him, some statistics and some charts.

If, after he has done this, he still is not afraid—well, all I can say is, it must be nice to be that way.

That is a funny way for a man who, for some time, has found himself the optimist of every gathering, to be talking. The explanation is that I am an optimist for the near-term, but that makes me all the more fearful for the longer-term.

I have said there would not be a depression in 1947. I continue to hold that conviction. There will be some adjustments—but we have been having these ever since the end of the war. The trend of business failures is upward—but only from the lowest levels in our history.

Some time this Spring, this Summer or this Fall, the people of these United States are going to wake up to the fact that the over-advertised depression has failed to make its appearance.

Then take care! Watch those

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*An address by Mr. Vanderpoel before the mid-winter conference of the Illinois Bankers Association, Chicago, Ill., Feb. 21, 1947.

GENERAL CONTENTS

As We See It

EDITORIAL

Do-Nothingism in Congress

It is said in some quarters that Republican leaders are "deeply disturbed" by the loss of public favor that their party has evidently suffered since the election last autumn. It is most ardently to be hoped that current public opinion polls and other indications corroborating them, will do a good deal more than "deeply disturb" those who are responsible for the recent actions (or lack of them) of the party to which the people turned in such large numbers last November. If current indications of this sort do not convince the party now in power in Congress that basic changes must be made at once in its attitude toward many public questions, then the revolutionary election returns will have been in vain—unless, indeed, the President and his party profit by the Republican victory.

It is true, of course, that many of the successful candidates last year pussy-footed their way into the halls of Congress. Possibly that is one of the reasons for the impotency revealed since they have taken office. But be that as it may, the people very definitely made it clear beyond any peradventure of a doubt that they "had enough" of a good many things, and that they expected the new Congress to give them a course of action radically different from that which they were rebuking.

At a number of points precisely this sort of change has been effected—but by the leader of the party which went down in defeat.

President Leading

The American people were, first of all, sick unto death with rationing and price controls—and the resulting dearth of many items which should have been plentiful enough and would have been plentiful enough but for the dead hand

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From Washington Ahead of the News

By CARLISLE BARGERON

For a long time, certainly longer than this writer's memory and presumably pretty much ever since the American political system was set-up, there have been what the political parasites call the Fat Cats. Although the simile doesn't seem to be appropriate, they are the boys to be milked in the campaigns.

No group in our honest midst was more excited about the celebrated Hatch Act than these parasites, because it threatened, for a short while, to curtail the periodical redistribution of wealth which occurs when they shake the Fat Cats down. It is looked upon as good clean fun. The Fat Cats have the money, the parasites want some of it. The question of just how much the millions spent in campaigns affects the outcome, has long been and will continue to be debatable but it would certainly upset our economy and probably bring on a depression of no mean proportions were the spending to be cut out. The business of shaking down the Fat Cats is of a size not to be sneezed at and it engages the energies of and gives employment to thousands of men.

Carlisle Bargeron

Old Gene Talmadge, down in Georgia, used to have a merry time tormenting the opposition county leaders whom he knew had got a lot of money for use in the campaign and who wanted to hang on to it. Addressing a rural audience he would point to the opposition leader and exhort:

"There's old Jim over there. The power company has sent him plenty of money to defeat me with. Make him give you your share."

The most delightful phase of a campaign comes when it has about two weeks to go. Then the local leaders begin creating crises for the purpose of getting one more haul out of the mony bag.

"My country was all lined up," they will report. "But something has gone wrong. I'll need $50,-

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Federal Reserve Bank of St. Louis

"The Best Way"

"It was decided to give the benefit to our customers rather than to our stockholders or to our employees, because we feel that the time is here to recognize customers as an integral part of a business. Our present wage-price-profit mechanism is out of date with the America of today.

"All industry today finds itself in the same situation. Buying power and demand is still good. Sales volume is high and there is also a high level of earnings. Like other companies, we have done something for our stockholders. The annual dividend rate was recently increased from $3 to $4, and we have also done plenty for our employees. Now we must try to be equitable in our treatment of the third group—our customers.

"High prices and higher prices is the thing that gets you caught in a vicious circle. High prices permit high earnings which stimulate excessive wage demands. Our labor troubles may be worsened if high prices and high earnings continue.

"After a company has fulfilled the reasonable expectations of stockholders and employees, I believe the customer is entitled to consideration. In my opinion, the best way to distribute industry gains is by giving it to consumers."

Fowler McCormick, Chairman, International Harvester Company, announcing a reduction in prices of his company's products.

It is, of course, not only the "best way," but is the way dictated by natural law in a system of free enterprise and full competition. That is why the consumer (which is everybody) fares best under that system.

Supreme Court Upholds Government in Lewis Coal Strike Case

Finds Norris-LaGuardia Act does not divest Federal courts of power to issue injunctions when Government is the employer. Refers to a rule of law that divesting pre-existing rights or privileges will not be applied to the sovereign without expressed words to that effect, and cites debate in House as indicating Government was not to be brought within scope of Act. Says mine workers' agreement was solely between Government and the union, and mine operators were not involved. Lewis fine upheld but levy on union cut to $700,000 provided organization accedes within five days to maintaining wage agreement in effect.

On March 6, Chief Justice Fred M. Vinson unexpectedly delivered the decision of a majority (7 to 2) of the Supreme Court upholding the Government's case against John L. Lewis and the United Mine Workers. The two dissenting judges were Murphy and Rutledge. Lewis and his Union had been judged in contempt for refusing to obey an injunction and restraining order of Judge T. Allan Goldsborough of the United States District Court in the District of Columbia on Nov. 18, 1946. The court had ordered Lewis to withdraw his notice of contract termination with the Government and order the miners to return to work. Lewis ignored the injunction, with the result that contempt proceedings were instituted and a subsequent fine of 10,000 was levied on Lewis personally and the union was fined $3,500,000. Lewis and his attorneys then appealed directly to the United States Supreme Court.

Fred M. Vinson

No Violation of Norris-LaGuardia Act

In the majority opinion of the Court, read by the Chief Justice, Fred M. Vinson answered the contention of the Mine Workers Union that the injunction was in violation of the Clayton and Norris-LaGuardia Act in the following language:—

"Defendants' first and principal contemption is that the restraining order and preliminary injunction were issued in violation of the Clayton and Norris-LaGuardia acts. We have come to a contrary decision.

"It is true that Congress decreed in Article 20 of the Clayton act that 'no such restraining order or injunction shall prohibit any person or persons . . . from recommending, advising, or persuading others' . . . to strike. But by the act itself this provision was made applicable only to cases 'between an employer and employees, or between employers and employees, or between employees, or between persons employed and persons seeking employment.' . . . For reasons which will be explained at greater length in discussing the applicability of the Norris-LaGuardia act, we cannot construe the general term 'employer' to include the United States, where there is no express reference to the United States and no evident affirmative grounds for believing that Congress intended to withhold an otherwise available remedy from the government as well as from a specified class of private persons.

"Moreover, it seems never to have been suggested that the proscription on injunctions found in the Clayton act is in any respect broader than that in the Norris-LaGuardia act. Defendants do not suggest in their argument that it is. This court, on the contrary, has stated that the Norris-LaGuardia act 'still further . . . (narrowed) the circumstances under which the Federal courts could grant injunctions in labor disputes.' Consequently, we would feel justified in this case to consider the application of the Norris-LaGuardia act alone. If it does not apply, neither does the less comprehensive proscription of the Claytor act; if it does, defendants' reliance on the Clayton act is unnecessary.

"By the Norris-LaGuardia act, Congress divested the Federal courts of jurisdiction to issue injunctions in a specified class of cases. It would probably be conceded that the characteristics of the present case would be such as to bring it within that class if the basic dispute had remained one between defendants and a private employer, and the latter had been the plaintiff below. So much seems to be found in the express terms of Articles 4 and 13 of the act, set out in the margin. The specification in Article 13 are in general terms and make no express exception for the United States. From these premises, defendants argue that the restraining order and injunction were forbidden by the act and were wrongfully issued.

A Rule of Law

"Even if our examination of the act stopped here, we could hardly assent to this conclusion. There is an old and well known rule that statutes which in general terms divest pre-existing rights or privileges will not be aplied to the sovereign without express words to that effect. It has been stated, in cases in which there were extraneous and affirmative reasons for believing that the sovereign should also be deemed subject to a restrictive statute, that this rule was a rule of construction only. Though that may be true, the rule has been invoked successfully in cases so closely similar to the present one, and the statement of the rule in those cases has been so explicit, that we are inclined to give it much weight here. Congress was not ignorant of the rule which those cases reiterated; and, with knowledge of that rule, Congress would not, in writing the Norris-LaGuardia act, omit to use 'clear and specific (language) to that effect' if it actually intended to reach the government in all cases.

Scope of Norris-La Guardia Act

"But we need not place entire reliance in this exclusionary rule. Section 2, which declared the public policy of the United States as a guide to the act's interpretation, carries indications as to the scope of the act. It predicates the purpose of the act on the the contrast between the position of the 'individual unorganized worker' and that of the 'owners of property' who have been permitted to 'organize in the corporate and other forms of ownership association,' and on the consequent helplessness of the worker 'to exercise actual liberty of contract . . . and thereby to obtain acceptable terms and conditions of employment.' The purpose of the act is said to be to contribute to the worker's 'full freedom of association, self-organization, and designation of representatives of his own choosing, to negotiate the terms and conditions of his employment, and that he shall be free from the interference, restraint or coercion of employers of labor or their agents, in the designation of such representatives . . . for the purpose of collective bargaining.' . . . There considerations, on their face, obviously do not apply to the government as an employer or to relations between the government and its employees.

"If we examine Articles 4 and 13, on which defendants rely, we note that they do not purport to strip completely from the Federal courts all their pre-existing powers to issue injunctions, that they withdraw this power only in a specified type of case, and that this type is a case 'involving or growing out of any labor dispute'

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Decline in Resources and Deposits of State Bank Shown at Year-End

Deposits, resources and net profits declined in 1946 in the commercial banks and trust companies chartered by New York State, reversing trends that had lasted for nearly a decade, according to year-end figures made public on Feb. 27 by Elliott V. Bell, Superintendent of Banks. A strongly rising tendency was noted, however, he added, especially since June 30, in loans to private borrowers, except loans on securities. The Banking Department reports that "Treasury financing operations and policies were the main factors in a decline of almost $4,000,000,000 in deposits and resources of these banks, which at the end of the year stood at $18,335,000,000 and $20,266,000,000, respectively. In the year, withdrawals from war loan deposits to redeem Treasury obligations reduced such deposits from $5,223,000,000 to only $458,000,000, while holdings of government securities declined from $13,485,000,000 to $10,134,000,000, and loans on government securities fell from $1,730,168,000 to $645,626,000." The advices went on to say:

Elliott V. Bell

"The expansion in deposits of individuals, partnerships and corporations in these banks, however, continued in 1946, with the total rising $1,178,000,000 to a new high point of $14,090,000,000. Of this amount, $12,062,000,000 represented demand and $2,028,000,000 represented time deposits. There was a considerable slackening in the rate of growth in these private demand and time deposits in the last half of 1946."

Mr. Bell said that the most impressive evidence of the transition to normal peacetime banking operations was found in the loan portfolios. These, he stated, reflected rising trends in the postwar period, and especially in the latter half of 1946, in commercial, real estate and consumer loans The largest increase was in commercial and industrial loans, which rose by $399,000,000 in the last half of 1945, by $176,000,000 in the next six months, and by an additional $651,000,000 by the end of 1946. This expansion, it is pointed out, raised the total of business loans to $2,858,000,000 on Dec. 31, 1946, an increase of 75% for the 18 months ended on that date. The announcement from the Department added:

"In the same period real estate loans rose by 46% to $326,000,000 consumer installment loans were up 175% to $81,000,000, and single payment consumer loans increased 30% to $315,000,000. The foregoing figures include veterans' loans guaranteed or insured pursuant to the Servicemen's Readjustment Act. Such loans increased from $345,000 on June 30, 1945, to $38,797,000 on Dec. 31, 1946.

"Following seven successive yearly rises, net profits of the commercial banks, before taxes or net income, declined from the high point of $224,316,000 in 1945 to $181,792,000 in 1946. The decline was largely the result of a reduction of $32,461,000, or more than 50%, in net profits and recoveries on securities. An increase of $20,000,000, or 21%, in pay-roll costs in 1946 was the chief factor in a reduction of $6,758,000 to a total of $154,915,000 in net current operating earnings. Increases had been reported in the seven preceding years in these earnings."

Condensed earnings figures of the New York State banks and trust companies for 1946 and the previous year were as follows:

	1946 $	1945 $
Curr. oper. earns.	363,361,000	344,059,000
Curr oper. expense	208,446,000	182,386,000
Net current operating earnings	154,915,000	161,673,000
Net other income	26,877,000	62,943,000
Profit bef. inc. taxes	181,792,000	224,616,000
Taxes on net inc.	52,824,000	60,015,000
Net profit	128,968,000	164,601,000
Int. and dividends on debents., pfd. stock, etc	1,255,000	1,790,000
Divs. on com. stk.	53,904,000	49,666,000
Net profits after in. and divs. on capital	73,809,000	113,145,000

According to Mr. Bell's report, banks all over the State showed larger income from loans. In the case of income from interest on Government securities, however, the showing was not uniform, for the New York City banks had a decline and the institutions elsewhere reported an increase in this item. The change in interest income on Governments, the report noted, corresponded fairly closely to the change in net current earnings for the two groups of institutions. Net current earnings of the New York City banks declined $9,697,000, or 7%, and those of the banks elsewhere rose $2,939,000, or 16%. The earning power of the New York City banks, as measured by the ratio of net earnings to average total assets, remained practically unchanged at 0.7%, while that of the banks elsewhere in the State increased from .62% to .68%. From the Department's advices we also quote;

"The major increase in earnings in 1946 was in income from interest on loans, which rose by $19,000,000, or almost one-fourth, reflecting the rapid expansion of business, real estate and consumer loans. There were increases also in the average rates of return on loans from 1.55% to 1.88% in New York City and from 3.74% to 3.87% elsewhere. The average rates of return on Government securities, in and outside New York City, rose from 1.25% to 1.35%, and from 1.47% to 1.59%, respectively. The proportion of earnings derived from interest on Government securities decreased in both groups of banks, falling from 50 to 45% in, and from 50 to 48% outside, New York City. Interest on loans increased from 23 to 27% of gross earnings in New York City, and from 29 to 33% elsewhere.

"Taxes on net income absorbed $52,824,000 on net profits in 1946, or $7,191,000 less than in 1945.

"Capital accounts of the 261 commercial banks were increased in 1946 by $74,117,000 to $1,721,783,000, the highest figure on record, ascribable to the retention of $73,809,000 of net profits and to net increases in capital through sales of new stock, etc. Mainly because of the reductions in total deposits, the ratios of capital to deposits rose in 1946 from 7.52 to 9.72% in New York City and from 6.88 to 7.63% elsewhere.

"Disbursements on capital in the form of dividends or interest totaled $55,159,000 in 1946, or $3,702,000 more than in 1945. Dividends on common stock were paid or declared in 1946 by 219, or 84%, of the commercial banks in operation at the end of the year. Six banks resumed dividend payments."

Britain's New Deal Also Backfires

LONDON, 25th February, 1947.

What a Godsend this appalling weather is to the Socialist planners! The Government are making the very best of this to cover their shortsightedness. The full responsibility for the present crisis is that of the Socialist Government; they are not planners, they are just muddlers. In the past private enterprise has always organised itself to meet such eventualities as a bad winter, they would accumulate stocks which would carry them over anything from five to ten weeks. We have had bad winters in the past, but we have never had such a breakdown in our industrial activity due to bad weather as we have on this occasion. What is happening now is a good example of what nationalisation will mean. It is just terrifying to think what the situation will be when they have nationalised electricity and gas, steel and transport. I hope our experience will be taken to heart by the workers of the U. S. A. Nationalisation is a snare and delusion and can never work in a highly organised society.—*Excerpt from a recent letter received from a British correspondent (A Keynesian Liberal).*

Class I RR. Gross Earnings Up $44,693,359 In January—Net Declined Over $4,880,000

The Class I railroads of the United States in January, 1947, except the Missouri & Arkansas RR., representing a total of 227,313 miles, had an estimated net income, after interest and rentals, of $29,000,000, compared with $33,887,227 in January, 1946, according to reports filed by the carriers with the Bureau of Railway Economics of the Association of American Railroads and made public today.

Class I railroads in January, 1947, had a net railway operating income, before interest and rentals, of $57,732,041 compared with a net railway operating income of $66,681,905 in January, 1946. The Association further reported as follows:

For the 12 months ended Jan. 31, 1947, the rate of return on property investment after depreciation averaged 2.68% compared with a rate of return of 3.72% for the 12 months ended Jan. 31, 1946.

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

Total operating revenues in January, 1947, amounted to $685,534,027 compared with $640,840,668 in the same month of 1946, an increase of 7%. Operating expenses in January amounted to $538,948,218 compared with $495,885,440 in January, 1946, an increase of 8.7%.

Thirty-nine Class I railroads failed to earn interest and rentals in January, 1947, of which 18 were in the Eastern District, five in the Southern Region, and 16 in the Western District.

Eastern District

Class I railroads in the Eastern District in January, 1947, had an estimated net income, after interest and rentals, of $8,600,000 compared with $10,589,227 in the same month of 1946.

Those same roads in January, 1947, had a net railway operating income, before interest and rentals of $22,467,888 compared with $19,926,295 in the same period in 1946.

Operating revenues of the Class I railroads in the Eastern District in January totaled $316,255,400, an increase of 12.6% compared with the same period of 1946 while operating expenses totaled $254,353,797, an increase of 9.5% below 1946.

Southern Region

Class I railroads in the Southern Region in January, 1947, had an estimated net income, after interest and rentals of $6,400,000 compared with $6,055,765 in the same period of 1946.

Those same roads in January had a net railway operating income, before interest and rentals, of $9,956,588 compared with $11,053,202 in the same period in 1946.

Operating revenues of the Class I railroads in the Southern Region in January totaled $99,723,744, an increase of 10.8% compared with the same period of 1946, while operating expenses totaled $77,253,414, an increase of 13.8% below 1946.

Western District

Class I railroads in the Western District in January, 1947 had an estimated net income, after interest and rentals of $14,000,000 compared with $17,242,235 in the same period of 1946.

Those same roads in January had a net railway operating income, before interest and rentals, of $25,307,565 compared with $35,702,408 in the same period of 1946.

Operating revenues of Class I railroads in the Western District in January, 1947, totaled $269,554,883, a decrease of 0.1% compared with the same period in 1946, and operating expenses totaled $207,341,007, an increase of 5.9% below 1946.

CLASS I RAILROADS—UNITED STATES

Month of January—	1947	1946
Total operating revenues	$685,534,027	$640,840,668
Total operating expenses	538,948,218	495,885,440
Operating ratio—percent	78.62	77.38
Taxes	75,983,554	67,593,598
Net railway operating income (before charges)	57,732,041	66,681,905
Net income, after charges (estimated)	29,000,000	33,887,227

Pres. Truman Urges End of Draft Law

In a message to Congress on March 3, President Truman proposed that the Selective Service and Training Act be permitted to expire on March 31, 1947, and advised the legislators that drafted men now are being discharged in numbers sufficient to reduce the Army to its projected strength of 1,070,000 by July 1. However, the President told Congress, according to an Associated Press dispatch from Washington, that if the Army could not be kept at that strength and the Navy at its authorized strength of 571,000 through voluntary enlistments, then the War and Navy Departments at a later date would request reenactment of a draft law.

The President's message requested that the services be authorized to hire, from funds already appropriated, the necessary civilian help to offset any shortage of enlisted men if strength falls below the required levels.

An announcement by the War Department said that all commanders in this country and overseas had been ordered to start the release of eligible men. From the Associated Press advices we also quote:

> The Department's schedule calls for the discharge of all eligible men in the United States by May 15.
>
> Overseas commanders were given an additional month and a half to make the release because of shipping and other problems. They must, however, return eligible men to this country for completion of terminal leave and discharge not later than June 30.
>
> Exceptions will be made in cases of men awaiting trial or held as a result of trial; those held on certificates of disability; or those who voluntarily submit to further medical care. They may be retained beyond the deadlines set for others.
>
> Last spring, Congress extended the draft law until March 31 of this year and raised pay scales of enlisted men. The idea then was to see whether the armed services could get all the men they needed as volunteers.
>
> The White House decision that the law need not be extended is a short-term one, so far as general future military manpower policy is concerned.
>
> President Truman has repeatedly said that he wants some form of universal training law enacted eventually. He now has a commission of educators and public leaders studying the question of what system would be best for this country. This group is expected to report in two or three months, and Mr. Truman has said he will send Congress detailed recommendations for a training law.

Presumably, this means the dismantling of 6,442 local draft boards, which inducted more than 10,000,000 young men into the service. The Selective Service system now has on its payroll 7,641 full-time and 1,457 part-time employees.

Unpaid local board members and volunteer helpers number 164,468, a Selective Service spokesmen said. They have been largely inactive since draft calls were suspended.

Selective Service said it had no figures on the number of non-volunteers still in the Army who will be released under Mr. Truman's announcement that the War Department soon will order the discharge of all non-volunteers.

The State of Trade

A major decision far-reaching in its effect upon the American people came suddenly and quite unexpectedly on Thursday of last week when the United States Supreme Court in a 7 to 2 decision upheld the ruling of the Federal District Court against John L. Lewis and his United Mineworkers Union. They were adjudged guilty of contempt by the lower court for their failure to halt last fall's soft coal strike as so ordered by Judge T. Alan Goldsborough.

The court upheld the $10,000 fine against John L. Lewis, but reduced from $3,500,000 to $700,000 the fine against the union with the stipulation that unless the union complies with the court order against breaking off its contract with the government the original amount of the fine shall be reimposed.

Chief Justice Vinson, commenting upon John L. Lewis' attitude toward the court order said that Lewis "was the agressive leader in the studied and deliberate noncompliance" of the district court's order and that a majority of the court felt "that the course taken by the union carried with it such a serious threat to orderly constitutional government, and to the economic and social welfare of the nation, that a fine of substantial size is required in order to emphasize the gravity of the offense of which the union was found guilty."

Speaking of our system of government and the rights and privileges we enjoy as citizens under it, Chief Justice Vinson spoke as follows:

"The gains, social and economic, which the miners and other citizens have realized in the past, are ultimately due to the fact they enjoy the rights of free men under our system of government.

"Upon the maintenance of that system," the Chief Justice added, "depends all future progress to which they may justly aspire. In our complex society there is a great variety of limited loyalties, but the overriding loyalty of all is to our country and to the institutions under which a particular interest may be pursued."

On Monday of the present week the United States Supreme Court handed down its ruling on the question of whether foremen are, or are not "employees" for purposes of collective bargaining under the Wagner Labor Relations Act.

On an appeal of the Packard Motor Company from a decision of the National Labor Relations Board the Supreme Court by a 5 to 4 vote upheld the Board. Justice Robert H. Jackson wrote the majority opinion in the case and stated: "The point that these foremen are employees, both in the most technical sense at common law as well as in common acceptance of the term, is too obvious to be labored."

Total industrial production last week held close to the very high levels attained in recent weeks, though shortages of raw materials and inadequate shipping facilities caused output to decline modestly in some industries.

In the steel industry production remained unchanged from that of a week ago when a new postwar high was reached. Due to the critical shortage of pig iron, foundries in many localities found it necessary to suspend operations temporarily. In addition to the short supply of pig iron, steel scrap shortages also continued to be an obstacle to greater output.

Automotive production last week exceeded 100,000 units for the third consecutive period with output estimated by Ward's Automotive Reports at 104,437 units. This compared with a record postwar high of 105,175 units in the preceding week.

In the corresponding week last year, 23,050 units were built as compared with 125,915 in the 1941 period. Last week's total included 70,457 cars and 28,700 trucks made in U. S. plants and 3,455 and 1,825, respectively, in Canada.

Estimates for February production have been moved up to 399,082 units, comprising 263,959 cars and 114,460 trucks in the U. S. and 13,498 cars and 7,165 trucks in Canada.

Ward's revised forecast for March is 304,475 cars and 124,650 trucks for the U. S. and 14,500 cars and 8,200 trucks for Canada, making a total of 451,825 cars and trucks for both countries.

In the week ended February 22, total continued claims for unemployment compensation rose nearly 7% due largely to the inclusion in this week's total of claims postponed from the preceding holiday week. As for initial claims, they advanced less than 1%.

Despite freezing weather and snow in some sections of the country, total retail volume increased slightly in the week and was a trifle above that of the similar week a year ago. Consumer demand for durable goods remained at the high levels of previous weeks. Interest in Spring apparel rose moderately with many requests for cosmetics and costume jewelry reported. Food volume fell slightly as consumers continued to resist the high prices of some foodstuffs.

