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Ruthless Taxing and Spending Must Be Stopped

By HON. FRED L. CRAWFORD
Member House of Representatives, Michigan

Banking Committee member cites enormous growth of Federal Debt since World War I, and asserts imminent manner of its management will determine people's economic and social status for next half-century. Contends Treasury policy is politically motivated. Terming President's budget and tax policy "utterly immoral" he holds since national defense requirements are vague, and foreign needs are in state of flux, Congress should postpone fixing definitive totals until our international relations develop more clearly.

Decency in appropriating and spending dollars collected from the taxpayers of the United States is inseparable with an adequate amount of risk and investment capital, full employment, and the necessary production of goods and services for the people of this country.

F. L. Crawford

In recent years official Washington primarily, supported more or less by an expressed public opinion as per the votes cast in general elections, has proposed and put into operation policies which call for the sharing with the other peoples of the earth a tremendous percentage of our domestic production of capital goods, as well as consumers' non-durable goods. I specifically refer to contributions which we the American people have made under programs such as Lend Lease, UNRRA, and others of a less costly nature, insofar as dollars and cents are concerned.

We cannot overlook the contributions our people have made in World War I and in World War II, regardless of whether those contributions were specifically for the protection of the United States or in general support of certain international ideals and institutions emanating from No. 10 Downing Street or otherwise. It

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Pay for Foreign Relief By Luxury Taxes

By ROGER W. BABSON

Mr. Babson discusses U. S. expenditures for foreign relief and holds we are between two fires: if we don't give, Europe will go communistic, and if we give too much, we will have unemployment and more communism at home. Urges more luxury taxes to pay for relief.

Much as we may dislike sticking our noses into other people's affairs, it becomes a necessity, under present conditions. We are sending relief in one form or another all over the world. We supplied 72% of the UNRRA funds and goods. In many instances we found administrative personnel of other nations using these relief supplies to their political advantage.

Roger W. Babson

With the end of UNRRA this month a new plan is proposed whereby the U. S. supplies only 57% (still well over half) of the funds. For this purpose, President Truman has asked for an additional $350,000,000 with which to stave off the specter of starvation in Austria, Greece, Hungary, Poland, Italy and China. However, our State Department says that in this undertaking we, ourselves, will administer our own funds.

Can We Afford It?

The world calls upon our resources, to the estimated sum of about $4,000,000,000, at a time when we need to put our own financial affairs in order. We have loaned to France, Poland, England and others. England once sent money and goods all over an

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As We See It

EDITORIAL

Let's Not Deceive Ourselves!

Above all, the American people must guard against self-deception in their policies and maneuvers in the arena of world politics at this time. There is unfortunately strong evidence that we have not succeeded of late in doing so, and the President's current proposals of action in Greece and Turkey and the nature of his defense of them can scarcely aid in placing world events in their proper perspective.

The gravest errors into which our thinking is always in danger of falling stems from the apparently incurable idealism of the individual citizen of the United States. Possibly a better term would be "naivete" or "provincialism." At any rate, the rank and file in this country appear to be obsessed with the idea that we alone of all the peoples of the world have found some sort of political and economic magic for which other peoples innately hunger and which they would promptly adopt to their immense advantage if ony they were free to follow the course of their own choice.

Communism!

Aligned against the people in many countries and sections of the globe, according to this philosophy, are various "cliques," "isms," and "ideologies." The most potent of these enemies of mankind at the moment is "Communism," which the Russians appear to have found to their liking and which, according to the implications, if not the express statements of many of our political leaders, they intend to fasten upon the rest of the world as quickly and as thoroughly as they

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Sees Conflicting Trends in 1947 Outlook

John C. Houston, Jr., Civilian Production Administrator, sees depression danger from inflationary forces offset by large backlog of demand for producer and consumer goods. Says significant developments are: (1) some increases in wage rates; (2) agricultural price declines; (3) increased building and greater output of durable consumer goods; and (4) high level of expenditures for plant and equipment. Believes recession can be avoided by intelligent and cooperative action of management and labor.

The Civilian Production Administration of the Office of Temporary Controls in its most recent report on the Production Outlook for 1947, contends an evaluation of the business outlook is "more than usually difficult at this time," because the inflationary forces similar to those that existed in 1919-1921 are now offset by a heavy backlog of both consumer and producer goods.

John C. Houston, Jr.

However, the report concludes that if labor and management continue their intelligent action, as demonstrated in the steel, automobile and construction industries, there is not likely to be a business recession as occurred after the last war.

The text of the report dealing with general conditions made under the auspices of John C. Houston, Jr. follows:

An evaluation of the economic outlook for 1947 is more than usually difficult at this time. This difficulty is largely the result of two sets of forces working in different directions. On the one hand, inflationary forces have been developing, which on analogy with previous business cycles, and particularly with that of 1919-21, would tend to presage a mild recession starting before very long. On the other hand, special sustaining forces exist today in the form of a large backlog of demand for producer and consumer durable goods and of accumulated liquid assets. These are still at work and promise to continue for a substantial period of time.

Amid the uncertainties created by these two contrasting sets of forces, certain significant developments are to be expected: (1) some increase in wage rates in the Spring of 1947, (2) price declines in agricultural products, (3) an increase in building activity and in the output of durable consumer goods, particularly automobiles, for at least a good part of the

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From Washington Ahead of the News

By CARLISLE BARGERON

It is difficult to recall anything in recent history that has split Congress into so many pieces as the so-called Greek-Turkish emergency. Even the global worlders who are for our taking any and every step that will further sink us in the maelstrom of world politics, are not wholly happy about any support going to King George. Truman's proposal has cut across party lines, across the so-called internationalists, the so-called isolationists. The latter are finding it difficult to adhere to their line because of an overwhelming urge to kick Stalin in the pants. Only the fellow travelers, who don't want anything done to Russia, are maintaining their solidarity.

Carlisle Bargeron

The sparks are going to fly before the legislation is passed but the general expectation is that it will be. It is another case of not wanting to embarrass the President in his foreign relations, and the further fact that we generally are pretty "mad" at Stalin.

But what Congress does seem bent upon doing is to take the "momentousness" out of the proposition, to strip it of its precedent making nature.

On its bare face, the proposition is scarcely more than one to give some more money away to a needy country. There was already an administration measure pending to appropriate $350,000,000, not only to this same Greece but to Poland and other unfriendly countries as well. Taking the argument of the new proposition, that it is necessary to keep the Communists out of Greece, apparently the $350,000,000 bill is designed to keep them in Poland, for example. Maybe this is what is known as a balance of power, maintaining the Commies in one country, keeping them out of another.

Anyway, the simple proposition of throwing away another half billion, accustomed as we have become to waste, is not in itself startling.

But Truman himself spoke of the dark and mysterious and momentous implications of this particular spree, and generally it is being accompanied by such statements as "America at the Cross-Roads"; "America to take over Britain's burden," and the like. Incidentally we've had the bur-

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Common Sense!

"Why should we insist on Chiang embracing Communists in China at the same time we finance King George in fighting Communists in Greece? Here is surely an anomaly. China is a far more critical area as far as America is concerned. A stronger China under Chiang is the surest guarantee of peace in the Pacific, and that may well mean peace throughout the world.

Sen. Owen Brewster

"Why is Communist infiltration so largely ignored in the Americas while it is viewed with such alarm in the Mediterranean? These are some of the questions that will be most insistently asked in the momentous discussions of the next few days and weeks.

"America enters the valley of decision and the path we take may determine the course of civilization for a century to come.

"The example of an economically prosperous America under free enterprise will be the most potent argument for struggling peoples everywhere to be drawn to our ideals."

—Senator Owen Brewster

Such questions certainly should be asked, and their very asking suggests how unconvincing current discussions and explanations really are.

And we hope none of us will ever overlook the importance of "an economically prosperous America under free enterprise" in all this. It would be a fatal blunder.

Supreme Court Backs Foremen's Rights

In a 5 to 4 decision on March 10, the Supreme Court ruled on an appeal by the Packard Motor Co. of Detroit from a National Labor Relations Board decision, that employers must bargain with foremen's unions, Associated Press Washington advices stated. The Packard Company's contention had been that foremen were not employees within the meaning of the Wagner Labor Relations Act.

The majority ruling, delivered by Justice Jackson, stated:

"The context of the (Labor Relations) Act, we think, leaves no room for a construction of the section (involved in this case) to deny the organizational privilege to employees because they act in the interest of an employer.

"Every employee from the very fact of employment in the master's business, is required to act in his interest."

The question of foremen's status under the Wagner Act has long been an issue in industry, and proposals to exempt foremen from the law are currently being discussed among new labor legislation before Congress.

The NLRB has been deferring decisions on other foremen's cases pending the Court's ruling in the Packard case. The decision was the tribunal's interpretation of the intent of Congress on the question when it passed the Wagner Act in 1935.

According to the Associated Press, Packard argued before the NLRB that the Act was not intended to cover foremen—that foremen were a part of management itself which must sit on the other side of the bargaining table from the workers. Packard's contention was overruled by the NLRB on a 2 to 1 vote. The United States Circuit Court in Cincinnati upheld the board by a 2 to 1 vote. Packard then appealed to the Supreme Court. The Associated Press continued:

The Labor Board ordered Packard to bargain with the Foremen's Association of America, an independent union not affiliated with the CIO United Automobile Workers. The latter is the production workers' union at the Packard plant.

The Circuit Court indicated it might have ruled differently if the Packard foremen were members of a rank and file production workers union.

Packard in appealing to the Supreme Court cited the Wagner Act's definition of employer as including "any person acting in the interest of any employer directly or indirectly." The company said its 1,100 plant bosses were "the front line of management — carrying out management policy, recommending wage rates and firing of those under their supervision."

Disagreeing with Packard's argument, Justice Jackson said:

"Even those who act for the employer in some matters, including the service of standing between management and manual labor, still have interests of their own as employees.

"Though the foreman is the faithful representative of the employer in maintaining a production schedule, his interest properly may be adverse to that of the employer when it comes to fixing his own wages, hours, seniority rights or working conditions.

"He does not lose his right to serve himself in these respects because he serves his master in others. And we see no basis in this Act whatever for holding that foremen are forbidden the protection of the Act when they take collective action to protect their collective interests."

In a dissenting opinion, concurred in by Chief Justice Vinson and Justice Burton, Justice Douglas said that under the majority's decision "if a union of Vice-Presidents apply for recognition as a collective bargaining agency I do not see how we could deny it. . . ."

Mr. Douglas went on to say that the decision "lends the sanctions of Federal law to unionization at all levels of the industrial hierarchy and added:

"It tends to emphasize that the basic opposing forces in industry are not management and labor but the operating group on the one hand and the stockholder and bondholder group on the other."

The Associated Press added:

"The struggle for control or power between management and labor becomes secondary to a growing unity in their common demands on ownership."

Justice Jackson said for the majority that employers' objections to foremen's unions is "rooted in the misconception that because the employer has the right to wholehearted loyalty in the performance of the contract of employment, the employee does not have the right to protect his independent and adverse interest in the terms of the contract itself and the conditions of work."

Justice Jackson said the Packard Company "concedes that foremen have a right to organize." He continued:

"What it denies is that the statute compels it to recognize the union. In other words, it wants to be free to fight the foremen's union in the way that companies fought other unions before the Labor Act. But there is nothing in the Act which indicates that Congress intended to deny benefits to foremen as employees if they choose to believe that their interests as employees would be better served by organization than by individual competition.

"There is no more reason to conclude that the law prohibits foremen as a class from constituting an appropriate bargaining union than there is for concluding that they are not within the Act at all."

Mr. Jackson discussed also the argument that unionization of foremen is bad industrial policy because "it puts the union foremen in the position of serving two masters, divides his loyalty and makes generally for bad relations between management and labor."

On that he commented:

"However we might appraise the force of these arguments as a policy matter, we are not authorized to base decisions of a question of law upon them. They concern the wisdom of the legislation; they can not alter the meaning of otherwise plain provisions."

Justice Frankfurter also dissented from the majority although not concurring entirely on the views expressed for the minority.

Again Trading US Stocks On Amsterdam Stock Exchange

It was indicated in Associated Press advices from Amsterdam on March 11 that the selling of American stocks on the Amsterdam Stock Exchange has been authorized for the first time since 1941, but not a single transaction was concluded because formal preparations had not been finished.

The first sales were not expected before March 12, said the advices, which added:

All dealings will be one-way transactions, as only selling and no buying will be allowed so far as individuals are concerned.

Holders of about 180 American securities that will be admitted to trading, and will be allowed to sell only to authorized arbitrage houses which are members of the Amsterdam Stock Exchange. These houses in turn must dispose of the stocks within a limited period of weeks in New York.

Individual shareholders who sell their American stocks will be paid in guilders by The Netherlands Bank at the rate of 2.65 guilders to the dollar.

Dealers said they did not expect much selling for the present even considering government announcements that selling might be enforced in order to give the government badly needed dollars.

The State of Trade

Total industrial output last week held at the high levels of previous weeks, despite substantial reductions in the volume of back orders in some industries. Operations in some sections were hindered by unfavorable weather and raw material shortages, but production in many industries continued close to postwar peaks.

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 the past week, according to "The Iron Age," 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 last week.

A record opening day attendance at the American Toy Fair in New York was reported the past week with buying brisk in such items as those made of wood and steel, while in other lines eased supply conditions resulted in a return to cautious purchasing.

Interest in durable goods generally was maintained at a high level, but consumer resistance to inferior quality furniture and unfamiliar brand home appliances caused a considerable decline in order volume for these items.

Competition between soft and hard goods for the consumer's dollar has grown in intensity, says "Business Week" in its current weekly outlook, with prices rising faster than incomes.

"Comparison of chain store sales for January and February with a year ago," states the magazine, "shows by far the largest gains in food. Apparel reports only minor gains over 1946, while dollar volume of shoe chains is down.

"That gives some idea. People have to buy food, and a representative group of food chains shows gains that parallel or exceed the price rise.

"People have to buy shoes and clothing, too, but they can make the old things do for a while if prices look way too high. There you see the competition within soft goods lines. The situation is even more acute between food, say, and the autos that people have been wanting to buy.

"This helps to explain why price readjustments are not only desirable but practically inevitable, despite the recent commodity boom."

Activity in wholesale apparel centers remained light this week. In New York the Leather Show was well attended but the number of orders placed was small. Shortages of certain types of leather and uncertainty as to future prices caused manufacturers to limit their offerings.

In the automotive industry, production of cars and trucks in the United States and Canada last week was estimated by "Ward's Automotive Reports" at 104,749 units against the previous week's revised figure of 104,048 units, 35,020 units in the corresponding week last year, and 131,410 in the like week of 1941.

The current week's total, says Ward's, consists of 71,979 passenger cars and 27,610 trucks produced in this country and 3,430 and 1,730, respectively, in Canada.

Shortages of sheet steel, chassis drive elements and castings continue to hold schedules substantially below 44-hour week capacity output level, and sheet stock appears to be the most critical of the sparse metal stocks and components.

Current reports reveal that total claims for unemployment compensation in the week ended March 1 fell less than 1%, while initial claims dropped almost 3%.

Warmer weather and the approaching Easter holiday served as a stimulus to retail purchasing in the week. Total retail volume was lightly above that of the previous week and moderately above that of the corresponding week a year ago. Consumer resistance to high food prices increased considerably.

Wholesale volume rose slightly from the levels of previous weeks with total volume moderately above that of a year ago. Buyers were selective in their purchasing and continued to insist on high quality goods. Deliveries of house furnishings and appliances continued to improve.

Steel Industry—The inflationary spiral in iron and steel scrap prices continued its upward movement last week at major consuming centers, according to "The Iron Age," national metalworking paper. In an effort to forestall a movement of scrap out of the Pittsburgh district, prices were higher there the past 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, states the magazine, in the case of scrap moving from eastern points such as New York and Boston into the Pittsburgh area.

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 two weeks ago by many makers, "The Iron Age" pig iron composite price rose last week to $33.15 a gross ton from the previous week's figure of $32.23, an advance of 92 cents. 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 was no indication last 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, "The Iron Age" points out.

No final action will be taken on wage negotiations 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, the above trade authority states, 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 modrate wage increase with some social benefits demanded by the union.

The American Iron and Steel Institute announced on Monday of this week the operating rate of steel companies having 93% of the steel capacity of the industry will be 96.4% of capacity for the week beginning March 17, 1947, as compared with 95.8% one week ago, 94.1% one month ago and 88.9% one year ago. This represents an increase of 0.6 points or 0.6% from the preceding week.

The week's operating rate is equivalent to 1,686,900 tons of steel ingots and castings compared with 1,676,400 tons one week ago, 1,646,700 tons one month ago and 1,566,800 tons one year ago.

Electric Production—The Edison Electric Institute reports that the output of electricity decreased to 4,786,552,000 kwh. in the week ended March 8, 1947, from 4,797,099,000 kwh. in the preceding week. Output for the week ended March 8, 1947, was 21.1% above that for the corresponding weekly period one year ago.

Consolidated Edison Co. of New York reports system output of 208,800,000 kwh. in the week ended March 9, 1947, compared with 183,100,000 kwh. for the corresponding week of 1946, or an increase of 14.0%. Local distribution of electricity amounted to 196,300,000 kwh. compared with 180,200,000 kwh. for the corresponding week of last year, an increase of 8.9%.

Railroad Freight Loadings—Car loadings of revenue freight for the week ended March 8, 1947, totaled 805,789 cars, the Association of American Railroads announced. This was a decrease of 44,242 cars, 5.2% below the preceding week, and 19,600 cars or 2.5% above the corresponding week for 1946. Compared with the similar period of 1945, an increase of 38,734 cars or 5.0% is shown.

Paper and Paperboard Production—Paper production in the United States for the week ended March 8, was 104.5% of mill capacity, against 108.5% in the preceding week and 103.4% 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 102% in the preceding week and 99% in the corresponding week a year ago.

Business Failures Remain High—Commercial and industrial failures, although declining from the previous week, continued in the week ending March 13 to be three times as high as in the corresponding week last year. Dun & Bradstreet, Inc., reports 51 concerns failing in the week just ended, as compared with 58 in the previous week and 17 a year ago.

All of the decline from last week's level appeared in the large failures with liabilities of $5,000 or more. Concerns failing in this size group, despite falling from 52 a week ago to 38 this week, were still three times as numerous as in 1946 when only 13 were reported. On the other hand, small failures with losses under $5,000 showed an increase in the week just ended. Numbering 13 these small failures doubled the six occurring in the previous week and were three times as frequent as last year when only four occurred.

Manufacturing with 21 and retailing with 19 accounted for four-fifths of the week's total failures. Manufacturers failing, down a little from last week's total of 28, nevertheless were about twice as heavy as in the same week of 1946. In retail trade, failures not only were higher than a week ago, but, compared with last year, there were almost two times as many. Retailers failing this year numbered 19 against only two in the corresponding week of 1946. No more than five concerns failed in any other trade or industry group.

Thirty-three of the 51 failures during the week were concentrated in the Middle Atlantic and Pacific States. The second-highest number, 15, occurred in the Pacific States, the only region where failures showed an increase from the record last week.

Canadian failures numbered three against ten last week and one in the comparable week a year ago.

Wholesale Food Price Index Declines—A downturn in butter, livestock and some pork products overbalanced continued advances in other foodstuffs, resulting in the first decline in six weeks in the Dun & Bradstreet wholesale food price index. The March 11 figure at $6.70, fell 1.0% under the all-time high of $6.77 recorded a week earlier, but was 60.7% above the $4.17 for the like date a year ago.

Individual advances during the week included flour, wheat, corn, rye, oats, barley, lard, coffee, cottonseed oil, cocoa and eggs. Declines took place in hams, bellies, butter, potatoes, steers, hogs and lambs. The index represents the sum total of the price per pound of 31 foods in general use.

Daily Wholesale Commodity Price Index—The daily wholesale commodity price index, compiled by Dun & Bradstreet, Inc., registered a further sharp rise in the past week although some food items showed signs of irregularity toward the close of the period. The index figure advanced to a new postwar peak of 263.46 on March 10, and closed at 263.34 on March 11. This represented a gain of 2.1% over the 257.89 recorded on March 9, and compared with 186.75 on the corresponding date a year ago.

Grain markets were again active and despite minor setbacks at times, the upward movement which began early last month has carried current prices to new seasonal highs and in many cases to the highest levels in many years. During the week, wheat and oats gained about 12 cents per bushel, corn 13 cents, rye 20 cents and barley 7 cents. The main stimulant in the advance was the persistent talk of huge quantities of foodstuffs being required for export during the coming year.

Trading in grain futures on the Chicago Board of Trade totaled 282,000 bushels last week, the best volume recorded in more than six years. The condition of the Winter wheat crop was said to be well above normal for this period, having received much-needed moisture last week in the western and southwestern portions of the belt. Trading in lard was slower although prices rose to a new 28-year peak. Livestock markets were somewhat irregular, with steers, hogs and lambs showing some recession in the week.

Despite a sharp reactionary movement last Friday, cotton values in both futures and spot markets extended their recent gains last week. The setback was short-lived and the New York spot quotation showed a net advance of 133 points for the week, closing at 35.88 cents per pound, the highest since mid-October. The continued rise was attributed in large part to reports to the effect that decontrol of cotton textiles for export would become effective March 15 and that the 2-cent cotton export subsidy rate would be continued for the time being. Other stimulating factors were fairly active mill price fixing and the underlying tightness in the supply position of the staple. Registrations under the cotton export sales program were large despite the reduction in the export subsidy payment from 4 to 2 cents per pound on Feb. 13. Export sales for the week ended March 1 totaled 63,150 bales, the largest since the week ended February 1. Activity in carded gray cotton cloth markets continued, with principal interest displayed in sheetings, print cloths and other light weight goods. Substantial yardages were reported booked for third and fourth quarter delivery at rising prices.

Although some improvement in the undertone was noted in the Boston wool market, trading in domestic wools was at a minimum as a result of the further advance in CCC selling prices which went into effect March 1. The rise ranged from 1 to 3 cents per pound, clean basis. Activity in spot foreign wools was also very limited.

Retail and Wholesale Trade—Retail trade increased slightly last week as mild weather served to encourage shoppers in most sections of the country, states Dun & Bradstreet, Inc., in its weekly summary of trade. Eastern fashion previews stimulated interest in women's Spring apparel. Inventories of durable goods continued to improve and food volume remained at the high levels of previous weeks. Total retail volume was moderately above that of the corresponding 1946 week.

Many stores continued clearance sales of Winter clothing and furs and the response was moderate. Demand for Spring apparel also increased moderately as favorable weather spurred many consumers to begin their Easter shopping. Interest in women's apparel was directed primarily toward medium-priced suits and blouses. Men's wear volume remained steady with a more plentiful supply of shirts and other furnishings reported.

Total food volume remained at a high level the past week with most staple items in adequate supply. Price increases on such basic commodities as bread, meat and dairy products caused total dollar volume to rise slightly over that of the previous week. Stocks of fruits and vegetables were ample. Current interest for canned fish was high reflecting the usual Lenten season demand.

Buying of most household articles and major appliances continued brisk. Consumers were more inclined to resist poor quality rather than high prices. Improvements in the supply of lumber, building materials and general hardware were reported. Consumer demand for beds, mattresses and bedsprings remained strong. Customer preference for nationally advertised radios and refrigerators continued.

Retail volume for the country in the week ended last Wednesday was estimated to be from 6 to 10% above that of corresponding week a year ago. Regional estimates exceeded those of a year ago by the following percentages: New England 7 to 11, East 10 to 14, Middle West 7 to 11, Northwest 12 to 16, South 2 to 6 and the Pacific Coast 5 to 9. The Southwest declined 1 to 5%.

An increase in the number of buyers registered in many wholesale centers resulted in a slight rise in wholesale activity in the week with dollar volume moderately above that of a year ago. Buyers inspected merchandise carefully for quality and salability and many retailers reported that they were refraining from placing any but fill-in orders until inventories have been reduced.

Department store sales on a country-wide basis, as taken from the Federal Reserve Board's index for the week ended March 8, 1947, increased by 9% above the same period of last year. This compares with an increase of 10% in the preceding week. For the four weeks ended March 8, 1947, sales increased by 9% and for the year to date by 13%.

Moderate gains featured retail trade in New York with sales volume estimated at 5 to 10% higher than a year ago. In apparel goods lines sales failed to advance in volume, notwithstanding the fact that Easter arrives two weeks earlier than last year. Housefurnishings and durable goods registered most of the gains in trade.

