Final Edition

ESTABLISHED 1839

In 2 Sections—Section 2

The COMMERCIAL and FINANCIAL CHRONICLE

Reg. U. S. Pat. Office

Volume 165 Number 4582 — New York, N. Y., Thursday, April 3, 1947 — Price 30 Cents a Copy

No Bust, But a Balanced Economy

By S. J. FLINK*
Chairman, Dept. of Economics, Rutgers University

Asserting business is steering away from predicted 1947 recession, Prof. Flink predicts a balanced economy because of: (1) transition from inventory accumulation to inventory balance; (2) increased productivity; and (3) return to a competitive market. Says buyers' market of tomorrow will be based on high output rather than depressed markets, and stresses need of more efficiency in selling and in retail store operations.

During the past six years, the American economy has performed three major miracles. First, it achieved in 1941-42 the incredible task of superimposing a full-fledged war economy on our civilian economy. Within that short span of time, America became the largest single producer of the sinews of war. On top of that, we produced at the peak of our war effort, civilian goods on a scale larger than ever before in our peacetime history.

S. J. Flink

The second miracle was the speed of reconversion from war industry to civilian production. Within nine months after V-J, the last remnants of a war production had been cleared off factory floors and removed from manufacturing storage facilities. Contract renegotiations, the bugaboo of war producers, was pretty well cleared up. Industry was given the green light to go full steam ahead with civilian production.

The third miracle is now in the process of unfolding itself on our domestic scene. American business is definitely steering away from the widely predicted recession of 1947.

In most lines of business, prices show signs of softening;

The merry-go-'round of wage increases and higher prices is coming to a stop;

Major strikes are remote possibilities rather than strong probabilities;

Consumer resistance is a reality.

In brief, there are growing indications that the predicted "Boom and Bust" cycle is going to be replaced by a "Boom and Balanced Economy" sequence.

There is evidence in every industry that businessmen have not only not accepted the dismal predictions about an approaching recession, but have already taken action to adjust themselves to the current trend. And it is this adjustment which promises to pave the road for a balanced economy

(Continued on page 7)

*An address by Prof. Flink before the Convention of the National Association of Retail Clothiers and Furnishers, New York City, March 3, 1947.

'Blueprint for American Business'

By R. F. PATTERSON*
Dean of School of Business Administration,
University of South Dakota

As means of maintaining American free enterprise, Dean Patterson prescribes: (1) completion of world peace; (2) industrial peace at home; (3) a return to sanity in public finance; (4) a clear concept of relation of government to business; and (5) thrift, hard work and self-restraint as cornerstone of self-government. Wants businessmen to cooperate more with government.

I make no apology for saying that my philosophy of business is rooted in the conviction that the American free enterprise system with all its faults, offers the American people the greatest incentive to to prosperity, the highest standard of living, and the widest measure of democratic freedom to be found anywhere on earth.

R. F. Patterson

It seems clear to me that there are four lines that must be sketched on any blueprint for American business if we are to demonstrate to a socialistic and communistic world that we are capable of operating a free enterprise system and that capitalism will survive.

(1) American business needs the completion of world peace. We spun during the war a shimmering web of unreality about the aims of the war and the world that was to come after it. We rhapsodized about the Four Freedoms, One World, The Good Life, and The Atlantic Charter as if the mere repetition of these saccharine phrases would usher in a millennium of international bliss. We conjured up ethereal visions of Joseph Stalin as the epitome democracy. We have since recovered from these delusions and now face the hard-headed problems of practical peace.

Business and industry have a

(Continued on page 8)

*An address by Dean Patterson before the American Savings and Loan Institute, Kansas City, Mo., Feb. 15, 1947.

The Role of FDIC

By MAPLE T. HARL*
Chairman, Federal Deposit Insurance Corporation

Mr. Harl points out about 13,300 commercial banks and 200 savings banks are now comprised in FDIC, constituting 92% of all banks in nation. Corporation's surplus now exceeds $700 millions and Government capital of $289 millions is to be returned. Reports no losses to depositors in last three years, and denies FDIC attempts to replace other government supervisory agents. Says "we are sold on dual banking system."

During the more than thirteen years of its existence, the FDIC has had very cordial and most productive relations with the banks and bankers of New Mexico and Arizona. We hope that the same cordiality will continue in the future as in the past.