Wholesale volume displayed a modest rise and ended the week somewhat above that of the corresponding 1946 week. New order volume in most wholesale centers was light as buyers continued to press for immediate delivery. Shipments of many electrical appliances, however, improved noticeably.

Steel Industry— Further increases in basic metals last week featured nonferrous metals, iron and steel scrap and pig iron and definitely pointed up an inflationary period which was outshadowed only by temporary periods during and shortly after World War I, according to the "Iron Age," national metalworking paper, in its summary of the steel trade.

Pig iron prices the past 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, the magazine states.

The Iron Age pig iron composite price last 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 this 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 a week ago was in its most chaotic state in steelmaking history. Buyers and sellers alike appeared to have lost their perspective and were openly admitting that scrap prices were entirely out of control. 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 snow-

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As We See It

(Continued from first page)

of government regulation. The President evidently was in no doubt of the meaning of all this—even before the voting—and lost no time in dismantling the elaborate control mechanism which had given rise to such righteous wrath. The story is somewhat the same as respects the attitude of the Federal Government toward labor disputes which had so cursed the nation in 1946. Possibly the changes in administrative policy and attitudes have not been as dramatic as was the case with rationing and price controls, but they have been fairly substantial.

The proclamation declaring hostilities to be formally at an end is another case in point. Along with that proclamation went a number of other irritating governmental activities. The President has taken the initiative in putting an end to compulsory military service, which without question had grown less and less popular as time passed. Similarly also with a number of other enactments which bestow upon the President powers which can not be reconciled with peacetime requirements. In many of these matters, of course, the President was in a position to lead the way. In some instances he took action before Congress convened. In others he could deal with situations overnight by simple executive action. He has gained immeasurably in the esteem of the rank and file by making good use of his position—and by the failure of the leaders of the opposing party to make clear and unmistakable what their policies or programs were or are, or perhaps, more accurately, by reason of the fact that they have let the impression gain currency that they do not have any policy.

Opportunity Not Lacking

The Republican party has not been in want of opportunity to take the leadership from the President, or at the very least to compete with him for it. It would be foolish to suppose that the President has fully abandoned the New Deal "ideology" and all its works. Not only has he not done so, but, on the contrary, is very positively and even aggressively clinging to some of its very essence. And, with deep regret be it said, the opposition has not had the courage or good sense to challenge him. The most noteworthy instance of this obduracy on the part of the President and this weakness on the part of his opponents, is found in the current dispute about the budget. Here is the President proposing expenditures next year of amounts never heard of in this country in peacetime—indeed several times as large as ever dreamed of in the most profligate of the New Deal years. Here is the leader, presumably of an element in the Democratic party which believes in a return to real American traditions, suggesting a rate of expenditures which not even the most rabid of the spenders had expected.

Budget Timidity

And what do we find the opposition doing? Well, in preliminary discussions this party of Calvin Coolidge timidly suggested taking some $6 billion from the President's budget, and it could not resist the pressure groups which descended upon them as a result of this weak suggestion. The matter is still in dispute within the Republican ranks, but the man in the street is quite excusable in cynically suspecting, on the present showing, that when the dust of battle has settled he will find that the President has every cent that he has ever expected or wanted from Congress, and quite possibly more—maybe even as much as he has asked, one suspects, with his tongue in his cheek!

But the budget is but one example. There are many others. Take the so-called reciprocal trade treaties program. As with the Administration which preceded it, the Truman regime is making considerable political capital out of this program, certainly very much more than should be accorded any such lame and impotent action. The opposition is making a bad matter much worse by opposing it, not on the grounds that its accomplishments are hardly more than a snare and delusion, but in such a manner as to suggest that what is really wanted is not even this microscopic relief from tariff barriers. The way to oppose this program of tariff management—which in our judgment should be opposed—is, of course, to bring in a tariff measure to supersede it which would really make an important beginning at least in leading the world to a new footing of international trade! It is obvious enough, unfortunately, that the Republican party has no notion of doing anything of the sort.

A Labor Policy

The Republican attitude toward agriculture and labor unionism—if one may guess what the party's attitude really is—is more or less indistinguishable from that of the President. The President has caught the public eye, and, apparently, public favor in dealing with Mr. Lewis and his miners. Criticism which was justly leveled at the Administration for having government undertake by devious means to manage or control such matters, has now been rather effectively met by action which ends the power of government to do so a few months hence. But the whole matter of formulating a basic labor policy, as well as an agricultural policy, remains unattended to. But what has the opposition done? Nothing of course.

Do-nothingism in Congress is again bleeding the Republican party white.

Dec. Hourly Earnings Top Wartime Highs, Says Conference Bd.

Average hourly earnings in December, 1946 were the highest ever recorded in the survey of earnings of production workers in 25 manufacturing industries conducted monthly by the National Industrial Conference Board. In the last month of 1946, said the Board on Feb. 21, average hourly earnings ($1.247) were 12.2% above the war-time high of June, 1945 ($1.111). The December, 1946 figure for average hourly earnings also represented a new high for the eleventh consecutive month in the series, the Board noted, and it added:

"Actual Weekly Earnings — Actual weekly earnings (December, 1946 average: $50.54) were only 0.9% below the peak in the series reached in March, 1945. December weekly earnings were 16.0% greater than the average for February, 1946, when weekly earnings dipped to their lowest point in recent years.

"Real Weekly Earnings — Real weekly earnings (actual weekly earnings adjusted for changes in the consumers' price index in terms of 1923 dollars) showed a steady decline in every month from October to December, 1946. The December, 1946 level of 154.5 (1923 as 100) was 15.0% below the peak of March, 1945. Real weekly earnings in December, 1946 were 15.6% above those of January, 1941 and 26.5% above those of August, 1939.

Employment, man hours, and payrolls all rose in each month of the last quarter of 1946. During October and December, the work week lengthened. Wage-rate increases reported to The Conference Board, for the 25 industries, amounted to 0.2% or less in each of the last three months of 1946.

Working Hours—Working hours showed a sharp rise from September to December. The December, 1946 average was 40.6 hours or 1.5% (0.6 hour) more than in September. Compared to the wartime peak in working hours reached in January, 1945 (46.2 hours), the December average is 5.6 hours or 12.1% below this level.

Employment—More workers were employed in December in the 25 industries than during any month since June, 1945. Except in February, when it was lowered by strikes, employment rose each month in 1946, and at the end of the year was 19.1% greater than at the end of 1945.

Payrolls — Payrolls were also increased in each of the last three months of 1946, and by December were 31.7% larger than December, 1945. Payrolls at the end of 1946, were more than twice as large as during the year 1929.

Supreme Court Upholds Government in Lewis Coal Strike Case

(Continued from page 1430)

Section 13, in the first instance, declares a case to be of this type when it 'involves persons' or 'involves any conflicting or competing interests' in a labor dispute of 'persons' who stand in any one of several defined economic relationships. And 'persons' must be involved on both sides of the case, or the conflicting interests of 'persons' on both sides of the dispute. The act does not define 'persons.' In common usage, that term does not include the sovereign, and statutes employing it will ordinarily not be construed to do so. Congress made express provision R. S. Article 1, 1 U. S. C. Article 1, for the term to extend to partnerships and corporations, and in Arctile 13 of the act itself for it to extend to associations. The absence of any comparable provision extending the term of sovereign governments implies that Congress did not desire the term to extend to them.

"Those clauses in Article 13 (A) and (B) spelling out the position of 'persons' relative to the employer-employee relationship affirmatively suggests that the United States, as an employer, was not meant to be included. Those clauses require that the case involve persons 'who are engaged in the same industry, trade, craft or occupation,' who 'have direct or indirect interests therein,' who are 'employees of the same employer,' who are 'members of the same or an affiliated organization of employers or employees,' or who stand in some one of other specified positions relative to a dispute over the employer-employee relationship. Every one of these qualifications in Article 13 (A) and (B) we think relates to an economic role ordinarily filled by a private individual or corporation, and not by a sovereign government. None of them is at all suggestive of any part played by the United States in its relations with its own employees. We think that Congress's failure to refer to the United States or to specify any role which it might commonly be thought to fill is strong indication that it did not intend that the act should apply to situations in which United States appears as employer.

"In the type of case to which the act applies, Article 7 requires certain findings of fact as conditions precedent to the issuance of injunctions even for the limited purposes recognized by the act. One such required finding is 'that the public offices charged with the duty to protect complainant's property are unable or unwilling to furnish adequate protection.' Obviously, such finding could never be made if the complainant were the United States, and Federal property were threatened by Federal employees, as the responsibility of protection would then rest not only on state offices but also on all Federal civil and military forces. If these failed, a Federal injunction would be a meaningless form. This provision, like those in Articles 2, 4 and 13, already discussed, indicates that the act was not intended to affect the relations between the United States and its employees. . . ."

Government's Right to Relief

"When the House had before it a rule for the consideration of the bill, Representative Michener, a ranking minority member of the Judiciary Committee and spokesman for the minority party on the Rules Committee, made a general statement in the House concerning the subject matter of the bill and advocating its immediate consideration. In this survey he clearly stated that the government's rights with respect to its own employees would not be affected:

"'Be it remembered that this bill does not attempt to legislate concerning government employees. I do not believe that the enactment of this bill into law will take away from the Federal government any rights which it has under existing law, to seek and obtain injunctive relief where the same is necessary for the functioning of the government.'

"In a later stages of the debate Representative Michener repeated this view in the following terms:

"'This deals with labor disputes between individuals, not where the government is involved. It is my notion that under this bill the government can function with an injunction, if that is necessary in order to carry out the purpose of the government. I should like to see this clarified, but I want to go on record as saying that under my interpretation of this bill the Federal government will not at any time be prevented from applying for an injunction, if one is necessary in order that the government may function.'

"Representatives Michener and La Guardia were members of the Judiciary Committee which reported and recommended the bill to the House. They were the most active spokesmen for the committee, both in explaining the bill and advocating its passage. No member of the House who voted for the bill challenged their explanations. At least one other member expressed a like understanding. We cannot but believe that the House accepted these authoritative representations as to the proper construction of the bill. The Senate expressed no contrary understanding, and we must conclude that Congress, in passing the act, did not intend to withdraw the government's existing rights to injunctive relief against its own employees.

"If we were to stop here there would be little difficulty in accepting the decision of the District Court upon the scope of the act. And the cases in this court express consistent views concerning the types of situations to which the act applies. They have gone no farther than to follow Congressional desires by regarding as beyond the jurisdiction of the district courts the issuance of injunctions sought by the United States and directed to persons who are not employees of the United States. None of these cases dealt with the narrow segment of the employer-employee relationship now before us.

War Labor Disputes Act

"But regardless of the determinative guidance so offered, defendants rely upon the opinions of several Senators uttered in May, 1943, while debating the Senate version of the war labor-disputes act. The debate at that time centered around a substitute for the bill, S. 796, as originally introduced. Section 5 of the substitute, as amended, provided: 'The District Courts of the United States and the United States Courts of the territories or possessions shall have jurisdiction, for cause shown, but solely upon application by the Attorney General or under his direction . . . to restrain violations or threatened violations of this act.' Following the rejection of other amendments aimed at permitting a much wider use of injunctions and characterized as contrary to the Norris-La Guardia act, several Senators were of the opinion that Article 5 itself would remove some of the protection given employees by that act, a view contrary to what we have just determined to be the scope of the act as passed in 1932. Section 5 was defeated, and no injunctive

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provisions were contained in the Senate bill.

"We have considered these opinions, but cannot accept them as authoritative guides to the construction of the Norris-La Guardia act. They were expressed by Senators, some of whom were not members of the Senate in 1932 and none of whom was on the Senate Judiciary Committee which reported the bill. They were expressed 11 years after the act was passed, and cannot be accorded even the same weight as if made by the same individuals in the course of the Norris-La Guardia debates. Moreover, these opinions were given by individuals striving to write legislation from the floor of the Senate and working without the benefit of hearings and committee reports on the issues crucial to us here. We fail to see how the remarks of these Senators in 1943 can serve to change the legislative intent of Congress expressed in 1932, and we accordingly adhere to our conclusion that the Norris-La Guardia act did not affect the jurisdiction of the courts to issue injunctions when sought by the United States in a labor dispute with its own employees. . . ."

Mine Workers Are Government Employees

"The defendants contend, however, that workers in mines seized by the government are not employees of the Federal government; that in operating the mines thus seized the government is not engaged in a sovereign function; and that, consequently, the situation in this case does not fall within the area which we have indicated as lying outside the scope of the Norris-La Guardia act. It is clear, however, that workers in the mines seized by the government under the authority of the war labor-disputes act stand in an entirely different relationship to the Federal government with respect to their employment from that which existed before the seizure was effected. That Congress intended such was to be the case is apparent both from the terms of the statute and from the legislative deliberations preceding its enactment. Section 3 of the war-labor disputes act calls for the seizure of any plant, mine or facility when the President finds that the operation thereof is threatened by strike or other labor disturbance and that an interruption in production will unduly impede the war effort. Congress intended that by virtue of government seizure a mine should become, for purposes of production and operation, a government facility in as complete a sense as if the government held full title and ownership. Consistent with that view, criminal penalties were provided for interference with the operation of such facilities. Also included were procedures for adjusting wages and conditions of employment of the workers in such a manner as to avoid interruptions in production. The question with which we are confronted is not whether the workers in mines under government seizure are 'employees' of the Federal government for every purpose which might be conceived, but whether, for the purposes of this case, the incidents of the relationship existing between the government and the workers are those of governmental employer and employee.

"Executive Order 9728, in pursuance of which the government seized possession of the mines, authorized the Secretary of the Interior to negotiate with the representatives of the miners, and thereafter to apply to the National Wage Stabilization Board for appropriate changes in terms and conditions of employment for the period of governmental operation. Such negotiations were undertaken and resulted in the Krug-Lewis agreement. That agreement contains many basic departures from the earlier contract entered into between the mine workers and the private operators on April 11, 1945, which, except as amended and supplemented by the Krug-Lewis agreement, was continued in effect for the period of government possession. Among the terms of the Krug-Lewis agreement were provisions for a new mine-safety code. Operating managers were directed to provide the mine employees with the protection and benefits of workingmen's compensation and occupation disease laws. Provision was made for a welfare and retirement fund and a medical and hospital fund. The agreement granted substantial wage increases and contained terms relating to vacations and vacation pay. Included were provisions calling for changes in equitable grievance procedures.

"It should be observed that the Krug-Lewis agreement was one solely between the government and the union. The private mine operators were not parties to the contract, nor were they made parties to any of its subsequent modifications. It should also be observed that the provisions relate to matters which normally constitute the subject matter of collective bargaining between employer and employee. Many of the provisions incorporated into the agreement for the period of government operation had theretofore been vigorously opposed by the private operators, and have not subsequently received their approval."

Supplemental Funds Asked by President

An additional $145,187,630 in appropriations was requested from Congress by President Truman on Feb. 28 and, according to Associated Press advices from Washington, appearing in the New York "Times" was split up in the following way:

$50,000,000 to provide temporary re-use housing for veterans.

$87,532,000 for airports and air navigation facilities.

$7,580,630 for the State Department.

$75,000 for the rural delivery service of the Postoffice, a deficiency appropriation.

The press advices added:

The President also suggested that $20,000,000 which he had recommended for veterans' educational needs in the 1947-48 fiscal year be spent this year.

Under the housing program, for which Congress already has appropriated $445,627,000, Army barracks and other military and civilian and other wartime structures are converted into temporary dwellings.

The President said that before Feb. 1, this year, allocations had been made for 158,834 units, but the rising costs of building and scarcity of materials made it necessary recently to suspend 8,357 of these. With cut-backs which had been ordered earlier, he added, it now appears that Federal funds may provide for only about 150,000 units, or about 25% fewer than was planned.

The recommended additional appropriation for airports and air navigation facilities would include $9,411,000 for salaries and expenses of the Civil Aeronautics Administration, $11,114,000 for establishment of air navigation facilities; $1,900,000 for technical development; $107,000 for Washington National Airport and $65,000,000 for the Federal aid airport program during the fiscal year 1948.

The supplemental appropriation of $7,580,630 for the State Department would include $4,195,347 for United States participation in the United Nations.

Steel Operations Again Rise—Inflationary Forces Pushing Prices Higher—Demand Heavy

The inflationary spiral in iron and steel scrap prices was not stayed last week and the upward movement continued this week at major consuming centers, according to "The Iron Age," national metalworking paper, which, in its issue of today (March 13) further states as follows:

"In an effort to forestall a movement of scrap out of the Pittsburgh district, prices were higher there this week and similar conditions applied at Chicago, Philadelphia, Cleveland and Youngstown.

"Despite the increase in the so-called local scrap prices differentials still exist between these quotations and delivered prices on scrap originating outside consuming districts. This is especially true in the case of scrap moving from eastern points such as New York and Boston into the Pittsburgh area. As a result of price changes during the past week 'The Iron Age' scrap price composite including the average of heavy melting quotations at Pittsburgh, Philadelphia and Chicago moved up from $36.67 a gross ton to $38.75, a gain of $2.08 a gross ton.

"The currently high scrap market, while having been exceeded in one or two instances in the past, represents a new peacetime level when the period of time during which the higher prices have applied is considered. Because other pig iron producers followed the increase in pig iron prices made a week ago by many makers, 'The Iron Age' pig iron composite price is up this week to $33.15 a gross ton from last week's figure of $32.23, an advance of 92¢. The total advance from the level which existed before increases were made amounts to $3 a ton.

"Because scrap prices today are dictated entirely by free market conditions and the gyrations accentuated by intense competition among steel producers, there is no indication this week as to when a price reaction may be expected to set in. Efforts by the government to unloosen WAA surplus equipment which will be classified as scrap are underway, but some time may elapse before such action furnishes aid to scrap consumers or may be expected to affect scrap prices. Meanwhile steel producers are finding their steelmaking costs mounting rapidly because of scrap costs.

"While higher scrap costs may have some bearing on the final outcome of wage negotiations, the total effect may not be in proportion to the current magnitude of the scrap problem. Furthermore increased living costs which are also expected to be temporary will match the temporary high level in scrap quotations, as bargaining factors.

"Despite the need for immediate action and despite the dependence of a great number of steel producers and steel consumers on the outcome of the wage negotiations between the United States Steel Corp. and the steel union, no final action will be taken until the portal-to-portal problem has been definitely settled by Congress. The company and union have only about six more weeks in which to reach a satisfactory agreement.

"When the portal-to-portal issues are settled, the Steel corporation and the USWA will without doubt reach a quick agreement unless some unusual change in the current temper of both sides occurs. It is still a good probability that before the final agreements are reached, the Steel company will make some move reflecting a moderate decrease in the delivered price of steel while at the same time conceding a moderate wage increase with some social benefits demanded by the union.

"The exceedingly heavy demand for steel products, the box car shortage and the disruption of some finishing mill schedules because of cold weather leads to the conclusion this week that the tightness in the supply of major steel products will continue for several months at least. Even though inventories are unbalanced and in the aggregate heavy at some points, fresh demand for steel continued unabated this week."

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 95.8% of capacity (a new post-war high) for the week beginning March 10, compared with 94.4% one week ago, 93.7% one month ago and 83.6% one year ago. The operating rate for the week beginning March 10, which is also the highest since the week of April 2, 1945 when the rate was 96.9% of capacity, is equivalent to 1,676,400 tons of steel ingots and castings, compared to 1,651,900 tons one week ago, 1,639,700 tons one month ago and 1,473,400 tons one year ago.

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

"Inflationary forces in raw materials markets are forcing prices to higher levels on a broad front with accompanying uncertainly and confusion in steel and metalworking circles. Meanwhile, adverse weather continues to hamper steel shipments, while industrial gas shortages are seriously curtailing manufacturing operations at some points.

"Last week, pig iron went up several dollars a ton, scrap continued to spiral at various centers, upward adjustments were effected on important ferroalloys, and lead, copper and silver hit new postwar highs. All in all, the various metallics markets presented every appearance of boom.

"The surge in scrap is unchecked and features the inflationary trend in metallics generally. Scrap, however, is believed reaching a point where a leveling off in prices can be expected, if not a reaction. Many trade leaders think the market has moved too fast to higher levels to hold for long, especially with spring just around the corner with its traditional improved flow of material into consumption.

"At the same time, consumers and sellers are reported increasingly impressed with the fallacy of current buying policies, notably trade-in transactions and excessive cross-hauling which largely have contributed to the spirited bidding for material and the accommpanying price swirl. Mounting production of pig iron, January output of 5,014,796 tons being the largest since March, 1945, should exert a quieting influence on scrap, especially with the price spread between scrap and pig iron narrowed.

"Pig iron was advanced $2.50 to $4 per ton by important sellers last week in the face of improved production. Highly accelerated demand, far above previous peacetime experience, the scrap shortage and rising costs explain this move. Elimination of government allocations, except to soil pipe production, after Mar. 31, is expected to have a salutary effect in this market, making for more equitable and orderly distribution.

"Another quarter of active steel demand is in prospect. Again steelmakers generally will have substantial tonnage carryover, though arrearages are not expected to be as heavy as at the beginning of the year. Demand for most products is expected to exceed supply through first half of the year. However, sustained steelmaking operations at the high rate in effect since January is seen easing demand pressure on many products by midsummer. This, of course, hinges upon averting serious labor trouble and production interruptions. The decision of the Supreme Court last week in the coal case is considered heartening in this regard. At any rate, prospects for an easing in the supply-demand situation are believed promising with consumer pressure reported easing at the moment on alloy steels, certain wire specialties and large carbon rounds."

Debit Balances on NYSE in January

The New York Stock Exchange reported on Feb. 14, that as of the close of business on Jan. 31, 1947, member firms of the New York Stock Exchange carrying margin accounts reported as follows:

Total of customers' net debit balances of $533,033,604 on Jan. 31, 1947 against $547,552,009 on Dec. 31, 1946. These figures include all securities, commodity and other accounts. Do not include debit balances in accounts held for other firms which are members of national securities exchanges, or "own" accounts of reporting firms, or accounts of general partners of those firms.

The Exchange's announcement of Feb. 14, also said: Credit extended to customers on U. S. Government obligations was $69,007,409 on Jan. 31, compared with $74,168,844 in December. (This amount is included in the net debit balance total.)

Cash on hand and in banks in the United States amounted to $442,533,290 on Jan. 31, against $461,983,826 at the end of 1946.

Total of customers' free credit balances, was reported at $687,378,796 Jan. 31, against $704,399,278 on Dec. 31, 1946. These figures include free credit balances in regulated commodity accounts. Do not include free credit balances held for other firms which are members of national securities exchanges, or free credit balances held for the accounts of reporting firms or of general partners of those firms.

Avery Chairman of Chicago Federal Reserve

The Board of Governors of the Federal Reserve System announced on March 6 the appointment of Clarence W. Avery, of Detroit, as a Class C director of the Federal Reserve Bank of Chicago and his designation as Chairman and Federal Reserve Agent of the Bank for the remainder of the 3-year term ending Dec. 31, 1948. The Bank's announcement says:

"Mr. Avery is Chairman of the Board and President of the Murray Corporation of America. He has previously served as a director of the Detroit branch of the Federal Reserve Bank of Chicago and subsequently as a Class B director at Chicago."

Advices from the Federal Reserve Bank of Chicago on March 6 said:

"Mr. Avery has taken an active part in the civic life of Detroit. From 1940 to 1942, he was President of the Detroit Board of Commerce. In 1942, he was the first President of the Detroit War Chest. He is now a member of the Engineering Society of Detroit. He is a director of Kalamazoo Vegetable Parchment Co., Michigan Bell Telephone Co., and the Economic Club of Detroit."

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Robert R. Young Announces Officers Of New Federation for Railway Progress

William C. MacMillen, Jr., named President and John H. Payne, Jr., Executive Vice-President. Headquarters of Mr. MacMillen to be in New York.

Following the organization of the Federation for Railway Progress under the auspices of Robert R. Young, President of the Chesapeake and Ohio Lines, who, as previously announced withdrew his railroad companies from the Association of American Railroads, on the grounds that it was not progressive, Mr. William C. MacMillen, Jr. was made its President and John H. Payne, Jr. was named Executive Vice-President. Mr. Young has assumed the Chairmanship of the new organization.

Mr. MacMillen, who is 33 years old, is a graduate of Williams College and Albany Law School. From Nov. 1, 1939, until he entered the army as a private in April, 1942, Mr. MacMillen was a partner in the Troy, N. Y. law firm of MacMillen and Filley. He was commissioned in 1942 and in 1945 was promoted to the rank of Major and was made Chief of Personnel Statistics Branch, Headquarters, Army Air Forces. Upon his discharge December, 1945, he was awarded the Legion of Merit by General H. H. Arnold. Since Jan. 15, 1946, he has been assistant to Mr. Young on his New York staff. He will continue to make his headquarters in New York.