Reorders were moderate for the week in wholesale markets with retailers exhibiting increased reluctance toward heavy commitments.

Moderate declines were noted in wholesale food prices for the first time in the last month and a half. Lower butter, livestock and some pork prices offset continued advances in other products.

According to the Federal Reserve Board's index, department store sales in New York City for the weekly period to March 8, 1947, increased 8% above the same period last year. This compared with an increase of 14% in the preceding week. For the four weeks ended March 8, 1947, sales rose 10% and for the year to date increased to 15%.

Hawaiian Statehood Urged

Secretary of the Interior J. A. Krug, returning from a 24,000-mile tour of the Pacific which included conferences with General Douglas MacArthur in Tokyo, on March 5 urged that Hawaii be given Statehood at an early date and that other civilian Islands be placed under civilian rule, Associated Press Washington advices stated. The group which accompanied Mr. Krug on his tour included Representatives Norris Poulson (R.-Cal.) and Clair Engle (D.-Cal.), and the Delegate Joseph Harrington of Hawaii. Mr. Krug is reported to have told newsmen, that: "we were all greatly impressed by the development of Hawaii, especially by its government. I feel more strongly than ever that this is the time for Hawaiian statehood."

He said that General MacArthur believes statehood for Hawaii would help to "bring democracy to Japan," and that eventually the Japanese themselves may serve as a bulwark against "forms of government we do not like."

Hawaii now has a territorial form of government, which provides less home rule than statehood. When Mr. Krug visited the Islands in February he told a joint session of the Territorial Legislature that President Truman had assured him a few days before he had left the United States that he was firmly behind Hawaiian Statehood aspirations and would do everything he could to obtain it, a special dispatch from Honolulu to the New York "Times" stated on Feb. 28.

In his statement upon his return to this country Mr. Krug emphasized his belief that a greater degree of self-rule for other Pacific Islands is desirable, perhaps under a Congressional charter styled after the Virgin Islands charter form of government. It is further stated that Representative Engle said in an interview that civil government should be established in Guam and Samoa "as rapidly as they are capable of self-rule and to the extent that civilian government is consistent with military policy."

He said that the prime reason for holding such Pacific Islands as the Marianas and Marshalls is "to keep some one else from getting them."

On March 10 Fleet Admiral Chester W. Nimitz, chief of naval operations, said he could see "no objection from a military or naval standpoint to the Hawaiian Islands achieving statehood." In Associated Press Washington advices on that day he was reported to have told the House Public Lands Committee that "before World War II, I entertained some doubt as to the loyalty of American citizens of Japanese ancestry in the event of war with Japan." He added that "from my observations during World War II, I no longer have that doubt.

"During my service as Commander-in-chief of the Pacific Ocean area (December, 1941, to November, 1945, in Hawaii), I had an opportunity to observe the people of the Hawaiian Islands, and I have great admiration and appreciation of the whole-hearted cooperation they gave to the war effort." The Associated Press advices March 10 also said:

> Four House members who introduced Hawaiian statehood bills testified in support of admitting the territory to the Union; Representative Walter H. Judd, Republican, of Minnesota; Representative Robert Hale, Republican, of Maine; Representative Mike Mansfield, Democrat, of Montana, and Representative Dean P. Taylor, Republican, of New York.
>
> Governor Ingram M. Stainback, of Hawaii, here to testify in behalf of statehood for the territory, paid a call today on President Truman.

Before the House Public Lands Committee on March 11 Gov. Stainback said that "the time has come" when territorial government for Hawaii can no longer be endured. From the Associated Press we also quote:

> Gov. Stainback spoke in favor of legislation now being considered by the Committee to make Hawaii the 49th State. He said statehood for Hawaii "has been brewing for more than a century," and added: "A territorial government is a transitory one, tolerable for a reasonable period, but not to be endured longer than is necessary to show that the people of the territory are capable of self-government. That time has come."

Knutson Sees No Need To Postpone Tax Cut

Representative Harold Knutson (R.-Minn.), Chairman of the House Ways and Means Committee, who is author of a bill for a 20% cut in personal income taxes, declared on March 13 that the foreign policy outlined by President Truman, with the likelihood of new financial commitments abroad, need make no difference in the Republican program of tax reduction. This statement was made by Mr. Knutson, Associated Press Washington advices reported, after his Committee had heard Secretary of the Treasury Snyder express strong opposition to the tax cut. Mr. Snyder said that although he believes substantial tax reductions can be made in the future, he did not consider it opportune to make them now. "It will be time enough," he told the Committee, "to enact tax reductions when and if there is definite evidence that the 1948 surplus is greater than prudence requires to be applied toward reduction of the public debt."

The Treasury Secretary urged that any budget surplus should be applied against the public debt instead of being used for tax reductions. In any event he said that the administration was opposed to a 20% across the board tax cut on incomes up to $303,000 a year. If Congress is determined to cut taxes this year, he said, it should give greater benefits to the taxpayers with small incomes. However, Chairman Knutson predicted that the Committee would report out a bill substantially in the form proposed by him.

As We See It

(Continued from first page)

can. Thus, so the story goes, we find Communism and Communistic tyranny being foisted upon the populations of countries bordering on Russia from the Baltic to the northern boundary of Greece, as well as in China and a number of other Asiatic areas. Greece and Turkey are said to be next in line, and although for reasons not fully explained we have recently decided to permit China to stew in the heat Russian Communism is supplying, we have now determined to "save" Greece and Turkey from their fate.

Such a version of current world events is certainly made to order as an appeal to American prejudices, American conceit, and American proselyting idealism, but does it accord with fact? Certainly, there is another way of looking at these things, and the American people would be lacking in wisdom if they did not view them from all angles before they commit themselves irrevocably to any course of action such as the program for Greece and Turkey inevitably implies. First of all, let us ask ourselves calmly whether this "ideological" explanation of current events really explains, and whether this announced determination to defend our ideas of democracy everywhere in the world with both guns and butter, is real or half-imaginary.

Of course, there are many areas in the world far removed from Russia and from direct Russian influence where democracy as we understand the term does not exist. In many of them it has never existed. Yet the American people have not yet got into such a dreamlike state that they seriously considered sending either dollars or soldiers to support or to aid democratic movements in such countries. The truth may be unpalatable to the rank and file in this country, but the fact is that there are many peoples in the world who plainly do not want our brand of democracy and would not know what to do with it if they had it. It is clear enough also that many are not particularly interested in the matter. It would not be particularly surprising if a number of these are included among those countries bordering on Russia for whose liberties we are shedding tears from day to day.

A Real Role?

Let us be perfectly candid with ourselves. May it not be that "ideologies" really play a relatively minor role—if any at all—in this Greece-Turkey-Dardenelles issue, or for that matter in a number of other similar situations throughout Europe, the Middle East and the Far East? May all this not be but another phase of the controversies which have kept world politics boiling for a century and a half or longer? Do not the British object to Russian influence or Russian dominance in the Near and Middle East now for precisely the same reason that they have objected to it since Russia began to emerge as a world power? And let us ask ourselves this question: Should we be less antagonistic to Russian pressures and Russian intrigues in the Near and Middle East if they were being conducted by a Czar, as, of course, they have been repeatedly conducted during the centuries?

Is it not a fact that what we really fear, or at least what the managers of world politics really fear, is that Russia — not Bolshevism, Communism, or any other ideology, but just plain Russia—will become too powerful, too dominant in the world? Is it not a fact that we, as one of the two really powerful nations left in the world, are most of all nervous about permitting the other to grow more and more powerful? And may it not be that Russia, in her turn, is suffering from the old-fashioned fear of having her one real rival in the world extend its power by spreading out in, or rather across, the Pacific and by joining hands with Britain extending its interests and its military and naval power not only to Europe but to many other sections of the globe where Russia may well be directly concerned — indeed has been concerned for a century or more?

World Politics Still

The answer seems to us to be that all this not only may be true, but beyond any reasonable doubt often actually is true. If such is the case, then the question arises as to whether world politics is not still world politics, and whether or not we are getting ourselves involved up to our ears in these issues and controversies which have caused innumerable lesser and two major world wars during the past century or two. We must not let the surface appearances of things deceive us. In none of the previous occasions when such issues arose did the principals frankly avow their real aims or ambitions. There was always this or that "cause"—defense or "liberation" of peoples, or something else of the sort—to give the controversy a less unpleasing appearance.

One difference appears to be genuine. It is doubtful if in the past the leaders of the various countries involved, the figures which made the decisions and formulated policies, ever let themselves be deceived by the propaganda by which their plans or programs were supported at home or before the world. They had "interests" to serve which seemed to them to be vital to the welfare of their country and to its plans for the future. They did not send their funds or their legions to "liberate" down-trodden peoples or to support "ideologies"—except when such would serve other purposes which were primary. Last time we found even before the fighting was over that we had been duped by old hands at international intrigue. We—or at least many of us—thought we had learned our lesson. This time we appear to have been party to the duping of ourselves and whatever other idealists there are left in the world.

Can we not strip these issues of their ideological nonsense and other deceptive coloring—and then decide our future course? May Heaven help us if we can not.

Bank Holding Company Curb Bill Proposed

At the request of the Board of Governors of the Federal Reserve System a bill to govern bank holding companies has been introduced by Senator Tobey (R.-N. H.), Chairman of the Senate Banking and Currency Committee, who said that the Board believes the 1933 Banking Act is inadequate for supervision of the companies, according to Associated Press advices March 10 from Washington. The legislation proposes that all bank holding companies be required to register with the Federal Reserve Board, supply the Board with information from time to time on their financial situation and holdings, and submit to periodic examinations, much the same as banks themselves. From Washington March 11 the "Wall Street Journal" reported in part:

> The bill, similar to one introduced last session by Sen. Wagner (D.-N. Y.), was drawn up by the Federal Reserve Board, Sen. Tobey disclosed. Among other things, the bill prohibits "upstream loans"—loans from subsidiaries to parent companies.
>
> It also forbids inter-company sale of securities, requires bank holding companies to divorce themselves from any non-banking subsidiaries and bars them from extracting exhorbitant or unreasonable managerial fees from any banks they control.
>
> At the same time, the New Hampshire Republican introduced legislation to extend until July 1, 1950, the Federal Reserve Bank's authority to buy government obligations directly from the Treasury.
>
> The Tobey bill would require all bank holding companies to register with the Federal Reserve Board, supply the board with information from time to time on their financial situation and holdings, and submit to periodic examinations.
>
> A bank holding company is defined as any company which owns, controls, or holds power to vote 10% or more of the voting shares of each of two or more banks, or any company which the Federal Reserve Board determines has such an influence over two or more banks as to make regulation necessary in the public interest.

Douglas Assumes Post as Ambassador to Britain

Lewis W. Douglas arrived in London on March 16 to assume his new post as Ambassador to Great Britain. Mr. Douglas left New York for his new duties on March 15 on an American Overseas Airlines Plane from LaGuardia Field and before his departure declared, according to the New York "Times" of March 16, that a close relationship between the two nations "is one of the important factors in the establishment of a lasting peace."

He added that President Truman's foreign policy speech was "a clear pronouncement that this time we are not going to withdraw from world affairs."

From the same paper we also quote:

> His mission, he said, was not made "more difficult nor easier" because of the President's speech [on aid for Greece—Ed.] but he agreed his position had assumed an increasing importance owing to the speech.
>
> On the subject of the President's speech, Mr. Douglas asserted: "I think it is a great State paper; it stated a foreign policy which I hope the Congress will approve." In answer to another question as to the speech's effect on peace, Mr. Douglas said that "if anything it increased the chances of peace."

With his arrival in London, Associated Press advices quoted Mr. Douglas as follows:

> The relationships between America and England are stronger now than they ever have been," Mr. Douglas told newsmen at the airport. "I hope that during my term of office they will become even stronger.

The U. S. Senate on March 5 confirmed the nomination as Ambassador to the Court of St. James of Mr. Douglas, who was named to the post by President Truman on Feb. 26, to take the place of O. Max Gardner, whose death occurred on Feb. 6 just before the time for his departure for Great Britain to assume the Ambassadorship. Mr. Gardner's death was referred to in our issue of Feb. 20, page 1057. The nomination of Mr. Douglas was noted in these columns March 6, page 1295.

The Senate Committee on Foreign Relations unanimously confirmed the nomination on March 1; the Senate action, without debate, was also unanimous. In taking the oath of office on March 8 (administered by Stanley Woodward, Chief of Protocol of the State Department) Mr. Douglas stressed the importance of Great Britain's world position to the United States, it was indicated in special Washington advices to the New York "Times" on March 8, which also said:

> Mr. Douglas took the oath of office at a simple ceremony in the office of the Secretary of State. Among those present were Dean Acheson, Acting Secretary of State; Secretary of Commerce W. Averell Harriman, the Ambassador's predecessor in London; the Secretary of the Treasury, John W. Snyder, and members of the Congress from Arizona, the home State of Mr. Douglas.

Truman Names Group to Study Merchant Marine

President Truman on March 11 appointed a committee of five industrialists to advise him on merchant marine problems. Those named, according to a special dispatch from Washington to the New York "Times," were:

> K. T. Keller, President of the Chrysler Corp., Detroit, Chairman; Marion B. Folsom, Vice-Chairman of the Business Advisory Council for the Department of Commerce and Treasurer of the Eastman Kodak Co., Rochester, N. Y., Vice-Chairman; Andrew W. Robertson, Chairman of the Board of the Westinghouse Electric and Manufacturing Co., Pittsburgh; James B. Black, President of the Pacific Gas & Electric Co., San Francisco, and Vice Admiral Edward L. Cochrane, formerly Chief of the Bureau of Ships, United States Navy, and President of the Society of Naval Architects and Marine Engineers.

The new group, to be known as the Advisory Committee on Merchant Marine, said the "Times" will make a study of the whole merchant marine problem, together with representatives of the Navy Department and the Maritime Commission. Upon receiving the Committee's findings, President Truman hopes to have data on which to base legislative recommendations to Congress. In a letter to the new appointees, which was made public at the White House, the President indicated that the need was critical for construction, modernization and maintenance of an adequate fleet of passenger and freight vessels to serve United States commerce.

"I feel," President Truman wrote, "that the whole program should be carefully studied in all its phases by a group of citizens equipped by background and training to counsel the Government and assist it in formulating a program to strengthen our merchant marine."

Shipping circles have been quick to express satisfaction with the President's action. The Maritime Commission issued an announcement in Washington and New York welcoming Mr. Truman's move which, advices to the "Times" continued, it declared, called attention to conditions "threatening continuation of a stable" merchant marine. The "Times" went on to say:

> The statement added that when the new committee meets, the Commission expects to discuss its plan for a long-range passenger-liner building program. This program was curtailed last year due to the scarcity of materials.
>
> The commission said the war had left an unbalanced fleet, large in size, but consisting principally of Liberty ships and other cargo vessels built expressly for war use. Of the 130-odd pre-war passenger and combination passenger - cargo vessels used in the war as transports and fleet auxiliaries, many will be laid up, scrapped or sold. Reconversion of the remaining few modern ships is being done at considerable expense.
>
> The Commission stressed the importance of maintaining sufficient passenger facilities for national security purposes, above the needs for competition with other maritime nations.

NAM Patent Research Post Goes to Howard Blood

Howard E. Blood, President of the Norge Division, Borg-Warner Corp., Detroit, has accepted the Chairmanship of the Patent and Research Committee of the National Association of Manufacturers, it was announced on March 14 by Earl Bunting, NAM President. An airplane pilot in World War I, Mr. Blood served as executive officer at McCook Field, Dayton, Ohio. In 1927 he organized Norge Corp., which took over the common stock of Detroit Gear & Machine Co., and merged with Borg-Warner Corp. two years later.

Steel Output Reaches New Peacetime Peak— Consumers Hold Current Prices Are Too High

More than 68% of steel consumers believe that current steel prices are too high and some of these firms have already reduced their order volume because of this situation, according to a survey made by The "Iron Age," national metalworking paper, which, in its issue of today (March 20) further states as follows:

"Even more important in relation to future steel company sales policies is the fact that more than 36% of steel users either expect to change their source of supply or are thinking about it.

"The action of Carnegie-Illinois Steel Corp. this week in making moderate reduction in the delivered price of several steel products by reducing extra charges is believed to have been a recognition of the present consumer state of mind. The action of the United States Steel subsidiary is expected to be followed by other steel makers of similar products. Additional products may be affected later.

"The most important change announced by Carnegie-Illinois involved a revision of extras on plates which will average about $2 a ton reduction on that product. The change in steel bar extras will average about $1 a ton downward for that product. Taken together the saving to the consumer as a result of these two major cuts in the delivered price will exceed $15 million on an annual basis, assuming other companies fall in line.

"In no case was the base price of steel products affected in the reductions made this week. The extra charge revisions were the result of a test on the increases made in extra charges last December and early January. The steel company realistically eliminated that portion of those advances which could not be substantiated by actual production cost.

"This moderate decrease in the price of delivered steel may be the forerunner of basic changes as the steel industry attempts to do its part in resisting the current inflationary movement in prices. It is also an indication that the industry will hold out for a moderate wage increase and the evidence still points to no definite action in that direction until the portal-to-portal problem is settled by legislation. There is practically no chance of a steel industry tieup. If the deadline set forth by the steel corporation and the union is reached before the portal question is satisfactorily settled, it is anticipated that the company and the union will extend their contracts again.

"While first quarter earnings in the steel industry are expected to be somewhat higher than in the fourth quarter, a slight damper will be placed upon these figures by the certainty that any subsequent wage agreement reached will entail a substantial retroactive wage bill. It is for that reason that the steel union is content to pursue a conservative method of action, especially when it is more than likely that both sides have reached a definite agreement on the retroactivity of the wage increase to be granted.

"Scrap markets throughout the country continued strong during the past week. As a result of minor changes at Pittsburgh and Philadelphia, The 'Iron Age' steel scrap composite this week moved from $38.75 a gross ton to $39.67 a gross ton up 92 cents a ton."

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 96.4% of capacity (another new postwar high) for the week beginning March 17, compared with 95.8% one week ago, 94.1% one month ago and 88.9% one year ago. The operating rate for the week beginning March 17, which is also the highest since the week of April 2, 1945 when the rate was 96.9% of capacity, is equivalent to 1,686,900 tons of steel ingots and castings, compared to 1,676,400 tons one week ago, 1,646,700 tons one month ago and 1,566,800 tons one year ago.

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

"The boiling scrap iron and steel market continued last week. There were, however, a few signs hinting of possible tapering of activity with some consumer resistance to the high prices noted, and one large Pittsburgh steelmaker reported having canceled at least one contract with material flowing in substantial volume.

"There was no warrant to assume that the market is about at a turning point since in other directions renewed upward pressure on the price structure was in evidence with several mills that had been withholding orders resuming purchasing.

"Buoyancy generally characterizes the metallics, and the inflationary tone has not been relieved by President Truman's address to Congress on the grave international situation. Price revisions last week, however, in the main were more in the nature of wider adoption of higher levels announced the preceding week.

"With steel production booming along at a record-breaking peacetime pace, increasing attention is being riveted on likely market developments over coming months. Generally, demand-supply balance is expected to be struck in most steel products by midsummer, flat-rolled items being an outstanding exception in this respect since little hope is held out for relief in these products until late in the year at earliest.

"In view of prospective easier supply conditions in general steel sellers are preparing for intensive sales competition after midyear. This, in turn, is generating speculation with respect to the probable trend of steel prices over the fag end of the year, and some observers are expressing the view an easing in quotations would not be altogether surprising, beginning with the waiving of certain extras. This, it is said, will be especially true should production continue uninterruptedly and further sharp increases in labor and other costs be avoided. However, recent raw material price increases may temporarily force upward revisions in some semifinished steel items which would serve as a brake on the market generally.

"As regards scrap, bell-wether in the current inflationary spiral, opinion increasingly is voiced that once the peak is attained, a definite, and perhaps, sharp reaction can be expected. This market, it is believed, has advanced too rapidly for any sustained period of stabilization to follow once the top is reached, especially as spring weather opens up dormant supply sources.

"Steel supply continues tight but tension is relaxing here and there. Flat-rolled specialties, such as stainless sheets, and, in some degree, electrical sheets show an easing tendency. Hot and cold-rolled sheets and strip, galvanized and enameling sheets show little change from previously reported tight supply positions. Plates also are scarce, second only to sheets and strip with some producers virtually out of the market.

"Last week various adjustments in pig iron and scrap prices, largely reflecting previously announced changes, pushed 'Steel's' composite price averages on these products higher, pig iron rising from $32.11 to $32.49, and steelmaking scrap from $35.58 to $36.58. The composite prices on finished steel held unchanged at $69.73 and on semifinished steel at $52.10."

Graduate School of Banking Faculty

The group of men who constituted the faculty of The Graduate School of Banking when it opened on the campus of Rutgers University in 1935 will be honored at the annual luncheon of the faculty which will be held at the Biltmore Hotel here on Saturday, March 29, in connection with its regular spring meeting, it was made known on March 14.

The meeting, which is held at this time each year, is in the nature of a conference on Graduate School activities and the completion of plans for the summer session which will be conducted at Rutgers University in New Brunswick, N. J., during the last two weeks of June. The original faculty of ten has now expanded to more than fifty in response to the growing student body and the need for lecturers on various subjects. Most of these men are expected to be present. What will be, perhaps, the most important item of business before the faculty meeting, says the announcement, is the completion of arrangements to take care of the largely expanded student body.

The school will open this summer at New Brunswick on June 16. The graduation exercises will be held on Friday, June 27. Up to June, 1946, there have been ten graduating classes, and diplomas have been given to 1,50. bank officers. As has been the practice for the past several years, the alumni of The Graduate School will hold its annual reunion concurrently with the faculty meeting, having an all-afternoon conference at the Biltmore Hotel and finishing with a dinner in the evening. The reunion will be in charge of the class of 1945. A committee of that class appointed by Berford Brittain, Jr., Second Vice President of the Continental Illinois Bank and Trust Company of Chicago, has prepared the program.

There will be four forums during the afternoon: One will be on Commercial Banking with Dr. Benjamin H. Beckhardt, economist of the Chase National Bank, New York, leading the discussion on "Observations on the European Situation"; and George McGowan, Vice President of the Corn Exchange National Bank & Trust Co. in New York, on "Reconsideration of Trust Receipt Principles." At the Investments forum, Steven M. Foster, economic adviser to the New York Life Insurance Co., will speak on "U. S. Government Bonds"; Charles L. Bergmann, partner, R. W. Pressprich & Co. in New York, will speak on "Railroad Securities"; and John S. Linen, Vice President, of the Chase National Bank, New York, will discuss "Buying & Selling Municipal Securities." The Savings Management forum will hear Professor A. Anton Friedrich, professor of Economics, New York University, on "The Economic Outlook for the Period Ahead"; Paul Albright, Secretary, New York Savings Banks Association, will speak at this session on a subject to be announced. The fourth forum will be on Trusts. A. James Casner, Professor of Law, Harvard Law School, will discuss "The Future of Inter Vivos Trusts in Light of T.D. 5488"; Gilbert T. Stephenson, Trust Research Director, The Graduate School, will discuss "Business Provisions of Wills and Trust Agreement"; J. Frank Honold, Second Vice President, Chase National Bank, New York, will discuss "Two Vehicles Which Merit Consideration in Dealing with Investment Problems of Small Trusts."

The committee of the class of 1945 in charge of the reunion consists of: Leland D. Judd, assistant Vice-President, Lincoln Rochester (N. Y.) Trust Co.; Harold E. Hardiman, Assistant Cashier, Chase National Bank, New York; Edward S. Atwater, Assistant Treasurer, Fidelity Union Trust Company, Newark, N. J.; Francis B. Bowman, Second Vice President, Chase National Bank, New York, and Louis Peterson, Colonial Trust Company, New York, Secretary of the class is Carl W. Trempf, Second Vice President of the First National Bank, Boston, Mass.