Maple T. Harl

Like your banks, the Federal Deposit Insurance Corp. has come a long way since it was established. During the 13 years of its operation, the Corporation has accumulated a surplus of more than $700 million to be utilized when and wherever necessary in the protection of bank depositors throughout the nation.

Today there are about 13,300 commercial banks and trust com-

(Continued on page 10)

*An address by Mr. Harl before 36th Convention of New Mexico Bankers Association, Bright Angel Lodge, Arizona, March 28, 1947.

GENERAL CONTENTS

As We See It

EDITORIAL

Not So Simple As It Seems

In the presence of almost daily ejaculations, complaints and exhortations, the rank and file not unnaturally appear to have become badly confused about the current price situation. There are those who insist that "prices"—as if the price structure were a homogeneous, amorphous mass—should rise no further, should even decline, while wages should rise until they have become "adjusted" to the higher cost of living. Of course, many are of the contrary opinion—that wages should rise no further, and that, regardless of any such future stability in wages, prices are destined to further advance. Still others are convinced that public interest requires that wages and prices should at worst be voluntarily and cooperatively stabilized at present levels, and that "wherever possible" prices should be reduced. Meanwhile, this group or that, is ready at all times to hold government or "greedy" business "responsible" for what has already taken place.

As a matter of fact "prices," or what is commonly known as "the price level," is a sum or average of many different quotations and markets, each with its own individual milieu, each responding to its own causative factors, and each bearing upon many others. It may therefore happen, and indeed has now happened and is now happening, that a rise in "general prices" may result from price increases in various sectors of the economy, some of which are quite in the public interest, some of which may be inevitable regardless of any individual, some of which are an outgrowth of gauche government operations, and some of which may reflect failure on the part of individual businessmen to exercise full enlightenment and self-control in seeking their own interests.

(Continued on page 4)

From Washington Ahead of the News

By CARLISLE BARGERON

One of the most interesting experiences which the Republican budget cutters have had, aside from the propaganda barrage in papers they had looked to for support, was that of an attractive and go-getting gentleman named Faulkner.

It seems that in the Wagner-Peyser Act of 1933 the United States government created veterans' placement services in every public employment office of the country. This was hailed as a forward move, one not looking back to yesteryear, but to the future, and therefore, to be considered as a very constructive step. The idea was that jobholders galore should be created and placed around the country with a view to getting some other veterans jobs, the law reading that the jobholders, in the first instance, had to be veterans We have had so many wars that manifestly all of us qualified for the office and the purpose was that we would, in turn, try to get jobs for some of the other fellows. In this way, Democracy works or somebody is working Democracy, I am undecided as to which.

Carlisle Bargeron

However the workings of this racket may have been, there came a time when a grateful nation once again wanted to do something for its gallant drafted boys. So when Congress passed the famous GI Bill of Rights, as a way of showing its renewed gratitude, it granted a lot of bounty, and then as if as an afterthought, said, "Oh, one thing more."

In addition to all the money which a grateful people were to pour out to the veterans, they should have an additional committee.

Veterans just love committees, so naturally they would be appreciative of a committee such as this. It was thus provided that with a view of really showing how we backed up the armed forces, another veterans' placement committee should be set up. It was to be composed of the Veterans Administration Director, the Secretary of Labor and the

(Continued on page 16)

Illusions!

"There are several illusions in all this 'war potential' attitude.

"a. There is the illusion that the New Germany left after the annexations can be reduced to a 'pastoral state.' It cannot be done unless we exterminate or move 25,000,000 people out of it. This would approximately reduce Germany to the density of the population of France.

Herbert Hoover

"b. There is an illusion in 'war potential.' Almost every industry on earth is a 'war potential' in modern war. No industry (except direct arms manufacture), is a war potential if the energies of a people are confined to the paths of peace. If Germany be disarmed in the way I have assumed above, there must a control commission to see that they do not have any army or any navy. And two score of intelligent men, as part of that commission, could see that there is no arms production and that no industry is manufacturing or storing materials for evil purposes. Moreover, industry is not likely to waste its substance, either by storing or manufacturing for war, when there is no army or navy to use it.