Mr. Young stated that Mr. MacMillen has been developing the organization of the Federation since its inception last October 15, when the Chesapeake and Ohio Lines withdrew from the Association of American Railroads.

Mr. John H. Payne who becomes Executive Vice-President was graduated from Colgate University in 1938, and has been engaged in administrative work. From July 1939 until January 1941 he was Assistant Secretary of the New York State Bankers Association. He resigned to accept an invitation from the Virginia Bankers Association to be its first full time secretary and treasurer. During 1941 Mr. Payne served as Deputy Administrator of the Defense Savings Staff, United States Treasury Department. In May 1942 he was commissioned an ensign in the United States Naval Reserve, serving in the Solomon's campaign of 1943 and released to inactive duty as a lieutenant in September 1945. He was then appointed assistant to the Executive Manager of the American Bankers Association, from which position he resigned to accept his new post.

Mr. Payne, a resident of Tarrytown, N. Y., is married and has one son, John Howard Payne, III.

Export-Import Bank Approves Credit to Bolivian Development Corp.

Wm. McC. Martin, Jr., Chairman of the Board of Directors of the Export-Import Bank, announced on Feb. 27 the approval by the bank of an increase of $3 million in an existing credit to the Bolivian Development Corporation for financing the petroleum development program to be conducted by the Yacimientos Petroliferos Fiscales Bolivianos (the Bolivian Government petroleum entity generally known as YPFB). The new credit resulted from negotiations with the Export-Import Bank by Guillermo Gutierrez, President of the Bolivian Development Corporation, and Guillermo Mariaca, General Manager of the YPFB. The announcement of the Export Import Bank further said:

Mr. Martin recalled that the Export-Import Bank authorized a credit of $15,000,000 to the Bolivian Development Corporation in March, 1942. Of this amount, $5,500,000 was allocated to the petroleum development program and the remainder to highway construction. Under the terms of this allocation the Bank has to date advanced to the Development Corporation $1 million for drilling operations in the Camiri oil fields, and the Corporation has in turn advanced this amount to YPFB to finance those operations. There have been no actual advances for construction costs and purchases in connection with the pipeline and refinery, since advances for these purposes were conditioned on reasonable assurance of a minimum stabilized production in the Camiri oil fields, satisfactory plans and specifications and cost estimates, and satisfactory construction contracts with approved United States engineering firms.

Bolivian and private United States funds equivalent to $5,650,000 have also been allocated to the petroleum development program, thus making, together with the increase of $3 million in the Export-Import Bank credits, a total of $14,150,000 for the program as a whole. The funds to be supplied by the Export-Import Bank, amounting now to $8,500,000, will be used to finance the drilling program in the Camiri fields, a part of the cost of constructing the pipeline from Camiri to Cochabamba, and the construction of a refinery at Cochabamba. Any additional funds required for the completion of the approved program are to be supplied from sources other than the Export-Import Bank, and arrangements for the provision of such funds have been made.

The petroleum development program in Bolivia which the Export-Import Bank is assisting in financing will result in the production of the petroleum products required by the Bolivian economy and is expected to produce a substantial surplus of revenues beginning in 1949. In order to carry forward the Cochabamba-Santa Cruz road-building program, to which the Export-Import Bank has already allocated $10,000,000 under the 1942 credit in favor of the Bolivian Development Corporation, it has been agreed that the Export-Import Bank funds advanced to YPFB through the Bolivian Development Program will be repaid to the Development Corporation from the anticipated surplus revenues at a rate to be determined by the Export-Import Bank but in any event not less than $3 million in each of the years 1949 and 1950 and that these repayments will be dedicated by the Corporation, pursuant to its understanding with the Export-Import Bank, to the completion of the highway program.

In announcing the new credit to Bolivia for oil development, Mr. Martin noted that YPFB has announced a policy, subject to ratification by the Bolivian Congress, of opening the oil resources in the Chaco region to development by private capital.

55.5 Million Employed In February

About 55,500,000 persons were employed in civilian jobs in February, virtually the same as in January, but 4 million over a year ago, according to Director J. C. Capt of the United States Bureau of the Census. The increase over last year is largely the result of veterans returning to civilian employment, according to Mr. Capt. The department of Commerce, in advices to this effect, added:

"Farm employment went up by about 400,000 in February as the weather grew favorable for agriculture in some areas. The number of persons employed in non-agricultural work showed a compensating drop of about 300,000 from January to February. These facts are from the Monthly Report on the Labor Force, a sample survey conducted by the Bureau of the Census.

"The number of unemployed persons in February was about 2,500,000, about the same as in January and slightly below the figure for a year ago. About one million of the unemployed were veterans, another million consisted of male non-veterans, and about one-half million were women. The average period of unemployment for all groups was about 12 weeks."

Special Business and Newsprint Groups

Spurred by reports that newsprint supplies in cities throughout the country had dropped to levels termed "critical and desperate," the House on Feb. 26 voted, 269 to 100, for the establishment of a special committee to investigate supplies of newsprint and other paper products, Associated Press advices from Washington stated. The seven-man committee will give special attention to the short-range and long-range possibilities of increased production in this country and Alaska, and will study prospects of supplies from sources outside the United States, including Canada.

The committee's Chairman will be Representative Clarence J. Brown (R.-Ohio) who, with other proponents of the measure, has contended that newsprint was a special problem requiring special treatment beyond the scope of standing committees.

The same day the House voted, 270 to 92, the same advices stated, to recreate a special committee charged with the duty of protecting the interests of small business. This committee, a Washington dispatch to the New York "Times" stated, has been empowered to study the problems of small businesses with particular reference to postwar problems, factors hindering their development and operation, the adequacy of government service for them and the equitable allotment of materials in short supply.

Suspend Tax on Copper Imports

A measure designed to relieve a critical domestic shortage of copper by stimulating imports from South America through the suspension of the import excise tax of 4 cents a pound was agreed to by the House Ways and Means Committee on March 6, and on March 10 the Committee formally approved the legislation. Large copper consumers have, it is stated, demanded such legislative action since the shortage is a source of concern to manufacturers of automobiles, piping and other building materials, household appliances and accesories and wire. Recently the Reconstruction and Finance Corporation raised the price of its copper holdings, said to be about 55,000 tons, to 21½ cents per pound, it was noted in the "Wall Street Journal" of March 7.

Reciprocal Trade Pacts Invite War

(Continued from first page)

trol of government taxing and spending in the interest of the balanced development of basic industries at home and abroad.

Pegging Production on World's Inefficiency

If this arbitrary lowering of the tariff is an attempt to peg production on a falling standard of capital-labor efficiency throughout the world, then it is simply serving to exaggerate the evil, and discourage removal of the waste attending disbalance. We have to keep clearly in mind that it was on this waste that Germany and Japan traded themselves into power and War.

An executive control of the tariff, which permits the writing of treaties without confirmation by the Senate, is as unconstitutional as it would be for Congress to turn over the control of the income tax to the President. If the tariff question has become too complicated to be handled by Congress, the same is true of taxes as a whole. In keeping with this tariff procedure we are following in the footsteps of Europe, centralizing the powers of government in the executive.

While comparatively few Americans would go back to the general revision tariff methods of an earlier day, with months of log-rolling and demagoguery, there are vast numbers who are extremely touchy on the blanket authority granted by Congress to the Executive to alter existing tariffs.

Reciprocity in the exchange of goods and services, is something more than an increase in the amount of goods and services exchanged; is something more than compromise with the principle of balance. It is an exchange in which all parties stand to benefit by not selling below the cost of production; by not building up plant capacity capable of continually flooding the markets and driving prices down below the cost of production. It is an exchange of goods and services directed to the balancing of supply and demand.

By 1900 the infant industries of commerce, mining and manufacturing were well established in enough nations to justify recognition as basic world industries. This called for the nations individually and collectively bringing the representative measure of cost or capital-labor efficiency in the law of supply and demand up-to-date so as to account for the machine. Failure to make this adjustment resulted in a falling measure of cost that nullified the use of tariff protection. It simply meant that the nations raised their tariffs to no purpose and continued to treat the symptoms of the evil.

Expansion Encouraged

The continued treatment of commerce, mining and manufacturing as infant industries served to encourage expansion at the expense of balance. It served to encourage a rate of expansion of commerce, mining and manufacturing which made it impossible for agriculture on its own to improve the proportion between capital and labor sufficiently to cover soil and labor upkeep and reforestation. It was this disbalance at home and abroad which brought deficit spending, cheap credit and subsidy aid into favor. This expansion of the whole at the expense of the part, agriculture, has served to reduce agriculture to an impoverished and ill-paid industry, only kept alive in the industrial nations through subsidy aid.

The return of the tariff to Congressional control calls for the adoption of a simplified revision procedure whereby a flat rate of one, two or some higher percent is substituted for the existing rate structure in this country, including four or five thousand different items. This single rate to apply to all the goods imported from a nation, and lowered or raised against that nation as the country approaches or departs from the new balance between its basic industries.

A New Balance Between Basic Industries

It is to a new balance between basic industries at home and abroad, that accounts for the maturity of commerce, mining and manufacturing, that we have to look for an extension of opportunity that will make for rising standards of living all along the line. Direct subsidy aid would be subject to use in special cases where tariff protection was inadequate.

The use of this new principle of balance as the basis for the adjustment of tariff rates, would bring the tariff of the United States under constitutional control. It would make every citizen and representative directly responsible for the use of this taxing and protective power.

Foreign countries, under these conditions, would know just where we stood on the use of the tariff. So employed, the traiff would be a guarantee of reciprocity; a guarantee of an exchange of goods and services that would be mutually beneficial. Our tariff would be a bulwark to peace.

Daylight Saving Time in N. Y. City April 27

Daylight Saving Time will be observed again this year in New York City and most of the States and communities which had an extra hour of daylight in 1946, the Commerce and Industry Association of New York reported on March 7. "New York City's observance will begin on April 27 and extend to Sept. 28," Thomas Jefferson Miley, Secretary of the Association, stated. "In all probability," Mr. Miley said, "a similar period of observance from the last Sunday in April to the last Sunday in September—will be observed again by 60 of the 62 incorporated cities in New York State, as well as by many smaller communities, although we have not yet received definite word."

A survey conducted last year by the Association showed that an hour of Daylight Saving was observed in 1946, by State law, in Connecticut, Massachusetts, New Hampshire, and New Jersey. Unofficial observance was reported on a Statewide basis for Maine and Rhode Island, while local option prevailed in Delaware, Florida, Illinois, Indiana, Louisiana, Michigan, Missouri, New York, Ohio, Pennsylvania, Vermont, and West Virginia. Other States remained on Standard Time.

To obtain definite information as to where Daylight Saving will be in effect this year, the Commerce and Industry Association of New York, Inc., again is conducting a nationwide mail survey. Results are expected to be ready for report by the middle of April.

Moody's Daily Commodity Index

Tuesday, March 4	416.6
Wednesday, March 5	418.1
Thursday, March 6	421.7
Friday, March 7	420.7
Saturday, March 8	422.8
Monday, March 10	425.7
Tuesday, March 11	423.4
Two weeks ago, Feb. 25	411.5
Month ago, Feb. 11	391.4
Year ago, March 11	271.3
1946 High, Dec. 24	380.6
Low, Jan. 2	264.7
1947 High, March 10	425.7
Low, Jan. 20	371.5

The State of Trade

(Continued from page 1431)

balling 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.

Nonferrous metals prices have reached new peaks, the above trade authority reveals, with copper at 21½ cents a pound, exceeded only by highs of nearly 24 cents a pound in 1929 and 1919 and 37 cents a pound in 1917. Lead at 15 cents a pound is at an all-time high, approached only in 1917 by the previous high of 12¼ cents a pound. 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, the "Iron Age" points out, that current increases in these metals may be followed up by new price increases in other metals that are in a similar suplydemand 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 until Nov. 10, 1946. The present lead price is increased 81.8% over the last OPA price.

With respect to the U. S. Steel Corp., the magazine notes that the company 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 announced on Monday of this week the operating rate of steel companies having 94% of the steel capacity of the industry will be 95.8% of capacity for the week beginning Mar. 10, 1947, as compared with 94.4% one week ago, 93.7% one month ago and 83.6% one year ago. This represents an increase of 1.4 points or 1.5% from the preceding week.

The week's operating rate is equivalent to 1,676,400 tons of steel ingots and castings as against 1,651,900 tons one week ago, 1,639,700 tons one month ago and 1,473,400 tons one year ago.

Electric Production—The Edison Electric Institute reports that the output of electricity increased to 4,797,099,000 kwh. in the week ended Mar. 1, 1947, from 4,777,740,000 kwh. in the preceding week. Output for the week ended Mar. 1, 1947, was 19.9% above that for the corresponding weekly period one year ago.

Consolidated Edison Co. of New York reports system output of 216,900,000 kwh. in the week ended Mar. 2, 1947, compared with 193,200,000 kwh. for the corresponding week of 1946, or an increase of 12.3%. Local distribution of electricity amounted to 202,400,000 kwh. compared with 186,600,000 kwh. for the corresponding week of last year, an increase of 8.5%.

Railroad Freight Loadings—Car loadings of revenue freight for the week ended Mar. 1, 1947, totaled 850,031 cars, the Association of American Railroads announced. This was an increase of 73,342 cars, 9.4% above the preceding week which included Washington's Birthday on Saturday, Feb. 22, a holiday, and 67,634 cars or 8.6% above the corresponding week for 1946. Compared with the similar period of 1945, an increase of 64,295 cars or 8.2% is shown.

Railroad Earnings In January—Class I railroads of the United States in January, 1947, had an estimated net income, after interest and rentals, of $29,000,000 compared with $33,887,227 in January, 1946, according to the Association of American Railroads. Class I railroads in January, 1947, had a net railway operating income, before interest and rentals, of $57,782,041 compared with $66,681,905 in January, 1946.

For the twelve months ended Jan. 31, 1947, the rate of return on property investment after depreciation averaged 2.68% as against 3.72% for the 12 months ended Jan. 31, 1946.

Total operating revenues in January, 1947, amounted to $685,534,027 compared with $640,840,668 in the same month of 1946, an increase of 7%. Operating expenses in January totaled $538,948,218 as against $495,885,440 in January, 1946, an increase of 8.7%.

Paper and Paperboard Production — Paper production in the United States for the week ended Mar. 1, was 108.5% of mill capacity, against 105.9% (revised figure) in the preceding week and 101.8% in the like 1946 week, according to the American Paper & Pulp Association. This does not include mills producing newsprint exclusively. Paperboard output for the same week was 102%, compared with 103% in the preceding week and 98% in the corresponding week a year ago.

Business Failures Continue High—Although down a little from the previous week's high level, commercial and industrial failures in the week ending March 6 continued to be over twice as numerous as in the comparable week of 1946. Dun & Bradstreet, Inc., reports 58 concerns failing against 74 last week and only 22 in the coresponding week a year ago. This represented the twenty-fourth consecutive week in which failures have exceeded those in the previous year's comparable week.

Fifty-two of the fifty-eight failures occuring during the week involved liabilities of $5,000 or more. These large failures numbering 52 showed a decline from the 69 registered a week ago; there were almost three times as many as in the same week last year, however, when only 19 were reported in the large size group. Small failures with losses under $5,000 remained low, totalling six in the week just ended as compared with five in the previous week and three a year ago.

Almost half of the week's failures occurred in manufacturing industries. Twenty-eight manufacturers failed, a somewhat smaller number than a week ago when there were 36. Compared with last year's corresponding week, however, failures in manufacturing were three times as heavy in the week just ended. Retailing with 16 had the second-largest number of failures this week. In this trade as in manufacturing, a sharp uptrend from the 1946 level was apparent. The other trade and industry groups, on the other hand, showed little change in failures, with only five or less recorded in any of these groups. The Middle Atlantic States accounted for two-times as many falures as any other region this week.

Canadian failures showed a marked rise this week, numbering 10 as compared with two in the previous week and four last year.

Food Price Level at New High—Most foodstuffs continued to move upward in the past week, bringing the wholesale food price index compiled by Dun & Bradstreet, Inc., to a new all-time high point of $6.77 on March 4. This compared with $6.62 on Feb. 25, a rise of 2.3% in the week, and was 62.4% above the $4.17 recorded on the coresponding date last year. Nineteen commodities rose during the week, against three declines and nine that remained unchanged. Advances included flour, wheat, corn, rye, oats, barley, hams, bellies, lard, butter, cheese, coffee, cotton-seed oil, beans, eggs, potatoes, steers, sheep and lambs. Declines occurred in cocoa, currants and hogs. The index represents the sum total of the price per pound of 31 foods in general use.

Wholesale Commodity Price Index—Continued sharp advances in grain and livestock markets last week carried the Dun & Bradstreet daily wholesale commodity price index to new high ground for many years. The index figure rose to a new post-war peak of 257.99 on March 3, and closed at 257.89 on March 4, as compared with 252.33 a week earlier.

All grains registered marked advances last week on the Chicago Board of Trade. Strength in wheat and corn reflected the extreme tightness in cash markets as a result of heavy Government purchases of wheat, flour and corn recently, as well as a shortage of box cars to move grain. Other stimulating factors included reports of large export requirements of all grains, and further unfavorable reports on crop conditions in Europe. The outlook for the new domestic Winter wheat crop was greatly benefited by a good snow cover which blanketed a large part of the belt last week. The upturn in oats, rye and barley was largely influenced by the action of wheat and corn. Futures trading on the Board of Trade last week amounted to 274,792,000 bushels, or a daily average of 45,700,000 bushels, the largest in about six years. Domestic flour bookings held to the moderate scale of recent weeks. Buyers were extremely cautious as prices forged into new high ground as a result of the sharp advances in wheat. Near-by lard contracts sold at new seasonal highs last week. Hog prices equaled the record top of $30 per hundred-weight, aided by smaller marketings and continued broad demand.

While leading cotton markets were generally firm during the week there were some sharp reactions at times and closing prices were slightly under those of a week ago. Supporting factors included continued moderate mill price-fixing operations and a fairly good speculative demand in the distant positions. Buying was also stimulated by the tight supply position, reports of continued holding by growers and the expectation and subsequent realization of an advance in the parity price for the staple, which proved to be considerably larger than had been anticipated. The reactionary movement visible at times was prompted by profit-taking on the advances and liquidation resulting from reports of possible elimination of the subsidy payment on exports of cotton by this country. Preparations for the new crop were said to be making normal progress throughout most of the belt. Carded gray cotton cloth markets were featured by heavy business in sheetings for third quarter delivery with some bookings noted for fourth quarter delivery. Business in print cloths was down sharply for the week as many houses withdrew offerings.

Buying interest in domestic wools showed moderate improvement in the Boston market last week. This largely reflected a scarcity of foreign wools and constantly rising prices in foreign markets. Although buying continued cautious, a fairly good turnover was reported consisting mostly of small lots needed for immediate consumption to fill in between receipts of Australian and South African fine wools.

Retail and Wholesale Trade — Retail volume increased moderately in most sections of the country the past week, but slight decreases were in evidence in some localities due to unfavorable weather conditions, Dun & Bradstreet, Inc., reports in its summary of trade conditions. Further resistance to high prices on the part of the consumer continued to keep unit sales below those of a year ago, while total dollar volume held slightly above that of the year preceding. The demand for well-known brand articles remained strong but acceptance of unfamiliar brands was slow with consumers displaying a tendency to buy only when they could get what they wanted.

Retail grocery volume fell slightly below the high level of the preceding week with increases in the price of bacon, ham and other pork products reported. The supply of fresh fruits and vegetables was ample except in those communities affected by adverse weather conditions. Interest in canned goods was maintained at a high level and stocks of canned soups and fruits improved appreciably.

Durable goods volume compared favorably with that of a year ago as appliances and housewares continued to be best sellers. Interest in furniture was slightly lower than in the previous week, but improvement in the supply of mattresses and bedding was reported. The demand for little known brand radios now available to the consumer in large quantities was very light.

Many stores reported a moderate increase in the demand for women's Spring apparel with interest directed primarily toward medium and higher-priced suits and blouses. Numerous clearance sales of furs and winter clothing were also reported. Cosmetics and costume jewelry attracted more attention than in many previous weeks, while the demand for men's suits and topcoats continued at a high level. Some improvement in the supply of medium-priced white shirts was noted.

Retail volume for the country in the week ended last Wednesday 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: New England 5 to 9, East 7 to 11, South 4 to 8, Northwest 10 to 14, Pacific Coast 9 to 13. The Southwest declined 1 to 5% and Middle West ranged from 3% above to 1% below that of a year ago.

Although wholesale centers remained generally quiet, there was a slight rise in dollar volume in the week due more to higher prices than to increased unit sales. Total wholesale volume was moderately above that of the corresponding week a year ago. Ample stocks in most retail outlets enabled buyers to purchase cautiously and to limit their orders to needed goods. Shipments increased moderately this week and buyers continued to press for immediate deliveries.

Department store sales on a country-wide basis, as taken from the Federal Reserve Board's index for the week ended March 1, 1947, increased by 10% above the same period of last year. This compares with an increase of 2% in the preceding week. For the four weeks ended March 1, 1947, sales increased by 8% and for the year to date by 14%.

Retail sales volume here in New York reflected some tapering off the past week resulting in a gain approximating between 5 and 10% over the like period one year ago. During this period in 1946 consumer purchase of spring ready-to-wear and accessories were substantially greater than for the current period, according to reports in hand.

In the wholesale garment markets activity was more pronounced last week than has been the case in the past few weeks. Sharp increases in prices of metals, together with decreased output of machinery castings occasioned by shortages of pig iron for foundry use posed a serious problem for the durable goods industries. In food and processing equipment, foundry machinery, refrigeration and materials handling lines the demand continued strong.

Wholesale food prices established new high levels during the week, but unit sales volume was somewhat lower.

According to the Federal Reserve Board's index, department store sales in New York City for the weekly period to March 1, 1947, increased 14% above the same period last year. This compared with a decrease of 3% in the preceding week. Sales in the latter were sharply reduced because of heavy snow storms along the Atlantic Coast. For the four weeks ended March 1, 1947, sales rose 9% and for the year to date increased to 16%.

Statement on Sat. Closing By Pennsylvania Banks

On Feb. 27, the following statement bearing on Saturday bank closing was issued by the Pennsylvania Bankers Association:

"It appears obvious from many reports of public sentiment on Saturday bank closing throughout Pennsylvania, that the State Legislature would not approve a mandatory bill. Since returns were received from the Questionnaire issued by Pennsylvania Bankers Association, permissive bills have become law in New York and New Jersey. Ohio is canvassing their situation. The Maryland Legislature now has permissive closing under consideration, the bill having passed the House and is now up for second reading in the Senate. In Delaware, the Wilmington Banks have been closing on Saturday for some months under a year-round permissive act, with banks in other counties, excepting one, being similarly privileged.

"These various actions have undoubtedly influenced sentiment in Pennsylvania in favor of permissive closing, because these actions in bordering states will affect many of our Pennsylvania banks.

"The Pennsylvania Bankers Association Committee on Legislation is accordingly suggesting amendments to the Frazier Bill, S-38 to provide for permissive Saturday closing for the entire year, in order that each section of the State may meet the problem in accordance with its particular needs."

Alaska Ship Bill Signed

Congressional action on legislation to authorize the Maritime Commission to negotiate with ship operators to institute private operation of a steamship service to Alaska for 16 months was completed on Mar. 3, with the House agreeing to minor Senate amendments, Associated Press Washington advices stated. The signing of the bill by President Truman was announced on March 7. Under the newly enacted measure the Commission is authorized to contract with private operators to operate the Alaskan service with ships furnished by the Commission at nominal charter hire. Also, according to the Associated Press, the operators would agree to stand all losses. The government would get 75% of all profits above 10%. The same advices said:

The interim operation was decided upon to give Congress data on private operation of the service on which to base a permanent plan for Alaska steamship service.

The government has operated the service since 1942.

The Commission said that it planned to inaugurate the private service April 1. It will mean an increase in rates estimated by private operators at about 35%.

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Truman Calls for End of Economic Wars

(Continued from first page)

the United Nations, in setting up its councils, its committees and commissions, and in putting them to work. We are doing everything within our power to foster international co-operation. We have dedicated ourselves to its success.

This is not, and it must never be, the policy of a single administration or a single party. It is the policy of all the people of the United States. We, in America, are unanimous in our determination to prevent another war.

But some among us do not fully realize what we must do to carry out this policy. There still are those who seem to believe that we can confine our co-operation with other countries to political relationships; that we need not co-operate where economic questions are involved.

Wants Bi-Partisan Support of Foreign Economic Policy

This attitude has sometimes led to the assertion that there should be bi-partisan support for the foreign policy of the United States, but that there need not be bi-partisan support for the foreign economic policy of the United States.

Such a statement simply does not make sense.