ABA Savings Div. and Mutual Savs. Ass'n to Coordinate Activities

Staff officers of the American Bankers Association and of the Mutual Savings Banks Associations were guests in New York on March 6 of J. R. Dunkerley, Deputy Manager of the American Bankers Association and Secretary of its Savings Division, at a luncheon. The meeting was held in the Hotel Pennsylvania in connection with the Eastern Regional Savings and Mortgage Conference. Mr. Dunkerley referred to the broadened activities of the savings banks associations and those of the American Bankers Association as aggressive efforts to meet urgent demands in the present banking situation. He complimented the officers of the savings banks associations for their cooperation with the ABA through the years which has resulted in a supplementing of each other's activities rather than a duplication of effort. In his remarks, Mr. Dunkerley said:

> The enlarged programs of all the associations require that we be more diligent than ever to see that our activities are so well coordinated that our members will know that we are providing them with the most efficient services at the lowest possible cost. There is almost no limit to the amount of constructive work which the associations may perform. If each is doing its utmost along the lines that each association is best fitted to do, there will be work still to be done because of a lack of personnel and the funds to do it.

Among those attending the meeting were: John W. Sandstedt, Executive Secretary, National Association of Mutual Savings Banks, New York, N. Y.; Kenneth McDougall, Executive Manager, Savings Banks Association of Massachusetts, Boston, and President of the Eastern Secretaries Conference; Walter R. Williams, Jr., Executive Secretary Savings Banks Association of the State of New York, New York; Nute B. Flanders, Executive Secretary, Savings Banks Association of New Hampshire, Concord N. H.; Percy B. Menagh, Executive Secretary, New Jersey Savings Banks Association, Newark, N. J.; Harold W. Roberts, Executive Secretary, Savings Banks Association of Connecticut, Hartford, Conn.; L. A. Tobie, Vice-President of the Savings Division, American Bankers Association, and President, The Meriden Savings Bank, Meriden, Conn.

Dr. Harold Stonier, Executive Manager; William T. Wilson, Deputy Manager and Secretary of the State Association Section; and Howard B. Smith, Director of the Department of Real Estate Finance, were in attendance as representatives of the American Bankers Association in addition to Mr. Dunkerley.

Conference on UNESCO in Phila.

A national conference on UNESCO (the United Nations Educational, Scientific and Cultural Organization), will be held at Philadelphia, March 24-26, and will be attended by representatives of approximately a thousand organizations. The purpose of the conference, which is being arranged by the United States National Commission for UNESCO, is to work out plans by which the American people can take part in UNESCO's program for promoting peace through educational, scientific and cultural cooperation. The Department of State at Washington, in making this known on Feb. 26, further said in part.

"The program of the conference will include reports by members of the American delegation who attended the first meeting of the international organization, held in Paris last December. Delegates expected to be present at the meeting include: William Benton, Assistant Secretary of State for Public Affairs; Arthur H. Compton, Chancellor, Washington University; Mrs. Anne O'Hare McCormick, member, Editorial Board, New York 'Times'; George D. Stoddard, President, University of Illinois; Chester Bowles, former Administrator, Office of Price Administration; Milton S. Eisenhower, President, Kansas State College; Charles S. Johnson, President, Fisk University; and George N. Schuster, President, Hunter College. UNESCO's plans for helping war-devastated countries rebuild their devastated educational systems will be discussed by Dr. Bernard Drzewieski, Director of the reconstruction and rehabilitation section of the Organization.

"Section meetings will study UNESCO's program for promoting international understanding through schools, radio, press, films, and international cooperation by scholars and scientists. Attention will also be centered on ways in which local communities can take part in furthering the aims of the Organization."

Arrangements for the conference are under the direction of Milton S. Eisenhower, Chairman of the United States National Commission for UNESCO.

Norton Named New State Dept. Aide

An additional Assistant Secretary of State in the field of economic relations was appointed on March 12 by President Truman, a special dispatch from Washington to the New York "Times" stated. Garrison Norton of New York, was named Assistant Secretary for Aviation, Shipping and Telecommunication Activities, and in that capacity will serve as assistant to William L. Clayton, Under-Secretary of State for Economic Relations. The "Times" advices further said:

> The announcement was made as a result of the vacancy caused by the resignation of James Clement Dunn as Ambassador to Italy. Mr. Dunn had been Assistant Secretary of State for Political Affairs, having jurisdiction over geographical areas.
>
> The State Department indicated that no Assistant Secretary would be appointed for this field. Instead the directors of geographical offices—those for Europe, the Near East, Africa and the Far East—are expected to report directly to Dean Acheson, Under-Secretary of State.
>
> Mr. Norton has been director of the State Department's Office of Transport and Communications since last July. Previously he was Deputy Director of that office.

Hoover Outlines European Relief Needs

The day after he had submitted to President Truman a report of his recent survey of Germany's and other European nations' food needs, in which he recommended that the United States spend $475,000,000 for the relief of Germany alone during the balance of this year and through the first half of 1948, former President Herbert Hoover gave his views to the House Foreign Affairs Committee on a proposed bill to expend $350,000,000 in five other European countries and China. Mr. Hoover, according to Associated Press dispatches from Washington, Feb. 28, urged Congress to put American relief abroad on a loan rather than a gift basis, and to establish the post of Foreign Relief Administrator to coordinate this country's emergency relief missions.

President Truman later declined at a news conference to comment on Mr. Hoover's statement, saying that he had not yet had opportunity to study it. The Hoover report to the President, which was given in our issue of March 6, (page 1293), declared, that the German masses had "sunk to the lowest level known in 100 years of history," and it recommended that the United States and Britain each spend half of $951,000,000 on German relief.

Mr. Hoover's recommendations to Congress for handling relief were reported to have been stated specifically, as follows, according to Associated Press advices in the New York "Sun" of Feb. 28:

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

2. Relief under our contributions should be limited to United States products and to transportation. We should not use American dollars to purchase elsewhere.

3. None of the funds should be used for countries which are able to pay in cash or secure credit or supplies through other channels.

4. Further careful estimate of need and costs of relief should be made after full consideration on the ground by specialists appointed by the United States Department of Agriculture, the United States Public Health Service and the International Emergency Food Council.

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

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

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

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

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

Mr. Hoover said nations receiving reparations from countries on relief should be asked to defer such claims until relief costs have been paid—an opinion likely to bring a dissent from the Soviet Union which has sought payments from Italy and Germany to aid her own immediate reconstruction.

He suggested that all nations receiving relief should agree to assure repayment by a tax of 5 or 10% on all of their exports, with the payments to begin in two or three years.

After completing a food survey of Germany and Europe as President Truman's special envoy, former President Herbert Hoover returned to the United States by Army transport plane on Feb. 23, but said that he would make no public statement on his findings until after he had presented his report to the President. However, Mr. Hoover was reported in Associated Press advices from London on Feb. 20 to have stated on his arrival there that his survey had revealed this as "the worst period in Europe in 25 years—and that applies to the British, too."

RFC Loan to Philippines

The Reconstruction Finance Corp. announced on March 6 that an agreement had been signed by the Corporation and Joaquin M. Elizalde, Philippine Ambassador to the United States, consummating arrangements for a $25 million loan to the Republic of the Philippines, to mature on Jan. 1, 1952, with interest at 2% per annum. The RFC states that the loan is a part of a credit of $75 million which the Corporation was authorized by Congress, by the Act of Aug. 7, 1946, "to extend to the Philippine Government to aid the new Republic to meet its immediate financial requirements during the current period of adjustment to its new status as an independent nation." The advices from the RFC on March 6 further said:

The terms and conditions of the loan were determined in accordance with recommendations of the National Advisory Council on International Monetary and Financial Problems, which also approved the amount now requested by the Republic of the Philippines. While the Council recognized that the widespread property damage and dislocation of the Philippine economy resulting from the war made it difficult to determine an appropriate maturity date for the loan, the Council, in the light of such information concerning Philippine resources as was available to it at the time, recommended that the loan mature on Jan. 1, 1952.

Further data and information on Philippine resources will become available in the near future. A Joint Financial Commission established by agreement between President Truman and President Roxas is at the present time engaged in studying various aspects of Philippine financial problems and will submit a report to the President of the United States and the President of the Philippines.

Senate to Meet Daily

The Senate Republican police committee, at a meeting on March 13 decided to hold daily sessions of the Senate in order to complete action by March 31 on legislation considered requiring attention by that date, Senator Taft (R.-Ohio), Committee Chairman announced according to Associated Press, Washington advices. Mr. Taft added that night sessions would be held on Wednesdays. Heretofore, except for extra night sessions, the Senate has been meeting only three times weekly. High on the list of matters calling for immediate attention is President Truman's request for a $400,000,000 loan to Greece and Turkey before the end of the month, the same advices continued, stating that Senator Taft has not indicated as yet whether he intends to support the proposal.

House Democrats Name "Watchmen-Debaters"

Democrats in the House on March 9 selected six of their number to serve as "watchmen" to challenge Republican legislation, Associated Press Washington advices reported. In an effort to win as much of the Administration program as possible, and at the same time build up a record for the 1948 campaign, assignment of the six was made, according to the Democratic whip, Representative John W. McCormack, of Massachusetts, "to spotlight mistakes of the opposition."

The six watchmen - debaters picked by Representative McCormack, according to the Associated Press advices appearing in the New York "Herald Tribune," are:

Representative Albert Gore, 39, of Tennessee, who belonged to a similar party team last year. He is a four-termer and one of the House's ablest spur-of-the-moment speakers.

Representative Geo. Smathers, 32, former marine major and Assistant United States Attorney at Miami.

Representative John A. Blatnik, 35, Minnesota's only Democrat in Congress, a former paratroop captain.

Representative Carl Albert, 38, of Oklahoma, a former intercollegiate oratorical champion and Rhoades scholar.

Representative John Carroll, 45, of Colorado, a former District Attorney.

Representative John Bell Williams, 28, of Mississippi, a former county attorney and Army Air Forces pilot, who lost an arm at war and returned to defeat Representative Dan McGehee.

It it planned that each will become a specialist on some particular type of legislation, ready at the drop of the hat to debate the issue on the floor.

Peurifoy Named Deputy Asst. Secy. of State

The Secretary of State recently announced the appointment of John E. Peurifoy as Deputy Assistant Secretary of State for Administration with authority to act as such Assistant Secretary of State. The State Department's announcement said:

Since March, 1946, Mr. Peurifoy has served as Special Assistant to Under Secretary of State Dean Acheson. He previously served as Deputy Director, Office of International Information and Cultural Affairs and Special Assistant, Office of Public Affairs, 1945-46. Mr. Peurifoy was in charge of the United Nations Conference in San Francisco in 1945 and served as Deputy Secretary General of the American Delegation at the First Meeting of the General Assembly of the United Nations in London in January, 1946.

Mr. Peurifoy entered the Department on Oct. 1, 1938 serving as Economic Analyst and later as Divisional Assistant in the Division of Controls. Mr. Peurifoy also served as Department of State Representative on the Policy Committee of the Board of Economic Warfare, 1941-42; as Department's Representative on the Reviews and Appeals Committee on export applications of the Board of Economic Warfare, 1941-42. He was detailed to the American Embassy, Rio de Janeiro in 1942 and served as Department's Representative of the Requirements Committee, War Production Board, 1943-44.

Prior to entry into the Department of State, he was engaged in the insurance business for the Kansas City Joint Stock Land Bank at Kansas City, Missouri, and the American Surety Company, New York.

Retail Prices Gained Again in January, According to Fairchild Price Index

Retail prices advanced for the eleventh consecutive month according to the Fairchild Publication's Retail Price Index. Quotations in January gained 1.2% over December, and showed an increase of 7.6% above February a year ago, said the Fairchild report, issued on Feb. 17, which noted that the greatest advance occurred since July 1, 1946, an increase of 6.5%. Prices have also advanced 37.3% compared with the period immediately preceding the outbreak of World War II in 1939, according to report which continued:

With the exception of piece goods, which showed a decline due to the sharply lower silk fabric prices, each of the major groups advanced during January. The greatest increase was recorded in men's apparel with home furnishings and infants' wear following. As compared with a year ago, men's apparel and home furnishings showed the greatest gains. This also was true of the advances compared with July 1, 1946.

For the first time in several months, several commodities included in the Index showed fractional declines. The lower raw silk prices resulted in lower silk piece goods as well as silk hosiery. Heavier stocks of all wool blankets resulted in a slight decline in that commodity. The continued weakening in fur prices was reflected in a further reaction in this item. The effect of some accumulation of luggage and the high prices is reflected in the reduction recorded in that item.

The greatest increases compared with a year ago are recorded in sheets, aprons and housedresses, corsets and brassieres, women's and men's shoes, men's underwear, shirts and hats, as well as infants' shoes and floor coverings.

The peak in retail prices has not been reached as yet. The advance in the Index will probably continue during most of the first half of the year, according to A. W. Zelomek, economist, under whose supervision the Index is compiled. He points out that the increase above a year ago shown by the Index, which represents a selective list of staple items, would be higher if it were possible to measure the still existing poor quality. These poor quality items will gradually disappear with a return to prewar constructions.

Borrowings on NYSE in February

The New York Stock Exchange announced on March 3, 1947, that as of the close of business on Feb. 28, 1947, the total of money borrowed from banks and trust companies in the United States amounted to $290,855,802, compared with the figures for Dec. 31 of $293,931,964. Advices from the Exchange follow:

The total of money borrowed from banks, trust companies and other lenders in the United States, excluding borrowings from other members of national securities exchanges: (1) on direct obligations of or obligations guaranteed as to principal or interest by the U. S. Government, $86,301,025; (2) on all other collateral, $204,554,777; reported by New York Stock Exchange member firms as of the close of business Feb. 28, 1947, aggregated $290,855,802.

The total of money borrowed, compiled on the same basis, as of the close of business Jan. 31, 1947, was (1) on direct obligations of or obligations guaranteed as to principal or interest by the U. S. Government, $107,025,649; (2) on all other collateral, $186,906,315; total, $293,931,964.

High Court Rules Stevedore Tax Invalid

The levy by New York City of a general business tax on stevedoring companies operating within the city limits was ruled unconstitutional on March 10 by the United States Supreme Court, Associated Press Washington advices stated. Associate Justice Stanley F. Reed delivered the Court's majority decision in a case involving the Carter & Weekes Stevedoring Company and John T. Clark & Son. Both companies handle ships' cargoes moving in interstate and foreign commerce. The tax was 1/10% of gross receipts from sales and services. The city had appealed the finding of the Court of Appeals of New York State that the tax was an unconstitutional burden on interstate commerce. The majority ruling of the Supreme Court stated that stevedoring "is essentially a part of commerce itself, and therefore a tax upon its gross receipts or upon the privilege of conducting the business of stevedoring for interstate and foreign commerce, measured by those gross receipts, is invalid." We quote from the Associated Press, which also said:

Associate Justice William O. Douglas wrote a dissent, in which Associate Justice Wiley B. Rutledge concurred, saying he believed the city's tax valid as applied to gross receipts from loading and unloading vessels engaged in interstate commerce. Justice Douglas added, however, that he considered the tax unconstitutional as applied to gross receipts from loading and unloading ships engaged in foreign commerce. Associate Justice Hugo L. Black noted a dissent to the majority's opinion.

Cashing of Checks at Par Upheld by Nebraska Court

The Nebraska Supreme Court on March 7 upheld a 1945 State law requiring banks to cash checks at par it was stated in Associated Press advices from Lincoln, Neb., which further reported:

Reversing a district Court ruling that the law was unconstitutional, the Supreme Court held no part of provision of the Federal Constitution was ever intended to take from the States the right to properly exercise their police powers.

Emil Placek, Wahoo, Neb., banker, who brought the original case and had argued an exchange charge on out-of-town checks was essential to survival of country banks, said he may appeal to the United States Supreme Court.

UNRRA to Buy Only Food

The United Nations Relief and Rehabilitation Administration is cancelling about $41,000,000 of items other than food in order to avoid a threatened deficit, it was announced on March 12 by the Agency's Director General, Gen. Lowell W. Rooks, Associated Press Washington advices stated. General Rooks told reporters that remaining shipments to European countries will be reduced between $5,000,000 and $6,000,000. The $535,000,000 program for China which is only 34% complete, also will be trimmed.

Ruthless Taxing and Spending Must Be Stopped

(Continued from first page)

is not so necessary for us at this moment to discuss *why* we entered World War I and World War II as we did, but it is necessary for us to spend some time considering ways and means as to how we shall manage and eventually liquidate the direct interest-bearing Federal debt which we now owe and which since we began to enter World War I has moved from approximately $1.2 billion up to about $258 billion.

For more than a decade the people and the Congress have been so free and liberal in providing dollars to be spent for any and every purpose suggested by Washington, whether sound or unsound, beneficial or destructive, in the interest of the promotion of international good will or for the specific purpose of buying votes, that it is quite common for men to appear in the well of the House of Representatives and boast that insofar as they are concerned there is no reason why the debt should be paid and that we need not be concerned about its size because "We owe it to ourselves."

Ruthless Taxing and Spending

This ruthless collecting and spending of the citizens' productive power as measured in the form contributions to the tax box has, in my opinion, reached a point where it is utterly immoral and to a great extent without any economic or other kind of sense.

In the field of international relations we, in my opinion, have entirely too many spokesmen who take the position that in addition to the goods which they have to sell in the form of a representative form of government, in the form of an economic philosophy which permits an individual to enjoy according to his contribution to organized society, in the form of a free press, freedom to worship according to one's own choosing, freedom of speech, in the form of the secret ballot, and all of the other benefits set forth in the Constitution, these negotiators feel and argue and contend that in addition to all of this fine package of quality goods which they have to offer to other peoples of the earth, that they should still have the privilege of reaching into the federal budget for all the dollars they desire, for all the lending power of the Export-Import Bank as measured by the various loans which have been granted, all of the benefits set forth under the Bretton Woods agreement. These negotiators are momentarily pleading that no reductions should be made in the budget which in any way can be argued as circumscribing the $11¼ billion which appears under the heading "National Defense."

The Importance of the National Defense Item

The whole burden presented in arguments by the President, Department heads, editorial writers, and radio commentators (to say nothing about certain top level Members of the House and Senate) is concentrated on the idea that a cut in the budget decreases the efficiency of our national defense. Little, if anything, has been said about the enormous reductions that could be made in other activities of government, for instance where whole Bureaus could be liquidated and perhaps the general efficiency of government improved. In this connection it is appropriate to observe that of the $37½ billion proposed by the President, roughly $22 billion appears under the heading "National Defense, Veterans Services and Benefits, and International Affairs and Finance."

The $11.2 billion for National Defense substantially provides for an average military strength of approximately 1,640,000 men and officers, including an Army of 1,070,000 and a Navy and Marine Corps in excess of 570,000.

May I ask you, "What country from here on will be from 3 months to 6 months ahead of all other countries in scientific research and development?"

"How much of the physical production in the way of implements of war to be manufactured and rolled off production lines, and included in the $11¼ billion, will be obsolete before they reach the proving or testing grounds?"

"Is $11¼ billion adequate for national defense for the coming fiscal year or will an international situation arise say between now and April 1, 1948 which will make it necessary or advisable for the Congress to appropriate another $5 billion or $11 billion or $50 billion for national defense?"

In this uncertain world with so much disturbance on all sides and with it so utterly impossible for anyone to make any plan of a long-term nature why should we in budgetary procedure place so much emphasis on the necessity of Congress approving a $37½ billion budget at this particular moment when Congress is going to be in session (at least we hope) in the spring and summer of 1948, and at which time a better look could be taken at all international developments.

The Postwar Debt Management

The most recent figures I have been able to obtain indicate that our commercial banks now hold approximately $90.6 billion worth of Treasury issues.

You watched with interest the economic consequences associated with the Victory Drive sale of long-term Treasury securities—the largest ever effected. Long-term government issues reflected the biggest rise in recent years. Concurrently with this rise in market value there was the expectation (and we know what has happened in the interim) of a vast increase in new commercial loans, mortgages and corporate financing. According to past performance and history, these aggressive and liberal lending policies would have produced higher money rates.

But the advance in government security prices producing corresponding declines in yields was somewhat argued the "aftermath of war financing."

You considered with interest what advice Chairman Alan Sproul of the Open Market Committee had to say when he recorded that:

"At the beginning of the recent World War it was decided that our expenditures for war purposes should be financed at stable, not rising, rates of interest such as the pressing needs of previous wars had produced. To make this decision effective, a pattern of rates for government securities was established, with Federal Reserve support. The almost inevitable consequence of the fixing of this pattern, which meant supplying the commercial banks with whatever funds were necessary to maintain the pattern, was pretty constant pressure on the longer term rates. Actually, therefore, the war was financed not at stable rates of interest, but at declining rates. We came out of the war with short-term rates still pegged where they were when we went in, but with the longer-term rates under steady downward pressure. So long as difference in maturity, and the risks which longer maturities are supposed to involve, are deprived of their significance, the tendency of interest rates is to come together at one figure for all maturities. If the short end of the rate curve is fixed, that means that the long end will tend to decline. So much for loss of control over the cost of credit."

Let me emphasize "So much for loss of control over the cost of credit."

We went through the OPA days. We saw a great public revolt snow-ball until it terminated in the results of the election last November 5th, followed by the President, on his own initiative and months before the statute expired, removing controls on items other than sugar, rice and rents. We know the arguments which were presented by the proponents of OPA and subsequent to the cessation of military hostilities, to the effect that these controls had to be maintained in order to dampen down the economic consequences connected with a potential inflationary base, expressed by Chairman Eccles of the Board of Governors in the following language:

"For June 1920, demand deposits adjusted amounted to $19.6 billion and United States Government deposits to $300 million, giving a total of $19.9 billion. Currency in circulation amounted to $4.1 billion, making a total money supply of $24 billion as against $125 billion for Dec. 31, 1945. Time deposits for June 1920 amounted to $15.8 billion and holdings of government securities by the public (excluding holdings by banks and insurance companies) amounted to $18.9 billion, as compared to $50 billion of time deposits and $100 billion of security holdings for Dec. 31, 1945. Total 'liquid assets' thus amounted to $58.7 billion for June 1920 as against $275 billion for Dec. 31, 1945. In making this comparison, however, allowance must also be made for the fact that the economy's output (gross national product) was valued at only $86 billion in 1920 as against around $200 billion in 1945."

In theory we have heretofore contended that cheap money—low interest rates—was conducive to rapid expansion of production and trade and encouraging to those forces which we would call "inflationary."

Original Concept of Federal Reserve

It is necessary for us to go back to the original concept of the Federal Reserve System, to examine carefully the Federal Reserve Act and the way the system functioned from 1913 up to the beginning of World War I and then how it operated through the twenties and then through the 1929-1933 economic washout and on up to the beginning of World War II and how it has tried to operate since July 1, 1940. In theory, the Reserve System was given the power and I think we can conservatively say the responsibility by Congress for all practical purposes to determine the interest rate, and certainly it was assumed this would be done in behalf of the general welfare.

But we have to remember how this great federal debt was created. After the individual citizens had made their subscription to the various bond drives there remained a substantial need for the sale of other securities and altogether the insured banks of the nation absorbed approximately $100 billion of government issues. As I have already pointed out as late as last June 30 they held in their portfolios in excess of $90 billion of these bonds.

It is further necessary for us to bear in mind that the Secretary of the Treasury is a political appointee who in perhaps the first place must ride along with the political aspirations of the President as best he can, and in the second place manage the debt with such discretion as may remain after substantially meeting political requirements.

In the Budget we find an item, "Interest on the Public Debt, $5 billion."

Only two other items in the Budget (National Defense $11.2 and Veterans Services and Benefits $7.3) exceed this interest item. This all illustrates to you the great vulture which constantly hovers over the taxpayers of this nation and which continually bears down on their shoulders. If the Secretary of the Treasury and government economists follow a course of high interest rates applicable to either original or refunding issues you can readily appreciate what can happen politically with a debt in excess of a quarter trillion dollars calling for a service charge alone aggregating the largest single item in the whole budget of an unemotional character. It is possible to demagogue to the end of time, and quite successfully, on the national defense item and on the veterans services and benefits. These two proposals carry great emotional appeal. But when you ask for $5 billion or $10 billion per annum to cover the service charge alone on a federal debt, you really get into the blood and tears zone of hard economic facts. Mr. Morgenthau, together with Mr. Roosevelt, thoroughly comprehended the value of extremely low interest when associated with a federal debt of such vast proportions as the one we must now live with.

The Long-Term Importance

It appears to me to be conservative to say that as to how this debt is managed during the coming 25 to 50 years will substantially determine the social and economic status of our people.

In simple language the time has arrived when the people of this country should again take over their economic affairs. I happen to be one of those who sincerely believes that the Administration has permitted its budget making policies to get out of bounds. When the President in January, 1946, forecasted his budget for the current fiscal year and then returned in January, 1947, and admitted that his original forecast was some 6.3 billion out of line he gave us an indication of how completely present budget making is out of control.