"The question here is not 'level of industry.' The real question is whether the Allied nations will stick to their abolition of militarism itself in Germany. If they do that, there is little danger from 'war potential' in industry.

"c. Another illusion, is that the 'light industry' in Germany can be expanded to a point where she will be able to pay for her imports. In my view, it cannot be done for years, and even then it is doubtful in the face of competition with the 'light industries' of other parts of the world.

"d. The over-all illusion is that Germany can ever become self-supporting under the 'levels of industry' plan within the borders envisioned at present for New Germany.

"e. A still further illusion is that Europe as a whole can recover without the economic recovery of Germany."—Herbert Hoover.

How much must we pay to prevent or limit starvation in Germany and elsewhere in Europe before we are ready to cast off these illusions?

Bunting Lays Down Anti-Inflation Policy

President of NAM says prices of manufacturers have not advanced as much as food prices, and contends inflationary spiral can be reversed by teamwork between government, labor and management.

Earl Bunting, President of the National Association of Manufacturers, on March 28, 1947, made public the following statement with reference to rising prices:

Earl Bunting

"The President of the United States and the Secretary of the Treasury, at recent press conferences, expressed their concern over recent price increases and admonished business to reduce prices promptly to the lowest levels possible. I share their concern, as do all thoughtful businessmen. It is a recognized fundamental of good management not to 'charge all the traffic will bear,' but continuously to maintain those prices which are equitable and fair to consumers, to employees, and to the owners whose investments make business possible.

"Last month (on Feb. 28) the Board of Directors of the National Association of Manufacturers unanimously approved this statement on the subject of prices: 'NAM Directors, accepting the recommendation of the Economic Policy Committee, endorse the desirability of cooperation between management and labor to resist increased costs and prices to the public, thereby spreading the benefits of expanding production among all the people.'

"Since then there have been further increases in prices. This has been especially true for food products which shot upward because of large-scale buying by government and foreign nations for shipment abroad, and the prospect of additional large-scale government purchases of foodstuffs still in limited supply in this country. Unfortunately, the volume of such buying and the amount of prospective purchases for export is still a 'state secret,' so that the inflated price levels it produces cannot be appraised properly or handled intelligently.

"Generally speaking, the prices of manufactured products have not climbed anything like the rise in the prices of foodstuffs. But more important, there are strong forces working today against the much desired downward readjustment of the price level of manufactured goods. Outstanding among these forces is the uncertainty of businessmen about future wage levels, tax liabilities, cost of materials, and the possibility of another wave of crippling strikes which would further retard production.

"Much of this uncertainty could be resolved quickly if the Executive Branch of the government would get behind sound labor legislation to restore real collective bargaining and industrial harmony, tax reductions to free and stimulate investment, and such other action as necessary to assure the country that the era of business-baiting is over.

"The inflationary spiral which the President and his Treasury Secretary properly fear can be reversed only by teamwork between government, labor, and management, all putting the public interest above every selfish interest. It calls for a display of real statesmanship all along the line:

"By management resolutely refusing to take advantage of either the shortage of goods or the willingness of any part of the public to pay more than the price necessary to yield an adequate and fair profit;

"By labor constructively refusing to press for preferential treatment in the form of unwarranted wage increases and feather-bedding concessions, both of which can only lead to more price increases; and,

"By government courageously moving to promote stability in labor relations, economy in federal expenditures, and confidence on the part of the American people.

"Given this brand of teamwork, with free competition running interference, the way to the goal of sound and lasting prosperity for all is clear."

Debit Balances on NYSE in February

The New York Stock Exchange reported on March 14, that as of the close of business on February 28, member firms of the New York Stock Exchange carrying margin accounts reported as follows:

Total of customers' net debit balances of $572,917,994 on February 28, against $533,033,604 January 31. These figures include all securities, commodity and other accounts. Do not include debit balances in accounts held for other firms which are members of national securities exchanges, or "own" accounts of reporting firms, or accounts of general partners of those firms.

The Exchange's announcement of Feb. 14, also said:

Credit extended to customers on U. S. Government obligations was $66,060,671 at the end of February, against $69,007,409 on January 31. This amount is included in the net debit balance total.

Cash on hand and in banks in the United States amounted to $407,825,494 on February 28, compared with $442,533,290 a month before.