Our foreign relations, political and economic, are indivisible. We cannot say that we are willing to co-operate in the one field and are unwilling to co-operate in the other. I am glad to note that leaders in both parties have recognized that fact.

The members of the United Nations have renounced aggression as a method of settling their political differences. Instead of putting armies on the march, they have now agreed to sit down around a table and talk things out. In any dispute, each party will present its case. The interests of all will be considered, and a fair and just solution will be found. This is the way of international order. It is the way of a civilized community. It applies, with equal logic, to the settlement of economic differences.

Economic Wars

Economic conflict is not spectacular — at least in the early stages. But it is always serious. One nation may take action in behalf of its own producers, without notifying other nations, or consulting them, or even considering how they may be affected. It may cut down its purchases of another country's goods, by raising its tariffs or imposing an embargo or a system of quotas on imports. And when it does this, some producer, in the other country, will find the door to his market sudden-slammed and bolted in his face.

Or a nation may subsidize its exports, selling its goods abroad below their cost. When this is done, a producer in some other country will find his market flooded with the goods that have been dumped.

In either case, the producer gets angry, just as you or I would get angry if such a thing were done to us. Profits disappear; workers are dismissed. The producer feels that he has been wronged, without warning and without reason. He appeals to his government for action. His government retaliates, and another round of tariff boosts, embargoes, quotas and subsidies is under way. This is economic war. In such a war nobody wins.

Certainly, nobody won the last economic war. As each battle of the economic war of the '30s was fought, the inevitable tragic result became more and more apparent. From the tariff policy of Hawley and Smoot, the world went on to Ottawa and the system of Imperial preferences, from Ottawa to the kind of elaborate and detailed restrictions adopted by Nazi Germany. Nations strangled normal trade and discriminated against their neighbors, all around the world.

Who among their peoples were the gainers? Not the depositors who lost their savings in the failure of the banks. Not the farmers who lost their farms. Not the millions who walked the streets looking for work. I do not mean to say that economic conflict was the sole cause of the depression. But I do say that it was a major cause.

A Turning Point Reached

Now, as in the year 1920, we have reached a turning point in history. National economies have been disrupted by the war. The future is uncertain everywhere. Economic policies are in a state of flux. In this atmosphere of doubt and hesitation, the decisive factor will be the type of leadership that the United States gives to the world.

We are the giant of the economic world. Whether we like it or not, the future pattern of economic relations depends upon us. The world is waiting and watching to see what we shall do. The choice is ours. We can lead the nations to economic peace or we can plunge them into economic war.

There must be no question as to our course. We must not go through the '30s again.

There is abundant evidence, I think, that these earlier mistakes will not be repeated. We have already made a good start. Our government has participated fully in setting up, under the United Nations, agencies of international cooperation for dealing with relief and refugees, with food and agriculture, with shipping and aviation, with loans for reconstruction and development, and with the stabilization of currencies. And now, in order to avoid economic warfare, our government has proposed, and others have agreed, that there be set up, within the United Nations, another agency to be concerned with problems and policies affecting world trade. This is the international trade organization.

This organization would apply to commercial relationships the same principle of fair dealing that the United Nations is applying to political affairs. Instead of retaining unlimited freedom to commit acts of economic aggression, its members would adopt a code of economic conduct and agree to live according to its rules. Instead of adopting measures that might be harmful to others, without warning and without consultation, countries would sit down around the table and talk things out. In any dispute, each party would present its case. The interest of all would be considered, and a fair and just solution would be found. In economics, as in international politics, this is the way to peace.

A World Trade Charter

The work of drafting a world trade charter was begun by the United States. It was carried forward by a preparatory committee of 18 nations meeting in London last fall. It should be completed at a second meeting of this committee in Geneva, beginning on April 10. The progress that has already been made on this project is one of the most heartening developments since the war.

If the nations can agree to observe a code of good conduct in international trade, they will cooperate more readily in other international affairs. Such agreements will prevent the bitterness that is engendered by an economic war. It will provide an atmosphere congenial to the preservation of the peace.

As a part of this program, we have asked the other nations of the world to join us in reducing barriers to trade. We have not asked them to remove all barriers. Nor have we ourselves offered to do so. But we have proposed negotiations directed toward the reduction of tariffs, here and abroad, toward the elimination of other restrictive measures and the abandonment of discrimination. These negotiations are to be undertaken at the meeting which opens in Geneva next month. The success of this program is essential to the establishment of the international trade organization, to the effective operation of the International Bank and the monetary fund, and to the strength of the whole United Nations structure of co-operation in economic and political affairs.

The negotiations at Geneva must not fail.

There is one thing that Americans value even more than peace. It is freedom. Freedom of worship —freedom of speech—and freedom of enterprise. It must be true that the first two of these freedoms are related to the third. For throughout history, freedom of worship and freedom of speech have been most frequently enjoyed in those societies that have accorded a considerable measure of freedom to individual enterprise. Freedom has flourished where power has been dispersed. It has languished where power has been too highly centralized. So our devotion to freedom of enterprise, in the United States, has deeper roots than a desire to protect the profits of ownership. It is part and parcel of what we call American.

Role of Private Enterprise

The pattern of intenational trade that is most conducive to freedom of enterprise is one in which the major decisions are made, not by governments, but by private buyers and sellers, under condtions of active competition, and with proper safeguards against the establishment of monopolies and cartels. Under such a system, buyers make their purchases, and sellers make their sales, at whatever time and place and in whatever quantities they choose, relying for guidance on what ever prices the market may afford. Goods move from country to country in response to economic opportunities. Governments may impose tariffs, but they do not dictate the quantity of trade, the sources of imports, or the destination of exports. Individual transactions are a matter of private choice.

This is the essence of free enterprise.

The pattern of trade that is least conducive to freedom of enterprise is one in which decisions are made by governments. Under such a system, the quantity of purchases and sales, the sources of imports and the destination of exports are dictated by public officials. In some cases, trade may be conducted by the state. In others, part or all of it may be left in private hands. But, even so, the trader is not free. Governments make all the important choices and he adjusts himself to them as best he can.

This was the pattern of the seventeenth and eighteenth centuries. Unless we act, and act decisively, it will be the pattern of the next century.

Worldwide Economic Pressure

Everywhere on earth nations are under economic pressure. Countries that were devastated by the war are seeking to reconstruct their industries. Their need to import, in the months that lie ahead, will exceed their capacity to export. And so they feel that imports must be rigidly controlled.

Countries that have lagged in their development are seeking to industrialize. In order that new industries may be established, they, too, feel that competing imports must be rigidly controlled.

Nor is this all. The products of some countries are in great demand. But buyers outside their borders do not hold the money of these countries in quantities large enough to enable them to pay for the goods they want. And they find these monies difficult to earn. Importing countries, when they make their purchases, therefore seek to discriminate against countries whose currencies they do not possess. Here, again, they feel that imports must be rigidly controlled.

One way to cut down on imports is by curtailing the freedom of traders to use foreign money to pay for imported goods. But recourse to this device is now limited by the terms of the Brititsh loan agreement and the rules of the International Monetary Fund. Another way to cut down on imports is by raising tariffs.

But if controls over trade are really to be tight tariffs are not enough. Even more drastic measures can be used. Quotas can be imposed on imports, product by product, country by country, and month by month. Importers can be forbidden to buy abroad without obtaining licenses. Those who buy more than is permitted can be fined or jailed. Everything that comes into a country can be kept within the limits determined by a central plan. This is regimentation. And this is the direction in which much of the world is headed at the present time.

U. S. and Counter Controls

If this trend is not reversed, the government of the United States will be under pressure, sooner or later, to use these same devices in the fight for markets and for raw materials. And if the government were to yield to this pressure, it would shortly find itself in the business of allocating foreign goods among importers and foreign markets among exporters and teling every trader what he could buy or sell, and how much, and when, and where. This is precisely what we have been trying to get away from, as rapidly as possible, ever since the war. It is not the American way. It is not the way to peace.

Fortunately, an alternative has been offered to the world in the charter of the international trade organization that is to be considered at Geneva in the coming month. The charter would limit the present freedom of governments to impose detailed administrative regulations on their foregn trade. The international trade organization would require its member nations to confine such controls to exceptional cases, in the immediate future, and to abandon them entirely as soon as they can.

The trade agreement negotiations that will accompany consideration of the charter should enable countries that are now in difficulty to work their way out of it by affording them readier access to the markets of the world. This program is designed to restore and preserve a trading system that is consistent with continuing freedom of enterprise in every country that chooses freedom for its own economy. It is a program that will serve the interest of other nations as well as those of the United States.

If these negotations are to be sucessful, we ourselves must make the same commitments that we ask of all the other nations of the world. We must be prepared to make concessions if we are to obtain concessions from others in return. If these negotations should fail, our hope of an early restoration of an international order in which private trade can flourish would be lost. I say again, they must not fail.

Program Will Increase Foreign Trade

The program that we have been discussing will make our foreign trade larger than it otherwise would be. This means that exports will be larger. It also means that imports will be larger. Many people, it is true, are afraid of imports. They are afraid because they have assumed that we cannot take more products from abroad unless we produce just that much less at home.

Fortunately, this is not the case. The size of our market is not forever fixed. It is smaller when we attempt to isolate ourselves from the other countries of the world. It is larger when we have a thriving foreign trade. Our imports were down to a billion dollars in 1932; they were up to five billion in 1946. But no one would contend that 1932 was a better year than 1946 for selling goods, or making profits, or finding jobs. Business is poor when markets are small. Business is good when markets are big. It is the purpose of the coming negotiations to lower existing barriers to trade so that markets, everywhere, may grow.

I said to the Congress, when it last considered the extension of the trade agreements act, and I now reiterate, that domestic interests will be safeguarded in this process of expanding trade. But there still are those who sincerely fear that the trade agreement negotiations will prove disastrous to the interests of particular producing groups. I am sure that their misgivings are not well founded. The situation briefly is this:

Summary of Situation

(1) The reciprocal trade agreements act has been on the books since 1934. It has been administered with painstaking care and strict impartiality. Some 30 agreements with other countries have been made. And trade has grown, to the great benefit of our economy.

(2) This government does not intend, in the coming negotiations, to eliminate tariffs or establish free trade. All that is contemplated is the reduction of tariffs, the removal of discriminations and the achievement, not of free trade, but of freer trade.

(3) In the process of negotiations tariffs will not be cut across the board. Action will be selective; some rates may be cut substantially, others moderately and others not at all.

(4) In return for these concessions we shall seek and obtain concessions from other countries to benefit our export trade.

(5) Millions of Americans—on farms, in factories, on the railroads, in export and import businesses, in shipping, aviation, banking and insurance, in wholesale establishments and in retail stores—depend on foreign trade for some portion of their livelihood. If we are to protect the interests of these people, in their investments and their employment, we must see to it that our trade does not decline. To take one of these groups as an example: We exported in 1946 over $3,000,000,000 worth of agricultural products alone, mostly grain, cotton, tobacco, dairy products and eggs. If we should lose a substantial part of this foreign market the incomes of over six million farm families would be materially reduced and their buying power for the products of our factories greatly curtailed.

(6) There is no intention to sacrifice one group to benefit another group. Negotiations will be directed toward obtaining larger markets, both foreign and domestic, for the benefit of all.

(7) No tariff rate will be reduced until an exhaustive study has been made, until every person who wishes a hearing has been

heard and careful consideration given to his case.

(8) In every future agreement there will be a clause that permits this government — or any other government — to modify or withdraw a concession if it should result, or threaten to result, in serious injury to a domestic industry. This is now required by the executive order which I issued on Feb. 25, following extensive conferences between officials in the Department of State and majority leaders in the Senate.

All these points—the history of trade-agreement operations, the way in which negotiations are conducted, the protection afforded by the safeguarding clause — should provide assurance, if assurance is needed, that domestic interests will not be injured.

Reduced Barriers

The policy of reducing barriers to trade is a settled policy of this government. It is embodied in the reciprocal trade agreements act, fathered and administered for many years by Cordell Hull. It is reflected in the charter of the international trade organization. It is one of the cornerstones of our plans for peace. It is a policy from which we can not — and must not — turn aside.

To those among us—and there are still a few — who would seek to undermine this policy for partisan advantage and go back to the period of high tariffs and economic isolation, I can say only this: Take care! Times have changed. Our position in the world has changed. The temper of our people has changed. The slogans of 1930 or of 1896 are sadly out of date. Isolationism, after two world wars, is a confession of mental and moral bankruptcy.

Happily, our foreign economic policy does not now rest upon a base of narrow partisanship. Leaders in both parties have expressed their faith in its essential purposes. Here, as elsewhere in our foreign relations, I shall welcome a continuation of bipartisan support.

Our people are united. They have come to a realization of their responsibilities. They are ready to assume their role of leadership. They are determined upon an international order in which peace and freedom shall endure.

Peace and freedom are not easily achieved. They cannot be attained by force. They come from mutual understanding and co-operation, from a willingness to deal fairly with every friendly nation in all matters—political and economic. Let us resolve to continue to do just that, now and in the future. If other nations of the world will do the same, we can reach the goals of permanent peace and world freedom.

If I Were A Banker

(Continued from first page)

charts and those statistics your bright young man has prepared.

Instalment Lending

But I have a sneaking suspicion that it was intended that I should tell what I would do about instalment lending if I were a banker.

I presume I would be just like a great many other bankers, torn between the idea I had been brought up on, that the small loan business is a loan shark sort of an operation, and the feeling that maybe I was an old fogey who couldn't quite comprehend that after all, like it or not, the world does change.

If I were a banker, I believe I would try to be an old-fashioned banker with maybe a few modern ideas.

I certainly would not get three gold balls and hang them over the entrance of my bank. On the other hand, I wouldn't be content to sit on—well, whatever a banker sits on—and clip government bond coupons for my income. That is not banking!

The function of a bank, as I understand it, is to accept one man's money and loan it to another. The standard charge for this service during the years when I grew up was 6 per cent. Under some circumstances it might be a little more, under others a little less. The rate would depend somewhat on the times, somewhat on the borrower and a little on the size of the loan. Maybe it would range from 5 to 7 per cent.

Today the range is from less than 1 (⅞ of 1 per cent for Treasury certificates) to 36 per cent plus, the top legal rate for small loans.

The very fact that the spread is so great is a pretty good measure of the risk involved.

One per cent is probably too small pay for the use of money—even riskless money. Thirty-six per cent certainly is too high pay. If the risk is so great that it becomes necessary to charge 36 per cent, it is a good bet that the loan should not be made at all.

Last year the commercial banks of the United States made somewhere around $1,700,000,000 of consumer instalment loans, nearly double the total of the preceding year. Credit extended by small loan companies approximated $1,200,000,000, an increase over 1945 of only 20 per cent. Industrial banks made loans of about $220,000,000, up 33 per cent; industrial loan companies, $200,000,000, also up 33 per cent, and credit unions, $325,000,000, a gain of 40 per cent.

Instalment credit outstanding at the end of last year is estimated at $4,000,000,000, still one-third less than the $6,000,000,000 peak at the end of 1941, but an amount that more than quadrupled during the course of the year. When anything grows that fast, look out, it is dangerous.

I know there are those who take these figures, relate them to national income, and thus "prove" that they are not excessive. That kind of rationalization is the finest way in the world to get into trouble. You all know very well that if a business man watches his inventories soar and soar and justifies this rise on the ground that his sales are skyrocketing in a similar manner, he can find himself on the rocks very quickly after sales begin to tumble.

Economist Zelomek, of the International Statistical Bureau, has estimated that by the end of 1950 instalment credit will total $11,000,000,000, more than three times the high of 1929, seven times the level of 1933 and nearly double the previous peak reached in 1941. Total short-term consumer credit in 1950 he places at $20,000,000,000, more than double the present level, which already represents an all time peak.

I cite these figures merely to show what has been taking place.

Let me repeat, if I were a banker, I would be scared to death of this trend.

What Bankers Should Do

That does not mean I would refuse to have any part in it. If that is the kind of a world in which we are living we had better make the best of it—accept it as part of the banking business but recognize it as a great potential danger and make only the best of this type of loans.

I say this for several reasons. In the first place, if I were a banker, I wouldn't make 36 per cent— or anywhere near that rate—loans. I don't believe a good banker could charge that much with a clear conscience. On the other hand obviously the lower the rate, the more choice the loan must be.

If you don't make anything but the better loans and consequently find with experience that you can handle this business at a fairly moderate rate, you will, of course, be performing a real service to the more deserving borrowers, who, under present circumstances, are called upon to pay for the many bad loans.

However, the way some banks are going after this business, it appears to me, that they aren't going to make just the better loans. In such case, they will have to charge too much and make the good borrowers pay for those who do not deserve credit, or they will find themselves taking some very serious losses.

A second reason I believe bankers should make only the better type of instalment loans, is that when trouble comes—and it will come, let's not kid ourselves about that—the loans that represent the cream of the crop are the ones that will cause the fewest headaches.

Do not forget, too, that when trouble comes, the man who can't pay, turns upon the man or institution that granted him credit.

The bankers received more than their share of blame for the 1929 to 1933 collapse. I hope they do not drift into the position where they get the major blame for the collapse of 1949—that 1949 is only a guess, neither a threat nor a promise.

Last month one of your members—I presume he is here—made a very fine address on the subject of consumer credit, in which he said that the old saw about the man who could not see the forest because of the trees was applicable to a lot of bankers. He made the point that after the hell of the early thirties the bankers crawled into their fox holes and let the government and the loan companies run off with the business that rightfully should have been theirs.

He was dead right, but now we are in the late forties and I wonder if he and a lot of other bankers, once again are unable to see the forest because of the trees.

Time and again, I read of or hear how safe and profitable consumer credit has been. Sure. And so what? That, it seems to me, represents the trees.

What then is the forest? I can tell you in three words—the national economy.

If there is any justification at all for my being here this noon it is that I have never hesitated to chop down trees—some of them regarded as pretty sacred trees—letting the chips fall where they may, in order to get a glimpse at the forest.

Consumer Credit Accentuates Business Cycle

A great deal has been written in praise of consumer credit. Some of this commendation has been deserved, but a good part has been plain hooey. Meanwhile, on the other side, the record is clear that consumer credit has tended to accentuate the business cycle.

Gentlemen, the swings of the business cycle threaten the very foundations of the American private enterprise system. If you are really sincere in your professed desire to preserve this system, you had better be prepared to do your part to reduce, rather than accentuate, those swings.

I suspect no one wants to live through another 1929 to 1933, but many of you, I can see, are too young to have very vivid recollections of that period. Others may honestly believe that nothing like that can happen again.

Well, of course, it never happens just exactly the same. We have some holes plugged up, but there are a lot of new ones appearing. Let us not delude ourselves into believing that we are in another new era. Remember, after each new era comes a new deal.

This time it won't be real estate loans that default and railroad bonds that turn sour. But long-term corporate credit can become dreadfully sick, government bonds can decline and consumer loans can become impossible to collect.

When farmers first defaulted on their mortgages, it was a relatively simple matter to foreclose and take possession of the property. In the height of the depression, you will recall, it was quite a different matter. Judges and sheriffs in many parts of the country were threatened with ropes hanging from trees. Whole communities were in virtual open revolution. Banks and insurance companies, reading the handwriting on the wall, failed to press their claims and rode along as best they could with frozen mortgage loans.

Danger of a Collapse

Now, supposing we have a great boom for three or four or five years and then the inevitable collapse. The corporate term loans could turn sour very quickly. The banks would try to liquidate their instalment loans, but at the same time the borrowers would be thrown out of work. A man who hasn't been able to save enough to buy a washing machine, an automobile or a television set, doesn't have much of a blacklog when his job is gone.

The loan companies were pretty hardboiled. Pay or we send our gang of bruisers around and pick up the car or the radio. Can YOU operate in the same manner? Can you afford to?

When such loans total billions to millions of people, have you not sufficient imagination to see the possible consequence?

I can see violence, bloodshed, bank failures, a great national scandal, bankers falling lower in public esteem even than in 1933, and possibly nationalization or socialization of the entire banking system.

Those of you who live for more than just today and tomorrow know that I am not simply an alarmist, but the question comes what should I, what can I, as an individual banker, do? What can the Illinois Bankers' Association, or the American Bankers' Association, as organizations, do?

What Policy?

For myself, I have very decided ideas.

I do not believe an individual or even an association can do much directly, but I am convinced that if two policies were adopted and given vigorous support a great deal could be accomplished toward licking the problem and avoiding the disaster that otherwise appears to me inevitable.

First of all, I would insist that the government get out of the lending business. If we are going to build a strong free enterprise system in this country, the banker should not be forced to compete with the government as a lender, and he should not lean on the government. In other words, the government should not guarantee part of his loans.

Aside from the rediscounting by the Federal Reserve, no government agency should extend credit, and outstanding loans should be liquidated as they fall due or as rapidly as is consistent with sound business practice.

I know you stand for this now, but in a rather half-hearted, lukewarm sort of a way. I believe if a vigorous, all-out campaign were put on, sufficient popular and congressional backing could be obtained to end this unfair competition, this big step in the direction of socialized credit.

As a corollary, the banks must be prepared to extend credit. That is a long subject in itself and one I am not going to discuss in detail. Sound and deserving credit to small business as well as large, to small individual borrowers as well as those who are economically strong, must be available, if the banks are going to insist that the government get out and stay out of the lending business.

Now, what should be the second policy to receive banking support if the boom and bust sequence is to be avoided?

More Credit Control

Controls over credit must be strengthened and extended and must be accepted by the banking fraternity not only graciously but enthusiastically. In other words, I do not want the government in there playing ball, but I do want it to be a hard-boiled umpire.

That is pretty bitter medicine for those of you who have fed ardently at the poison through these last fifteen years and now believe that you should fight to end ALL controls. Of course, you know the end of that trail? It in anarchy. No, you do not want to go that far.

But do you know any way that you can do your part to flatten out the swings of the business cycle? You can run your own bank conservatively. But don't forget that in 1932 the mob broke down the doors of the bank that was regarded as the most conservative in all Chicago.

Most of us know when things are moving in the direction of trouble, but we are like straws in a powerful current. If we don't grant credit, someone else will and soon we will be has-been bankers. Or, this particular loan is good though we recognize that the expansion that has been taking place in loans generally carries with it dangerous implications.

Take the situation that exists today. The question with many bankers is whether or not they should enter the instalment credit field. Others have already made an affirmative decision but are uncertain as to how actively they should go into this new type of business.

If we had confidence that instalment credit was an economic good instead of an economic evil, I am sure many of those who are hesitating would act favorably. Yet, without effective control you can be sure it will be evil and not good.

The Federal Reserve Board has been called the Supreme Court of United States Finance. It should be made that in fact as well as in name. The pay and the honor should be so great that it would be possible to attract and hold the best financial brains of the country.

At a time like this, when it is perfectly obvious to any thoughtful person with financial training that brakes should be applied to credit expansion, the Federal Reserve would have not only the power, but equally important, the popular support for taking effective action.

Under such circumstances it would be possible for you to enter the instalment lending field with full confidence that it was part of your banking business, profitable, and economically sound, that it would be an asset to the country and not a liability, so great that it actually threatens much of that which we as Americans cherish.

New Zealand and Australia Announce Gifts to Britain

Under date of March 5 special advices from Wellington, New Zealand, to the New York "Times" said:

The New Zealand Government will give Britain £12,500,000 [$40,500,000] in recognition of the British war effort. [Tuesday Australia announced a gift of £25,000,000 Australian.]

Prime Minister Peter Fraser of New Zealand, announcing today's gift, said it was in recognition of the effort of the United Kingdom and its people in maintaining freedom and making possible its expansion in the future.

Chancellor of the Exchequer Hugh Dalton expressed the thanks of the British Government to Australia and New Zealand.