Can you imagine a more constructive force that could possibly operate throughout the whole world today than for the Congress of the United States, with the full support of the White House, to emphatically and positively arrest the growth of the debt, balance the budget, substantially reduce the tax burden of our people and thus serve notice on the citizens of this great Republic and the nationals of the other governments of the earth that insofar as this family of Uncle Sam is concerned it proposes from here on in peace time to pay its own way. This is what I strongly recommend. This to me constitutes the first step the present Congress should take. Having made this decision and having so constructively acted we would then be in a position to from hereon chart our course with a degree of certainty which has not heretofore prevailed in this country since about 1931.

Now in this general connection and by reason of the fact that in the budget we find this item "International Affairs and Finance $3.5 billion" let me briefly refer to our vast international involvements, which I wish to summarize under the brief headings—Atlantic Charter, The Four Freedoms, Declaration of the United Nations, United Nations Organization, Lend Lease with its 35 Mutual Aid Agreements, UNRRA, the International Food Collaboration program, Bretton Woods, the British Loan, International Trade Organization and the Reciprocal Trade Agreements Program of our Government, and the International Credit Bank.

The scope of all these international agreements and their involvments are sufficient to take our measure in a very material way. We cannot choose to repudiate these agreements. We can, in the light of current world events only choose to proceed with the general philosophy of their provisions, and *in addition* take on other great tasks as Great Britain more or less "checks out" of world empire operations. The call will come to us to "take over" and "carry on." I see no escape from far greater burdens than we now comprehend.

The coming years will test the strength, courage, and spiritual stamina of the American people. The world looks to us. The Russian force will have to be neutralized largely by the consecrated work and devotion to ideals and institutions of liberty and freedom of the great mass of the American people.

Pay for Foreign Relief By Luxury Taxes

(Continued from first page)

Empire, and it has nearly busted her. England now owes many billions of dollars to Canada, the U. S. and other nations besides the billions which she owes her own people. Now, near economic collapse, she still has interests all over the world. Who will do the policing and protecting of her loans and investments? Will the United States step in everywhere Britain feels she must step out?

Italy and Greece might have turned to England for assistance. But, under the circumstances, they are asking of the U. S. Italy's government warns us of communistic danger in the offing if the U. S. does not provide the Italians with more aid in food and money. Certainly, we are between two fires: If we don't loan, Europe will go communistic; while if we loan too much, unemployment will develop in the U. S. and strengthen communism here at home.

Self Reliance — An Ideal

It would be unhealthy for any nation to acquire the feeling that it can always turn to us for material aid. A nation strengthens itself as it works out its own difficulties. The ravages of war have made it necessary for the United States to send food to many nations. Germany, Austria, India, and China are among the most hungry today, having more than a 20% cut in their normal diet. They are worse off than France, Italy or even Greece.

Among the defeated nations it is important to create domestic self-sufficiency lest they become a permanent drain on the resources of others. MacArthur is wisely asking Washington to allow the Japanese funds for enough shipbuilding to permit a revival of their fishing industry. He also believes that limitations on Japanese industry should be lifted, to help Japan work toward domestic self-sufficiency at least.

How to Raise Needed Funds

The real question is not whether we send these hundreds of millions abroad, as Ex-President Hoover recommends. We simply must do so or someday the entire world will gang up against us. We, in the U. S., cannot long continue living the "life of Riley" while the rest of the world is on the verge of starvation. The only question facing us today is how this money should be raised.

The answer to me is very simple: Increase the luxury taxes on liquor, tobacco, night clubs, expensive clothing, jewelry, etc. This will both give the necessary funds and put some sense into our people. Some will say such increased taxes would throw a few of our people temporarily out of work. Perhaps so; but I doubt it. Besides we are short of labor to make for us today the essentials which we are lacking — in needed food, clothing and shelter.

Sees Conflicting Trends in 1947 Outlook

(Continued from first page)

year, and (4) a continuation of the present high level of expenditures for plant and equipment at least for the next six months.

There are, on the other hand, three important factors, the trend of which is subject to a high degree of uncertainty and which together will largely determine the course of events, particularly from the second half of 1947 on. These factors are: (1) the trend of prices, (2) the intensity with which the construction boom will proceed, and (3) the rate at which inventory accumulation will continue. Whether business activity remains at the present high level throughout 1947 or whether a decline in production and employment, accompanied by a substantial fall in prices, takes place will depend primarily on the course taken by these factors. If output is to be maintained at the present high level, it is necessary that (a) there be no further significant increase in prices—agricultural and some other prices, indeed, would have to drop from their present out-of-line position; (b) inventory or other compensative capital accumulation continue at a substantial rate; (c) construction activity keep on rising; (d) business investment in plant and equipment remain at its present high level; and (e) large-scale labor difficulties be avoided.

Because of these uncertainties it is best to state the outlook for 1947 in terms of two alternatives. These may be regarded as limiting cases enclosing the range within which actual developments will in all probability take place. Under the first of these, "Alternative A," production and employment continue at or slightly above the present level, prices rise only very moderately in the first half of the year and decline equally slowly during the second half. The other limiting alternative (B), which corresponds more closely to the pattern of previous business cycles, assumes a sharper increase in prices and a very small expansion in production during the first half of 1947, followed by a substantial, though not very severe decline, in production, employment and prices, extending into 1948.

Wages

Numerous demands for wage increases have been made recently and others may be made during the early part of 1947. The terms ultimately agreed on will, of course, be influenced by many factors and hence are difficult to anticipate. A number of recent demands have been settled at an average increase of about 10%, but in view of the scattered nature of these cases and the wide range of the individual settlements, this figure should not be given too much weight as a precedent. If the cost of living shows signs of stabilizing or declining while the wage negotiations are being carried on, and particularly if at the same time signs of a business setback should appear, the average rise in wages during 1947 is likely to be modest. On the other hand, should prices still be rising at the time of negotiation, the average increase may well exceed 10%. Differences between industries, of course, will be substantial, and wage increase may be expected to be relatively larger in the durable goods industries and for some classes of white collar employees where wages have lagged most noticeably behind prices than in the soft goods lines and the service trades.

Prices

During the war and reconversion period such large distortions have developed in the price structure that a shift toward the relationships existing in the thirties is almost certain to occur. There is also every reason to expect that the first significant steps in this readjustment will take place during 1947. The prices that have experienced the greatest advances since 1939 are agricultural and food products, textiles, leather and building materials; those which have lagged most noticeably are rents and some services.

The crucial question for 1947 is whether the readjustment in the price structure will come through a decline in the prices of those commodities that have risen much more than average, or through a further rise in those prices that have lagged. At the present time the first alternative — which is also the more desirable one—appears the more likely with the possible exception of building materials.

In the case of agricultural prices, a substantial decline is generally expected. Declines are also more likely than advances in the textile and apparel field. In manufactured products, among which building materials are of particular importance, the outlook is much more uncertain. It appears likely that here some prices will continue to rise for awhile, particularly if the wage increases of this Spring should be substantial. For the second half of the year, however, a softening of prices is much more probable than a further advance.

Inventories

The trend of inventories in 1947 constitutes a particularly important, but at the same time particularly difficult factor to assess. Notwithstanding an increase of about $5.5 billion in the reported value of inventories during the second half of 1946 largely as a result of rising prices, the level of inventories when compared to the volume of sales is still low by prewar standards. Hence it may be expected that inventory accumulation will continue throughout 1947, particularly in the case of items still relatively scarce. Even under Alternative A, however, the rate of inventory accumulation is likely to decline from the annual rate of about $6 billion in the fourth quarter of 1946 to an annual rate of about $3 billion one year later. Under Alternative B, inventory accumulation during the first half of 1947 may be assumed to proceed at a rate as large as that prevailing during the second half of 1946. But the curtailment in inventory accumulation during the second half of 1947 may be expected to be very sharp in the face of declining sales and falling prices. Even then, however, because of the present low level of inventories from a long-range point of view, it seems likely that the volume of inventories would still be expanding, though only slowly, at the end of the year.

Construction

New private construction in 1947 is expected to amount to about $11 to $12 billion, as compared with a total of about $8 billion in 1946. About half of the total should be residential as against approximately 36% of the 1946 total. Public construction (including residential) will probably amount to about $3 billion as against $2.3 billion in 1946, and maintenance and repairs will rise to about $6.1 billion from $5.1 billion; the grand total of construction thus will probably reach $20 to $22 billion in 1947, against about $15 billion in 1946. While new construction, in terms of dollars, is expected to rise about 50%, the increase in physical volume is expected to be approximately one-third.

Construction may be expected to continue the general upward swing of the long cycle in building for several more years. The long cycle usually has run about 15 to 20 years, reaching its highest levels about 1890, 1910, and 1926. The present upward swing began in the mid-1930's. Except for the wartime interruption to civilian building, it should normally have attained its peak before now, but may be expected to continue for several years more because of that interruption. Even if there is a small dip in general business activity this year new private construction will still probably exceed last year by ⅓ or more, and the grand total may still be expected to be close to $20 billion.

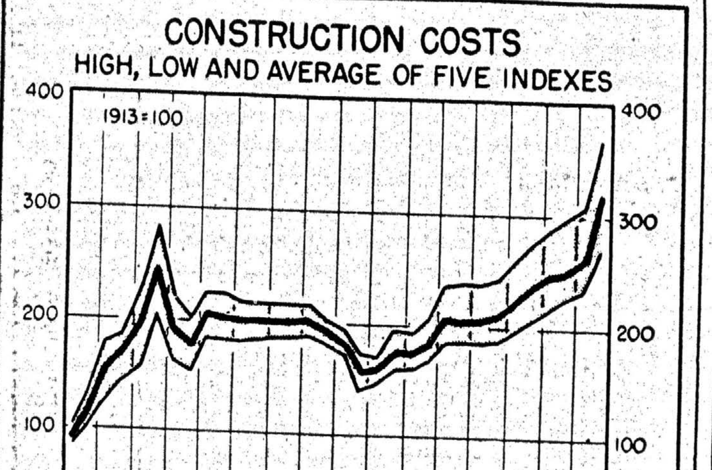
The principal factors on the demand side now favoring continued high level construction are: (1) a long accumulation of deferred needs still further extended by government restrictions, on nonresidential building; (2) our much expanded postwar economy, with a ten million increase in population since 1941, accompanied by a large increase in employment and in national income; (3) increased ratio of construction expenditures when national income is high; (4) both residential and nonresidential demands for building space are very flexible, greatly expanding as incomes rise, whereas it takes years to increase by more than a small percentage the vast total supply of space; (5) the financial resources available for investment in construction are now the greatest of all times; and (6) lower interest rates, longer-term amortizations, and higher ratios of available loans to values than ever before. On the supply side, the building industry will have become fully reorganized for high production by mid-year, with generally better equipment and more manpower, except possibly a few specializd trades. Building materials, also, will be available in much larger quantities in 1947, as discussed in detail in Section II of this report.

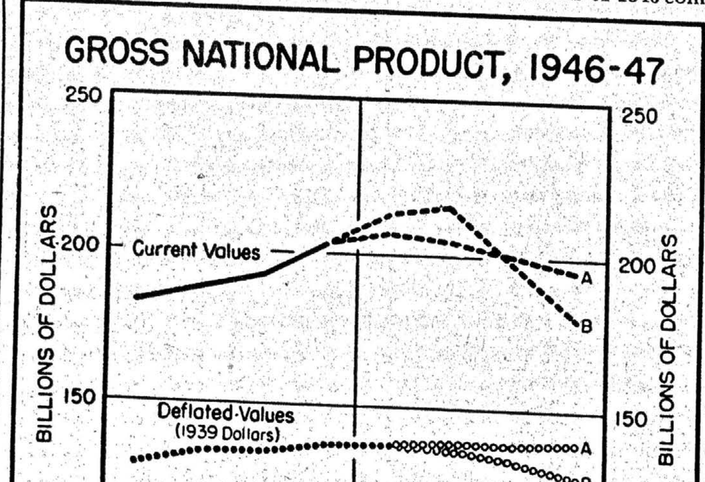
The generally favorable outlook for high level construction activity is subject to certain qualifications. Problems in the production of a few key building materials remain to be overcome. In spite of high level building materials production, some regional and local supply problems will undoubtedly exist, as may local shortages of specialized building labor. More important than these, perhaps, is the problem of costs.

Indexes of cost of construction increased about 17% between November, 1945 and November, 1946, and the index of wholesale prices of building materials has risen 15% from Nov. 2 to Jan. 11, in part reflecting the legalization of former black market prices. (See chart below).

During the closing months of 1946 investment capital was hesitant to invest in long-term residential rental properties in the face of high and uncertain costs. Similar considerations could dampen investment in nonresidential construction as well in 1947. It is important, therefore, that construction costs be stabilized. The anticipated improvement in building materials flow should stabilize construction costs and eliminate the threat of higher costs to construction activity.

During January FHA streamlined procedures and offered maximum aids to rental construction under existing legislation. As a result, FHA received as many applications for insurance of rental dwelling units in January as in the last three months of 1946 combined. This may be regarded as a significant indication that the prospects for a substantial increase in the construction of rental dwelling units in 1947 are excellent.





Producers' Durable Equipment

Further increases in the production of machinery and equipment during the first half of 1947 may be somewhat restricted by shortages of steel and components. For the year as a whole the various branches of the industry expect production to average 25 to 30% above 1946. Such an increase, combined with a 10 to 15% increase in prices, would mean expenditures exceeding last year's by 40 to 50%.

These expectations will probably be realized under Alternative A. If, however business activity turns downward at mid-year in line with Alternative B, experience during previous business cycles indicates that a substantial reduction in purchases of producers' durable equipment may be expected. If the curtailment in equipment expenditures should follow the 1920 and 1929 patterns rather than that of 1937, then a decline by about 10% within the first six months after the peak could be expected. This would leave expenditures for producers' durable equipment at a rate of $14 billion in the fourth quarter of 1947, only about 5% below the level of a year earlier.

Consumers' Expenditures

As savings are now down to what may be regarded as their normal level, and assuming no large changes in taxes, consumers' expenditures through 1947 should follow income payments rather closely. This would mean a fairly stable course under Alternative A; and a small increase in the first half, followed by a somewhat more pronounced decline—by possibly about 15%—in the second half under Alternative B.

Consumer expenditures for food will almost certainly fall, but the decline will reflect lower prices rather than a reduced volume of consumption. The situation in clothing will be somewhat similar. Although consumers' takings of textiles and clothing normally respond somewhat more readily to changes in prices and incomes, they may continue to absorb total current output—unless price dissatisfaction develops—partly because of still existing backlogs of demand. It is also likely that total production will continue close to capacity levels, even though some marginal producers may be driven from the market, some others may reduce their scale of operations and there may be some shift in activity between different branches of the industry. Maintenance of a high level of demand is fairly well assured for automobiles. The large accumulated demand indicates that under both Alternatives A and B the total output of the industry will be readily absorbed. The only difference is that under Alternative B production may be somewhat higher because the demands of industries now competing with automobiles for scarce raw materials and components will decline.

Aggregate Output and Employment

Under Alternative A, gross national product is expected to reach a peak of about $210 billion (annual rate not adjusted for price changes) in the first quarter of 1947, and then to decline slowly to a rate of somewhat less than $200 billion in the fourth quarter of 1947. For the year as a whole, gross national product would be about $10 billion above the 1946 total of $192 billion. The movement would reflect price changes almost exclusively. Gross national product in 1939 prices is estimated to rise slowly throughout the year. (See accompanying chart).

Under Alternative B, the fluctuations of gross national product in current prices would be sharper. Gross national product would reach a peak rate of about $220 billion in the second quarter of 1947, and then decline for two quarters to a rate of approximately $180 billion in the fourth quarter of 1947, about one-sixth less than a year earlier. The year's total, however, would be almost the same as under Alternative A. All of the rise in the first half and much of the decline in the second half of the year would reflect price changes. Gross national product in 1939 prices in the fourth quarter of 1947 at slightly under $130 billion a year would be only 5% below the present level. In terms of the Federal Reserve Board's index of industrial production these movements correspond to a small rise from the present level of 182 to a peak of about 185, followed under Assumption B by a decline in the last quarter of 1947 to about 170.

Employment would show only small variations under Alternative A; hence unemployment would remain at about its present minimum. Under Alternative B there would be a substantial increase in unemployment in the second half of 1947 with a possible high of about 6 million persons in the last quarter of the year.

This evaluation of the economic outlook for 1947, as stated earlier, does not aim at the setting of goals for policy such as are discussed, for instance, in the Economic Report of the President to the Congress of Jan. 8, 1947. Undoubtedly, the course of events in 1947 will depend to a considerable extent on the policies of the Federal government, labor and management. To forecast these is not within the scope of this report.

REVIEW

Industrial Production

Industrial activity declined in December for the first time since last May. The Federal Reserve Board's seasonally adjusted index of industrial production slipped to 179 from 182 in November, the high for the year. The durable goods index fell from 214 to 209 and the nondurable goods index from 172 to 169. The index of mineral output remained unchanged at 136 after the temporary stoppage of soft coal production in late November and early December had brought the index down from 145 in October.

The decline in the durable goods index was almost entirely the result of a more than seasonal drop of 11% in iron and steel output accompanying the coal strike. In nondurables, the decline was the result of a drop in textiles and in leather and leather products. The other components of the durable index, such as machinery, automobiles, lumber, and stone, clay and glass, either remained unchanged or increased. Similarly, except for textiles and leather products, the nondurable components such as food, chemicals, and paper products also remained unchanged at the high November levels or rose further.

An indication of the high level at which industrial production has been maintained during recent months is given by the available weekly indicators. In the weeks not affected by holidays, electric power output during December and January remained close to the 5 billion kilowatt hour mark, the highest on record. Steel output held at 91 to 94% of capacity with a peak of 94.4 in the week of Feb. 24. Automobile output at 95,000 passenger cars and trucks per week, bituminous coal at 2.2 million tons per day, and petroleum output at 4.7 million barrels per day, were all peak levels.

Inventories

Total inventory holdings of manufacturers, wholesalers and retailers increased $1.6 billion in October and $1.2 billion in November, a rise of $2.8 billion, the largest gain for any two months on record. The rise in these two months, when added to the increase of July, August, and September, make the total increase for the five months $6.5 billion, an amount greater than for any previous full year on record, except perhaps for 1920. Total inventories at the end of November stood at $35.2 billion—$7.6 billion or 30% above the level of November a year ago.

By far the greatest part of the increase in the dollar value of inventories since November is due to the increase in prices, and only a small part is the result of an increase in physical stocks.

Manufacturers' inventories increased a billion dollars, or approximately 5%, during October and November, rising to $19.9 billion, $3.3 billion more than a year ago. Preliminary estimates for December indicate a further rise of $300 million to $20.2 billion. The inventories of wholesalers rose almost 15% during October and November to $5.7 billion and those of retailers 12% to $9.5 billion. Manufacturers' inventories in November 1946 were 20%, wholesale inventories 35%, and retail inventories 40% greater than in November 1945.

Of the billion dollar rise in manufacturers' inventories for the two months (October and November), about $500 million was in raw materials, $200 million was in work-in-process, and $300 million in finished goods. The rise was about equally divided between durables and nondurables and represented a rise of about 5% in each category. Of the December each actegory. Of the December rise of $300 million in manufacturers' stocks, $200 million was in durables and $100 million in nondurables. Similarly the increase in total inventories during the past two months was almost equally dividend between durables and nondurables. Durables rose $1.3 billion and nondurables $1.5 billion.

Though inventories have been increasing at a record rate, manufacturers' shipments have grown at an even faster rate and the increase in retail sales has been only slightly less than that of retail stocks. Thus the ratio of manufacturers' inventories to shipments declined from 1.76 in September to 1.59 in December (November 1939 was 1.92), while the ratio of retail inventories to retail sales rose from 1.02 in September to 1.06 in November (November 1939 was 1.54).

Despite the great increase in inventories since 1939 there has been only a small change in the distribution of holdings. In November 1939 manufacturers held 52% of the total, wholesalers 18%, and retailers 30%. In November 1946 manufacturers' holdings were 56%, wholesalers 17%, and retailers 27% of the total.

Despite the reports of retrenchment and the cancellation of forward orders by retailers and manufacturers, the Department of Commerce's index of new orders achieved a new peacetime peak of 233 in November 1946.

Consumer Income and Retail Trade

Income payments to individuals exceeded $175 billion (annual rate) in December, representing an increase of about 12% over the corresponding month of 1945. The increased flow of income payments has not, however, kept pace with retail prices which are estimated to have advanced 20% over the same period. In the face of this decline in the purchasing power of consumer incomes, an actual expansion in the volume of retail buying has been made possible by a substantial decline in the savings rate, by drafts on accumulated savings by individuals, and by an expansion in consumer credit. The ability of consumers to maintain and even to increase purchases has also been facilitated by the relative stability of the prices paid for some services, notably rents.

Retail buying hit a new peak in December. Sales records for department stores and the larger chain and mail order houses indicate that total retail sales for the month exceeded $10 billion, as compared with $8.5 billion for December 1945. Preliminary data for November show retail sales in that month aproximating $9.1 billion or nearly 175% above the 1935-39 average, after allowance for seasonal influences.

The current boom in retail sales continues to be predominately one in soft goods. In November sales of non-durable goods stores were nearly 200% above the prewar level, while sales of durable goods stores were running 130% above prewar. During the course of the year, however, sales of durable goods stores increased nearly 40%, those of nondurable stores only 10%.

Department store sales for the first three weeks of January show no abnormal slackening in retail buying. In fact, the post-Christmas drop in sales was considerably less than normally experienced after the holiday season. For the three weeks ended Jan. 18 sales averaged 25% above the corresponding weeks a year ago. With price increases for the more important types of merchandise handled by department stores averaging about 15% above a year ago, indications are that volume is now about 10% above last January, though still somewhat below the peak buying rate noted for last Easter.

Prices

Despite indications of definite weakness in the markets for basic raw materials, the BLS wholesale price index showed a further slight rise of 0.6% for the week ended Jan. 18, and reached a new peak of 140.8 (1926=100). The mid-January price level, however, represents a gain of less than 1% over the mid-December figure of 139.8 and seems to offer solid grounds for hoping that the inflationary movement may have run its course.

The wholesale markets continue to show divergent trends for soft as compared with hard goods. In farm products and foods, the trend has been generally downward since early December; both groups are now about 3% below their December peaks, and indications are that the declines normally experienced at this season will be felt early rather than late this year. The combined index for hides and leather continues to move upward but the increase over mid-December amounted to less than 1%; and recent sharp declines in the price of hides plus substantial increases in the production of leather and shoes indicate that a reversal of trend is likely in the near future. Textile prices continue firm despite considerable talk of lack of consumer interest in post-Christmas markdowns; the increase over a month ago is 2%, nearly all of it in the latest week.

Wholesale prices of metal products have continued to advance, the cumulative increase since mid-December exceeding 2%. Building materials continue to show the greatest increase. The wholesale price of building materials rose 8% from mid-December to mid-January and the 4% rise for the week ended Jan. 18 was by far the largest rise for any single week since decontrol. However, the increase probably represents a continuation of the adjustment of open market quotation to previous black market levels rather than a rise to a new high.

Recent Increases in Wholesale Commodity Prices

Item—	Recent Change Jan. 18, 1947, Over Dec. 21, 1946	Jan. 18, 1946
All commodities	+ .7	32.0
Farm products	—2.8	28.4
Foods	—1.1	47.1
Hides and leather	+ .5	43.8
Textiles	+2.1	34.2
Metals and products	+2.6	30.0
Building material	+8.3	37.3
House furnishings	+1.6	14.8
Raw materials	—1.4	29.1
Manufactured products	+1.6	32.6
All commodities other than farm products and foods	+2.6	25.6

Raw material prices increased slightly during the week ended Jan. 18, but were off nearly 2% since Dec. 21. Prices of semi-finished and finished manufactures continued to advance steadily, and increases over the past month or so aggregated 5 and 4% respectively.

Finance

The movement of stock prices has shown no clear trend during the past several months. Since last October when the current movement struck bottom, the indexes have fluctuated within a narrow range. Early in January the Federal Reserve Board recognized the decline in speculative activity and the sharp decline in stock prices by reducing margin requirements from 100 to 75%. Bond prices, too, have been quiet and steady.

The volume of bank credit continued to expand during December and January, though at a much lower rate than in earlier months. The rise from mid-November to mid-January amounted to only $300 million or an average of $150 million per month, as against an average rise of $500 million per month during the five months from June to November.