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Moody's Bond Prices and Bond Yield Averages

Moody's computed bond prices and bond yield averages are given in the following table:

MOODY'S BOND PRICES
(Based on Average Yields)

1947 Daily Averages	U. S. Govt. Bonds	Avge. Corporate*	Corporate by Earnings* Aaa	Aa	A	Baa	Corporate by Groups* R. R.	P. U.	Indus.
Mar. 11	122.20	117.20	122.09	120.02	117.00	110.34	112.75	118.20	120.84
10	122.17	117.20	122.09	120.02	117.00	110.52	112.75	118.40	120.84
8	122.17	117.20	122.09	120.02	117.00	110.52	112.75	118.40	120.84
7	122.17	117.20	122.09	120.02	117.00	110.52	112.75	118.40	120.84
6	122.20	117.20	122.09	120.02	117.00	110.52	112.75	118.20	120.84
5	122.14	117.20	122.09	120.02	117.00	110.52	112.75	118.20	120.84
4	122.20	117.20	122.09	120.02	117.00	110.52	112.75	118.20	120.84
3	122.20	117.20	122.09	120.02	117.00	110.52	112.75	118.20	120.84
1	122.20	117.20	122.09	120.02	117.00	110.52	112.75	118.20	120.84
Feb. 28	122.20	117.20	122.09	120.02	117.00	110.52	112.75	118.40	120.84
21	122.14	117.40	122.09	120.22	111.20	110.70	112.93	118.40	121.04
14	122.20	117.40	122.09	120.02	117.20	110.88	113.12	118.40	120.84
Jan. 31	122.08	117.40	121.88	120.22	117.40	110.88	113.31	118.80	120.63
24	122.39	117.60	121.88	120.43	117.40	110.88	113.31	118.80	120.63
17	122.24	117.40	121.88	120.22	117.40	110.70	113.12	118.60	120.84
10	122.17	117.20	121.67	119.82	117.20	110.52	113.12	118.40	120.43
3	122.14	116.80	121.25	119.61	116.80	110.15	112.75	118.00	120.02
Dec. 27, 1946	122.17	116.80	121.04	119.61	116.80	110.15	112.56	118.80	119.82
20	121.92	116.61	120.84	119.20	116.61	109.97	112.37	117.60	119.82
13	121.92	116.41	120.63	119.20	116.41	109.97	112.37	117.40	119.61
6	121.74	116.22	120.84	119.00	116.22	109.60	111.81	117.40	119.61
Nov. 29	121.55	116.22	121.04	118.80	116.02	109.60	111.81	117.60	119.61
Oct. 25	121.77	116.61	121.04	119.20	116.22	110.34	112.19	117.60	120.02
Sept. 27	121.08	116.61	121.04	119.00	116.61	110.15	112.37	117.80	119.82
Aug. 30	122.92	118.40	122.71	120.43	118.00	112.37	114.85	118.80	121.25
July 26	123.77	118.60	123.13	121.04	118.40	112.56	115.63	119.20	121.46
June 28	124.11	118.80	123.34	121.25	118.40	112.56	116.02	119.20	121.46
May 31	123.09	118.80	122.92	121.46	118.40	112.56	116.22	119.00	121.04
Apr. 26	124.33	119.00	123.34	121.25	118.40	113.12	116.41	119.41	121.04
Mar. 29	125.61	119.82	123.99	122.29	119.41	114.27	117.40	120.22	122.09
High 1947	122.39	117.60	122.29	120.43	117.40	111.07	113.31	118.80	121.04
Low 1947	122.08	116.80	121.04	119.61	116.80	110.15	112.56	117.80	120.02
1 Year Ago									
Mar. 11, 1946	125.86	119.82	123.77	122.50	119.20	114.27	116.80	120.43	122.50
2 Years Ago									
Mar. 10, 1945	122.47	114.85	120.63	118.60	114.66	106.21	110.88	114.46	119.41

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

1947 Daily Averages	U. S. Govt. Bonds	Avge. Corporate*	Corporate by Earnings* Aaa	Aa	A	Baa	Corporate by Groups* R. R.	P. U.	Indus.
Mar. 11	1.56	2.79	2.55	2.65	2.80	3,15	3.02	2.74	2.61
10	1.57	2.79	2.55	2.65	2.80	3.14	3.02	2.73	2.61
8	1.57	2.79	2.55	2.65	2.80	3.14	3.02	2.73	2.61
7	1.57	2.79	2.55	2.65	2.80	3.14	3.02	2.73	2.61
6	1.56	2.79	2.55	2.65	2.80	3.14	3.02	2.74	2.61
5	1.57	2.79	2.55	2.65	2.80	3.14	3.02	2.74	2.61
4	1.56	2.79	2.55	2.65	2.80	3.14	3.02	2.74	2.61
3	1.56	2.79	2.55	2.65	2.80	3.14	3.02	2.74	2.61
1	1.56	2.79	2.55	2.65	2.80	3.14	3.02	2.74	2.61
Feb. 28	1.56	2.79	2.55	2.65	2.80	3.14	3.02	2.73	2.61
21	1.57	2.78	2.55	2.64	2.79	3.13	3.01	2.73	2.60
14	1.56	2.78	2.55	2.65	2.79	3.12	3.00	2.73	2.61
7	1.56	2.77	2.55	2.64	2.79	3.11	2.99	2.72	2.61
Jan. 31	1.57	2.78	2.56	2.64	2.78	3.12	2.99	2.71	2.62
24	1.55	2.77	2.56	2.63	2.78	3.12	2.99	2.71	2.62
17	1.56	2.78	2.56	2.64	2.78	3.13	3.00	2.72	2.61
10	1.57	2.79	2.57	2.66	2.79	3.14	3.00	2.73	2.63
3	1.57	2.81	2.59	2.67	2.81	3.16	3.02	2.75	2.65
Dec. 27, 1946	1.57	2.81	2.60	2.67	2.81	3.16	3.03	2.75	2.66
20	1.59	2.82	2.61	2.69	2.82	3.17	3.04	2.77	2.66
13	1.59	2.83	2.62	2.69	2.83	3.17	3.04	2.78	2.67
6	1.60	2.84	2.61	2.70	2.84	3.19	3.07	2.78	2.67
Nov. 29	1.62	2.84	2.60	2.71	2.85	3.19	3.07	2.77	2.67
Oct. 25	1.60	2.82	2.60	2.69	2.84	3.15	3.05	2.77	2.65
Sept. 27	1.65	2.82	2.60	2.70	2.82	3.16	3.04	2.76	2.66
Aug. 30	1.55	2.73	2.52	2.63	2.75	3.04	2.91	2.71	2.59
July 26	1.49	2.73	2.50	2.60	2.73	3.03	2.87	2.69	2.58
June 28	1.47	2.71	2.49	2.59	2.73	3.03	2.85	2.69	2.58
May 31	1.48	2.71	2.51	2.58	2.73	3.03	2.84	2.70	2.60
Apr. 26	1.45	2.70	2.49	2.59	2.73	3.00	2.83	2.68	2.60
Mar. 29	1.36	2.66	2.46	2.54	268	2.94	2.78	2.64	2.55
High 1947	1.57	2.81	2.60	2.67	2.81	3.16	3.03	2.76	2.65
Low 1947	1.55	2.77	2.54	2.63	2.78	3.11	2.99	2.71	2.60
1 Year Ago									
Mar. 11, 1946	1.34	2.66	2.47	2.53	2.69	2.94	2.81	2.63	2.53
2 Years Ago									
Mar. 10, 1945	1.66	2.91	2.62	2.72	2.92	3.38	3.12	2.93	2.68

*These prices are computed from average yields on the basis of one "typical" bond (3¾% coupon, maturing in 25 years) and do not purport to show either the average level or the average movement of actual price quotations. They merely serve to illustrate in a more comprehensive way the relative levels and the relative movement of yield averages, the latter being the true picture of the bond market.

NOTE—The list used in compiling the averages was given in the Sept. 5, 1946 issue of the "Chronicle" on page 1321.

Statutory Debt Limitation as of Jan. 31, 1947

The Treasury Department made public on Feb. 6 its monthly report showing that the face amount of public debt obligations issued under the Second Liberty Bond Act (as amended) outstanding on Jan. 31, 1947 totaled $259,131,259,147, thus leaving the face amount of obligations which may be issued subject to the $275,000,000,000 statutory debt limitation at $15,868,740,853. In another table in the report, the Treasury indicates that from total gross public debt and guaranteed obligations of $260,046,395,805 should be deducted $915,136,658 (outstanding public debt obligations not subject to debt limitation). Thus the grand total of public debt obligations outstanding as of Jan. 31, 1947 amounted to $259,131,259,147.

On Dec. 31, 1946 the statutory debt outstanding was $258,553,982,986. The detailed figure as of Oct. 31, were given in our issue of Dec. 19, page 3277.

The Treasury Department announcement of Feb. 6 covering the Jan. 31 figures follows:

Section 21 of the Second Liberty Bond Act, as amended, provides that the face amount of obligations issued under authority of that act, and the face amount of obligations guaranteed as to principal and interest by the United States (except such guaranteed obligations as may be held by the Secretary of the Treasury) "shall not exceed in the aggregate $275,000,000,000 outstanding at any one time. For purposes of this section the current redemption value of any obligation issued on a discount basis which is redeemable prior to maturity at the option of the holder shall be considered as its face amount."

The following table shows the face amount of obligations outstanding and the face amount which can still be issued under this limitation:

Total face amount that may be outstanding at any one time			$275,000,000,000
Outstanding Jan. 31, 1947—			
Obligations issued under Second Liberty Bond Act, as amended:			
Interest-bearing:			
Treasury bills	$17,074,232,000		
Certificates of indebtedness	29,790,916,000		
Treasury notes	15,680,764,500		
		$62,545,912,500	
Bonds—			
Treasury	119,322,892,950		
*Savings (current redemp. value)	50,342,505,081		
Depository	351,075,000		
Armed Forces leave	872,951,025		
		170,889,424,056	
Special Funds—			
Certificates of indebtedness	12,048,500,000		
Treasury notes	12,728,404,000		
		24,776,904,000	
Total interest-bearing		258,212,240,556	
Matured, interest-ceased		298,907,692	
Bearing no interest:			
War savings stamps	76,122,145		
Excess profits tax refund bonds	25,784,228		
Special notes of the United States:			
Internat'l Bank for Reconstruc. and Development series	248,285,000		
		350,191,373	
Total		$258,861,339,621	
Guaranteed obligations (not held by Treasury)—			
Interest-bearing:			
Debentures: F.H.A.	45,674,186		
Demand obligations: C.C.C.	216,799,890		
		262,474,076	
Matured, interest-ceased		7,445,450	
		$269,919,526	
Grant total outstanding			259,131,259,147
Balance face amount of obligations issuable under above authority			$15,868,740,853

Reconcilement with Statement of the Public Debt, Jan. 31, 1947
(Daily Statement of the U. S. Treasury, Feb. 3, 1947)

Outstanding, Jan. 31, 1947—	
Total gross public debt	$259,776,476,279
Guaranteed obligations not owned by the Treasury	269,919,526
Total gross public debt and guaranteed obligations	$260,046,395,805
Deduct—other outstanding public debt obligations not subject to debt limitation	915,136,658
	$259,131,259,147

Electric Output for Week Ended March 8, 1947, 21.1% 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 8, 1947, was 4,786,552,000 kwh., an increase of 21.1% over the corresponding week last year when electric output amounted to 3,952,539,000 kwh. The current figure also compares with 4,797,099,000 kwh. produced in the week ended March 1, 1947, which was 19.9% higher than the 4,000,119,000 kwh. produced in the week ended March 2, 1946. The largest increases were reported by the Southern States and Central Industrial groups which showed increases of 27.2% and 23.8%, respectively over the same week in 1946.

PERCENTAGE INCREASE OVER SAME WEEK LAST YEAR

Major Geographical Division—	Week Ended Mar. 8	Mar. 1	Feb. 22	Feb 15	Feb. 8
New England	13.0	10.3	16.4	12.8	12.6
Middle Atlantic	13.6	12.3	14.3	13.6	12.4
Central Industrial	23.8	24.4	30.8	29.3	30.3
West Central	18.1	16.5	17.0	16.7	14.7
Southern States	27.2	24.8	23.5	24.1	22.5
Rocky Mountain	13.0	10.5	7.6	7.0	8.0
Pacific Coast	23.1	21.7	19.9	19.4	19.1
Total United States	21.1	19.9	21.8	21.0	20.5

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	4,616,975	1,414,710	1,637,683
Dec. 28	4,442,443	3,758,942	+18.2	4,225,814	1,619,265	1,542,000

Week Ended—	1947	1946	% Change Over 1946	1945	1932	1929
Jan. 4	4,573,807	3,865,362	+18.3	4.427,281	1,602,482	1,733,810
Jan. 11	4,852,513	4,163,206	+16.6	4,614,334	1,598,201	1,736,721
Jan. 18	4,856,890	4,145,116	+17.2	4,588,214	1,588,967	1,717,315
Jan. 25	4,856,404	4,034,365	+20.4	4,576,713	1,588,853	1,728,208
Feb. 1	4,777,207	3,982,775	+19.9	4,538,552	1,578,817	1,726,161
Feb. 8	4,801,179	3,983,493	+20.5	4,505,269	1,545,459	1,718,304
Feb. 15	4.778,179	3,948,620	+21.0	4,472,298	1,512,158	1,699,250
Feb. 22	4,777,740	3,922,796	+21.8	4,473,962	1,519,679	1,706,719
Mar. 1	4,797,099	4,000,119	+19.9	4,472,110	1,538,452	1,702,570
Mar. 8	4,786,552	3,952,539	+21.1	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

South Africa Settles US Lend-Lease Account

An agreement of $100,000,000 cash payment to the United States by the Union of South Africa for settlement of her Lend-Lease account and purchase of certain war surplus, valued at $7,500,000 was announced on Feb. 28 by Chester T. Lane, Lend-Lease Administrator and Deputy Commissioner of the Office of the Foreign Liquidation Commissioner. The advices from the Commissioner's Office further said:

"In terms of cash it was the largest payment on any Lend-Lease account to date. Provisions of the settlement, which also covered reciprocal aid supplied by South Africa, will be acknowledged in an exchange of notes, probably next week, between the Secretary of State for the United States and the Minister for the Government of the Union of South Africa.

"Under the arrangement, South Africa, to which was shipped approximately $169,000,000 worth of Lend-Lease supplies, agreed to pay the United States $100,000,000 in two equal installments. The first is payable 30 days from the date of the agreement and the second in six months from that date. Both governments also waived all war claims against each other.

"Successful conclusion of the negotiations prompted Field Marshal Jan C. Smuts of South Africa to cable congratulations to Secretary Marshall on "a fine international performance," which will strengthen relations between the two countries and increase "international goodwill and friendship."

The text of Marshal Smuts' statement was made public as follows:

"Now that the Lend-Lease transactions between the Union of South Africa and the United States of America are on the point of being finalized by an exchange of notes between the two Governments, I wish to express to the Secretary of State the warm appreciation of my Government for the fair and considerate spirit in which the Secretary of State and his assistants and agencies have met the Union Government with a view to a final settlement.

"The negotiations and their results have left behind a feeling of just and equitable treatment, satisfactory to both sides. The magnificent conception of Lend-Lease—one of the most remarkable in the history of international affairs—has been carried out in its broad intent in a way which adds to its value for international goodwill and friendship.

"The whole matter, from beginning to end, has created a happy impression, for which both sides can be thankful and which will deepen and strengthen the good feeling which has always existed between our two peoples. I take this opportunity to congratulate you, Mr. Secretary, on this happy and fruitful result of a fine international performance. Smuts."

The Office of the Foreign Liquidation Commissioner in its announcement likewise stated.

"Reaffirming their determination to stimulate international trade and goodwill, both countries acknowledged in the settlement agreement substantial mutual accord on matters involving air transportation, telecommunications, and elimination of double estate and income taxation.

"Simultaneously with this announcement, OFLC also disclosed a second transaction, the sale to South Africa of certain Lend-Lease surplus now being reclaimed by the United States from the British.

"In this sale South Africa will pay this country about $1,400,000 additional in South African pounds to be spent in South Africa for cultural purposes and acquisition or improvement of United States consular and legation premises over a five year period. Any remaining unused balance at the end of that time shall be paid to the United States in dollars."

Urges Subsidy Study

As Chairman of the Senate-House Committee on Reduction of Non-Essential Expenditures, Senator Harry F. Byrd (D.-Va.) on March 3 submitted a report to Congress in which it was revealed that Federal subsidies to business, agriculture and the States totaled $13,000,000,000 from 1943 to 1946, according to Associated Press advices from Washington. Commenting on the report, Senator Byrd said that it indicated "conclusively that the need is urgent for a thorough study of all Federal subsidies now existing." He said also that the report showed that "the States are now able to carry a greater proportion of the expenditures for their own functions which heretofore have been shared with or secured exclusively from the Federal Government."

Federal Reserve January Business Index

The Board of Governors of the Federal Reserve System issued on Feb. 26, its monthly indexes of industrial production, factory employment and payrolls, etc. The Board's customary summary of business conditions was made public at the same time. The indexes for January, together with a month and a year ago, follow:

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

	Adjusted for Seasonal Variation 1947 Jan.	1946 Dec.	1946 Jan.	Without Seasonal Adjustment 1947 Jan.	1946 Dec.	1946 Jan.
Industrial production—						
Total	*188	181	160	*184	179	156
Manufactures—						
Total	*196	190	163	*192	188	160
Durable	*220	210	166	*217	208	164
Nondurable	*177	173	161	*172	171	157
Minerals	*145	136	141	*139	131	134
Construction contracts, value—						
Total	†	154	107	†	125	87
Residential	†	143	61	†	122	50
All other	†	163	145	†	127	118
Factory employment—						
Total	*150.0	149.6	130.7	*149.5	149.9	130.2
Durable goods	*173.1	172.4	144.4	*172.8	172.3	144.1
Nondurable goods	*131.9	131.6	119.8	*131.2	132.2	119.2
Factory payrolls—						
Total	---	---	---	†	300.1	229.2
Durable goods	---	---	---	†	328.3	243.0
Nondurable goods	---	---	---	†	272.4	215.7
Freight carloadings	150	140	133	138	131	123
Department store sales, value	*265	274	227	*209	441	179
Department store stocks, value	†	274	167	†	235	146

*Preliminary. †Data not yet available.

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

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

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

INDUSTRIAL PRODUCTION
(1935-39 average = 100)

MANUFACTURES	Adjusted for Seasonal Variation 1947 Jan.	1946 Dec.	1946 Jan.	Without Seasonal Adjustment 1947 Jan.	1946 Dec.	1946 Jan.
Iron and steel	*192	159	102	*192	159	102
Pig iron	†	152	100	†	152	100
Steel	207	174	108	207	174	108
Open hearth	177	145	95	177	145	95
Electric	422	381	199	422	381	199
Machinery	*275	275	217	*275	275	217
Transportation equipment	*231	235	220	*231	235	220
§Automobiles	*182	187	107	*182	187	107
Nonferrous metals and products	†	195	151	†	195	151
Smelting and refining	†	158	140	†	158	140
Lumber and products	*142	141	108	*128	129	99
Lumber	*133	132	95	*112	114	80
Furniture	*161	160	135	*161	160	135
Stone, clay and glass products	*212	207	172	*201	201	163
Plate glass	149	135	29	149	135	29
Cement	†	177	131	†	161	107
Clay products	*170	150	144	*158	158	134
Gypsum and plaster products	*227	218	197	*219	224	190
Abrasive and asbestos prod.	*264	262	199	*264	262	199
Textile and products	*174	164	151	*174	164	151
Cotton consumption	161	141	138	161	141	138
Rayon deliveries	260	254	‡235	260	254	‡235
Wool textiles	†	180	153	†	180	153
Leather products	†	115	117	†	114	117
Tanning	†	110	115	†	109	115
Cattle hide leathers	†	122	131	†	122	134
Calf and kip leathers	†	94	92	†	92	90
Goat and kid leathers	†	68	54	†	68	54
Sheep and lamb leathers	†	131	151	†	125	140
Shoes	†	117	118	†	117	118
Manufactured food products	*165	162	154	*152	156	143
Wheat flour	*155	155	149	*155	153	149
Meatpacking	*157	151	131	*184	175	155
Other manufactured foods	*172	168	165	*156	163	152
Processed fruits and veg.	---	175	145	---	137	94
Tobacco products	†	148	143	†	138	142
Cigars	†	109	104	†	109	104
Cigarettes	†	192	185	†	177	185
Other tobacco products	†	72	71	†	63	70
Paper and products	†	151	133	†	150	133
Paperboard	179	168	145	179	168	145
Newsprint production	87	87	86	87	85	86
Printing and publishing	*139	138	118	*135	141	114
Newsprint consumption	122	120	102	114	126	94
Petroleum and coal products	†	†	*166	†	†	*166
Petroleum refining	---	---	---	---	---	---
Gasoline	*144	*148	131	*144	*148	131
Fuel oil	†	†	171	†	†	171
Lubricating oil	†	†	129	†	†	125
Kerosene	†	†	180	†	†	184
Coke	†	143	116	†	143	116
Byproduct	†	139	111	†	139	111
Beehive	*383	278	296	*383	278	296
Chemicals	*251	247	234	*250	248	233
Rayon	*288	281	251	*288	281	251
Industrial chemicals	*425	422	384	*425	422	384
Rubber	*245	248	215	*245	248	215
MINERALS						
Fuels	*150	141	146	*150	141	146
Bituminous coal	*173	130	159	*173	130	159
Anthracite	*118	121	114	*118	121	114
Crude petroleum	*144	*147	144	*144	*147	144
Metals	†	108	107	†	74	60
Iron ore	---	---	---	†	58	50

*Preliminary. †Data not available. ‡Revised.

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

FREIGHT CARLOADINGS
(1935-39 average = 100)

Coal	163	132	148	163	132	148
Coke	175	155	127	184	163	133
Grain	157	162	152	157	152	152
Livestock	123	122	126	118	118	r121
Forest products	163	156	122	147	139	109
Ore	176	145	118	44	45	30
Miscellaneous	152	148	134	139	139	123
Merchandise, l.c.l.	77	81	78	74	78	74

r Revised.

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

Consumer Credit Outstanding in December

Consumer credit outstanding increased 578 million dollars or about 6% during December to an estimated total of 9,773 million dollars according to the Board of Governers of the Federal Reserve System, which in its advices Jan. 31 stated that "Most types of indebtedness increased sharply over the year-period with instalment loans and automobile instalment sale credit showing the largest percentage gains." "At the end of the year the total amount outstanding was about 45% higher than on Dec. 31, 1945, the Board said, its announcement adding:

"Instalment loans outstanding increased about 6% in December, a somewhat larger rise than in other recent months. At the end of 1946 these loans were nearly 67% above the year-ago level.

"Instalment credit outstanding on automobile sales increased 8% further in December and at the year-end was over one-half billion dollars, more than double the amount outstanding on Dec. 31, 1945. Other instalment sale credit outstanding showed more than the customary seasonal rise in December and at the end of the month was 51% larger than a year earlier.

"Charge accounts receivable increased further in December but at a somewhat less rapid rate than in the preceding month. At the end of the year this type of indebtedness amounted to slightly more than 3 billion dollars as compared with less than 2 billions at the end of 1945."

CONSUMER CREDIT OUTSTANDING
(Short-term credit. In millions of dollars. Figures estimated)

	Dec. 31, '46	Increase or decrease from— Nov. 30, '46	Dec. 31, '45
*Total consumer credit	9,773	+578	+3,039
Instalment sale credit:			
Automobile	545	+ 40	+ 318
Other	1,023	+166	+ 347
†Instalment loans	2,436	+138	+ 974
Charge accounts	3,027	+168	+1,046
Single-payment loans	1,879	+ 61	+ 263

*Includes service credit not shown separately.
†Includes repair and modernization loans.

Short Positions on N. Y. Curb Exchange

The total short position in stocks traded on the New York Curb Exchange on Feb. 15, 1947, stood at its highest point since May, 1946, figures issued by the exchange on Feb. 19 show. The short position totaled 166,436 shares on Feb. 15, registering an increase of 32,287 shares, or approximately 20%, over the figure of 134,149 shares reported on Jan. 15, 1947. On May 15, 1946, the total Curb Short position stood at 200,749 shares. In making this known, the Exchange added:

The Feb. 15 figure represents the fifth monthly increase since Sept. 15, 1946, when the short position reached its lowest point in more than a year.

A short position of 5,000 shares or over was reported in eight of the 87 stock issues traded on the Curb Exchange on Feb. 15, 1947, compared with nine issues on Jan. 15 against 205 a month earlier. On May 15, 1946, a short position was reported on 233 Curb issues, in 8 of which the position was 5,000 shares or over.

The report follows:

Security—	Short Position Feb. 15, '47	Short Position Jan. 15, '47	Increase	Decrease
Aireon Mfg. Corp. common	6,203	10,912		4,709
American Gas & Elec. common	23,778	1,355	22,423	
Cities Service Co. common	7,610	5,460	2,150	
Claude Neon Inc. common	6,900	6,900		
Kaiser Frazer Corp. common	14,205	6,395	7,810	
Pan American Airways Corp. wts.	31,450	16,600	14,850	
Richfield Oil Corp. warrants	8,947	6,300	2,647	
Selected Industries, Inc. common	5,400	5,100	300	
Total short position (stocks)	166,436	134,149	32,387	
Total short position (bonds)	8	4	4	

Moody's Common Stock Yields

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

MOODY'S WEIGHTED AVERAGE YIELD OF 200 COMMON STOCKS

	Industrials (125)	Railroads (25)	Utilities (25)	Banks (15)	Insurance (10)	Average Yield (200)
January, 1947	4.4	6.6	4.6	4.2	3.3	4.5
February, 1947	4.6	6.8	4.7	4.2	3.3	4.7

Nation's Output in Dollars Equals Wartime Peak

By the fourth quarter of 1946 the total output of the nation's economy, measured in dollars, had returned to the wartime peak reached in the first half of 1945, the Department of Commerce said on Feb. 21.

However, the announcement added, a considerable part of the recent dollar increase in production was due to price increases, and the "real" level of the national economy for the entire year 1946 was approximately one-seventh below the highest war years." From the announcement we also quote:

"Actual production during 1946 was, however, about one-fifth larger than in 1941, reflecting both a higher level of employment and a more productive utilization of the nation's resources.

"In 1946 the gross national product—representing the total output of final goods and services at market prices and including government services—was $194 billion compared with $199.2 billion in 1945. The dollar value of production increased after touching the reconversion low point in the first quarter of 1946.

"The gross national product increased from a seasonally adjusted annual rate of $183.7 billion in the first quarter to $190 billion in the second, $196.6 billion in the third and $204.7 billion in the fourth quarter. The quarterly rates for 1945 were $205.1 billion in the first quarter, $208.2 billion in the second, $198.2 billion in the third and $185.2 billion in the fourth.

"Government expenditures for goods and services declined sharply during the first three quarters of 1946 and leveled off in the fourth quarter. The decline was confined to 'war' expenditures, which at annual rates dropped from $24 billion in the first quarter to $10 billion in the fourth.

"The deflationary impact of this decline was cushioned by loans made to finance international transactions and by increased payments to veterans. These loans and payments were a potent factor in the market demand for United States products.

"Private capital outlays, including construction, purchases of machinery and equipment, changes in business inventories and foreign investment, totaled $32 billion for 1946. This was a record high, and more than three times the 1945 total. Private capital outlays were being made in the latter half of 1946 at a rate about double the dollar totals in the best prewar years of 1929 and 1941. The 1946 total is capable of providing an investment outlet for a very large volume of individual and corporate savings as well as for reinvestment of depreciation and other business reserves.

"Consumer expenditures for goods and services amounted to $127 billion in 1946, 20% above 1945 and 70% higher than 1941. Consumer expenditures have risen steadily since the recession of 1938, but the greater part of the sustained rise represents higher prices. The real value of consumer expenditures in 1946 was about 20% above 1941.

"While the gross national product declined in 1946, the national income, on the other side of the national ledger, rose from $161 billion in 1945 to $165 billion in 1946.

"Wages and salaries declined from $111.4 billion in 1945 to $106.6 billion in 1946, due to demobilization of the armed forces, a sharp drop in Federal civilian payrolls, and a decline in manufacturing payrolls. For 1946 as compared with 1945 military payrolls were down $10 billion, Federal civilian payrolls down $2 billion, and manufacturing payrolls down $2 billion. Non-manufacturing payrolls increased substantially over the period.

"The decline in manufacturing payrolls was a result of lower average employment, shorter average hours and a shift in employment from higher paying durable goods industries to lower paying nondurable goods industries. Wage increases were an offsetting but not fully compensating factor.

"All other components of the national income were higher in 1946 than in 1945. Agricultural income increased from $12.5 billion to $14.9 billion; non-agricultural from $13.1 billion to $15.3 billion; interest and net rents from $11.8 billion to $13 billion; and corporate profits after taxes from $9 billion to $12 billion.

"Corporate profits after taxes represented a smaller proportion of the national income in 1946—7.3%—than in the late 20's or in 1941 but were far above the 1936-39 average when business operations were considerably below full-employment levels.

"The income share received by non-corporate business was unusually high, primarily because of the high incomes of farmers and distributors. The $30 billion total for 1946 includes the return to the proprietor for his labor as well as the return on his investment. The increase in the net income of agricultural proprietors was the result of sharply higher prices received for agricultural commodities. Net farm income rose to $14.9 billion, 19% above 1945."

Hughes on Staff of Savings Banks Life Insurance Fund

William P. Hughes has been appointed Executive Assistant of Savings Banks Life Insurance Fund. Since 1941, except for a period of service in the United States Navy, Mr. Hughes has been with the Institute of Life Insurance where he was Director of Statistics and Research. Prior to that Mr. Hughes was with the Metropolitan Life Insurance Company.

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Civil Engineering Construction Totals $127,871,000 for Week

Civil engineering construction volume in continental United States totals $127,871,000 for the week ending March 6, 1947, as reported by "Engineering News-Record." This volume is 39% above the previous week, 87% above the corresponding week of last year, and 43% above the previous four-week moving average. The report issued on March 6 added:

Private construction this week, $100,596,000, is 123% greater than last week, and 114% above the week last year. Public construction, $27,275,000, is 41% below last week, but 28% more than the week last year. State and municipal construction, $22,479,000, 47% below last week, is 45% above the 1946 week. Federal construction, $4,796,000, is 10% above last week, but 17% below the week last year.

Total engineering construction for the 10-week period of 1947 records a cumulative total of $915,332,000, which is 38% above the total for a like period of 1946. On a cumulative basis, private construction in 1947 totals $609,078,000, which is 34% above that for 1946. Public construction, $306,254,000, is 45% greater than the cumulative total for the corresponding period of 1946, whereas State and municipal construction, $229,513,000 to date, is 65% above 1946. Federal construction, $76,741,000, gained 6% above the 10-week total of 1946.

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

	Mar. 6, 1947	Feb. 27, 1947	Mar. 7, 1946
Total U. S. Construction	$127,871,000	$91,704,000	$68,369,000
Private Construction	100,596,000	45,141,000	47,073,000
Public Construction	27,275,000	46,563,000	21,296,000
State and Municipal	22,479,000	42,213,000	15,491,000
Federal	4,796,000	4,350,000	5,805,000

In the classified construction groups, bridges, industrial buildings, and unclassified construction gained this week over last week. Four of the nine classes recorded gains this week over the 1946 week as follows: bridges, highways, industrial buildings, and unclassified construction.

New Capital

New capital for construction purposes this week totals $25,095,000, and is made up of $22,745,000 in State and municipal bond sales, and $2,350,000 in corporate securities. New capital for construction purposes for the 10-week period of 1947 totals $208,100,000, 34% less than the $315,189,000 reported for the corresponding period of 1946.

February Civil Engineering Construction Totals $356,491,000

Civil engineering construction volume in continental United States totals $356,491,000 for February, an average of $89,123,000 for each of the four weeks of the month. This average is 3% above the average for January, and is 44% above the average of February, 1946, according to "Engineering News-Record." The report issued on March 6 continued in part as follows:

Private construction for February on a weekly average basis is 2% above last month, but 36% greater than February, 1946. Public construction is 6% above last month and 61% above last February. State and municipal construction is 15% above last month and 87% above the average for February, 1946. Federal construction, down 17% from last month, is 9% above February, 1946.

Civil engineering construction volumes for February, 1947, January, 1947, and February, 1946 are:

	Feb., 1947 (four weeks)	Jan., 1947 (five weeks)	Feb., 1946 (four weeks)
Total U. S. Construction	$356,491,000	$430,970,000	$248,025,000
Private Construction	228,567,000	279,915,000	168,630,000
Public Construction	127,924,000	151,055,000	79,395,000
State and Municipal	99,167,000	107,867,000	52,922,000
Federal	28,757,000	43,188,000	26,473,000

New Capital

New capital for construction purposes for the four weeks of February, 1947 totals $74,592,000, or a weekly average of $18,648,000, 14% below the January, 1947 average, and 89% above the average for February, 1946.

Wholesale Prices Rose 0.8% in Week Ended February 22, Labor Department Reports*

Average primary market prices again advanced to a new postwar peak with a rise of 0.8% during the week ended Feb. 22, 1947, according to the Bureau of Labor Statistics, U. S. Department of Labor, which on Feb. 27 stated that "at 144.3% of the 1926 average the Bureau's index of commodity prices in primary markets was 2.9% above late January and 34.4% above the corresponding week of last year." The Department further reported:

"**Farm Products and Foods**—Market prices of farm products rose 1.7% during the week, reaching a level 0.2% below their peak in late November. The advance generally reflected increased buying as supplies remained small. Most livestock and grain quotations were higher as demand continued heavy in relation to supplies. Prices of citrus fruits again increased. Egg prices declined seasonally. Lack of strong demand for foreign wools and an uncertain tariff situation caused a decline in quotations for Argentine wool. Spot prices of raw cotton advanced for the 4th consecutive week. As a group, prices of farm products were 4.6% higher than a month ago and 31.0% above last year.

"Food prices increased generally with the group index up 1.0%. More active demand resulted in higher prices for flour. Meat prices averaged 1.5% higher as pork prices rose reflecting limited supplies. Beef and mutton prices dropped with good supplies. Higher prices were reported for butter, corn syrup and a number of fats and oils which have been scarce and in heavy demand. There were declines for canned tomatoes, canned salmon and black pepper. The group index for foods was 4.2% above late January and 50.0% above last year.

"**Other Commodities**—As a group prices of all commodities other than farm products and foods were up 0.2% during the week. Quotations for cattle hides and skins continued to advance and there were further increases for men's shoes and calf leather. Prices of furniture and cooking stoves were higher reflecting earlier advances due higher production costs. Higher costs of beans raised prices for castor oil and quotations for natural menthol increased with higher prices in Brazil. Prospective improvement of supplies following the completion of the purchase of linseed oil from Argentina reduced prices of linseed oil. Prices of paper and pulp and cement continued to advance because of increased costs. Increased costs also caused higher prices for tobacco products. The selling price of sisal was advanced by the Reconstruction Finance Corporation. There was a fractional advance for farm machinery. Soap prices dropped slightly. On the average prices of all commodities other than farm products and foods were 26.9% higher than a year ago."

CHANGES IN WHOLESALE PRICES BY COMMODITY GROUPS FOR WEEK ENDED FEB. 22, 1947

(1926=100)

Commodity Groups—	1947 2-22	1947 2-15	1947 2-8	1947 1-25	1946 2-23	Percentage change to Feb. 22, 1947 from— 1947 2-15	1947 1-25	1946 2-23
All commodities	144.3	143.1	141.7	140.3	107.4	+ 0.8	+ 2.9	+34.4
Farm products	171.7	168.9	165.5	164.2	131.1	+ 1.7	+ 4.6	+31.0
Foods	162.5	160.9	156.7	155.9	108.3	+ 1.0	+ 4.2	+50.0
Hides and leather products	175.8	173.6	172.9	170.7	120.1	+ 1.3	+ 3.0	+46.4
Textile products	135.4	135.5	137.7	135.7	101.1	— 0.1	— 0.2	+33.9
Fuel and lighting materials	98.6	98.6	98.6	98.5	85.6	0	+ 0.1	+15.2
Metals and metal products	138.4	138.4	138.3	137.7	105.8	0	+ 0.5	+30.8
Building materials	172.6	172.8	170.6	165.5	120.2	— 0.1	+ 4.3	+43.6
Chemicals and allied products	129.2	128.3	127.6	127.4	96.0	+ 0.7	+ 1.4	+34.6
Housefurnishings goods	125.3	123.0	123.0	122.5	108.0	+ 1.9	+ 2.3	+16.0
Miscellaneous commodities	110.7	110.0	110.0	110.0	95.4	+ 0.6	+ 0.6	+16.0
Special Groups—								
Raw materials	156.2	154.3	153.1	152.1	119.7	+ 1.2	+ 2.7	+30.5
Semi-manufactured articles	141.3	141.7	141.3	138.6	98.5	— 0.3	+ 1.9	+43.5
Manufactured products	140.0	139.1	137.5	136.0	103.4	+ 0.6	+ 2.9	+35.4
All commodities other than Farm products	138.3	137.6	136.5	135.1	102.2	+ 0.5	+ 2.4	+35.3
All commodities other than Farm products and foods	128.3	128.1	128.1	127.0	101.1	+ 0.2	+ 1.0	+26.9

PERCENTAGE CHANGES IN SUBGROUP INDEXES FROM FEB. 15, 1947 TO FEB. 22, 1947

Increases

Hides and skins	5.5	Shoes	0.5
Furniture	3.8	Drugs and pharmaceuticals	0.4
Livestock and poultry	3.7	Other miscellaneous	0.4
Cement	2.2	Leather	0.3
Paper and pulp	2.0	Oils and fats	0.3
Grains	1.8	Agricultural implements	0.2
Cereal products	1.5	Brick and tile	0.2
Meats	1.5	Hosiery and underwear	0.2
Dairy products	0.7	Chemicals	0.1
Other foods	0.7	Coke	0.1
Furnishings	0.5	Other building materials	0.1
Other textile products	0.5	Other farm products	0.1

Decreases

Paint and paint materials	1.3	Cattle feed	0.4

*Based on the BLS weekly index of prices of about 900 commodities which measures changes in the general level of primary market prices. This index should be distinguished from the daily index of 28 commodities. For the most part, prices are those charged by manufacturers or producers or are those prevailing on commodity exchanges. The weekly index is calculated from one-day-a-week prices. It is designed as an indicator of week-to-week changes and should not be compared directly with the monthly index.

National Fertilizer Association Commodity Price Index Continues Upward

During the week ended March 8, 1947 the weekly wholesale commodity price index compiled by the National Fertilizer Association and made public on March 10 rose to an all-time high of 199.9 from the previous high point of 197.8, which was reached in the preceding week. The index has risen each week since Jan. 25, 1947. A month ago the index stood at 191.8 and a year ago at 142.9, all based on the 1935-1939 average as 100. The Association's report added:

During the week seven of the composite groups in the index advanced while two declined; the other two remained at the level of the previous week. Lower prices were quoted for cocoa and pork, but the index for the foods group rose because of higher prices for flour, corn meal, ham, coffee, lard, and most meats and oils. The rise in the index for the farm products group was due to higher prices for cotton, corn, wheat, grains, and eggs. Higher prices for feedstuffs and paper board caused an advance in the index for miscellaneous commodities, despite lower prices for hides. The textiles index advanced because of a rise in the price of hemp. Price increases for pig iron, steel scrap, copper, lead, and silver forced up the metals index. Higher prices for white lead in oil and linseed oil caused the building materials index to rise slightly. The index for fertilizer materials advanced 1.8% from the level of the previous week. Lower prices for camphor caused a decline in the index for the chemicals and drugs group. The index for the fuels group fell slightly.

During the week 39 price series in the index advanced and seven declined; in the preceding week 35 advanced and eight declined; in the second preceding week 29 advanced and 13 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 Mar. 8, 1947	Preceding Week Mar. 1, 1947	Month Ago Feb. 8, 1947	Year Ago Mar. 9, 1946
25.3	Foods	225.3	222.2	213.8	141.6
	Fats and Oils	316.2	301.0	280.7	146.6
	Cottonseed Oil	427.4	387.5	387.5	163.1
23.0	Farm Products	255.1	251.4	236.8	172.4
	Cotton	330.8	324.4	309.5	253.8
	Grains	239.1	223.2	205.9	173.2
	Livestock	253.5	253.8	238.8	159.5
17.3	Fuels	159.2	159.4	157.5	126.5
10.8	Miscellaneous Commodities	159.9	157.8	154.1	133.9
8.2	Textiles	209.4	208.4	214.6	161.3
7.1	Metals	146.9	142.8	142.4	116.9
6.1	Building Materials	213.7	212.5	213.2	162.5
1.3	Chemicals and Drugs	155.2	155.3	155.0	127.2
.3	Fertilizer Materials	127.8	125.6	125.5	116.4
.3	Fertilizers	133.7	133.7	133.6	119.8
.3	Farm Machinery	126.3	126.3	124.3	105.2
100.0	All groups combined	199.9	197.8	191.8	142.9

*Indexes on 1926-28 base were: March 8, 1947, 155.7; March 1, 1947, 154.1; and March 9, 1946, 111.3.

Meeting in N. Y. of Korean-American Chamber Following Return from Korea

At a special meeting of the Korean-American Chamber of Commerce, held on March 3 in the Rockefeller Center Office of the Colonial Trust Co. of New York, Arthur S. Kleeman, President of the bank, presented Ilhan New, who had just returned from Korea. Mr. New is President of the associated Chambers of Commerce and Industry of Korea, a parent organization for local Chambers in the 40 largest cities in the American-occupied zone. Mr. New is also a Vice-President of the New York Chamber. In his report to the members present, Mr. New discussed the urgent need for immediate methods of passenger and freight communication between Korea and the United States. He expressed the earnest hope of the business interests of Kora that the Far East services of the Northwest Airlines and the American President Lines would be expanded to include stops at Korean ports, and indicated that there should be no difficulty in providing substantial air and sea cargo between this country and Korea, as soon as such services are established and a medium of exchange arranged between Korea and the United States.

Mr. New had a part in arranging the first shipment of Korean exports to this country since the war, thereby initiating a type of transaction which when built up in volume, should begin to give Korea a substantial dollar buying power in this country. Prior to Mr. New's talk, Mr. Kleeman introduced the new Secretary of the Chamber, Dr. E. W. Koons, whose connection with Korea began in 1903 when he landed there as a missionary. Dr. Koons, with his wife, was among the small number of Americans who stayed in Korea until the beginning of the war, at which time they were interned by the Japanese. They reached this country in August, 1942 on the Gripsholm; since that time Dr. Koons has been in charge of broadcasting in Korean to Korea, first as a part of OWI, and more recently, as a member of the State Department staff.

Results of Treasury Bill Offering

The Secretary of the Treasury announced on Mar. 10 that the tenders for $1,300,000,000 of thereabout of 91-day Treasury bills to be dated Mar. 13 and to mature June 12, which were offered on Mar. 7, were opened at the Federal Reserve Banks on Mar. 10.

Total applied for, $1,836,470,000.

Total accepted, $1,306,510,000 (includes $24,660,000 entered on a fixed price basis at 99.905 and accepted in full).

Average price, 99.095+; equivalent rate of discount approximately 0.376% per annum.

Range of accepted competitive bids:

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

Low, 99.905, 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. 13 in the amount of $1,314,809,000.

Daily Average Crude Oil Production for Week Ended Mar. 1, 1947 Decreased 14,800 Barrels

The American Petroleum Institute estimates that the daily average gross crude oil production for the week ended March 1, 1947, was 4,771,350 barrels, a decrease of 14,800 barrels per day from the preceding week. It was, however, an increase of 45,100 barrels per day over the corresponding week of 1946, and was 131,350 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 March 1, 1947, averaged 4,771,350 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 4,896,000 barrels of crude oil daily and produced 15,191,000 barrels of gasoline; 2,140,000 barrels of kerosine; 5,488,000 barrels of distillate fuel, and 8,824,000 barrels of residual fuel oil during the week ended March 1, 1947; and had in storage at the end of that week 105,803,000 barrels of finished and unfinished gasoline; 11,649,000 barrels of kerosine; 38,004,000 barrels of distillate fuel, and 45,175,000 barrels of residual fuel oil.

DAILY AVERAGE CRUDE OIL PRODUCTION (FIGURES IN BARRELS)

	*B. of M. Calculated Requirements February	State Allowables Begin. Feb. 1	Actual Production Week Ended Mar. 1, 1947	Change from Previous Week	4 Weeks Ended Mar. 1, 1947	Week Ended Mar. 2, 1946
**New York-Penna.	48,200		46,900	— 1,050	45,900	50,650
Florida			100	— 150	200	100
**West Virginia	8,200		6,550	— 1,150	6,750	7,900
**Ohio—Southeast	7,800		5,500	+ 250	5,200	5,000
Ohio—Other			2,150	— 400	2,200	3,200
Indiana	18,000		18,000	+ 300	18,250	18,300
Illinois	204,000		195,750	+ 5,000	192,500	212,550
Kentucky	28,000		27,500	+ 500	27,450	30,150
Michigan	46,000		44,150	+ 2,400	42,000	42,800
Nebraska	800		†700	----	700	850
Kansas	263,000	270,000	†271,800	— 8,550	272,350	257,050
Oklahoma	370,000	371,700	†369,150	— 900	369,300	389,450
Texas—						
District I			19,950	----	19,950	----
District II			146,000	----	146,000	----
District III			451,000	----	451,000	----
District IV			223,250	----	223,250	----
District V			36,450	----	36,450	----
East Texas			328,200	----	328,200	----
Other Dist. VI			106,100	----	106,100	----
District VII-B			36,100	----	36,100	----
District VII-C			32,650	----	32,650	----
District VIII			467,450	----	467,450	----
District IX			126,350	----	126,350	----
District X			83,150	----	83,150	----
Total Texas	2,030,000	‡2,042,500	2,056,650	----	2,056,650	2,109,250
North Louisiana			93,850	— 550	94,250	82,800
Coastal Louisiana			310,300	----	310,300	288,850
Total Louisiana	387,000	447,000	404,150	— 550	404,550	371,650
Arkansas	76,000	79,580	73,900	— 550	74,150	77,000
Mississippi	66,000		84,200	+ 2,450	85,200	55,100
Alabama	2,000		850	— 50	950	1,050
New Mexico—So. East	98,000	110,000	103,400	----	103,400	98,000
New Mexico—Other			450	— 50	450	450
Wyoming	93,000		111,300	— 400	108,900	105,050
Montana	23,000		22,350	— 1,850	22,650	19,100
Colorado	33,000		35,750	— 2,550	37,000	23,300
California	838,000	§844,300	890,100	— 7,500	894,650	848,300
Total United States	4,640,000		4,771,350	—14,800	4,771,350	4,726,250
**Pennsylvania Grade (included above)			58,950	— 1,950	57,850	63,550

*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. 27, 1947.

‡This is the net basic allowable as of Feb. 1 calculated on a 28-day basis and includes shutdowns and exemptions for the entire month. With the exception of several fields which were exempted entirely and for certain other fields for which shutdowns were ordered for from 6 to 12 days, the entire state was ordered shut down for 6 days, no definite dates during the month being specified; operators only being required to shut down as best suits their operating schedules or labor needed to operate leases, a total equivalent to 6 days shutdown time during the calendar month.

§Recommendation of Conservation Committee of California Oil Producers.

CRUDE RUNS TO STILLS; PRODUCTION OF GASOLINE; STOCKS OF FINISHED AND UNFINISHED GASOLINE, KEROSINE, GAS OIL AND DISTILLATE FUEL AND RESIDUAL FUEL OIL, WEEK ENDED MARCH 1, 1947

(Figures in thousands of barrels of 42 gallons each)

Figures in this section include reported totals plus an estimate of unreported amounts and are therefore on a Bureau of Mines basis

District—	% Daily Refin'g Capac. Report'g	Crude Runs to Stills Daily Av.	Crude Runs to Stills % Operated	§Gasoline Product'n at Ref. Inc. Nat. Blended	†Finished and Unfin. Gasoline Stocks	‡Stocks of Kerosine	‡Stks. of Gas Oil & Dist. Fuel Oil	‡Stks of Resid. Fuel Oil
East Coast	99.5	772	92.0	1,984	22,740	5,932	13,130	6,963
Appalachian—								
District No. 1	76.3	109	76.2	309	2,693	244	437	217
District No. 2	84.7	66	106.5	220	1,049	26	70	104
Ind., Ill., Ky.	87.4	825	94.8	2,859	21,731	1,221	2,823	2,441
Okla., Kans., Mo.	78.3	390	83.2	1,452	10,538	356	1,311	1,017
Inland Texas	59.8	237	71.8	1,096	4,537	222	318	763
Texas Gulf Coast	89.2	1,149	93.7	3,518	16,025	1,781	6,535	5,133
Louisiana Gulf Coast	97.4	352	109.7	976	5,208	820	2,054	1,601
No. La. & Arkansas	55.9	60	47.6	178	2,319	282	454	132
Rocky Mountain—								
New Mexico	19.0	13	100.0	34	99	15	31	35
Other Rocky Mt.	70.9	120	72.7	407	2,865	58	478	756
California	85.5	803	80.8	2,158	15,999	692	10,363	26,013
Total U. S. B. of M. basis March 1, 1947	85.8	4,896	88.1	15,191	*105,803	11,649	38,004	45,175
Total U. S. B. of M. basis Feb. 22, 1947	85.8	4,860	87.4	14,668	103,904	11,697	40,739	44,919
Total U. S. B. of M. March 2, 1946		4,813		13,611	†104,773	7,814	25,455	38,495

*Includes unfinished gasoline stocks of 8,206,000 barrels. †Includes unfinished gasoline stocks of 8,527,000 barrels. ‡Stocks at refineries, at bulk terminals, in transit and in pipe lines. §In addition, there were produced 2,140,000 barrels of kerosine, 5,488,000 barrels of gas oil and distillates fuel oil and 8,824,000 barrels of residual fuel oil in the week ended March 1, 1947, as compared with 2,277,000 barrels, 5,929,000 barrels and 8,542,000 barrels, respectively, in the preceding week and 2,482,000 barrels, 5,933,000 barrels and 8,800,000 barrels, respectively, in the week ended March 2, 1946.