The volume of consumer credit outstanding increased to $9.2 billion in November 1946 from $8.7 in October and $8.4 billion in September. The increase in the year since November, 1945 amounts to almost $3 billion and brings the total close to the $10 billion peak reached early in 1942.

During the last quarter of 1946 the redemption of E bonds exceeded new sales by approximately $150 million against net sale of $757 million in the last quarter of 1945. However, net sales of F and G bonds in excess of redemptions amounted to nearly $400 million in the final quarter of 1946 as against nearly $700 million in 1945.

Adjusted for seasonal variation, the net amount of money in circulation reached an all-time peak of $27.8 billion on Dec. 31, 1946, $500 million more than a year earlier. This rise was, however, small when compared to the increase of $3 billion in 1945 and $5 billion each in the years 1943 and 1944. The extent to which the rise in prices during 1946 was the result of inflationary pressures accumulated during earlier years becomes clear when the increases of less than 2% in the amount of money in circulation during 1946 is compared with the increase of 30% in wholesale prices.

Employment

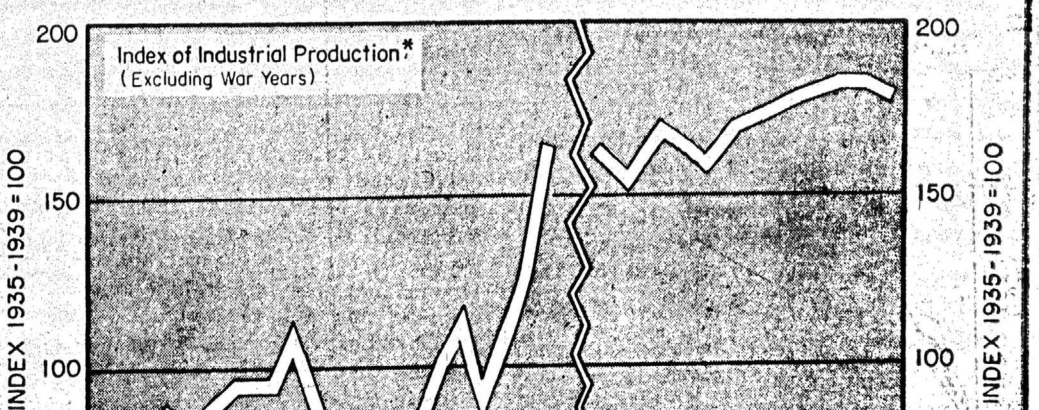
Nonagricultural employment maintained in December the all-time high of 49.1 million reached in November, 5.1 million above December, 1945, according to Census reports. Agricultural employment at 7.2 million, is almost exactly the same as a year ago. Notwithstanding an overall increase of about 1.1 million in the total population 14 years old and over during the year, there was a net decrease of about 600,000 in the total labor force (300,000 more men but 900,000 fewer women). The number in the armed forces dropped 5.9 million from 7.8 to 1.9 million during 1946, thus more than accounting for the increase of 5.1 million in total civilian employment from 51.2 to 56.3. A relatively small number of veterans have not yet returned to the civilian labor market.

Bureau of Labor Statistics data show an increase of about 3 mil-

(Continued on page 1574)

INDUSTRIAL OUTPUT NEAR PEACETIME PEAK

DESPITE DECEMBER SLUMP DUE TO COAL STRIKE, PRODUCTION REMAINED 12% ABOVE 1941 AND MORE THAN 60% ABOVE 1937 AND 1929



*Includes manufacturing and mining. Monthly data are seasonally adjusted.

SOURCE: Federal Reserve Board

Sees Conflicting Trends in 1947 Outlook

(Continued from page 1573)

lion persons in manufacturing employment during 1946—a 700,000 increase in construction, and an increase of over one million in trade, finance and service, with mining and transportation showing no material change.

Total unemployment in December stood at 2.1 million, about 190,000 higher than in November, and 150,000 more than a year ago. The total of all insured unemployment the week of Jan. 4 (almost equally divided between veterans and nonveterans) was 2.3 million, or 300,000 more than Dec. 7.

Controls

In line with OTC's policy of lifting controls as rapidly as possible, fourteen CPA orders have been revoked in the two months since mid-December when the Office of Temporary Controls was created. There remain only 27 specific orders. The continuation of a number of these after March 31 is considered essential by CPA, some of which depend on Congressional legislation as asked for by the President. Others, directly relating to housing, are covered by continuing legislation.

The revocations included five textile orders—L-181, men's work clothing; L-224, men's and boys' clothing; M-317, cotton distribution and sale yarn production; M-317A cotton fabric preference ratings and restrictions; and M-391, rayon fabrics. Two utility orders were lifted—U-2 which limited telephone service, and U-13 which was an emergency order to aid manufactured and mixed gas utilities affected by the coal strike.

The lead order, M-38, was also revoked, as were L-354, lead chemicals; M-54, molasses; Schedule 118 to M-300, penicillin; L-356, ethyl fluid; L-353, cane alcohol, and L-219 the merchant's inventory order.

Truman Recommends Annual Wage Studies

In a message to his Council of Economic Advisers, President Truman on March 9 requested the group to study the "economic implications" of the guaranteed annual wage, particularly "as a device for helping to stabilize employment, production and purchasing power," according to Washington Associated Press advices. In his letter to Council Chairman Edwin G. Nourse, the President pointed out that the study "should consider existing legislation in the field of social insurance, minimum wage, fiscal and tax policies, and other laws that affect the inauguration or operation of guaranteed wage plans." Calling attention to a recent report on guaranteed wages by the Advisory Board of the Office of War Mobilization, which had concluded that guaranteed wage plans should be left to collective bargaining instead of legislative action, Mr. Truman added that the report had nevertheless made clear that the Government is responsible for maintaining a study of the matter.

At the same time, said the Associated Press, the President wrote the Secretaries of Labor and Commerce requesting that the two Departments continue surveying all guaranteed annual-wage plans, and to make the information available to industry upon request. Under a guaranteed wage an employer guarantees that his workers will receive a certain minimum annual pay regardless of production setbacks.

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. 18	122.27	117.20	122.09	120.02	117.00	110.34	112.75	118.20	121.04
17	122.27	117.20	122.09	120.02	117.00	110.34	112.75	118.20	120.84
15	122.27	117.20	122.09	120.02	117.00	110.34	112.75	118.20	120.84
14	122.27	117.20	122.09	120.02	117.00	110.34	112.75	118.20	120.84
13	122.24	117.20	122.09	120.02	117.00	110.34	112.75	118.20	120.84
12	122.20	117.20	122.09	120.02	117.00	110.34	112.75	118.20	120.84
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
7	122.20	117.60	122.09	120.22	117.20	111.07	113.31	118.60	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. 18, 1946	125.80	119.82	123.77	122.50	119.20	114.27	117.00	120.22	122.29
2 Years Ago									
Mar. 17, 1945	122.25	115.04	120.84	118.80	114.66	106.39	111.07	114.46	119.61

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. 18	1.53	2.79	2.55	2.65	2.80	3.15	3.02	2.74	2.60
17	1.53	2.79	2.55	2.65	2.80	3.15	3.02	2.74	2.61
15	1.56	2.79	2.55	2.65	2.80	3.15	3.02	2.74	2.61
14	1.56	2.79	2.55	2.65	2.80	3.15	3.02	2.74	2.61
13	1.56	2.79	2.55	2.65	2.80	3.15	3.02	2.74	2.61
12	1.56	2.79	2.55	2.65	2.80	3.15	3.02	2.74	2.61
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	1.53	2.77	2.54	2.63	2.78	3.11	2.99	2.71	2.60
1 Year Ago									
Mar. 18, 1946	1.35	2.66	2.47	2.53	2.69	2.94	2.80	2.64	2.54
2 Years Ago									
Mar. 17, 1945	1.65	2.90	2.61	2.71	2.92	3.37	3.11	2.93	2.67

*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.

National Fertilizer Association Commodity Price Index Drops

The weekly wholesale commodity price index compiled by The National Fertilizer Association and made public on March 17 declined slightly to 199.6 for the week ended March 15, 1947, from 199.9 in the preceding week. The last time that the index previously fell from the level of the preceding week was the week ended Jan. 25, 1947. A month ago the index stood at 193.8 and a year ago at 143.6, all based on the 1935-1939 average as 100. The Association's report went on to say:

During the week three of the composite groups in the index declined while five advanced; the other three remained at the level of the previous week. The drop in the index may be attributed largely to a slight drop in the foods index; prices for cheese, flour, cocoa, coffee, fowl, and some oils increased but these increases were more than offset by lower prices for butter, some canned goods, potatoes, and most meats. A drop in the price of southern pine was responsible for the decline in the building materials index. The decline in the chemicals and drugs index was due to lower quotations for sodium phosphate. Although prices for livestock were generally lower, the higher prices for cotton, grains, poultry, and wool caused the index for the farm products group to advance. Higher prices for cottonseed meal, bran, and middlings caused the index for miscellaneous commodities to advance, despite lower prices for hides and leather. The textiles index advanced slightly, as did the index for fertilizer materials. The price of silver fell but higher prices for pig iron, steel scrap, copper, and brass caused the metals index to advance.

During the week 21 price series in the index declined and 29 advanced; in the preceding week seven declined and 39 advanced; in the second preceding week eight declined and 35 advanced.

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. 15, 1947	Preceding Week Mar. 8, 1947	Month Ago Feb. 15, 1947	Year Ago Mar. 16, 1946
25.3	Foods	224.4	225.3	218.1	141.9
	Fats and Oils	321.4	316.2	286.6	147.4
	Cottonseed Oil	427.4	427.4	387.5	163.1
23.0	Farm Products	256.0	255.1	238.8	172.5
	Cotton	336.1	330.8	313.2	251.8
	Grains	253.1	239.1	210.1	172.4
	Livestock	249.5	253.5	239.9	160.2
17.3	Fuels	159.2	159.2	158.5	126.5
10.8	Miscellaneous Commodities	162.6	159.9	154.5	134.3
8.2	Textiles	211.1	209.4	215.3	163.7
7.1	Metals	147.8	146.9	142.9	116.9
6.1	Building Materials	203.0	213.7	215.5	167.8
1.3	Chemicals and Drugs	154.5	155.2	155.0	127.2
.3	Fertilizer Materials	128.0	127.8	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	199.6	199.9	193.8	143.6

*Indexes on 1926-28 base were: March 15, 1947, 155.5; March 8, 1947, 155.7; and March 16, 1946, 111.9.

Electric Output for Week Ended March 15, 1947, 19.5% 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 15, 1947, was 4,763,843,000 kwh., an increase of 19.5% over the corresponding week last year when electric output amounted to 3,987,877,000 kwh. The current figure also compares with 4,786,552,000 kwh. produced in the week ended March 8, 1947, which was 21.1% higher than the 3,952,539,000 kwh. produced in the week ended March 9, 1946. The largest increases were reported by the Southern States and Central Industrial groups which showed increases of 24.2% and 23.3%, respectively over the same week in 1946.

PERCENTAGE INCREASE OVER SAME WEEK LAST YEAR

Major Geographical Division—	Week Ended— Mar. 16	Mar. 8	Mar. 1	Feb. 22	Feb 15
New England	11.5	13.0	10.3	16.4	12.8
Middle Atlantic	12.1	13.6	12.3	14.3	13.6
Central Industrial	23.3	23.8	24.4	30.8	29.3
West Central	18.4	18.1	16.5	17.0	16.7
Southern States	24.2	27.2	24.8	23.5	24.1
Rocky Mountain	10.6	13.0	10.5	7.6	7.0
Pacific Coast	20.2	23.1	21.7	19.9	19.4
Total United States	19.5	21.1	19.9	21.8	21.0

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	4,763,843	3,987,877	+19.5	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

National Cotton Week

The period May 19 to 24 has been selected for the nationwide observance of National Cotton Week, according to an announcement on March 12 by the Cotton-Textile Institute and National Cotton Council, co-sponsors of the nation-wide merchandising event. The slogan will be "Pick Cotton" and will emphasize the return to store shelves of dependable supplies of the quality cottons which were scarce during the last five years. The announcement points out that production of cotton textiles has been rising since last April and is now proceeding at the rate of above ten billion yards per year. Since its inauguration in 1931, store support of National Cotton Week has risen from 30,000 retail units to more than 100,000 dry goods and department stores and specialty shops.

While some shortages of cotton products remain, the Institute and Council point out that it is only a question of time before these will be corrected. Given a continuance of the present record-breaking peacetime production, mills will soon be in a position to supply retailers with adequate supplies of many items of which consumers are in most urgent need.

Parcel Post to Greece

Postmaster Albert Goldman announced on March 6, that the weight limit applicable to parcel post packages addressed for delivery in Greece (including Crete) is increased from 11 pounds to 22 pounds per parcel. It was further announced:

The regulation restricting parcels to one each two weeks, from the same sender to the same addressee, has been removed. The postage charges applicable to parcels for Greece have been increased and information in this respect may be obtained at any post office.

Moody's Daily Commodity Index

Tuesday, March 11	423.4
Wednesday, March 12	424.8
Thursday, March 13	425.1
Friday, March 14	429.1
Saturday, March 15	430.1
Monday, March 17	430.2
Tuesday, March 18	429.8
Two weeks ago, March 4	416.6
Month ago, Feb. 18	398.5
Year ago, March 18, 1946	271.3
1946 High, Dec. 24	380.6
Low, Jan. 2	264.7
1947 High, March 17	430.2
Low, Jan. 20	371.5

Hotel Sales in October

Horwath & Horwath, New York Public Accountants, in their December "Hotel Bulletin," announced that "while total sales for the entire country showed the same increase this October over a year ago as they did in September, it will be noted in the table below that this increase is 4 points smaller than the 12% realized for the first 10 months of 1946." The report added:

"October's improvement of 4% in total room sales was entirely the result of increased rates, as the occupancy remained unchanged.

"As has been the case for the past three months, total restaurant sales were better because of a sufficient upward movement in food sales to more than offset the decline in beverage sales. Of the eight groups reporting, three show restaurant increases substantially lower than in September: New York City 10% in October against 15% in September, Chicago 24% against 29%, Detroit 7% against 22%. Detroit's increase in total sales was just about halved. This reflected poorer returns on all counts, with a particularly sharp decrease of 10% in beverage volume as contrasted with an increase of 14% in September.

"The Pacific Coast continues to register minus signs on every count except food sales. However, its occupancy at 97% is still near capacity.

"Chicago's increase in total sales stands 4 points lower than in September, with all sources recorded here showing lower gains.

"Occupancy for the group All Others held at September's 93% but all sales except food showed poorer results in October. Beverages nose-dived 3 points from their September plateau of neither increase nor decrease.

"Figures for Washington are omitted this time because the hotel strike there during October made the figures for that month incomparable with those for the preceding year. For the same reason, Pittsburgh is not included in All Others."

The following table was also included in the report:

OCTOBER, 1946, COMPARED WITH OCTOBER, 1945

	Sales, Increase or Decrease					Occupancy		†Room Rate Increase or Decrease
	*Total	Rooms	Total Restaurant	Food	Beverages	Oct., 1946	Oct., 1945	
New York City	+ 8%	+ 6%	+10%	+16%	+ 1%	97%	96%	+ 5%
Chicago	+15	+ 6	+24	+31	+13	97	95	+ 4
Philadelphia	+17	+ 7	+28	+34	+18	96	96	+ 7
**Washington								
Cleveland	+24	+11	+33	+39	+22	97	96	+ 9
Detroit	+ 6	+ 5	+ 7	+17	—10	96	96	+ 5
Pacific Coast	— 1	— 1	— 1	+11	—31	97	98	0
Texas	+ 3	— 1	+ 7	+11	—23	93	92	— 2
All Others	+ 9	+ 3	+12	+20	— 3	93	94	+ 4
Total	+ 8%	+ 4%	+11%	+19%	— 5%	95%	95%	+ 4%
Year to date	+12%	+ 8%	+17%	+21%	+ 9%	94%	91%	+ 5%

**No figures for Washington are given, because of the hotel strike in October, 1946.

MONTHLY TOTALS FOR LAST SIX MONTHS

October, 1946	+ 8%	+ 4%	+11%	+19%	— 5%	95%	95%	+ 4%
September	+ 8	+ 5	+12	+20	— 3	94	93	+ 4
August	+ 9	+ 8	+11	+18	— 1	96	92	+ 4
July	+10	+ 8	+12	+18	+ 1	89	87	+ 6
June	+13	+ 8	+18	+24	+ 6	94	91	+ 5
May	+16	+ 9	+21	+24	+16	93	90	+ 5

*Rooms and restaurant only. †The term "rates" wherever used refers to the average daily rent per occupied room and not to scheduled rates.

Bankers Dollar Acceptances Outstanding on Jan. 31, $241,436,000

The volume of bankers dollar acceptances outstanding on Jan. 31 amounted to $241,436,000, an increase of $14,259,000 from the Dec. 31 total, according to the monthly acceptances survey issued Feb. 13 by the Federal Reserve Bank of New York. As compared with a year before, the Jan. 31 total represents an advance of $75,084,000.

In the month to month comparison imports, exports, domestic shipments and those figures based on boods stored in or shipped between foreign countries increased from December to January, while domestic warehouse credits and dollar exchange decreased. In the yearly analysis, imports, exports and domestic shipments increased, while all other items were lower on Jan. 31, 1947, than on the corresponding date a year ago.

The Reserve Bank's report follows:

BANKERS DOLLAR ACCEPTANCES OUTSTANDING—UNITED STATES
BY FEDERAL RESERVE DISTRICTS

Federal Reserve District—	Jan. 31, 1947	Dec. 31, 1946	Jan. 31, 1946
1 Boston	$17,832,000	$18,577,000	$24,025,000
2 New York	150,093,000	141,817,000	92,996,000
3 Philadelphia	16,716,000	15,267,000	12,223,000
4 Cleveland	1,516,000	2,057,000	1,652,000
5 Richmond	936,000	744,000	1,611,000
6 Atlanta	4,833,000	5,009,000	6,164,000
7 Chicago	7,914,000	8,711,000	4,892,000
8 St. Louis	1,644,000	977,000	987,000
9 Minneapolis	244,000	150,000	159,000
10 Kansas City	------	------	------
11 Dallas	4,627,000	4,577,000	483,000
12 San Francisco	35,081,000	29,291,000	21,160,000
Grand Total	$241,436,000	$227,177,000	$166,352,000

Increase for month ---- $14,259,000 Increase for year ---- $75,084,000

ACCORDING TO NATURE OF CREDIT

	Jan. 31, 1947	Dec. 31, 1946	Jan. 31, 1946
Imports	$171,740,000	$162,054,000	$109,415,000
Exports	34,986,000	29,216,000	20,011,000
Domestic shipments	12,033,000	11,331,000	11,437,000
Domestic warehouse credits	14,928,00	17,709,000	17,571,000
Dollar exchange	13,000	110,000	133,000
Based on goods stored in or shipped between foreign countries	7,736,000	6,757,000	7,785,000

Imports of coffee, woodpulp, linseed oil and copra; exports of machinery, tinplate, and general merchandise, and storage of sugar in Cuba accounted for a large part of the increases in the respective classifications. The decrease in domestic warehouse bills was accounted for largely by declines in the storage of cotton and lead concentrates. Since 1925 there have been 12 increases as against 11 decreases in the month of January.

BILLS HELD BY ACCEPTING BANKS

Own Bills---- $85,358,000 Bills of others----) $97,765,000 Total---- $183,123,000
Increase for month---- $14,441,000

CURRENT MARKET RATES ON PRIME BANKERS ACCEPTANCES, FEB. 13, 1947

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

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

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

Company and Class of Stock—	Shares Previously Reported	Shares Per Latest Report	
Alleghany Corp., prior convertible preferred	7,700	10,800	
5½% cumulative preferred, series A	45,900	52,800	
Allied Stores Corp., 4% cumulative preferred	200	1,000	
American-Hawaiian Steamship Co., common	90,000	40,400	
American Hide and Leather Co., 6% cum. conv. pfd.	2,400	3,900	
Associates Investment Co., common	39,195	38,813	
Atlantic Gulf & West Indies Steamship Lines, 5% non-cumulative preferred	2,925	3,025	
Austin, Nichols & Co., cum. conv. prior pref.	2,600	None	(1)
Barber Asphalt Corp., common	None	6,340	(2)
Bliss (E. W.) Co., $2.25 convertible preferred	None	1,500	(3)
Borden Company (The), capital	200,958	203,758	
Bristol-Myers Co., 3¾% cumulative preferred	1,238	1,500	
Burlington Mills Corp., common	55,964	43,239	(11)
Clinton Industries, Inc., common	21,200	23,000	
Cuban-American Sugar Co. (The), 7% cum. preferred	6,184	6,214	
El Paso Natural Gas Co., common	1,252	1,263	
Flintkote Co. (The), $4 cumulative preferred	2,000	3,800	
General Telephone Corp., common	None	1,775	(4)
Gimbel Brothers, $4.50 cumulative preferred	14,087	14,287	
Glidden Company (The), common	6,400	8,000	
Grayson-Robinson Stores, Inc., $2.25 cum. conv. pfd.	None	500	
Guantanamo Sugar Co., $5 cum. conv. preferred	750	920	
Hat Corporation of America, 4½% cum. preferred	290	470	
International Minerals & Chemicals Corp., common	14,474	3,249	(5)
Jewel Tea Co., Inc., common	1,270	1,238	
Johnson & Johnson, cum. 2nd pfd., series A 4%	890	887	(6)
Common	18,555	18,391	(6)
Kinney (G. R.) Co., Inc., $5 prior preferred	1,000	1,330	
Minnesota Mining & Manufacturing Co., common	1,400	415	(7)
National Distillers Products Corp., common	94	96	
National Supply Co. (The), 4½% cumulative preferred	4,055	4,415	
Outboard, Marine & Manufacturing Co., common	48	49	
Paramount Pictures, Inc., common	58,000	96,400	
Pittsburgh Coke & Chemical Co., $5 cum. conv. pfd.	30	740	
Plymouth Oil Co., common	2,314	5,214	
Purity Bakeries Corp., common	9,080	None	(8)
Radio-Keith-Orpheum Corp., common	None	25,000	
Reliable Stores Corp., common	1,710	2,010	
Reynolds Spring Co., common	1,432	1,732	
Sheaffer (W. A.) Pen Co., common	341	None	
Sinclair Oil Corp., common	954,164.14	954,170.88	
Spiegel, convertible cumulative $4.50 preferred	100	610	
Sterling Drug Inc., common	2,370	2,372	
Tide Water Associated Oil Co., $3.75 cum. pfd.	1,100	2,790	
Westvaco Chlorine Products Corp., $3.75 cum. pfd.	1,540	70	(9)
West Virginia Pulp & Paper Co., cum. pfd. 4½% series	3,681	None	(10)
Wilson & Co., $4.25 cumulative preferred	9,114	9,514	

NOTES

(1) 2,400 Shares purchased during Jan., 1947. These shares, and 2,600 shares previously acquired, disposed of during January to officers and employees in connection with the company's Employees Stock Purchase Plan.

(2) Purchased in settlement of claims presented by holders of the capital stock of the company.

(3) Purchased for sinking fund during October, 1946.

(4) Received from General Telephone Service Corp., distributing agent, 1,775 shares of common stock of General Telephone Corp. and stock warrants carrying the right to purchase 18,570 shares of such Common Stock. These remained undistributed to the holders of securities of and approved general claims against Associated Telephone Utilities Co. at the close of business on Dec. 31, 1946, the final cut-off date fixed by the Federal Court in the Associated Telephone Utilities Co. reorganization proceedings.

(5) 11,225 shares issued upon exercise of outstanding warrants.

(6) Three shares of preferred and 164 shares of common issued during January 1947 pursuant to Employees' Extra Compensation Plan.

(7) 985 shares sold under Profit-sharing Stock Purchase Plan during third quarter of 1946.

(8) Treasury shares issued pursuant to terms of options granted officers and employees in 1942 and 1946.

(9) 1,540 shares retired in accordance with Purchase Fund provisions of preferred stock. Seventy shares purchased during January 1947.

(10) Deposited with trustee for redemption.

(11) During December acquired 7,100 shares and disposed of 18,650; during January acquired 4,400 shares and disposed of 5,575.