Weekly Coal and Coke Production Statistics

The total production of soft coal in the week ended March 1, 1947, as estimated by the United States Bureau of Mines, was 12,875,000 net tons, a decrease of 155,000 tons, or 1.2%, from the preceding week. Output in the corresponding week of 1946 amounted to 12,732,000 tons. The total production of bituminous coal and lignite for the current calendar year to March 1, 1947, was estimated at 111,335,000 net tons, an increase of 2.5%, over the 108,665,000 tons produced from Jan. 1 to March 2, 1946.

Output of Pennsylvania anthracite for the week ended March 1, 1947, as estimated by the Bureau of Mines, was 1,099,000 tons, an increase of 49,000 tons, or 4.7%, over the preceding week. When compared with the production in the corresponding week of 1946 there was a decrease of 140,000 tons, or 11.3%. The calendar year to date shows a decrease of 6.2% when compared with the corresponding period of 1946.

The Bureau also reported that the estimated production of beehive coke in the United States for the week ended March 1, 1947, showed an increase of 8,900 tons when compared with the output for the week ended Feb. 22, 1947, and was 29,700 tons more than for the corresponding week of last year.

ESTIMATED UNITED STATES PRODUCTION OF BITUMINOUS COAL AND LIGNITE

(In Net Tons)

Bituminous coal & lignite—	Week Ended Mar. 1, 1947	Week Ended Feb. 22, 1947	Week Ended †Mar. 2, 1946	Jan. 1 to Date *Mar. 1, 1947	Jan. 1 to Date †Mar. 2, 1946
Total, including mine fuel	12,875,000	13,030,000	12,732,000	111,335,000	108,665,000
Daily average	2,146,00	2,172,000	2,122,000	2,179,000	2,086,000

*Subject to current adjustment. †Revised.

ESTIMATED PRODUCTION OF PENNSYLVANIA ANTHRACITE AND COKE

(In Net Tons)

Penn. Anthracite—	Week Ended ‡Mar. 1, 1947	Week Ended §Feb. 22, 1947	Week Ended Mar. 2, 1946	Calendar Year to Date Mar. 1, 1947	Calendar Year to Date Mar. 2, 1946	Calendar Year to Date Mar. 6, 1937
*Total incl. coll. fuel	1,099,000	1,050,000	1,239,000	9,549,000	10,177,000	8,596,000
†Commercial produc.	1,057,000	1,010,000	1,191,000	9,182,000	9,785,000	8,166,000
Beehive Coke—						
¶United States total	128,900	120,000	99,200	1,036,400	763,200	645,200

*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. 22, 1947	Week Ended Feb. 15, 1947	Week Ended ¶Feb. 23, 1946
Alabama	413,000	406,000	368,000
Alaska	7,000	7,000	7,000
Arkansas	35,000	43,000	36,000
Colorado	173,000	168,000	155,000
Georgia and North Carolina	1,000	1,000	1,000
Illinois	1,418,000	1,397,000	1,554,000
Indiana	628,000	579,000	536,000
Iowa	40,000	37,000	37,000
Kansas and Missouri	124,000	129,000	120,000
Kentucky—Eastern	1,160,000	1,157,000	1,184,000
Kentucky—Western	410,000	375,000	463,000
Maryland	50,000	57,000	40,000
Michigan	1,000	1,000	3,000
Montana (bituminous and lignite)	84,000	84,000	93,000
New Mexico	35,000	36,000	27,000
North and South Dakota (lignite)	72,000	78,000	67,000
Ohio	783,000	728,000	765,000
Oklahoma	65,000	68,000	58,000
Pennsylvania (bituminous)	3,240,000	2,725,000	2,895,000
Tennessee	135,000	158,000	163,000
Texas (bituminous and lignite)	3,000	4,000	1,000
Utah	190,000	198,000	150,000
Virginia	382,000	409,000	398,000
Washington	27,000	24,000	27,000
†West Virginia—Southern	2,347,000	2,460,000	2,257,000
‡West Virginia—Northern	1,016,000	835,000	1,050,000
Wyoming	191,000	185,000	204,000
§Other Western States	*	1,000	1,000
Total bituminous and lignite	13,030,000	12,350,000	12,660,000

†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. ¶Revised. *Less than 1,000 tons.

Cotton Ginned from 1946 Crop Prior to Nov. 14

The Census report issued on Nov. 21, compiled from the individual returns of the ginners, shows as follows the number of bales of cotton ginned from the growth of 1946 prior to Nov. 14, 1946, and comparative statistics to the corresponding date in 1945 and 1944.

RUNNING BALES

(Counting round as half bales and excluding linters)

State—	1946	1945	1944
United States	*6,533,228	6,425,144	9,486,356
Alabama	667,397	836,435	928,033
Arizona	68,545	45,717	44,858
Arkansas	849,493	560,830	1,112,199
California	268,867	118,461	83,708
Florida	3,728	6,040	9,989
Georgia	475,683	555,086	728,165
Illinois	467	225	2,635
Kentucky	3,529	2,831	9,889
Louisiana	237,370	336,731	550,608
Mississippi	912,858	1,176,675	1,596,105
Missouri	178,757	70,126	534,587
New Mexico	108,147	62,058	55,851
North Carolina	308,821	307,406	557,148
Oklahoma	162,993	179,103	403,142
South Carolina	601,945	510,391	714,524
Tennessee	330,301	252,127	454,108
Texas	1,345,593	1,394,902	1,881,290
Virginia	8,734	10,000	19,517

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

The statistics in this report include 1,537 bales of American-Egyptian for 1946, 2,091 for 1945, and 3,504 for 1944; also included are no bales of Sea-Island for 1946, four for 1945, and two for 1944. The ginning of round bales has been discontinued since 1941.

The statistics for 1946 in this report are subject to revision when checked against the individual returns of the ginners being transmitted by mail. The revised total of cotton ginned this season prior to Nov. 1 is 5,726,444 bales.

Appointments to Comm. of Natl. Assn. Of Ins. Commissioners

Superintendent of Insurance Robert E. Dineen of New York, in his capacity as President of the Commissioners, announced on National Association of Insurance March 4 the appointments of Mississippi, as Chairman of the Commissioner Jesse L. White, of Fire and Marine Committee; Commissioner George Butler, of Texas, as Chairman of the Laws and Legislation Committee, which includes Group Hospitalization and Medical Service; Commissioner Oscar W. Carlson, of Utah, as Chairman of the Taxation Committee; and Commissioner John D. Pearson, of Indiana, as Chairman of the Real Estate Committee.

The following appointments as members of NAIC Committees are also announced: Accident and Health, Commissioner Frank Sullivan, Kansas; Fire and Marine, Commissioner Wallace Downey, California; Commissioner James F. Malone, Jr., Pennsylvania; [Commissioner Malone is also appointed to the Sub-Committee on Interpretation and Complaint of the Fire and Marine Committee]; Life, Superintendent Lee Shield, Ohio; Real Estate, Commissioner Bernard R. Stone, Nebraska; Commissioner George A. Bisson, Rhode Island; Taxation, Commissioner Brooks Glass, Alabama; Valuation of Securities, Commissioner Lee Shield, Ohio; Workmen's Compensation, Commissioner Wallace Downey, California.

All of the appointments are made to fill vacancies in the committees caused by the resignation from office of the Insurance Commissioners of other states, including Miss Addie Lee Farish, Alabama; Maynard Garrison, California; Charles F. Hobbs, Kansas; Donald R. Hodder, Nebraska; Walter Dressel, Ohio; Gregg L. Neel, Pennsylvania, and J. Austin Carroll, Rhode Island.

Dividends in 1946

Publicly reported cash dividend payments by United States corporations totaled $4,334,700,000 during 1946, 12% more than the $3,878,200,000 paid out in 1945, the Department of Commerce said on Feb. 26. For December, 1946 the Department stated "payments amounted to $950,200,000 as compared with $768,200,000 in December, 1945, a gain of 24%. The figures both for December and the entire year include only publicly reported cash dividend disbursements, which account for about 60% of all cash dividends paid." The Department added:

For the year as a whole, corporations engaged in wholesale and retail trade made the best showing with a 46% increase in dividends paid during 1946 as compared with 1945.

The miscellaneous group, consisting principally of motion picture companies and transportation corporations other than railroads, increased their dividend payments 29%; mining corporations 13%; and corporations engaged in finance, 11%. Dividends paid by corporations engaged in communications were about the same for 1946 as for 1945.

Corporate manufacturing dividend payments for 1946 advanced 11% over 1945. Within the manufacturing group, however, there were wide variations. Paper and printing corporations boosted their disbursements 43%; textiles and leather, 37%; other manufactures, 32%; chemicals, 18%; and oil refining, 13%. Dividends declined 18% in the automobile manufacturing group and 2% in the transportation equipment group.

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Trading on New York Exchanges

The Securities and Exchange Commission made public on March 5 figures showing the volume of total round-lot stock sales on the New York Stock Exchange and the New York Curb Exchange and the volume of round-lot stock transactions for the account of all members of these exchanges in the week ended Feb. 15, 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. 15 (in round-lot transaction) total 2,129,883 shares, which amount was 18.61% of the total transactions on the Exchange of 5,721,930 shares. This compares with member trading during the week ended Feb. 8 of 2,932,227 shares, or 17.49% of the total trading of 8,383,500 shares.

On the New York Curb Exchange, member trading during the week ended Feb. 15 amounted to 636,285 shares or 18.77% of the total volume on that Exchange of 1,694,530 shares. During the week ended Feb. 8 trading for the account or Curb members of 660,325 shares was 16.42% of the total trading of 2,011,025 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. 15, 1947

	Total for Week	†%
A. Total Round-Lot Sales:		
Short sales	236,580	
‡Other sales	5,485,350	
Total sales	5,721,930	
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	634,230	
Short sales	115,540	
‡Other sales	526,510	
Total sales	642,050	11.15
2. Other transactions initiated on the floor—		
Total purchases	151,370	
Short sales	20,200	
‡Other sales	200,600	
Total sales	220,800	3.25
3. Other transactions initiated off the floor—		
Total purchases	177,063	
Short sales	36,940	
‡Other sales	267,430	
Total sales	304,370	4.21
4. Total—		
Total purchases	962,663	
Short sales	172,680	
‡Other sales	994,540	
Total sales	1,161,220	18.61

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

WEEK ENDED FEB. 15, 1947

	Total for Week	†%
A. Total Round-Lot Sales:		
Short sales	46,945	
‡Other sales	1,647,585	
Total sales	1,694,530	
B. Round-Lot Transactions for Account of Members:		
1. Transactions of specialists in stocks in which they are registered—		
Total purchases	192,565	
Short sales	13,420	
‡Other sales	143,515	
Total sales	156,935	10.31
2. Other transactions initiated on the floor—		
Total purchases	33,690	
Short sales	21,000	
‡Other sales	33,270	
Total sales	54,270	2.59
3. Other transactions initiated off the floor—		
Total purchases	112,360	
Short sales	6,700	
‡Other sales	79,765	
Total sales	86,465	5.87
4. Total—		
Total purchases	338,615	
Short sales	41,120	
‡Other sales	256,550	
Total sales	297,670	18.77
C. Odd-Lot Transactions for Account of Specialists—		
Customers' short sales	0	
§Customers' other sales	188,837	
Total purchases	188,837	
Total sales	92,281	

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

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

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

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

Non-Ferrous Metals—Most Copper Producers Raise Copper to 21½c—Silver Advances

"E. & M. J. Metal and Mineral Markets," in its issue of March 6, stated: "The sharp upward movement in prices of copper and lead that occurred during the last week was generally attributed to the continued heavy demands from consumers who seem to act as if the shortages in these vital metals will be permanent. Most sellers of copper raised their prices to the basis of 21½c., Valley, and lead jumped to 15c, New York. Silver also advanced sharply, with foreign and domestic business in good volume. Sales of silver for Indian account probably absorbed close to 10,000,000 oz. since the buying movement started about two weeks ago. Zinc remained quiet and the price unchanged. Quicksilver was steady at an advance of $1 per flask." The publication further went on to say in part as follows:

Copper

To comply with the policy of avoiding subsidized sales of materials bought by the government since decontrol of prices, RFC was instructed on Feb. 28 to price copper for allocation to domestic consumers on the average cost of acquisition, plus the duty, or the prevailing market price, whichever is higher. About 55,000 tons will be available for sale on this basis during the next two or three months. RFC established the acquisition price at 21½c, Valley.

Phelps Dodge raised its quotation for copper on March 3 to 21½c, or to the same level as that named by RFC. Excepting Kennecott, other sellers followed the move initiated by Phelps Dodge.

As the week ended interest shifted to Washington, where the House Ways and Means Committee heard various agency officials on the bill introduced by Rep. Robert A. Grant, of Indiana, calling for the suspension of the 4c import tax on copper until March 31, 1950. Authorities believe that a strong likelihood exists for the temporary waiving of the duty, probably for a period of one year.

RFC will release about 32,000 tons of copper for allocation in March.

The foreign market moved upward, with sales prices ranging from 21½c to 22⅞c. The rise of £10 per ton in the British quotation, a purely internal affair, no doubt influenced world prices.

Lead

So-called "black market" lead continued to plague the industry, and sales of outside metal at a premium caused the American Smelting & Refining Co. to again raise its published quotation establishing its price on March 3 at 15c per pound, New York, a new high. St. Joseph Lead Co. did not follow this price advance immediately, but on the following day announced that it brought its St. Louis quotation in line with the New York market.

St. Joseph Lead Co. on March 5 issued a statement to the effect that it raised its price reluctantly, as it felt that supply and demand is gradually being brought into balance. It was pointed out that the industry's monthly sales for the first two months of 1947 exceeded the average for last year by 12,000 tons a month. The company feels it a mistake to establish a price for the larger tonnages of lead consumed domestically on the basis of prices paid for relatively small tonnages of foreign lead.

Sales for the week amounted to 6,741 tons.

Zinc

The excitement that prevailed in copper and lead did not spread to zinc. Producers reported an orderly market, with Prime Western unchanged on the basis of 10½c, East St. Louis. The overall supply situation in zinc is generally viewed as comfortable, even though scarcities occur from time to time in some grades.

Tin

Domestic use of pig tin in 1946 approximated 60,000 long tons, according to the Civilian Production Administration. Total tin stocks in the United States declined about 14,000 tons, reducing the government's supply on hand to 53,337 tons (pig tin and tin in ore and concentrate). Since a large part of the reserve supply is immobilized in working stocks and in process, the net supply available for industrial needs is much smaller than the stock figure would indicate. Pending receipt of details on 1947 allocations by the Combined Tin Committee, CPA has not made known its views on the outlook of new supplies. World mine production of tin in 1947 is estimated at 147,000 long tons, against 91,000 tons in 1946.

The price situation here was unchanged. Straits quality tin for shipment, in cents per pound, was nominally as follows:

	March	April	May
Feb. 27	70.000	70.000	70.000
Feb. 28	70.000	70.000	70.000
March 1	70.000	70.000	70.000
March 3	70.000	70.000	70.000
March 4	70.000	70.000	70.000
March 5	70.000	70.000	70.000

Chinese, or 99% tin, 69.125c.

Silver

Buying of silver continued active, with foreign demand largely responsible for another sharp upturn in the New York official quotation. It has been known in silver circles that India stood ready to acquire the metal in quantity if dollar exchange could be obtained. Funds were made available through what is described in Wall Street as a "four-nation exchange deal." Belgian interests were credited as acting as middlemen in the acquisition of substantial quantities of silver for ultimate delivery to Indian merchants. Indian funds were converted into blocked sterling, at a huge profit to the Belgians, who subsequently released dollar funds for the purchase of silver in the New York market for India.

The New York Official price of silver settled at 84¾c an ounce troy, against 75¾c a week ago.

London, silver, spot, advanced to 50d during the last week.

Quicksilver

Selling pressure in quicksilver diminished somewhat in the last week, and most operators believe that the so-called "cheap" lots have been disposed of, causing prices on spot to settle at $87 to $90 per flask, or $1 higher than a week ago. There were no fresh developments in connection with the Japanese metal now in the hands of the U. S. Commercial Co. In some quarters it is believed that this lot of 2,900 flasks will not be sold in a manner calculated to disturb the price structure. The Cartel, according to market authorities, has not been pressing metal for sale, which also tends to steady the general situation here.

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

	—Electrolytic Copper— Dom. Refy.	Exp. Refy.	Straits Tin, New York	—Lead— New York	St. Louis	Zinc St. Louis
Feb. 27	19.450	20.675	70.000	14.000	13.800	10.500
Feb. 28	19.225	20.675	70.000	14.000	13.800	10.500
Mar. 1	19.225	20.925	70.000	14.000	13.800	10.500
Mar. 3	20.650	21.425	70.000	14.875	13.800	10.500
Mar. 4	19.725	21.800	70.000	15.000	14.800	10.500
Mar. 5	19.800	21.800	70.000	15.000	14.800	10.500
Average	19.679	21.217	70.000	14.479	14.133	10.500

Average prices for calendar week ended March 1, are: Domestic copper f.o.b. refinery, 19.317c; export copper, f.o.b. refinery 20.696c; Starits tin, 70.000c; New York lead, 13.833c; St. Louis lead, 13.633c; St. Louis zinc, 10.500c; and silver, 76.750c.

The above quotations are "E. & M. J. M. & M. M's" appraisal of the major United States markets, based on sales reported by producers and agencies. They are reduced to the basis of cash, New York or St. Louis, as noted. All prices are in cents per pound.

Copper, lead and zinc quotations are based on sales for both prompt and future deliveries; tin quotations are for prompt delivery only.

In the trade, domestic copper prices are quoted on a delivered basis: that is, delivered at consumers' plants. As delivery charges vary with the destination, the figures shown above are net prices at refineries on the Atlantic seaboard. Delivered prices in New England average 0.275c. per pound above the refinery basis, effective Jan. 2, 1947.

"E. & M. J. M. & M. M's" 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 0.075c., is deducted for lighterage, etc., to arrive at the f.o.b. refinery quotation.

Quotations for copper are for the ordinary forms of wirebars and ingot bars. For standard ingots an extra 0.075c. per pound is charged; for slabs 0.175c. up, and for cakes 0.225c. up, depending on weight and dimension; for billets an extra 0.95c. up, depending on dimensions and quality. Cathodes in standard sizes are sold at a discount of 0.125c per pound.

Quotations for zinc are for ordinary Prime Western brands. Contract prices for High-grade zinc delivered in the East and Middle West in nearly all instances command a premium of 1c. per pound over the current market for Prime Western but not less than 1c. over the "E & M. J." average for Prime Western for the previous month; the premium on Special High Grade in most instances is 1¼c.

Quotations for lead reflect prices obtained for common lead only.

Inventories Rise Again in January

The value of manufacturers' inventories reached a new all-time high of $20.6 billion at the end of January, an increase of $350 million from December, the Office of Business Economics, Department of Commerce, said on March 7. The rate of increase in inventories during January was about the same as for November and December the Department stated, and it added that the January increase resulted from about equal advances in the dollar value of inventory held by both durable and nondurable goods industries. The Department's advices continued:

"Preliminary figures indicate that not all manufacturing industries shared alike in the January inventory increase. While some major industries showed larger inventories, other reported either no change or slight declines. Manufacturers' sales were valued at $13.3 billion in January, an increase of $500 million over the December volume, but the advance was due entirely to an extra working day in January.

"The daily average value of shipments remained at the December level. January was the first month since July 1946 that the Department of Commerce index of manufacturers' sales failed to advance. The daily average volume of sales by manufacturers of durable goods advanced during January to 4% over the December level, but this gain was offset by a corresponding decline for the nondurable goods industries.

"Part of the sales increase in the durable goods group reflected an upswing from the relatively low December levels occasioned by the coal strike. Sales were larger for all heavy goods except building materials and automobiles.

"Each of the nondurable goods manufacturing industries except paper and paper products reported lower sales in January than in December. However, for most of the industries the decline was seasonal."

NYSE Odd-Lot Trading

The Securities and Exchange Commission made public on March 5 a summary of complete figures showing the daily volume of stock transactions for odd-lot account of all odd-lot dealers and specialists who handled odd lots on the New York Stock Exchange for the week ended Feb. 22, 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. 22, 1947

	Total For Week
Odd-Lot Sales by Dealers— (Customers' purchases)	
Number of orders	22,537
Number of shares	664,651
Dollar value	$27,429,581
Odd-lot Purchases by Dealers— (Customers' sales)	
Number of Orders:	
Customers' short sales	330
*Customers' other sales	20,204
Customers' total sales	20,534
Number of Shares:	
Customers' short sales	11,133
*Customers' other sales	568,193
Customers' total sales	579,326
Dollar value	$21,910,534
Round-lot Sales by Dealers—	
Number of Shares:	
Short sales	0
†Other sales	174,870
Total sales	174,870
Round-lot Purchases by Dealers—	
Number of shares	251,550

*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."

Revenue Freight Car Loadings During Week Ended March 1, 1947 Increased 73,342 Cars

Loading of revenue freight for the week ended March 1, 1947 totaled 850,031 cars, the Association of American Railroads announced on March 6. This was an increase of 67,634 cars or 8.6% above the corresponding week in 1946, and an increase of 64,295 cars or 8.2% above the same week in 1945.

Loading of revenue freight for the week of March 1, increased 73,342 cars or 9.4% above the preceding week which included Washington Birthday holiday on Feb. 22.

Miscellaneous freight loading totaled 390,536 cars an increase of 40,857 cars above the preceding week, and an increase of 51,636 cars above the corresponding week in 1946.

Loading of merchandise less than carload freight totaled 123,993 cars an increase of 13,847 cars above the preceding week, and an increase of 2,351 cars above the corresponding week in 1946.

Coal loading amounted to 185,068 cars, an increase of 2,648 cars above the preceding week, but a decrease of 208 cars below the corresponding week in 1946.

Grain and grain products loading totaled 56,913 cars, an increase of 7,833 cars above the preceding week and an increase of 2,001 cars above the corresponding week in 1946. In the Western Districts alone, grain and grain products loading for the week of March 1 totaled 40,054 cars, an increase of 5,980 cars above the preceding week and an increase of 2,208 cars above the corresponding week in 1946.

Livestock loading amounted to 13,266 cars an increase of 967 cars above the preceding week but a decrease of 3,403 cars below the corresponding week in 1946. In the Western Districts alone loading of livestock for the week of March 1 totaled 9,670 cars an increase of 510 cars above the preceding week, but a decrease of 2,918 cars below the corresponding week in 1946.

Forest products loading totaled 52,858 cars, an increase of 6,602 cars above the preceding week and an increase of 10,270 cars above the corresponding week in 1946.

Ore loading amounted to 12,913 cars an increase of 277 cars above the preceding week and an increase of 3,456 cars above the corresponding week in 1946.

Coke loading amounted to 14,484 cars, an increase of 281 cars above the preceding week and an increase of 1,536 cars above the corresponding week in 1946.

All districts reported increases compared with the corresponding weeks in 1946 and 1945.

	1947	1946	1945
Four weeks of January	3,168,397	2,883,863	3,003,655
Four Weeks of February	3,179,198	2,866,876	3,052,487
Week of March 1	850,031	782,397	785,736
Total	7,197,626	6,533,136	6,841,878

The following table is a summary of the freight carloadings for the separate railroads and systems for the week ended March 1, 1947. During this period 85 roads reported gains over the week ended March 2.