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

Company and Class of Stock—	Shares Previously Reported	Shares Per Latest Report
Bridgeport Oil Co., Inc., common	4,300	2,800
Charis Corp., common	8,610	8,910
Equity Corp., $3 conv. preferred	†87,495	9,761
Hussmann-Ligonier Co., $2.25 preferred	1,675	1,775
Hygrade Food Products Corp., common	48,374	49,174
Kleinert (I. B.) Rubber Co., common	28,337	28,437
Merritt-Chapman & Scott Corp., 6½% A preferred	1,950	2,100
Midwest Oil Co., common	None	7,269
Niagara Share Corp., B common	270,190	271,290
Pantepec Oil Co. of Venezuela, C. A., common capital)	‡103,128	3,128
Tobacco and Allied Stocks, Inc., capital	10	310

†The above referred to 87,495 shares of $3 convertible preferred stock of Equity Corp. have been retired.

‡100,000 shares of common capital stock of Pantepec Oil Co. of Venezuela, C. A., have been transferred to a subisidiary of the company.

Bank Debits for Month of February

The Board of Governors of the Federal Reserve System issued on March 12, its usual monthly summary of "bank debits" which we give below:

SUMMARY BY FEDERAL RESERVE DISTRICTS
(In millions of dollars)

Federal Reserve District—	Feb., 1947	Feb., 1946	3 Months Ended* Feb., 1947	Feb., 1946
Boston	3,535	3,164	12,167	11,796
New York	32,432	32,733	114,275	122,211
Philadelphia	3,539	3,233	12,474	11,350
Cleveland	5,270	4,186	17,848	15,033
Richmond	3,138	2,752	10,662	9,273
Atlanta	3,181	2,683	10,606	8,996
Chicago	12,231	10,187	40,563	35,644
St. Louis	2,594	2,040	8,675	7,022
Minneapolis	1,682	1,364	5,833	4,774
Kansas City	3,023	2,432	10,128	8,103
Dallas	2,754	2,241	9,157	7,577
San Francisco	8,189	6,949	26,584	22,904
Total, 334 centers	81,569	73,963	278,974	264,682
*New York City	29,745	30,498	105,302	114,352
*140 other centers	43,198	36,210	144,640	125,961
193 other centers	8,626	7,255	29,031	24,369

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

US Economists at Swiss Conference

Nearly a score of leading American economists and historians plan to leave New York for Switzerland this week to take part in a 10-day conference on pressing world economic problems, it was announced on March 13 by the Foundation for Economic Education, Inc. The economists will discuss plans for a permanent international organization to study "the philosophy of freedom." Most members of the party will sail March 22 on the Queen Elizabeth for Southampton on the first leg of the trip. Others will go by TWA on various dates. They will return approximately April 15. The conferences will open at Mont Pelerin on April 1.

The goal of the permanent organization, if it is decided to establish one, bust be "the solution not of the political task, or gaining mass support for a given program, but to enlist the support of the best minds in formulating a program which has a chance of gaining general support," says Dr. Friedrich A. Hayek, of the London School of Economic and Political Science, who arranged and who has issued the invitations for the conference. Dr. Hayek, in a letter from London added:

"Our effort therefore differs from any political task in that it must be essentially a long-run effort, concerned not so much with what would be immediately practicable, but with the beliefs which must gain ascendance if the dangers are to be averted which at the moment threaten individual freedom."

A formal program will be presented in the first three or four days of the conference, with brief papers on "'Free' Enterprise or Competitive Order," "The Problems and Chances of European Federation," "Liberalism and Christianity," "Modern Historiography and Political Education" and other subjects; thereupon the formal session will be resumed to decide whether the permanent organization should be set up, and if so what form it should take.

Attending the conference from the United States will be Ludwig von Mises, Professor of Economics at New York University; Henry Hazlitt, associate, "Newsweek" magazine; John Davenport, of the editorial board of "Fortune" magazine, all of New York; Leonard E. Read, President, V. Orval Watts, editorial director, and F. A. Harper, economist, all of the Foundation for Economic Education, Irvington-on-Hudson; H. D. Gideonse, President, Brooklyn College; Felix Morley, editor, "Human Events," Washington; Frank D. Graham, economist, Princeton University; George J. Stigler, Professor of Economics, Brown University, Providence, R. I.; Fritz Machlup, Professor of Economics, University of Buffalo; Loren B. Miller, director, Bureau of Governmental Research, Detroit; Aaron Director, University of Chicago law school; Milton Friedman, Associate Professor, and Frank H. Knight, economist, University of Chicago; and Karl Brandt, economist, Food Research Institute, Stanford University, Palo Alto.

The William Volker Charities Fund of Kansas City, Mo., is sponsoring the American delegation, with Swiss hosts providing the accommodations at Mont Pelerin.

Annual Safety Convention New York City Mar. 25-28

The annual Safety Convention and Exposition, sponsored by the Greater New York Safety Council and cooperating agencies, will be held in the Hotel Pennsylvania in New York City, March 25-28.

Trading on New York Exchanges

The Securities and Exchange Commission made public on March 12 figures showing the volume of total round-lot stock sales on the New York Stock Exchange and the New York Curb Exchange and the volume of round-lot stock transactions for the account of all members of these exchanges in the week ended Feb. 22, 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. 22 (in round-lot transaction) total 1,676,310 shares, which amount was 17.20% of the total transactions on the Exchange of 4,875,070 shares. This compares with member trading during the week ended Feb. 15 of 2,129,883 shares, or 18.61% of the total trading of 5,721,930 shares.

On the New York Curb Exchange, member trading during the week ended Feb. 22 amounted to 446,160 shares, or 17.56% of the total volume on that Exchange of 1,270,345 shares. During the week ended Feb. 15 trading for the account of Curb members of 636,285 shares was 18.77% of the total trading of 1,694,530 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. 22, 1947

	Total for Week	†%
A. Total Round-Lot Sales:		
Short sales	175,520	
‡Other sales	4,699,550	
Total sales	4,875,070	
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	527,370	
Short sales	91,840	
‡Other sales	427,710	
Total sales	519,550	10.74
2. Other transactions initiated on the floor—		
Total purchases	119,200	
Short sales	11,900	
‡Other sales	123,290	
Total sales	135,190	2.61
3. Other transactions initiated off the floor—		
Total purchases	173,765	
Short sales	19,610	
‡Other sales	181,625	
Total sales	201,235	3.85
4. Total—		
Total purchases	820,335	
Short sales	123,350	
‡Other sales	732,625	
Total sales	855,975	17.20

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

WEEK ENDED FEB. 22, 1947

	Total for Week	†%
A Total Round-Lot Sales		
Short sales	15,740	
‡Other sales	1,254,605	
Total sales	1,270,345	
B Round-Lot Transactions for Account of Members:		
1. Transactions of specialists in stocks in which they are registered—		
Total purchases	105,635	
Short sales	7,490	
‡Other sales	115,165	
Total sales	122,655	8.99
2. Other transactions initiated on the floor—		
Total purchases	33,510	
Short sales	2,000	
‡Other sales	34,350	
Total sales	36,350	2.75
3. Other transactions initiated off the floor—		
Total purchases	87,610	
Short sales	3,950	
‡Other sales	56,450	
Total sales	60,400	5.82
4. Total—		
Total purchases	226,755	
Short sales	13,440	
‡Other sales	205,965	
Total sales	219,405	17.56
C Odd-Lot Transactions for Account of Specialists—		
Customers' short sales	0	
§Customers' other sales	82,707	
Total purchases	82,707	
Total sales	61,476	

*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."

Civil Engineering Construction Totals $103,332,000 for Week

Civil engineering construction volume in continental United States totals $103,332,000 for the week ending March 13, 1947, as reported by "Engineering News-Record." This volume is 19% below the previous week, 38% above the corresponding week of last year, and 11% above the previous four-week moving average. The report issued on March 13, went on to say:

Private construction this week, $69,294,000, is 31% less than last week, and 51% above the week last year. Public construction, $34,038,000, is 25% above last week, and 18% more than the week last year. State and municipal construction, $31,831,000, 42% above last week, is 45% above the 1946 week. Federal construction, $2,207,000, is 54% below last week, and 68% below the week last year.

Total engineering construction for the 11-week period of 1947 records a cumulative total of $1,018,664,000, which is 38% above the total for a like period of 1946. On a cumulative basis, private construction in 1947 totals $678,372,000, which is 36% above that for 1946. Public construction, $340,292,000, is 42% greater than the cumulative total for the corresponding period of 1946, whereas state and municipal construction, $261,344,000 to date, is 62% above 1946. Federal construction, $78,948,000, lost .5% below the 11-week total of 1946.

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

	3-13-47	3-6-47	3-14-46
Total U. S. Construction	$103,332,000	$127,871,000	$74,769,000
Private Construction	69,294,000	100,596,000	45,893,000
Public Construction	34,038,000	27,275,000	28,876,000
State and Municipal	31,831,000	22,479,000	22,014,000
Federal	2,207,000	4,796,000	6,862,000

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

New Capital

New capital for construction purposes this week totals $17,059,000, and is made up of $13,566,000 in state and municipal bond sales, and $3,493,000 in corporate securities. New capital for construction purposes for the 11-week period of 1947 totals $225,159,000, 31% less than the $327,654,000 reported for the corresponding period of 1946.

Selected Income and Balance Sheet Items Class I Railways for July

The Bureau of Statistics of the Interstate Commerce Commission has issued a statement showing the aggregate totals of selected income and balance sheet items for Class I steam railways in the United States for the month of July and the seven months ending with July, 1946 and 1945.

These figures are subject to revision and were compiled from 128 reports representing 132 steam railways††. The present statement excludes returns for Class A switching and terminal companies. The report is as follows:

	All Class I Railways — For the month of July 1946	1945	For the seven months of 1946	1945
Income Items—	$	$	$	$
Net. ry. operating income	$62,806,406	$98,775,651	$215,794,089	$347,335,511
Other income	14,950,754	14,889,900	102,769,273	110,088,487
Total income	77,757,160	113,665,551	318,563,362	757,423,998
Miscell. deductions from inc.	3,000,917	2,638,188	16,406,198	18,063,028
Inc. avail. for fixed charges	74,756,243	111,027,363	302,067,164	739,360,970
Fixed charges:				
Rent for leased roads & equip	10,172,472	11,964,464	68,665,388	86,325,759
*Interest deductions	28,889,445	30,330,582	207,316,653	219,730,204
Other deductions	122,403	114,318	843,159	776,736
Total fixed charges	39,184,325	42,409,364	276,825,200	306,832,699
Income after fixed charges	35,571,918	68,617,999	25,241,964	432,528,271
Contingent charges	3,520,596	3,334,393	21,117,630	23,200,067
†Net income	32,051,322	65,283,606	4,124,334	409,328,204
Depreciation (way and structures and equipment)	28,457,793	27,853,930	198,940,323	193,568,899
Amortiz. of defense projects	954,867	20,303,731	4,872,643	138,024,302
Federal income taxes	12,057,144	87,076,331	24,715,200	680,264,035
Dividend appropriations:				
On common stock	3,080,449	3,204,217	86,763,512	83,184,655
On preferred stock	935,075	783,407	26,127,870	22,536,466
¶Ratio of inc. to fixed charges	1.91	2.62	1.09	2.41

Selected Asset Items—	All Class I Railways Balance at end of July 1946	1945	**Class I Railways Not in Receivership or Trusteeship Balance at end of July 1946	1945
Expenditures (gross) for additions and betterments:				
Road	$119,879,364	$121,363,817	$99,146,311	$93,516,326
Equipment	148,009,742	163,891,777	129,799,634	132,578,128
Investments in stocks, bonds etc., other than those of affiliated companies	581,821,256	551,453,453	559,989,023	527,038,105
Other unadjusted debits	136,361,787	258,742,712	107,010,576	205,353,932
Cash	976,173,000	1,116,780,181	806,220,774	907,801,496
Temporary cash investments	1,220,974,647	1,887,536,011	941,758,424	1,503,096,853
Special deposits	176,986,403	259,820,477	160,064,169	243,903,240
Loans and bills receivable	417,674	649,049	410,838	646,133
Traffic & car-service bal.—Dr.	47,468,617	54,776,217	38,388,991	40,399,285
Net balance receivable from agents and conductors	118,413,404	136,835,232	105,153,056	123,621,635
Miscellaneous accounts receiv.	360,085,116	615,446,201	297,069,148	503,205,085
Materials and supplies	619,761,759	607,417,370	536,809,515	526,553,148
Interest & dividends receivable.	19,327,070	32,053,192	14,475,375	26,453,251
Accrued accounts receivable	185,866,776	286,061,019	159,359,284	235,384,111
Other current assets	32,869,730	60,599,914	26,351,531	57,374,148
Total current assets	3,758,344,196	5,057,974,863	3,086,061,175	4,168,438,385
Selected Liability Items—				
‡Funded debt maturing within 6 months	84,867,887	103,722,380	73,219,734	96,356,452
§Loans and bills payable	11,054,058	5,354,058	7,200,000	1,500,000
Traffic and car-service balances—Cr.	111,002,619	175,900,121	95,708,010	154,052,768
Audited accs. & wages payable	480,336,393	457,010,827	416,429,132	399,217,502
Miscellaneous accounts payable.	181,134,039	203,732,699	144,634,208	159,266,961
Interest matured unpaid	44,708,640	46,486,083	39,353,893	40,747,656
Dividends matured unpaid	14,123,933	7,764,117	13,846,291	7,486,267
Unmatured interest accrued	59,197,275	55,673,555	58,244,191	54,412,236
Unmatured dividends declared	12,218,360	12,276,355	12,218,360	12,276,355
Accrued accounts payable	185,792,124	219,608,407	155,063,176	168,930,838
Taxes accrued	640,579,811	1,711,569,482	544,431,596	1,464,527,855
Other current liabilities	105,609,300	153,917,478	97,542,852	143,954,647
Total current liabilities	1,845,756,602	3,049,293,182	1,584,741,709	2,606,373,085
Analysis of taxes accrued:				
U. S. Government taxes	493,906,452	1,542,751,596	416,568,442	1,326,222,253
Other than U. S. Gov. taxes	146,673,359	168,817,886	127,863,154	138,305,602
Other unadjusted credits	395,308,649	577,031,639	322,970,707	501,651,103

*Represents accruals, including the amount in default. †For railways not in receivership or trusteeship the net income was as follows: July, 1946, $32,796,945; July, 1945, $59,577,438; for the seven months ended July, 1946, $31,323,210; seven months ended July, 1945, $363,662,585. ‡Includes payments of principal of long-term debt (other than long-term debt in default) which will become due within six months after close of month of report. §Includes obligations which mature not more than one year after date of issue. ¶For railways in receivership and trusteeship the ratio was as follows: July, 1946, 0.92; July, 1945, 1.59; seven months, 1946, 0.60; seven months, 1945, 1.68. **Figures include returns of the Chicago, Milwaukee, St. Paul and Pacific which emerged from trusteeship on Dec. 1, 1945, and the Chicago, Indianapolis and Louisville Ry. Co., which emerged from trusteeship on May 1, 1946. ††Excludes Toledo, Peoria and Western RR., road not in operation.

Banks to Increase Advertising Outlay

The commercial banks of the United States will spend more than $30 million for advertising in 1947, about $3 million more than last year, according to John B. Mack, Jr., Deputy Manager of the American Bankers Association in charge of its Advertising Department. Quoting from the results of a nationwide bank advertising survey just completed by the Advertising Department of the ABA, Mr. Mack said: "Banks were asked what they thought was the big advertising job in 1947. In general there were three major themes repeatedly mentioned: (1) Sell loan services theme; (2) personal money management theme; (3) public relations theme. The most important trend in bank advertising is a shift from the strong selling of loans so prevalent in 1946 to a 'savings-thrift-careful money management' theme for 1947."

The survey divided banks into size groups. It was shown that the 4,760 banks with deposits under $1 million will this year spend approximately $1,356,600 on advertising; in the $1,000,000 to $5,000,000 deposit group the 6,900 banks will spend $5,244,000; the 1,330 banks with deposits of from $5,000,000 to $10,000,000 will spend $2,872,800; and the 1,270 larger banks will have an aggregate advertising budget in excess of $19 million. The average advertising budget for banks in all classes will increase substantially.

"While newspapers are, of course, the basic media through which banks advertise their services to the public, supplemented by direct mail and window and lobby displays, it is interesting to note the increase in use of radio programs in bank advertising," Mr. Mack said. "Approximately 2,000 banks now advertise through their local radio stations."

Waive Ship Safety Code

In a formal report the House Merchant Marine Committee on March 8 approved, but with extreme reluctance, continuance for another year of the Coast Guard's authority to allow passenger ships to go to sea in violation of normal peacetime safety rules. "We were just plain lucky," the report stated, according to Washington Associated Press advices, that no disaster has occurred so far.

Stating that the necessity stemmed from "the situation facing the American merchant marine today and its relation to our commitments abroad," the Committee noted that even after safety waivers are granted American ships are substantially safer than those of other nations. In the Associated Press advices it was stated:

With the exception of the America, several Grace Line ships operating in the South American trade, and a number of passenger vessels operated by the United States Lines, the Committee declared, "practically no American ship now being used to carry passengers complies with the safety standards prescribed by existing statute and regulation."

However, the Committee expressed the view that if American ships were "withdrawn from world passenger trade because certain safety standards could not be waived, our future competitive position in the world shipping picture would be irrevocably damaged."

The British Queen Elizabeth and Queen Mary, the Committee added, "do not comply with the high American safety standards."

The legislation it is stated was requested by President Truman.

Daily Average Crude Oil Production for Week Ended Mar. 8, 1947 Increased 52,550 Barrels

The American Petroleum Institute estimates that the daily average gross crude oil production for the week ended March 8, 1947, was 4,823,900 barrels, an increase of 52,550 barrels per day over the preceding week and a gain of 420,550 barrels per day over the corresponding week of 1946. The current figure also exceeded by 78,900 barrels the daily average figure of 4,745,000 barrels estimated by the Bureau of Mines as the requirement for the month of March, 1947. Daily output for the four weeks ended March 8, 1947, averaged 4,784,750 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 4,935,000 barrels of crude oil daily and produced 14,782,000 barrels of gasoline; 2,304,000 barrels of kerosine; 5,572,000 barrels of distillate fuel, and 8,496,000 barrels of residual fuel oil during the week ended March 8, 1947, and had in storage at the end of that week 106,418,000 barrels of finished and unfinished gasoline; 10,816,000 barrels of kerosine; 36,601,000 barrels of distillate fuel, and 44,202,000 barrels of residual fuel oil.

DAILY AVERAGE CRUDE OIL PRODUCTION (FIGURES IN BARRELS)

	*B. of M. Calculated Requirements March	State Allowables Begin- Mar. 1	Actual Production Week Ended Mar. 8, 1947	Change from Previous Week	4 Weeks Ended Mar. 8, 1947	Week Ended Mar. 9, 1946
**New York-Penna.	48,200		42,700	— 4,200	45,900	48,100
Florida			150	+ 50	200	100
**West Virginia	8,000		6,750	+ 200	6,800	7,850
**Ohio—Southeast }	8,000		5,800	+ 300	5,400	4,750
Ohio—Other }			2,250	+ 100	2,200	3,200
Indiana	18,000		17,300	— 700	17,600	18,750
Illinois	210,000		193,800	— 1,950	191,800	207,850
Kentucky	29,000		26,600	— 900	27,050	30,600
Michigan	47,000		43,400	— 750	42,150	45,100
Nebraska	700		†700	----	700	850
Kansas	270,000	270,000	†255,550	—16,250	267,100	244,700
Oklahoma	375,000	369,475	†366,400	— 2,750	368,950	381,550
Texas—						
District I			20,550	+ 600	20,100	----
District II			157,900	+11,900	148,950	----
District III			487,300	+36,300	460,100	----
District IV			242,000	+18,750	227,950	----
District V			38,300	+ 1,850	36,900	----
East Texas			313,000	—15,200	324,400	----
Other Dist. VI			111,000	+ 4,900	107,300	----
District VII-B			36,450	+ 350	36,200	----
District VII-C			34,900	+ 2,250	33,200	----
District VIII			473,700	+ 6,250	469,000	----
District IX			130,000	+ 3,650	127,250	----
District X			84,650	+ 1,500	83,550	----
Total Texas	2,060,000	‡2,145,271	2,129,750	+73,100	2,074,900	1,817,500
North Louisiana			94,150	+ 300	94,250	----
Coastal Louisiana			311,450	+ 1,150	310,600	----
Total Louisiana	400,000	447,000	405,600	+ 1,450	404,850	375,650
Arkansas	79,000	81,706	74,650	+ 750	74,300	77,400
Mississippi	77,000		86,450	+ 2,250	84,500	55,300
Alabama	2,100		950	+ 100	950	1,000
New Mexico—So. East }	101,000	112,000	103,900	+ 500	103,550	95,150
New Mexico—Other }			500	+ 50	400	450
Wyoming	100,000		106,400	— 4,900	109,350	102,700
Montana	24,000		21,500	— 850	22,950	19,100
Colorado	38,000		34,600	— 1,150	36,650	28,200
California	850,000	§845,300	898,200	+ 8,100	896,500	837,500
Total United States	4,745,000		4,823,900	+52,550	4,784,750	4,403,350
**Pennsylvania Grade (included above)			55,250	— 3,700	58,100	60,700

*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. March 6, 1947.

‡This is the net basic allowable as of March 1 calculated on a 31-day basis and includes shutdowns and exemptions for the entire month. With the exception of several fields which were exempted entirely and for certain other fields for which shutdowns were ordered for from 4 to 13 days, the entire State was ordered shut down for 4 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 4 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 8, 1947

(Figures in thousands of barrels of 42 gallons each)

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

District—	% Daily Refin'g Capac. Report'g	Crude Runs to Stills Daily Av.	Crude Runs to Stills % Operated	§Gasoline Product'n at Ref. Inc. Nat. Blended	‡Finished and Unfin. Gasoline Stocks	‡Stocks of Kerosine	‡Stks. of Gas Oil & Dist. Fuel Oil	‡Stks of Resid. Fuel Oil
East Coast	99.5							
Appalachian—		777	92.6	1,869	23,001	5,240	11,870	6,467
District No. 1	76.3	103	70.5	263	2,790	191	365	233
District No. 2	84.7	55	110.0	189	1,025	27	72	80
Ind., Ill., Ky.	87.4	855	98.3	2,772	22,244	1,109	2,543	2,280
Okla., Kans., Mo.	78.3	398	84.9	1,379	10,638	344	1,250	952
Inland Texas	59.8	229	69.3	1,011	4,640	213	312	811
Texas Gulf Coast	89.2	1,156	94.3	3,496	15,225	1,811	6,615	5,166
Louisiana Gulf Coast	97.4	354	110.3	1,060	5,354	771	2,124	1,534
No. La. & Arkansas	55.9	62	49.2	180	2,000	363	462	130
Rocky Mountain—								
New Mexico	19.0	10	76.9	32	89	15	32	34
Other Rocky Mt.	70.9	120	75.5	370	2,971	53	471	760
California	85.5	816	82.1	2,161	16,441	679	10,485	25,755
Total U. S. B. of M. basis Mar. 8, 1947	85.8	4,935	88.8	14,782	*106,418	10,816	36,601	44,202
Total U. S. B. of M. basis Mar. 1, 1947	85.8	4,896	88.1	15,191	105,803	11,649	38,004	45,175
Total U. S. B. of M. Mar. 9, 1946		4,664		13,181	†105,041	7,816	25,705	38,404

*Includes unfinished gasoline stocks of 8,589,000 barrels. †Includes unfinished gasoline stocks of 8,703,000 barrels. ‡Stocks at refineries, at bulk terminals, in transit and in pipe lines. §In addition, there were produced 2,304,000 barrels of kerosine, 5,572,000 barrels of gas oil and distillate fuel oil and 8,496,000 barrels of residual fuel oil produced in the week ended March 8, 1947, as compared with 2,140,000 barrels, 5,488,000 barrels and 8,824,000 barrels, respectively, in the preceding week and 2,316,000 barrels, 6,038,000 barrels and 8,690,000 barrels, respectively, in the week ended March 9, 1946.

Wholesale Prices Rose 1.5% in Week Ended March 1, Labor Department Reports

Substantial increases for agricultural commodities and continued advances for industrial goods raised average primary market prices 1.5% during the week ended March 1, 1947, according to the Bureau of Labor Statistics, U. S. Department of Labor. The Bureau in reporting this on March 6 said that its index of commodity prices in primary markets reached 146.4% of the 1926 average, the highest level since late 1920 but still 12% below the May, 1920, all-time peak. The index was 4.3% above a month earlier and 36.1% above a year ago. The Bureau's further advices follow:

Farm Products and Foods—Market prices of farm products rose 2.6% during the week, reaching a level more than 2% higher than their previous peak in late November. Markets generally were influenced by bad weather which restricted shipments and by continued heavy demand. Demand for grains was stimulated by the government's flour purchase program and expectations of increased export needs. Most quotations advanced as wheat reached the highest levels since the last war and rye, an all-time high. Livestock quotations advanced generally with hogs at a new peak. Fruits and vegetables average slightly higher and prices of eggs were up. There was a fractional advance for raw cotton and prices increased for hay, flaxseed and peanuts. As a group, farm products were 34.7% above the corresponding week of 1946.

Food prices also rose, influenced by the general market conditions, with the group index up 3.1% during the week to a level 55.2% above a year earlier. Meat prices rose sharply with pork prices up more than 10%, largely reflecting decreased hog shipments. Increases for other meats were due to active demand. Butter prices advanced and there was a fractional increase for cereal products. Scarcity caused higher prices for a number of other foods, including vegetable oils, lard, oleo oil, edible tallow, black pepper and cocoa beans.

Other Commodities—Average prices of all commodities other than farm products and foods advanced 0.3% during the week to a level 26.8% above a year earlier. Higher costs caused increases for wool fabrics, and cotton goods rose under strong demand. Prices of jute increased following reduction in India's export quota and burlap prices were up. Quotations for calfskins rose sharply as a result of a shortage due to light slaughterings. Prices for other hides and skins continued to decline. Lead prices increased 1 cent a pound, reflecting higher prices in world markets, and bar silver prices were higher with increased demand. Higher raw material costs caused increases for silver nitrate, bismuth subnitrate, logwood extract and iron oxide. Prices of fats and oils and cattle feed advanced. Resistance to previous high prices together with availability of a synthetic substitute, resulted in lower prices for shellac. Turpentine prices dropped sharply. There were price increases for prepared roofing and mill work, still in short supply.

CHANGES IN WHOLESALE PRICES BY COMMODITY GROUPS FOR WEEK ENDED MARCH 1, 1947

(1926=100)

Commodity Groups—	3-1 1947	2-22 1947	2-15 1947	2-1 1947	3-2 1946	Percentage change to March 1, 1947 from— 2-22 1947	2-1 1947	3-2 1946
All commodities	146.4	144.3	143.1	140.3	107.6	+ 1.5	+ 4.3	+36.1
Farm products	176.1	171.7	168.9	164.8	130.7	+ 2.6	+ 6.9	+34.7
Foods	167.5	162.5	160.9	154.1	107.9	+ 3.1	+ 8.7	+55.2
Hides and leather products	174.1	175.8	173.6	171.0	120.1	— 1.0	+ 1.8	+45.0
Textile products	137.0	135.4	135.5	135.8	101.4	+ 1.2	+ 0.9	+35.1
Fuel and lighting materials	98.6	98.6	98.6	98.5	85.4	0	+ 0.1	+15.5
Metals and metal products	138.6	138.4	138.4	138.3	107.8	+ 0.1	+ 0.2	+28.6
Building materials	173.0	172.6	172.8	168.6	121.0	+ 0.2	+ 2.6	+43.0
Chemicals and allied products	129.3	129.2	128.3	127.8	96.0	+ 0.1	+ 1.2	+34.7
Housefurnishings goods	125.5	125.3	123.0	122.8	108.0	+ 0.2	+ 2.2	+16.2
Miscellaneous commodities	111.2	110.7	110.0	109.9	95.4	+ 0.5	+ 1.2	+16.6
Special Groups—								
Raw materials	158.9	156.2	154.3	152.6	119.5	+ 1.7	+ 4.1	+33.0
Semi-manufactured articles	142.7	141.3	141.7	139.5	99.6	+ 1.0	+ 2.3	+43.3
Manufactured products	142.0	140.0	139.1	135.6	103.7	+ 1.4	+ 4.7	+36.9
All commodities other than Farm products	139.9	138.3	137.6	135.0	102.5	+ 1.2	+ 3.6	+36.5
All commodities other than Farm products and foods	128.7	128.3	128.1	127.5	101.5	+ 0.3	+ 0.9	+26.8

PERCENTAGE CHANGES IN SUBGROUP INDEXES FROM FEB. 22, 1947 TO MARCH 1, 1947

Increases

Meats	6.8	Paint and paint materials	0.8
Cattle feed	5.6	Cereal products	0.6
Livestock and poultry	4.3	Fruits and vegetables	0.6
Grains	2.7	Oils and fats	0.5
Woolen and worsted goods	2.6	Leather	0.4
Cotton goods	2.2	Other building material	0.4
Other foods	1.9	Cement	0.2
Other farm products	1.1	Furnishings	0.2
Dairy products	1.0	Anthracite	0.1
Nonferrous metals	1.0	Drugs and pharmaceuticals	0.1
Other textile products	0.8	Furniture	0.1
Other miscellaneous	0.1		

Decreases

Hides and skins	5.4	Fertilizer materials	0.3

*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.

Cotton Spinning for January

The Bureau of the Census announced on Feb. 20 that, according to preliminary figures, 23,858,244 cotton spindles were in place in the United States on Jan. 31, 1947, of which 21,919,368 were consuming cotton the last working day of the month, compared with 21,688,028 in December, 1946, and 21,244,218 in January, 1946. The aggregate number of active cotton spindle hours reported for the month was 10,587,614,246, an average of 444 per spindle in place, compared with 8,670,795,153, an average of 362 per spindle in place for December, 1946, and 9,485,682,792, an average of 399 per spindle in place for January, 1946. Based on an activity of 80 hours per week, cotton-consuming spindles in the United States were operated during January at 123.3% capacity. The percent on the same activity basis was 107.8 for December, 1946, and 110.7 for January, 1946.

NYSE Odd-Lot Trading

The Securities and Exchange Commission made public on March 12 a summary of complete figures showing the daily volume of stock transactions for odd-lot account of all odd-lot dealers and specialists who handled odd lots on the New York Stock Exchange for the week ended March 1, 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 March 1, 1947

	Total For Week
Odd-Lot Sales by Dealers— (Customers' purchases)	
Number of orders	27,467
Number of shares	772,205
Dollar value	$30,598,662
Odd-lot Purchases by Dealers— (Customers' sales)	
Number of Orders:	
Customers' short sales	482
†Customers' other sales	22,543
Customers' total sales	23,025
Number of Shares:	
Customers' short sales	16,044
†Customers' other sales	636,779
Customers' total sales	652,823
Dollar value	$24,400,179
Round-lot Sales by Dealers—	
Number of Shares:	
Short sales	0
*Other sales	202,490
Total sales	202,490
Round-lot Purchases by Dealers—	
Number of shares	278,040

*Sales marked "short exempt" are reported with "other sales."

†Sales to offset customers' odd-lot orders, and sales to liquidate a long position which is less than a round lot are reported with "other sales."

Business Failures in Feb.

Business failures in February were higher in number but lower in amount of liabilities involved than in January and higher in number and amount when compared with February 1946. Business failures in February, according to Dun & Bradstreet, Inc., totaled 238 and involved $12,976,000 liabilities as compared with 202 in January, involving $15,193,000 liabilities and 92 involving $2,983,000 in February a year ago.

Only the Retail group had less failures in February than in January. When the amount of liabilities involved is considered all groups with the exception of the Manufacturing and Retail groups had more liabilities involved in February than in January.

Manufacturing failures in February increased to 92 from 67 in January, but liabilities involved dropped to $7,654,000 in February from $11,020,000 in January. Wholesale failures in February number 34 with liabilities of $2,509,000 as compared with 27 liabilities of $1,342,000 in January. Retail failures in February fell to 70 from 76 in January and liabilities were down to $1,396,000 in February from $1,674,000 in January. Construction failures numbered 20 with liabilities of $766,000 against 18 with liabilities of $575,000 in January. Commercial Service failures in February rose to 22 from 17 in January and liabilities were up to $651,000 in February from $582,000 in January.

When the country is divided into Federal Reserve districts, it is found that the Boston, New York, Philadelphia and Minneapolis Reserve districts has fewer failures in February than in January, the Atlanta and St. Louis Reserve districts had the same number while the remaining districts had more failures in February than in January. When the amount of liabilities is considered it is seen that only the Cleveland, Chicago, Kansas City and San Francisco Reserve districts had more liabilities involved in February than in January.

Weekly Coal and Coke Production Statistics

The total production of soft coal in the week ended March 8, 1947, as estimated by the United States Bureau of Mines, was 12,780,000 net tons, an increase of 120,000 tons, or 0.9%, over the preceding week. Output in the corresponding week of 1946 was 13,058,000 tons. The total production of bituminous coal and lignite for the current calendar year to March 8 was estimated at 123,900,000 net tons, a gain of 1.8% over the 121,723,000 tons produced from Jan. 1 to March 9, 1946.

Output of Pennsylvania anthracite for the week ended March 8, 1947, as estimated by the Bureau of Mines, was 1,053,000 tons, a decrease of 46,000 tons (4.2%) from the preceding week. When compared with the production in the corresponding week of 1946 there was a decrease of 145,000 tons, or 12.1%. The calendar year to date shows a decrease of 6.8% 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 8, 1947, showd a decrease of 1,300 tons when compared with the output for the week ended March 1, 1947; but was 24,700 tons more than for the corresponding week of 1946.

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

	Week Ended			Jan. 1 to Date	
Bituminous coal & lignite—	Mar. 8, 1947	*Mar. 1, 1947	Mar. 9, 1946	†Mar. 8, 1947	Mar. 9, 1946
Total, including mine fuel	12,780,000	12,660,000	13,058,000	123,900,000	121,723,000
Daily average	2,130,000	2,110,000	2,176,000	2,170,000	2,035,000

*Revised. †Subject to current adjustment.

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

	Week Ended			Calendar Year to Date		
Penn. Anthracite—	‡Mar. 8, 1947	§Mar. 1, 1947	Mar. 9, 1946	Mar. 8, 1947	Mar. 9, 1946	Mar. 13, 1937
*Total incl. coll. fuel	1,053,000	1,099,000	1,198,000	10,602,000	11,375,000	9,590,000
†Commercial produc.	1,012,000	1,057,000	1,152,000	10,194,000	10,937,000	9,111,000
Beehive Coke—						
¶United States total	127.600	128,900	102,900	1,164,000	866,100	728,100

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

ESTIMATED WEEKLY PRODUCTION OF BITUMINOUS COAL AND LIGNITE, BY STATES, IN NET TONS

(The current weekly estimates are based on railroad carloadings and river shipments and are subject to revision on receipt of monthly tonnage reports from district and State sources or of final annual return from the operators.)

	Week Ended		
State—	Mar. 1, 1947	Feb. 22, 1947	Mar. 2, 1946
Alabama	390,000	413,000	371,000
Alaska	7,000	7,000	6,000
Arkansas	34,000	35,000	38,000
Colorado	150,000	173,000	170,000
Georgia and North Carolina	1,000	1,000	*
Illinois	1,550,000	1,418,000	1,566,000
Indiana	606,000	628,000	545,000
Iowa	47,000	40,000	43,000
Kansas and Missouri	138,000	124,000	171,000
Kentucky—Eastern	1,155,000	1,160,000	1,137,000
Kentucky—Western	490,000	410,000	493,000
Maryland	45,000	50,000	45,000
Michigan	1,000	1,000	4,000
Montana (bituminous and lignite)	67,000	84,000	91,000
New Mexico	31,000	35,000	32,000
North and South Dakota (lignite)	85,000	72,000	64,000
Ohio	784,000	783,000	725,000
Oklahoma	57,000	65,000	59,000
Pennsylvania (bituminous)	2,792,000	3,240,000	3,000,000
Tennessee	143,000	135,000	167,000
Texas (bituminous and lignite)	2,000	3,000	1,000
Utah	191,000	190,000	147,000
Virginia	394,000	382,000	399,000
Washington	28,000	27,000	26,000
†West Virginia—Southern	2,373,000	2,347,000	2,224,000
‡West Virginia—Northern	918,000	1,016,000	1,024,000
Wyoming	180,000	191,000	184,000
§Other Western States	1,000	*	*
Total bituminous and lignite	12,660,000	13,030,000	12,732,000

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

Non-Ferrous Metals—Copper Established at 21½c in Domestic Market—Silver Declines

"E. & M. J. Metal and Mineral Markets," in its issue of March 13, states: "Price developments in non-ferrous metals during the last week centered largely in copper and silver. All sellers of domestic copper moved up to 21½¢, Valley, effective on March 8, and foreign metal sold at prices ranging from 22¢ to 22½¢, f.a.s. basis. The situation in lead was firm, with prices unchanged. Silver broke sharply on advices from India that importation of the metal is to be controlled to halt conversion of paper rupees into silver. Buying of silver for shipment to India was responsible for the recent sharp recovery in prices. Tungsten ore was higher." The publication further went on to say in part as follows:

Copper

The copper market emerged from its recent struggle over prices when Kennecott's lone protest ended on March 8 and all concerned openly recognized the 21½c. Valley basis. Demand last week was brisk, with shipments limited because of the tight supply situation.

Production of crude copper in February amounted to 74,347 tons, against 78,256 tons in January, Copper Institute reports. Output of refined in February was 77,591 tons, against 80,144 tons in January. Deliveries in February amounted to 117,734 tons, of which 38.108 tons was supplied by Metals Reserve. The decline in shipments was expected.

The House Ways and Means Committee approved HR-2404 and reported the measure out for action on the floor of the House. Representative Dirksen, Chairman of the group, said that "we want action as fast as we can get it."

The bill, a revised version of Representative Patterson's measure submitted early in February, calls for the suspension of the 4c. import tax until March 31, 1950. House approval of the bill is likely soon, but the Senate is expected to be rather critical and to insist on a shorter period than three years for the temporary elimination of the tax.

Louis S. Cates, President of Phelps Dodge, in his report to stockholders, advocated the suspension of the import tax for a definite limited period. He believes that the present situation in copper will prove to be temporary and that the tariff should not be permanently eliminated or reduced.

Lead

Demand for lead appears to be just as active at the prevailing high level of prices as it was when the market was several cents per pound lower. Most producers regard this as an unhealthy situation, and some operators have gone so far as to discourage consumers from bidding for lead at a premium over current quotations. The market last week held at 15c., New York and 14.80c., St. Louis.

Sales of lead for the week amounted to 5,958 tons.

Record-breaking activity occurred in December in nearly all phases of the secondary-lead industry, according to the Bureau of Mines. Receipts of lead-base scrap and residues at smelters' plants totaled 57,528 tons, exceeding the previous peak of July 1946 by more than 1,000 tons. Recovery of lead from lead-base scrap in December was estimated at 37,114 tons.

So far as mine production is concerned, the upturn in activity inspired by the rise in prices will move slowly, compared with scrap. The January statistics of the Bureau of Mines placed mine output for the United States at 31,837 tons, against 28,065 tons in December and a monthly average of 27,706 tons for all of 1946.

Zinc

Total shipments of slab zinc during February were in excess of production, and stocks at the end of the month declined to 162,461 tons, against 173,337 tons a month previous. The market continues fairly active in both Prime Western and Special High Grade, and was viewed as firm at 10½c. for Prime Western, East St. Louis.

Production of slab zinc in the United States in February amounted to 65,198 tons, against 72,332 tons in January and a monthly average of 63,279 tons in 1946, according to the American Zinc Institute. The daily rate of operations was 2,329 tons, against 2,333 tons in the preceding month.

Shipments of slab zinc during February totaled 76,074 tons, of which 10,718 tons was exported, the Institute states. Total shipments in January came to 74,795 tons.

Quotations for Prime Western in the foreign market vary considerably, showing a range of 10⅞c. to 11⅜c.

Tin

The tin trade here was somewhat disturbed by remarks attributed to President Herzog of Bolivia that "thanks to the recent agreement with the Argentine, Bolivia has obtained better prices for tin." It was rumored that the agreement provides for the delivery to Argentina during 1947 of 8,000 metric tons of tin contained in concentrates on the basis of 76c. per pound. This is the price asked by Bolivian producers in negotiations for the extension of the contract with the United States. The President, in his inaugural address, added that it is to be hoped that United States will grant "legitimate, equitable prices" to Bolivian producers of tin.

Prices here continued unchanged on the basis of 70c. per pound for "Grade A" tin. Forward metal was nominally as follows:

	March	April	May
Mar. 6	70.000	70.000	70.000
Mar. 7	70.000	70.000	70.000
Mar. 8	70.000	70.000	70.000
Mar. 10	70.000	70.000	70.000
Mar. 11	70.000	70.000	70.000
Mar. 12	70.000	70.000	70.000

Chinese, or 99% tin, 69.125c.

Quicksilver

Trading in quicksilver during the last week was on the slow side, with both buyers and sellers inclined to operate on a near-term basis because of existing uncertainties in reference to the sale of metal now in the hands of the government, unpredictable Cartel policy on prices, and possible tariff tinkering. Consumption of quicksilver has improved, but available supply appears to be ample. Quotations on spot were unchanged at $87 to $90 per flask.

Silver

The market advanced to 86¼c. early in the week, but, on receipt of news from India that the Reserve Bank has prohibited importation of silver in a move to control the market, the price situation eased appreciably on Monday. As the week ended, the New York official quotation dropped back to 77c. Though the demand from domestic consumers was in fair volume, inquiry for silver in large blocks for export, responsible for the recent sharp recovery in prices, virtually dried up. Offerings of silver from foreign sources increased.

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
Mar. 6	19.800	21.925	70.000	15.000	14.800	10.500
Mar. 7	19.975	21.975	70.000	15.000	14.800	10.500
Mar. 8	21.225	21.925	70.000	15.000	14.800	10.500
Mar. 10	21.225	22.175	70.000	15.000	14.800	10.500
Mar. 11	21.225	22.300	70.000	15.000	14.800	10.500
Mar. 12	21.225	22.175	70.000	15.000	14.800	10.500
Average	20.779	22.079	70.000	15.000	14.800	10.500

Average prices for calendar week ended March 8 are: Domestic copper f.o.b. refinery, 20.196c.; export copper, f.o.b. refinery 21.808c.; Straits tin, 70.000c.; New York lead, 14.979c.; St. Louis lead, 14.633c.; St. Louis zinc, 10.500c.; and silver, 84.250c.

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.

Rayon Output High in February

Total domestic shipments of rayon yarn and staple fiber in February amounted to 70,300,000 pounds, according to the March Rayon Organon, statistical publication of the Textile Economics Bureau, Inc., which on March 12 stated that for the first two months of the year domestic deliveries aggregating 147,000,000 pounds were 10% over shipments in the corresponding period last year. According to the Bureau February rayon filament yarn deliveries amounted to 55,700,000 pounds (39,300,000 pounds of viscose+cupra yarn and 16,400,000 pounds of acetate), and were 11% higher than the same month in 1946. Shipments of staple during the month amounting to 14,600,000 pounds (11,100,000 viscose and 3,500,000 acetate) were 10% greater than February 1946. The Bureau also reported:

"Indicative of the huge demand for textile products and the speed with which the industry has met it is the 1946 consumption of textile fibers. According to the Organon's compilation, total consumption of cotton, rayon, wool and silk in the United States amounted to 6,474,800,000 pounds, an increase of 9% over 1945 and only 6% below the 1942 peak level. Compared to annual consumption in the five years of 1936 to 1940, for instance, consumption last year was 50% greater.

"Cotton consumption last year amounted to 4,844,700,000 pounds, an increase of 7½% over 1945 and 22½% above the highest pre-war level set in 1940, but 14% below the peak consumption in 1942. Cotton represented 74.8% of the 1946 four-fiber total, the smallest percentage of participation recorded since 1920.

"Rayon on the other hand, strengthened its position during the year with 875,400,000 pounds going into fabrication, comprising 13½% of the four-fiber total. Rayon consumption last year was 81% greater than it was in 1940.

"Wool consumption also reached a new high level in 1946 with an aggregate of 748,400,000 pounds being used (scoured basis), 15% over 1945 and 99% above the 1936-40 average. Wool increased to 11.6% of the 1946 four-fiber total, the highest relative position it has held since 1935.

"Raw silk which came back to civilian use in a substantial way, for the first time since 1941, was consumed by the textile industry to the extent of 6,300,000 pounds during 1946. Consumption of silk was small compared to pre-war standards and consisted of a small amount from residual military stocks plus sales of Japanese silk by the United States Commercial Co. and some free imports from Italy and China."

In a compilation of production of rayon, nylon, silk and related broad woven fabrics, the Organon reveals that the total 1946 output amounted to 1,815,000,000 linear yards, or an average of 34,900,000 yards weekly. The figure sets a new record for the rayon broad weaving industry, exceeding the previous peak in 1944 by 7% and the pre-war 1939 output by 30%. The Bureau likewise said:

"Year end stocks of gray goods in this field amounted to 37,900,000 yards, or slightly over one week's supply based on December average weekly production. These stocks were 12% above those held by weavers at the end of 1945. Rayon yarn stocks held by weavers at the close of the year amounted to 31,300,000 pounds, in line with the inventory position prevailing throughout the year."

Revenue Freight Car Loadings During Week Ended March 8, 1947 Decreased 44,242 Cars

Loading of revenue freight for the week ended March 8, 1947 totaled 805,789 cars, the Association of American Railroads announced on March 13. This was an increase of 19,600 cars, or 2.5%, above the corresponding week in 1946, and an increase of 38,734 cars, or 5%, above the same week in 1945.

Loading of revenue freight for the week of March 8, decreased 44,242 cars, or 5.2%, below the preceding week.

Miscellaneous freight loading totaled 364,789 cars, a decrease of 25,747 cars below the preceding week, but an increase of 15,327 cars above the corresponding week in 1946.

Loading of merchandise less than carload freight totaled 121,534 cars, a decrease of 2,459 cars below the preceding week, and a decrease of 222 cars below the corresponding week in 1946.

Coal loading amounted to 180,463 cars, a decrease of 4,605 cars below the preceding week, and a decrease of 7,236 cars below the corresponding week in 1946.

Grain and grain products loading totaled 51,325 cars, a decrease of 5,588 cars below the preceding week but an increase of 4,165 cars above the corresponding week in 1946. In the Western Districts alone, grain and grain products loading for the week of March 8 totaled 35,819 cars, a decrease of 4,235 cars below the preceding week but an increase of 3,181 cars above the corresponding week in 1946.

Livestock loading amounted to 13,190 cars, a decrease of 76 cars below the preceding week and a decrease of 2,029 cars below the corresponding week in 1946. In the Western Districts alone loading of Livestock for the week of March 8 totaled 10,126 cars, an increase of 456 cars above the preceding week but a decrease of 1,355 cars below the corresponding week in 1946.

Forest products loading totaled 47,115 cars, a decrease of 5,743 cars below the preceding week but an increase of 5,080 cars above the corresponding week in 1946.

Ore loading amounted to 13,011 cars, an increase of 98 cars above the preceding week and an increase of 3,192 cars above the corresponding week in 1946.

Coke loading amounted to 14,362 cars, a decrease of 122 cars below the preceding week but an increase of 1,323 cars above the corresponding week in 1946.

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

	1947	1946	1945
Four weeks of January	3,168,397	2,883,863	3,003,655
Four weeks of February	3,179,198	2,868,876	3,052,487
Week of March 1	850,031	782,397	785,736
Week of March 8	805,789	786,189	767,055
Total	8,003,415	7,319,325	7,608,933

The following table is a summary of the freight carloadings for the separate railroads and systems for the week ended March 8, 1947. During this period 68 roads reported gains over the week ended March 9, 1946.