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

Railroads	Total Revenue Freight Loaded			Total Loads Received from Connections	
	1947	1946	1945	1947	1946
Eastern District—					
Ann Arbor	388	353	284	1,757	1,616
Bangor & Aroostook	3,043	2,571	2,700	426	393
Boston & Maine	7,771	7,265	7,426	13,069	13,229
Chicago, Indianapolis & Louisville	1,461	1,213	1,278	2,223	2,144
Central Indiana	32	47	37	53	51
Central Vermont	1,029	1,084	991	2,209	2,038
Delaware & Hudson	5,020	4,356	4,927	11,679	11,385
Delaware, Lackawanna & Western	7,482	7,687	7,129	10,371	9,296
Detroit & Mackinac	309	224	186	251	157
Detroit, Toledo & Ironton	2,827	1,694	1,624	1,964	1,719
Detroit & Toledo Shore Line	477	265	446	4,161	3,877
Erie	12,506	10,939	12,498	16,162	15,055
Grand Trunk Western	4,926	3,127	4,035	8,441	9,142
Lehigh & Hudson River	129	156	160	3,272	2,516
Lehigh & New England	868	2,197	1,741	1,344	1,609
Lehigh Valley	8,146	8,399	7,917	8,327	7,337
Maine Central	3,269	2,920	2,621	4,053	4,021
Monongahela	6,624	6,239	5,761	180	268
Montour	3,006	2,868	2,371	14	24
New York Central Lines	50,031	44,378	48,459	52,199	52,518
N. Y., N. H. & Hartford	10,286	10,489	11,057	15,498	13,991
New York, Ontario & Western	994	822	870	2,643	2,335
New York, Chicago & St. Louis	6,796	5,603	6,726	15,616	14,492
N. Y., Susquehanna & Western	492	425	506	1,298	2,296
Pittsburgh & Lake Erie	5,783	6,583	7,450	8,742	7,353
Pere Marquette	6,789	4,645	5,208	8,436	7,468
Pittsburg & Shawmut	1,129	973	683	26	41
Pittsburg, Shawmut & Northern	336	244	279	113	247
Pittsburgh & West Virginia	782	757	833	2,444	1,856
Rutland	431	344	384	1,074	1,192
Wabash	7,028	5,953	6,059	11,999	11,558
Wheeling & Lake Erie	5,364	4,447	6,212	4,178	3,633
Total	165,554	149,267	158,858	214,222	204,857
Allegheny District—					
Akron, Canton & Youngstown	670	563	806	1,509	1,387
Baltimore & Ohio	41,823	39,966	40,271	24,449	24,261
Bessemer & Lake Erie	2,986	2,606	3,127	1,801	1,064
Cambria & Indiana	1,160	1,454	1,665	9	11
Central R. R. of New Jersey	6,882	6,016	6,497	18,332	16,634
Cornwall	429	409	501	63	59
Cumberland & Pennsylvania	358	261	156	4	7
Ligonier Valley	67	26	104	6	9
Long Island	1,450	1,623	1,905	4,530	4,726
Penn-Reading Seashore Lines	1,579	1,614	1,764	1,790	1,988
Pennsylvania System	80,760	73,143	78,427	54,783	56,911
Reading Co.	14,836	13,390	15,060	25,145	25,960
Union (Pittsburgh)	18,769	14,330	18,824	4,464	2,698
Western Maryland	4,238	4,191	3,842	11,860	12,057
Total	176,007	159,592	172,949	148,745	147,772
Pocahontas District—					
Chesapeake & Ohio	33,136	30,988	26,859	12,129	11,561
Norfolk & Western	22,610	21,452	20,833	7,249	6,608
Virginian	4,881	5,030	4,399	1,689	1,784
Total	60,627	57,470	52,091	21,067	19,953
Southern District—					
Alabama, Tennessee & Northern	432	530	384	286	200
Atl. & W. P.—W. R. R. of Ala.	929	932	881	2,214	2,023
Atlantic Coast Line	15,991	15,203	15,555	9,898	10,169
Central of Georgia	4,379	4,648	4,264	4,504	4,840
Charleston & Western Carolina	541	508	429	1,671	1,642
Clinchfield	1,897	1,792	1,627	3,866	3,778
Columbus & Greenville	390	432	235	320	297
Durham & Southern	101	84	108	676	609
Florida East Coast	2,925	3,420	3,734	1,584	1,633
Gainesville Midland	87	64	56	129	139
Georgia	1,011	1,173	1,251	2,215	2,323
Georgia & Florida	415	513	429	779	893
Gulf, Mobile & Ohio	4,913	5,129	4,489	4,224	4,436
Illinois Central System	28,119	29,296	26,906	14,684	13,790
Louisville & Nashville	28,233	26,274	25,788	10,374	9,725
Macon, Dublin & Savannah	208	266	217	995	1,058
Mississippi Central	428	343	333	471	370
Nashville, Chattanooga & St. L.	3,437	3,485	3,091	4,192	3,967
Norfolk Southern	1,612	1,343	961	1,707	1,643
Piedmont Northern	527	433	544	2,029	1,603
Richmond, Fred. & Potomac	336	459	503	8,364	9,055
Seaboard Air Line	14,319	12,154	11,202	10,507	8,706
Southern System	27,121	26,678	24,094	24,881	24,504
Tennessee Central	519	609	623	975	898
Winston-Salem Southbound	141	149	134	904	918
Total	139,011	135,917	127,838	112,449	109,224
Northwestern District—					
Chicago & North Western	16,645	16,625	14,219	15,974	14,018
Chicago Great Western	2,653	2,968	2,373	3,534	3,204
Chicago, Milw., St. P. & Pac.	23,780	21,348	21,160	11,637	11,156
Chicago, St. Paul, Minn. & Omaha	4,228	3,975	3,351	5,007	4,802
Duluth, Missabe & Iron Range	1,551	1,104	1,446	394	338
Duluth, South Shore & Atlantic	664	785	697	1,141	683
Elgin, Joliet & Eastern	8,653	6,903	8,751	11,269	11,383
Ft. Dodge, Des Moines & South	591	519	356	127	186
Great Northern	12,591	14,287	10,430	5,930	4,914
Green Bay & Western	440	508	505	1,130	1,009
Lake Superior & Ishpeming	261	319	210	63	47
Minneapolis & St. Louis	2,305	2,495	1,886	2,887	2,723
Minn., St. Paul & S. S. M.	7,088	5,519	4,376	4,909	4,163
Northern Pacific	12,567	10,031	8,946	5,828	5,238
Spokane International	195	124	250	539	474
Spokane, Portland & Seattle	2,912	2,135	2,595	3,038	2,718
Total	97,324	89,645	81,551	73,417	67,056
Central Western District—					
Atch., Top. & Santa Fe System	26,111	24,081	22,953	10,858	9,055
Alton	2,973	3,115	3,382	3,568	3,407
Bingham & Garfield	234	10	341	67	9
Chicago, Burlington & Quincy	24,897	22,167	19,070	13,031	11,939
Chicago & Illinois Midland	3,462	3,300	3,139	854	783
Chicago, Rock Island & Pacific	14,446	13,482	11,065	15,222	13,079
Chicago & Eastern Illinois	2,919	2,819	2,700	3,459	3,261
Colorado & Southern	574	707	758	1,877	1,340
Denver & Rio Grande Western	3,832	3,095	3,782	4,704	3,682
Denver & Salt Lake	671	650	663	62	30
Fort Worth & Denver City	985	949	836	1,321	1,292
Illinois Terminal	2,323	2,317	2,145	1,874	1,579
Missouri-Illinois	1,213	866	913	559	503
Nevada Northern	1,652	1,494	1,302	123	110
North Western Pacific	980	541	738	648	463
Peoria & Pekin Union	8	13	7	0	0
Southern Pacific (Pacific)	31,848	27,124	29,384	10,600	9,195
Toledo, Peoria & Western	69	0	313	202	0
Union Pacific System	17,716	15,801	16,863	12,704	11,322
Utah	1,076	940	545	10	7
Western Pacific	1,616	1,677	1,949	3,929	2,477
Total	139,505	125,148	122,848	85,672	73,533
Southwestern District—					
Burlington-Rock Island	300	367	339	645	612
Gulf Coast Lines	6,613	5,321	6,842	2,735	2,631
International-Great Northern	2,376	2,120	2,706	4,571	3,676
‡K. O. & G.-M. V.-O. C.-A.-A.	1,157	1,254	877	1,837	1,477
Kansas City Southern	3,607	3,146	4,625	3,189	2,969
Louisiana & Arkansas	2,577	2,595	3,300	2,992	2,429
Litchfield & Madison	380	386	343	1,302	1,366
Missouri & Arkansas	§	187	110	§	411
Missouri-Kansas-Texas Lines	5,972	5,494	6,585	4,770	3,736
Missouri Pacific	20,295	18,012	15,548	18,501	13,712
Quanah Acme & Pacific	129	121	46	235	198
St. Louis-San Francisco	10,612	10,259	8,472	8,146	8,131
St. Louis-Southwestern	2,920	2,562	3,519	5,263	5,304
Texas & New Orleans	9,539	9,109	10,943	5,587	5,378
Texas & Pacific	5,415	4,311	5,246	8,672	6,133
Wichita Falls & Southern	90	78	76	38	44
Weatherford M. W. & N. W.	21	36	24	18	12
Total	72,003	65,358	69,601	68,491	58,219

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

NOTE—Previous year's figures revised.

Weekly Statistics of Paperboard Industry

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

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

STATISTICAL REPORT—ORDERS, PRODUCTION, MILL ACTIVITY

Period	Orders Received Tons	Production Tons	Unfilled Orders Remaining Tons	Percent of Activity Current	Percent of Activity Cumulative
1946—Week Ended					
Dec. 7	207,137	172,417	578,742	99	96
Dec. 14	167,937	175,640	571,179	102	96
Dec. 21	144,083	172,275	543,675	102	96
Dec. 28	99,555	109,210	532,773	66	96
Period 1947—Week Ended					
Jan. 4	196,927	142,338	588,406	85	85
Jan. 11	171,420	178,043	580,026	102	94
Jan. 18	173,851	178,556	577,269	103	97
Jan. 25	155,432	173,720	557,140	101	98
Feb. 1	204,033	179,347	579,562	102	99
Feb. 8	202,189	181,017	599,009	104	99
Feb. 15	169,624	178,458	589,544	102	100
Feb. 22	147,458	177,282	565,571	103	100
Mar. 1	192,670	181,709	574,856	102	101

NOTES—Unfilled orders of the prior week, plus orders received, less production, do not necessarily equal the unfilled orders at the close. Compensation for delinquent reports, orders made for or filled from stock, and other items made necessary adjustments of unfilled orders.

Factory Earns. in Jan. Continue at $47 Level

Weekly earnings in manufacturing industries in January, 1947 continued to average around $47 despite the ½ hour drop in the average workweek to 40.5 hours, the Bureau of Labor Statistics of the U. S. Department of Labor reported on Feb. 24. Record average hourly earnings of almost $1.16 were primarily responsible for maintaining the high level of weekly earnings. The Department further reports:

Preliminary averages for January, 1947 are as follows:

	Weekly Earns.	Weekly Hours	Hourly Earns. (cents)
All Manufacturing	$46.79	40.5	115.6
Durable	49.20	40.3	122.0
Nondurable	44.29	40.6	109.0

Final figures for December, 1946 indicate that with the resumption of full-scale operations in the bituminous and anthracite coal mines, the respective weekly earnings of about $70 and $66 in these industries were not only the highest averages reported for December by any industry, but were also all-time records in coal mining. The average workweek of 46.7 hours in bituminous coal mining in December was the longest ever reported for this industry, exceeding any workweek in the war or postwar periods. Other mining industries producing copper, lead and zinc, reported substantial increases in weekly earnings, with the return to the 6-day week.

Among the durable goods manufacturing industries, weekly earnings in shipbuilding showed an increase of $5.67 between November and December, rising to $57.09. For the first time since V-J Day the workweek in this industry averaged 40 hours, reflecting new contracts for shipbuilding and ship repair.

Of the nondurables, the soap industry reported an increase in the average workweek of 2½ hours reflecting the lifting of wartime production controls. Relief of material shortages, as imports flowed into the market, was largely responsible for the increased workweek in the sugar refining industry (December 43.1; November 39.1).

Since December, 1945 average weekly earnings of production workers in manufacturing increased by over $5.65 or 13%, while hourly earnings rose by 15%. About 95% of the industries reported increases of more than 10% in hourly earnings, only 5% of the industries showed lesser increases, while no industry reported a decrease in hourly earnings over the year.

Weekly Lumber Shipments Exceeded Output by 12%

According to the National Lumber Manufacturers Association, lumber shipments of 412 mills reporting to the National Lumber Trade Barometer were 12.0% above production for the week ending March 1, 1947. In the same week new orders of those mills were 34.5% above production. Unfilled order files of the reporting mills, amounted to 68% of stocks. For reporting softwood mills, unfilled orders are equivalent to 26 days' production at the current rate, and gross stocks are equivalent to 33 days' production.

For the year-to-date, shipments of reporting identical mills were 14.3% above production; orders were 19.2% above production.

Compared to the average corresponding week of 1935-1939, production of reporting mills was 26.6% above; shipments were 19.8% above; orders were 55.1% above. Compared to the corresponding week in 1946, production of reporting mills was 17.1% above; shipments were 13.6% above; and new orders were 37.6% above.

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Items About Banks, Trust Companies

William H. Jackson has been elected a member of the Board of Directors of Bankers Trust Company, New York, it was announced on March 6 by S. Sloan Colt, President. Mr. Jackson is a partner in J. H. Whitney & Company, 630 Fifth Avenue, New York. Mr. Jackson joined the Army in 1942 and served as Deputy Chief of Intelligence on General Bradley's Staff at Headquarters, Twelfth Army Group. He is President of the New York Hospital and is active in other educational and health organizations. Mr. Jackson has been a partner in the law firm of Carter, Ledyard & Milburn since 1934 and has retained temporarily a connection with that firm. He is a graduate of Princeton University and Harvard Law School.

John T. Madden, President of the Emigrant Industrial Savings Bank of New York announced on March 6 that for the first time in its 97 years history, deposits of the bank have passed $500,000,000 during the last month and now total $500,809,012, representing the combined savings of 283,000 depositors. Calling attention to this evidence of people's thriftiness, Mr. Madden, who has been President since 1945, complimented the staff's teamwork for the bank's growth in recent years. The Emigrant Industrial Savings Bank opened for business on Sept. 30, 1850. On its first day, deposits amounted to $3,009; the number of depositors totaled 20. Over the whole period of 97 years, the bank has never failed to pay a dividend; 233 payments, amounting to $371,362,703 have been declared. Since its opening, the main office of the bank has been located at 51 Chambers Street, and the bank today has but one branch, at 5 East 42nd Street. In announcing the Emigrant's new high mark in deposits, Mr. Madden said in part:

> The passing of the $500,000,000 mark in deposits by our bank should give all our depositors and the bank's staff a feeling of pride and gratification in the success of our mutual efforts. More important, the accumulation of this great sum is not typical of American "bigness" as the term is generally applied to our industrial or financial achievements. Rather it is a tribute to the thrift of our people — telling evidence that this time-honored virtue is widely practiced. It means that the Emigrant Industrial Savings Bank represents truly the fundamental principles of the savings bank as a community savings institution.
>
> During 97 years of our history, this bank, through its services to depositors, has constantly kept pace with the times. Its steady growth has contributed to the parallel increase and prosperity of its depositors and the expansion of the communities which it serves. In 1850, New York City was a growing community of less than 600,000 people. A handful of men organized the institution for "the purpose of affording advice, information and protection to emigrants and their small savings." Deposits in the bank on its first day were $3,009; its depositors 20. Now with half a billion dollars entrusted to its care by 283,000 depositors, it typifies the traditional American virtues of hard work, progressive expansion of industry, education, commerce and the arts combined with the desire to save and prepare for the future. These are the reasons for the growth of the bank and its resources. It is a monument to thrift. It is the American story — confidence, courage and the creation of new opportunities.

Identified with Buffalo's banking business for 30 years, Max Rieger, Assistant Vice-President of the Marine Trust Company's Buffalo Trust branch died on March 1. Mr. Rieger was 51 years old, according to the Buffalo "Evening News," which also said in part:

> Born in New York City, Mr. Rieger was brought to Buffalo by his parents when he was a year old. He served as an office clerk for the New York Central Railroad before beginning his banking career in 1917 with the Bankers Trust Company as a bookkeeper. Later he joined the Bank of Buffalo and in 1926 became a discount teller for the Marine Trust Company, receiving a promotion two years later to Assistant Treasurer in the Loans and Discount department. In 1936, Mr. Rieger was promoted to Assistant Vice-President.

Stockholders of the Chelsea Trust Co. of Chelsea, Mass. at a meeting on March 10 voted to accept the recommendation of the board of directors to merge with National Shawmut Bank of Boston. The Boston "News Bureau" of March 11 reporting this, added:

> Under the agreement, National Shawmut Bank will purchase the property, assets and goodwill and assume the deposit liabilities of Chelsea Trust Co.
>
> The merger becomes effective at the close of business on March 28 and the bank will open on Monday, March 31, as the Chelsea office of National Shawmut Bank. The personnel of the Chelsea Trust Co. will become a part of the Shawmut organization.

A reference to the proposed merger appeared in our issue of March 6, page 1308.

In accordance with the overwhelming vote of stockholders of both Harvard Trust Co. of Cambridge, Mass. and Menotomy Trust Co. of Arlington, Mass. the two institutions have now merged and hereafter the banking operations of the consolidated bank in Arlington will be carried on at the old banking office of Menotomy Trust Co. at 655 Massachusetts Ave. Advices to this effect appeared in the Boston "News Bureau" of March 11, which also had the following to say:

> Under the terms of the agreement, Harvard Trust Co. has reduced the par value of its stock from $20 per share to $10 per share, splitting the shares two-for-one. In addition, Harvard Trust Co. has increased its total capital by 20,000 new shares of $10 par stock, which are to be distributed to stockholders of Menotomy Trust Co. in the proportion of one share of Harvard Trust Co. for each 1½ shares of Menotomy Trust.
>
> As a part of the merger, Ira M. Jones, Vice-President and Treasurer of Menotomy Trust, has been elected a Vice-President of Harvard Trust, and Norman C. Jenkinson has been elected an Assistant Treasurer of Harvard Trust. Both will remain at the Arlington office and in addition Timothy W. Good, Jr., Vice-President of Harvard Trust, will also be at that office.
>
> James A. Bailey, President of Menotomy Trust, has for some years been a director of the Harvard Trust. In addition, Henry G. Wilton and Edmund L. Frost have also been elected directors of Harvard Trust. These three directors, together with Thomas J. Donnelly, Henry C. Guernsey, Frederick W. Hill, James W. McAvoy, Geoffrey A. Sawyer and M. Ernest Moore, who were formerly, directors of Menotomy Trust, have agreed to serve as members of the Arlington management committee of Harvard Trust.

The merger of the Maynard Trust Company of Manyard, Mass., with the Middlesex County National Bank of Everett, Mass., effective at the close of business March 1, has been approved by the Comptroller of the Currency, it was announced on Feb. 27, said the Boston "Herald" of Feb. 28, from which it is also learned:

> The Maynard Bank will be operated as a branch of Middlesex National and there will be no changes in personnel. Medville Clark, President of Maynard Trust, will become a Vice-President of Middlesex National.

A brochure issued by the Tradesmen's National Bank & Trust Co. of Philadelphia announces the completion by it of 100 years of banking. The institution was founded on March 11, 1847. The development of the bank into the present organization is indicated by it as follows: Tradesmens Bank, March 11, 1847; Tradesmens National Bank, Nov. 14, 1864; Tradesmens National Bank and Trust Co. Sept. 17, 1928.

Through the sale of $40,000 of new stock, the Cheltenham National Bank of Cheltenham, Pa. increased its capital on Feb. 24 from $185,000 to $225,000, it was indicated on March 3 in the Bulletin of the Office of the Comptroller of the Currency.

The County Trust Co. of Maryland of Cambridge, Md. has elected Addison H. Reese, President to succeed Senator J. Alan Coad, who tendered his resignation at the annual meeting of stockholders in January. We quote from the Washington, D. C. "Post" of March 9, which further stated:

> The County Trust Co., is the largest bank in Maryland outside of Baltimore City with total resources of approximately $50,000,000 as of Dec. 31, 1946. The company operates 19 branches through Southern Maryland and the Eastern Shore and has its executive offices in the Mercantile Trust Building in Baltimore.
>
> Senator Coad, whose home is in St. Marys County, is retiring as President after serving in that capacity for 10 years. He will continue to serve as a director and member of the executive committee. Mr. Reese, is a native of Baltimore County. He was educated at the Marston University School and the Johns Hopkins University.

An increase of $500,000 in the capital of the Second National Bank of Washington, D. C. through the sale of new stock has raised the capital from $500,000 to $1,000,000 the latter having become effective on Feb. 6, it was made known by the Comptroller of the Currency's Office.

C. A. Hemminger has been placed in charge of advertising and public relations for the American National Bank and Trust Company of Chicago, according to announcement by Lawrence F. Stern, President. Mr. Hemminger was formerly advertising manager of the Bankers Trust Company, New York and prior to that he was director of public relations for the New York State Bankers Association.

The National City Bank of Waco, Texas recently increased its capital from $100,000 to $150,000 by a stock dividend of $50,000 and at the same time increased it from $150,000 to $200,000 by sale of $50,000 of new stock. The increased capital became effective Feb. 4, according to the office of the Comptroller of the Currency.

Under action taken by the First National Bank in Albuquerque, New Mexico its capital has been increased effective Feb. 26 from $325,000 to $1,000,000; a $500,000 increase through a stock dividend brought the capital up to $825,000, and the sale of new stock to the amount of $175,000 raised the capital to the present $1,000,000 figure it was reported March 3 in the Bulletin of the office of the Comptroller of the Currency.

Appointment of Walter E. Bruns as Vice-President in charge of governmental relations for the Bank of America has been announced by L. M. Giannini, President. Mr. Bruns will make his headquarters at the San Francisco head office of the bank. President Giannini states that the extensive complexities of today's relations between financial institutions and Government now cover such a wide range of activity that it has become desirable to coordinate such matters in the Bank of America under one administrative officer. Mr. Bruns joined the Bank of America organization at Fresno in 1929 as Assistant Trust Officer after several years in the practice of law in Fresno County. He transferred to the bank's headquarters in San Francisco in 1935 as Trust Officer, and in 1940 was advanced to Vice-President and Trust Officer. He is a member of the American Legion, is present Vice Commander of Blackstone Post, was city attorney at Reedley, Calif., for three years, is a Past President of Associated Trust Companies of Central California, has been active in the Financial Advertisers Association and has served on Committees of the American Bankers Association. His new appointment takes effect immediately.

From Washington Ahead of the News

(Continued from first page)

000 more to turn the trick, otherwise the county is gone."

All of which leads up to an appraisal of the ride we are being taken for in world politics. We are the Fat Cat in the world of bamboozle. Every time some little dictator wants to shake us down, he says:

"Personally, I'd rather stay in your orbit. But there is a Communist urge among my people. It will take $300,000,000 for me to hold them in line."

It's the old game which the poor little downtrodden dictators of Eastern Europe have long played on Britain and France. These fellows always kept in ample pocket money by telling Britain and France that without a "loan" their people were going to fall into another orbit; usually it was Germany's orbit they were going to fall into without this "shoring up of the economy."

A hilarious little book of the '20s told of the experiences of an American travelling salesman who visited Paris. Suddenly one night, his hotel room was battered down and in rushed the gendarmes. He was rushed off to jail and held incommunicado. Frenzied delegations waited upon him periodically, gesticulating and hurling questions at him which he coundn't understand. In the meantime, the newspaper headlines screamed of a spy capture.

After about a week, everything calmed down and the bewildered American was freed without any explanation, just told to go his way. He learned that a Rumanian delegation had been in town to negotiate a "loan" to "shore up" their country's economy, and the French officials had concocted the spy scare to divert public attention.

Well, the old happy hunting grounds of France and Britain are no more. We are to take their place, on account of our having become bored with domestic affairs and gone into the more enlivening international game.

It strikes me, as well as a lot of others around Washington, as amazing that the Greek crisis should coincide with our sending Mr. Paul Porter over there. I can see Paul right now sitting in the Toots Shorr of Athens, telling Kentucky stories, wining and dining and having the time of his life.

Paul was the head of OPA when Congress was fighting to remove price ceilings. We are being told by the Democrats now, that the voters did not really vote for the Republicans on Nov. 5, that they were just fed up with the OPA. Well, no other one man was more responsible for the Democratic debacle because it was he who pressed Truman to keep the lid on, to make no compromises on the subject.

After what happened it was fair to assume that Paul's career in the Washington bureaucracy was at an end and that at long last, he would be free to take one of the fabulous offers that industry had been making to him for so long.

When we heard that he was going to Greece, we justifiably assumed that it was one last little junket that was being given to him, utterly harmless and costing the taxpayers relatively little. But just as he made a crisis out of OPA, one has developed in Greece coincident with his arrival.

As if to add to the hilarity of it, Turkey which cashed in on the war, lets it be known that she, too, will have to let Russia have the Dardanelles unless we fork up some cash. Wait until our Latin American brothers begin to grab. It seems that Argentina's Peron has an orbit competing with ours. We are going to pay through the nose keeping those Latin American "democracies" within ours.

It probably isn't generally understood, but when we give money to Greece and Turkey to keep out the Communists we are at war with Russia because Moscow is supplying the Communists. At the same time we are over in Moscow blandly discussing with Stalin how to maintain peace.

FDIC Assoc. Gen Counsel

Maple T. Harl, Chairman of Federal Deposit Insurance Corporation has announced the appointment of Norris C. Bakke as Associate General Counsel for the corporation. Judge Bakke, a native of North Dakota, received his Ph.B. and LL.B. from the University of Chicago in 1919. He also took graduate work at Harvard Law School. After moving to Colorado in 1920, he served as County Judge and City Attorney until 1926. After six years of general practice, he became Deputy Attorney-General of the State in 1933, serving in that capacity until he became Associate Justice of the State Supreme Court in 1936. During 1945 he served as Chief Justice of that court. The headquarters of Judge Bakke will be in Washington.