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

Railroads	Total Revenue Freight Loaded 1947	1946	1945	Total Loads Received from Connections 1947	1946
Eastern District—					
Ann Arbor	332	378	324	2,150	1,703
Bangor & Aroostook	3,062	3,185	2,962	411	446
Boston & Maine	7,101	7,751	6,738	12,702	14,031
Chicago, Indianapolis & Louisville	1,510	1,241	993	2,432	2,070
Central Indiana	29	50	39	57	52
Central Vermont	952	1,101	1,105	2,351	2,211
Delaware & Hudson	5,126	4,525	4,571	10,996	11,954
Delaware, Lackawanna & Western	6,323	7,533	7,302	8,513	9,176
Detroit & Mackinac	312	201	204	237	176
Detroit, Toledo & Ironton	2,706	2,113	1,702	2,020	1,642
Detroit & Toledo Shore Line	444	281	378	4,238	3,518
Erie	11,176	10,995	12,177	15,729	15,277
Grand Trunk Western	4,582	2,897	3,954	8,672	7,522
Lehigh & Hudson River	151	183	172	3,402	2,562
Lehigh & New England	1,564	2,225	1,886	1,365	1,601
Lehigh Valley	7,443	8,108	7,623	8,225	7,939
Maine Central	3,194	3,186	2,577	3,948	4,617
Monongahela	7,021	6,769	6,773	169	258
Montour	2,434	2,969	2,273	19	28
New York Central Lines	45,870	44,779	45,744	50,147	53,086
N. Y., N. H. & Hartford	9,909	10,449	9,860	14,058	15,112
New York Ontraio & Western	849	871	829	2,717	2,571
New York, Chicago & St. Louis	6,728	5,584	6,699	15,948	13,814
N. Y., Susquehanna & Western	453	374	509	1,247	2,250
Pittsburgh & Lake Erie	5,774	7,198	7,140	8,720	7,753
Pere Marquette	6,244	4,784	4,985	8,327	7,377
Pittsburg & Shawmut	861	754	665	23	25
Pittsburg, Shawmut & Northern	340	284	299	97	222
Pittsburgh & West Virginia	758	922	669	2,501	1,889
Rutland	339	360	318	874	1,300
Wabash	6,217	5,696	5,672	12,154	11,762
Wheeling & Lake Erie	5,864	4,984	5,612	4,533	3,538
Total	155,668	152,730	152,754	208,982	207,482
Allegheny District—					
Akron, Canton & Youngstown	678	623	795	1,450	1,373
Baltimore & Ohio	40,338	41,939	38,639	24,230	23,499
Bessemer & Lake Erie	3,198	2,438	3,083	1,815	1,212
Cambria & Indiana	990	1,526	1,647	12	9
Central RR. of New Jersey	6,774	6,339	6,377	17,899	16,796
Cornwall	415	462	509	59	53
Cumberland & Pennsylvania	311	318	174	14	6
Ligonier Valley	37	43	96	4	7
Long Island	1,292	1,633	1,726	4,500	5,053
Penn-Reading Seashore Lines	1,686	1,647	1,849	1,897	1,999
Pennsylvania System	76,145	74,414	73,812	54,590	56,951
Reading Co.	14,299	13,776	14,146	24,884	26,835
Union (Pittsburgh)	18,743	16,575	18,137	4,996	3,073
Western Maryland	3,605	4,386	3,963	12,722	12,115
Total	168,511	166,119	164,953	149,072	148,981
Pocahontas District—					
Chesapeake & Ohio	32,317	31,379	26,092	12,121	11,822
Norfolk & Western	23,021	22,876	20,518	7,246	6,721
Virginian	4,847	5,246	4,406	1,674	1,826
Total	60,185	59,501	51,016	21,041	20,369
Southern District—					
Alabama, Tennessee & Northern	399	392	407	358	179
Atl. & W. P.—W. RR. of Ala.	863	901	837	2,031	1,989
Atlantic Coast Line	15,338	16,140	15,292	9,595	10,516
Central of Georgia	3,783	4,580	3,828	4,160	4,749
Charleston & Western Carolina	475	477	448	1,624	1,583
Clinchfield	1,922	1,738	1,617	4,030	3,627
Columbus & Greenville	342	407	260	282	310
Durham & Southern	92	101	115	762	720
Florida East Coast	2,674	4,109	3,838	1,633	1,610
Gainesville Midland	72	72	37	139	136
Georgia	921	1,167	1,155	2,415	2,368
Georgia & Florida	388	511	437	724	846
Gulf, Mobile & Ohio	4,827	4,997	4,777	4,157	4,318
Illinois Central System	26,369	28,422	27,412	15,049	14,461
Louisville & Nashville	27,757	27,325	22,317	10,559	10,183
Macon, Dublin & Savannah	198	281	203	984	1,138
Mississippi Central	244	319	321	438	467
Nashville, Chattanooga & St. L.	3,315	3,723	3,354	4,173	4,100
Norfolk Southern	1,191	1,370	1,060	1,674	1,548
Piedmont Northern	426	416	363	2,093	1,605
Richmond, Fred. & Potomac	361	413	586	8,277	9,368
Seaboard Air Line	12,258	12,228	10,793	9,419	8,610
Southern System	26,807	26,965	23,169	25,615	25,052
Tennessee Central	747	679	574	921	920
Winston-Salem Southbound	135	155	102	800	1,073
Total	131,904	137,888	123,302	111,912	111,476
Northwestern District					
Chicago & North Western	16,430	16,268	14,544	16,075	14,637
Chicago Great Western	2,593	2,495	2,278	3,701	3,214
Chicago, Milw., St. P. & Pac.	23,734	20,977	20,214	12,221	11,353
Chicago, St. Paul, Minn. & Omaha	4,280	3,860	3,357	4,861	4,837
Duluth, Missabe & Iron Range	1,644	1,193	1,335	374	364
Duluth, South Shore & Atlantic	798	815	732	754	612
Elgin, Joliet & Eastern	8,774	8,227	8,668	11,942	10,185
Ft. Dodge, Des Moines & South	*591	397	317	*127	158
Great Northern	11,243	12,806	10,322	5,078	4,657
Green Bay & Western	500	448	456	1,148	1,001
Lake Superior & Ishpeming	341	289	286	82	58
Minneapolis & St. Louis	2,382	2,401	1,975	2,726	2,521
Minn., St. Paul & S. S. M.	6,213	5,636	4,223	4,311	4,131
Northern Pacific	11,475	9,720	8,585	5,462	5,072
Spokane International	176	117	247	465	397
Spokane, Portland & Seattle	2,406	1,971	2,462	2,694	2,757
Total	93,580	87,620	80,001	72,021	65,954
Central Western District—					
Atch. Top. & Santa Fe System	24,632	22,985	23,511	10,392	9,931
Alton	3,090	2,969	3,550	3,753	3,307
Bingham & Garfield	364	7	399	81	28
Chicago, Burlington & Quincy	22,134	19,600	19,168	12,335	11,989
Chicago & Illinois Midland	3,393	3,282	3,066	816	750
Chicago, Rock Island & Pacific	13,151	11,735	11,621	14,035	12,745
Chicago & Eastern Illinois	2,819	2,817	2,631	3,515	3,560
Colorado & Southern	633	696	819	1,951	1,442
Denver & Rio Grande Western	3,802	2,975	3,276	4,824	3,623
Denver & Salt Lake	746	707	706	43	37
Fort Worth & Denver City	847	892	982	1,444	1,157
Illinois Terminal	2,202	2,234	2,147	1,884	1,601
Missouri-Illinois	1,012	890	877	524	478
Nevada Northern	1,521	1,434	1,345	198	115
North Western Pacific	924	545	781	694	617
Peoria & Pekin Union	6	14	20	0	0
Southern Pacific (Pacific)	30,130	28,572	28,319	11,164	9,664
Toledo, Peoria & Western	84	0	246	201	0
Union Pacific System	16,854	15,668	16,780	13,091	11,945
Utah	996	925	561	1	1
Western Pacific	1,635	1,696	1,803	3,268	2,910
Total	130,975	120,643	122,608	84,214	75,900
Southwestern District—					
Burlington-Rock Island	284	289	322	665	589
Gulf Coast Lines	6,561	5,475	7,148	2,591	2,429
International-Great Northern	2,133	2,098	2,748	3,918	3,072
‡K. O. & G.-M. V.-O. C.-A.-A.	1,285	1,292	1,203	1,870	1,557
Kansas City Southern	3,309	2,910	5,239	3,364	3,326
Louisiana & Arkansas	2,314	2,432	3,320	2,990	2,472
Litchfield & Madison	379	483	339	1,565	1,246
Missouri & Arkansas	§	180	119	§	331
Missouri-Kansas-Texas Lines	5,125	5,132	7,077	4,322	4,084
Missouri Pacific	16,691	16,503	15,928	16,836	13,953
Quanah Acme & Pacific	129	154	90	245	175
St. Louis-San Francisco	10,166	9,690	9,117	8,084	8,194
St. Louis-Southwestern	2,629	2,644	3,509	6,020	5,112
Texas & New Orleans	9,740	8,651	10,972	5,857	5,178
Texas & Pacific	4,111	3,640	5,168	7,775	5,755
Wichita Falls & Southern	87	71	82	49	67
Weatherford M. W. & N. W.	23	44	38	11	14
Total	64,966	61,688	73,421	66,162	57,554

*Previous week's figure.

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

NOTE—Previous year's figures revised.

Weekly Statistics of Paperboard Industry

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

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

STATISTICAL REPORT—ORDERS, PRODUCTION, MILL ACTIVITY

Period	Orders Received Tons	Production Tons	Unfilled Orders Remaining Tons	Percent of Activity Current	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
Mar. 8	237,292	179,025	614,471	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.

Results of Treasury Bill Offering

The Secretary of the Treasury announced on Mar. 17 that the tenders for $1,300.000,000 or thereabout of 91-day Treasury bills to be dated Mar. 20 and to mature June 19, which were offered on Mar. 14 were opened at the Federal Reserve Banks on Mar. 17.

Total applied for, $1,858,761,000.

Total accepted, $1,312,975,000 (includes $21,011,000 entered on a fixed price basis at 99.905 and accepted in full).

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

Range of accepted competitive bids:

High, 99.907, equivalent rate of discount approximately 0.368% per annum.

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

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

There was a maturity of a similar issue of bills on Mar. 20 in the amount of $1,308,904,000.

Weekly Lumber Shipments Exceeded Output by 3%

According to the National Lumber Manufacturers Association, lumber shipments of 405 mills reporting to the National Lumber Trade Barometer were 3.0% above production for the week ending March 8, 1947. In the same week new orders of those mills were 30.4% above production. Unfilled order files of the reporting mills amounted to 70% of stocks. For reporting softwood mills, unfilled orders are equivalent to 27 days' production at the current rate, and gross stocks are equivalent to 36 days' production.

For the year-to-date, shipments of reporting identical mills were 13.0% above production; orders were 20.2% above production.

Compared to the average corresponding week of 1935-1939, production of reporting mills was 26.8% above; shipments were 21.7% above; orders were 50.1% above. Compared to the corresponding week in 1946, production of reporting mills was 14.0% above; shipments were 7.3% above; and new orders were 48.2% above.

McGurk Resigns as Ambassador to Uruguay

The resignation of Joseph F. McGurk as Ambassador to Uruguay, effective April 30, was announced at the White House on March 8, according to Associated Press advices from Washington, from which we also quote:

Mr. McGurk, a veteran Foreign Service officer, asked on Jan. 31 to be relieved because of ill health. In disclosing this, the White House made public President Truman's letter to Mr. McGurk which said that he accepted the resignation "with deep regret and reluctance."

A native of Paterson, N. J., Mr. McGurk entered the State Department in 1914 and was assigned to the American Consulate at Valparaiso, Chile. During his long career the 55-year-old diplomat served in various European and South and Central American countries.

Boyd Heads Bureau Of Mines

President Harry S. Truman on March 8 announced that James Boyd, dean of the faculty of the Colorado School of Mines, has been named to succeed Dr. R. R. Sayers as director of the Bureau of Mines, Department of the Interior, Dr. Sayers is to return to the Public Health Service on April 1.

Items About Banks, Trust Companies

Edmund Bartlett has been elected an Assistant Treasurer of J. Henry Schroder Banking Corporation and of Schroder Trust Company of New York.

Joseph A. Broderick, President of the East River Savings Bank of New York has announced the election of Leroy A. Wilson, Financial Vice-President of the American Telephone and Telegraph Company, as a member of the bank's board of trustees. Mr. Wilson, a resident of Glen Ridge, N. J., graduated from Rose Polytechnic Institute and immediately joined the Indiana Telephone Company. Transferred to the American Telephone and Telegraph Company in 1929 he has filled successive positions, becoming Vice-President in 1944.

Henry B. Lockwood, a member of the Executive Committee and operating board of radio station WOR, has been elected a trustee of The Prudential Savings Bank, Brooklyn, it is announced by Frederick V. Goess, President of the bank. Mr. Lockwood has been associated with banking since 1918. He was formerly with the Chatham Phenix National Bank and was Assistant Vice-President of the Manufacturers Trust Company until 1944 when he went with WOR where he is presently managing the recording division.

Elliott M. Eldredge, President of the Williamsburgh Savings Bank of Brooklyn, N. Y., announces that the board of trustees has declared a dividend, payable April 1, 1947, at the increased rate of 2% per annum. The favorable method of interest payment, from day of deposit compounded quarterly, has been retained, he said. This is the 235th consecutive dividend paid by the bank since it was founded in 1851.

Bernard F. Hogan, President of The Greater New York Savings Bank, Brooklyn, N. Y., announces that the board of trustees have declared a dividend payable April 1, 1947 at the rate of 2% per annum. The bank, which is celebrating its 50th anniversary this year, has paid regular dividends without interruption since 1897.

The Bayside National Bank of Bayside, N. Y., increased its capital on March 3 from $200,000 to $400,000 by a stock dividend of $200,000 and from $400,000 to $500,000 by the sale of $100,000 of new stock, it was indicated in a recent bulletin of the Comptroller of the Currency.

The New York State Banking Department reports that the Genesee Trust Company of Batavia, N. Y., has received approval from the Department for an increase of capital stock from $173,500, consisting of 9,800 shares of preferred stock of the par value of $7.50 each and 4,000 shares of common stock of the par value of $25 each, to $189,500, consisting of 8,600 shares of preferred stock of the par value of $7.50 and 5,000 shares of common stock of the par value of $25 each.

The bank headquarters at Girard and Frankford Avenues in Philadelphia, formerly operated for many years by the Kensington National Bank, opened for business on March 17 as the Kensington Branch of The Pennsylvania Company for Insurances on Lives and Granting Annuities with all the former Kensington officers and employees remaining as officers and employees of The Pennsylvania Company. An announcement in the matter also says:

"This transfer of ownership is a result of the purchase of the assets of the Kensington bank, valued at approximately $35,500,000, by The Pennsylvania Company. Approval of the transaction was voted by the Kensington stockholders on February 27, followed by similar action by the stockholders of The Pennsylvania Company on March 8. The acquisition of the Kensington Bank extends the facilities of The Pennsylvania Company to another important section of Philadelphia. A merger with the Germantown Trust Company was also approved by both the Pennsylvania and Germantown stockholders on March 8, which will result in the four offices now operated by Germantown Trust Company becoming branch offices of The Pennsylvania Company at the end of this month. When this latter transaction becomes effective, The Pennsylvania Company will be operating 18 offices in the city and suburbs, including its head office at Fifteenth and Chestnut Streets."

An item respecting the above proposals appeared in our issue of March 6, page 1308, in which it was stated that The Pennsylvania Company plans to change its name to the shorter title of Pennsylvania Company for Banking & Trust, the change, it is understood, being subject to the approval of the Pennsylvania Legislature.

The Lincoln National Bank of Washington, D. C., announced on March 15 that Walter R. Fry had been promoted from Assistant Cashier to Assistant Vice-President of the directors. The Washington "Post" in making this known added that Louis C. Paladini has been promoted from Comptroller to Cashier.

It is learned from the Toledo "Blade" of March 13 that a plan to increase capital surplus of the Commerce Guardian Bank of Toledo from $2,200,000 to $3,100,000 and its conversion from a State to a national bank will be submitted to stockholders at a special meeting on March 24. Directors of the bank approved the plan on March 12. According to the "Blade" Milton Knight, President, said the program has been under study for several months. From the same paper we also quote:

"Mr. Knight said the conversion to a national bank will follow the consummation of the recapitalization. As part of the recapitalization plan, the directors propose to split the stock on a 4 for 3 basis. At present there are 30,000 shares outstanding, each share with a par value of $33.33⅓. The plan contemplates changing the par to $25 a share and issuing each present shareholder four new shares for each three present shares.

"To obtain additional capital the bank proposes to issue $900,000 of new common stock, par value $25. The stock first will be offered to present stockholders on the basis of two shares of new stock for each three shares now held. A total of 20,000 shares will be offered in this manner at a price of $45 a share. The projected book value of the bank's stock after the split and after sale of additional 20,000 shares will be $59.93 a share based on the bank's statement of Dec. 31, 1946.

"Toledo has not had a national bank since the closing of the First National Bank in August, 1931."

The Mercantile Commerce Bank & Trust Co. of St. Louis announced on March 10 the appointment of Walter F. Krueger as Assistant Cashier. The directors of the bank have declared the regular quarterly dividend of $2 per share, payable April 1 to stockholders of record March 20.

A. L. Pritchard was appointed Vice-Chairman of the board of directors of the National Bank of Commerce of Memphis, Tenn., at a board meeting on March 11. He will take office April 1, the Memphis "Commercial Appeal" reports, and it further states:

"Mr. Pritchard is now chief executive officer of the Bank of Commerce & Trust Co. which will surrender its charter and complete its liquidation Saturday and has been in charge of the liquidation. Any remaining assets of the bank will be liquidated by the bank's trustees.

"Albert L. Long, who has been associated with the National Bank of Commerce for 23 years, resigned as Vice-President to accept a position as Vice-President of the Republic National Bank at Dallas, Texas. The resignation will also become effective in April.

"Mr. Pritchard has been in the banking business in Memphis for 14 years."

Doddridge Nichols, Vice-President of the Union Planters National Bank & Trust Co. of Memphis, Tenn., died suddenly on March 10, the "Commercial Appeal" of Memphis of March 11 stated. Mr. Nichols had led war bond drives to a goal of more than $260,000,000, said the paper indicated, from which we also take the following:

"Born in Obion, Tenn., May 9, 1898, Mr. Nichols started with the Union Planters National Bank & Trust Co. as a clerk in 1917. He progressed steadily, was promoted from Assistant Cashier to Assistant Vice-President and then to a Vice-President exactly 10 years ago today."

The United States National Bank of Portland, Oregon, increased its capital on March 1 from $8,000,000 to $10,000,000 by a stock dividend of $2,000,000, it is learned from the March 10 Bulletin of the Comptroller of the Currency.

Donaghy Named Asst. Of NY Cotton Exchange

James William Donaghy, veteran employee of the New York Cotton Exchange has been named to the post of Assistant Secretary, according to an announcement by Gustave I. Tolson, Vice-President of the Exchange, and Chairman of its Executive Committee. The appointment became effective on March 17. Mr. Donaghy entered the employ of the Cotton Exchange on July 5, 1928 and between that date and July, 1942 was assigned to many of the administrative offices of the Exchange. He entered the armed services in 1942 and served until June, 1946 when he returned to take up his interrupted service with the Exchange. He attained the rank of Captain in the reserve forces of the army and served many months in the European Theater of Operations. Mr. Donaghy will act as assistant to John J. Scanlon, incumbent Secretary of the New York Cotton Exchange. He is a native of New York City.

Senate Confirms Nomination of Austin

Warren R. Austin was confirmed by the Senate on March 5, as United States Representative on the United Nations Commission for Conventional Armaments. Mr. Austin, former Republican Senator from Vermont, is also the U. S. representative on the United Nations Atomic Energy Commission, and U. S. representative on the United Nations Security Council.

From Washington Ahead of the News

(Continued from first page)

den of Britain herself on our backs for a long time.

In this "emergency," instead of Truman just diverting most of the $350,000,000 already sought for additional European relief to Greece, nipping some off that planned for the Stalin controlled countries; possibly asking for an increase in the appropriation, a new appropriation is sought as a "challenge" to Stalin. This seems to serve many purposes: support Marshall's hand at Moscow, whatever that means, discourage any reduction in the military appropriation (not a small factor in the slightest) and let those smaller countries that "want to resist Communism" know we are prepared to assist them.

It is this latter purpose that the debate in Congress seems likely to tear to pieces, and if Marshall doesn't use his strengthened hand at Moscow right quickly, the debate is likely to give it the palsy. Because it seems that Congress' attitude will be revealed as "Oh Mr. President, we'll give you the money because you promised it and because we are giving away money anyway, but we don't underwrite your implications."

Stalin will learn what he already knows, that we pretty generally despise him, but that we aren't going to attack him, and he isn't going to attack us; that a lot of our internationalists are plenty embarrassed over their having taken the country into the Second World War to kill off Hitlerism, only to set up Communism over all Europe, that they're plenty embarrassed but they don't know what to do about it. He will realize that insofar as the Greek "crisis" is concerned, all he's got to do is keep his stooges quiet until the money is spent, then turn them loose on their guerrilla tactics again. He can't be very excited about our using this money to keep Communism away from the Mediterranean when it is already there, in Italy, though not yet dominant; dominant in France, and with Britain on a Socialist experiment that will lead to Communism, in the opinion of many students, if she doesn't turn back.

It is not without significance that along with this "crisis" has come a renewal of the propaganda about what we can do to build up the Near East, setup sanitation systems, waterworks, hydroelectric projects, factories, etc. This is real global-mindedness and it has been peddled for a long spell. Roosevelt used to talk with Mrs. R. and Elliott about it; he would like to have been sort of chief engineer for the works.

It is doubtful if the global minded boys will be quite happy over the way Congress gives this appropriation. They want it to carry "significance," "implications"; to serve as another entering wedge in their global scheme.

Congress doesn't seem to be in the mood to give it in any such way. As a matter of fact, the debate bids fair to make Truman look highly ridiculous. There are mighty few on the hill who don't think he acted impetuously and unwisely. The next few days will probably be highly enlightening as to just how this "emergency" developed.

But we may as well realize that we've got to get used to these "emergencies," because of our "position in world affairs." We must quit letting them excite us, not close our stores whenever one occurs in the belief the world has come to an end. We've got to learn to take them in our stride. They constitute a new field of political endeavor.

Death of Dr. Trip

Dr. Leonardus J. A. Trip, former President of the Netherlands Bank and pre-war President of the Bank for International Settlements at Basle, Switzerland, died at his home at The Hague on March 5. He was 70 years of age. Advices from The Hague (Aneta) March 5, appearing in the New York "Times" said in part:

Dr. Trip became President of the Netherlands Bank in October, 1931, after Gerard Vissering had resigned because of heavy losses suffered by the bank due to devaluation of the pound-sterling, the possibility of which Vissering had been led to discount.

The new President remained at his post when the Germans invaded Holland in May, 1940. Hoping to avert a financial catastrophe for the Netherlands, he accepted the Secretary Generalship of the Finance Ministry, but resigned this position in March, 1941, when it became clear that German financial policy was aimed at exploiting Dutch resources for the benefit of the oppressors. Dr. Trip refused to cooperate with the policy or be held responsible for it.

When the Germans soon afterward dismissed him from the Presidency of the Netherlands Bank, Dr. Trip, by moving from place to place, succeeded in staying out of their hands during the remainder of the war. Immediately after the liberation, he resumed the Presidency of the Netherlands Bank. He retired on May 1, last year.

Dr. Trip began his career in the Ministry of Finance in 1901, after receiving a law doctorate from the University of Utrecht. In 1916 he became Netherlands' Treasurer General. Seven years later he went to the Indies where from 1924 to 1929 he was President of the Java Bank, the Netherlands Indies bank of issue, in Batvia.

His many international activities included the Vice-Presidency of the gold delegation, League of Nations; membership on the Central Banking Inquiry Committee of British India; Chairmanship of the Subcommittee of Economic Experts, Geneva; Chairmanship of the Preparatory Committee for the International Economic and Financial Conference, London, 1933, to which conference he also was a Netherlands' delegate.

Filipinos Approve U S Trade Agreement

In a national plebiscite on March 11 the Filipinos voted overwhelmingly for a constitutional amendment to give the United States equal trading rights until 1974. By a margin of approximately 3 to 1, the Government of President Manuel Roxas was supported in its recommendation of parity in return for millions of American dollars for rehabilitation purposes, according to Associated Press advices from Manila on March 12. From the Associated Press we also quote:

Approval of parity means free trade for leading Filipino exports for the next eight years, as well as full payment of more than $620,000,000 in rehabilitation funds from the United States. Filipino opponents had struck hard at the insistence of American Congressmen, in framing the trade acts, for written constitutional guaranties before making the funds available.

Approval also means that the peso will be pegged to the dollar at the present 2-to-1 rate until expiration of the trade agreement in 1947.