Total of customers' free credit balances on February 28 was $681,-134,347 against $687,378,796 at the end of January 1947. These figures include free credit balance in regulated commodity accounts. Do not include free credit balances held for other firms which are members of national securities exchanges, or free credit balances held for the accounts of reporting firms or of general partners of those firms.

Industrial Activity to March 15 Reported by Federal Reserve Board

"Industrial output and employment were maintained in February and the early part of March at the record peacetime levels reached in January," said the summary of general business and financial conditions in the United States, based upon statistics for February and the first half of March, issued on March 27, by the Board of Governors of the Federal Reserve System. "Value of department store sales has continued at a seasonally adjusted rate close to the level prevailing since early last summer," according to the Board which reported that "wholesale commodity prices have advanced further." The Board's advices continued:

Industrial Production

"Industrial production, as measured by the Board's seasonally adjusted index, was maintained in February at the January rate of 188% of the 1935-39 average. Output of durable manufactures was slightly above the January rate, owing mainly to increased activity in the automobile industry and to a somewhat greater than seasonal gain in production of lumber and other building materials. The number of automobiles and trucks assembled reached a new postwar peak which was about the same as the 1941 average.

"The Board's index of steel production showed a slight gain in February as a 9% increase in output at electric furnaces more than offset a 2% decline in production at open hearth furnaces. In March scheduled operations continued to advance, reaching a new postwar high of 97% of capacity in the last week of the month.

"Output of manufactured food products declined somewhat in February, after allowance for the usual seasonal changes, owing largely to a reduction in the processing of fruits and vegetables. Activity showed little change at textile mills, and also in industries producing chemicals, rubber products, and most other nondurable manufactures.

"Minerals production was maintained at the January rate, as a 6% decline in coal output was offset in the total by increased production of crude petroleum and metals.

Construction

"Value of construction contracts awarded in February was about the same as in December, according to the F. W. Dodge Corporation. Awards in January had been about one-fourth higher, owing mainly to several large public and private projects. Value of awards for private nonresidential construction continued to show little change from the reduced levels reached in November. The maximum amount of this general type of activity permitted under Federal orders was raised substantially on January 10.

Distribution

"Department store sales in February and the first half of March showed about the usual seasonal advance and the Board's adjusted index of sales during the first quarter of the year is likely to be at about the same average level as during the fourth quarter of last year, when the index was close to 270% of the 1935-39 average. Value of department store stocks showed a greater than seasonal increase in February and the preliminary adjusted stocks index reached a level of 280% of the 1935-39 average.

"Shipments of coal and most other classes of revenue freight declined somewhat in February, owing in part to severe weather conditions, and then advanced during the first two weeks of March. Loadings of forest products, however, were considerably above the January rate throughout this period.

Commodity Prices

"Wholesale commodity prices continued to rise during February and the first half of March. The Bureau of Labor Statistics' index of wholesale prices at 149 (1926=100) was one-third above the level of last June. There were sharp increases to a new high level of 184 in the index for farm products and the average of prices of commodities other than farm products continued to rise.

Bank Credit

"Deposits of businesses and individuals at commercial banks declined sharply and Treasury deposits at Federal Reserve Banks increased in February as a result of large tax payments. This shift of funds to Treasury accounts at the Reserve Banks put a drain on member bank reserves, which was offset in part by a decline in required reserves and in part by an increase in Reserve Bank holdings of Government securities. In the first half of March, however, when Treasury deposits at the Reserve Banks were drawn down in connection with cash retirement of about $3 billion of maturing securities, member bank reserve positions were eased considerably and Reserve Bank holdings of government securities declined sharply. Completion of the United States payment to the International Monetary Fund in February resulted in a decline in the total monetary gold stock of the Treasury and in offsetting changes in other Treasury and Federal Reserve accounts without affecting member bank reserve balances.

"Commercial and industrial loans increased further at banks in leading cities. Real estate loans rose moderately. Holdings of government securities were reduced further in February through sales to maintain reserve position and were increased somewhat early in March as purchases of Treasury bills and certificates were larger than the amount of retired issues held by these banks."

Cannon New U. S. Envoy

Richard C. Patterson, Jr., on March 27 tendered his resignation as Ambassador to Yugoslavia and it was accepted by President Truman with "great reluctance," according to a release of the exchange of letters by the White House on March 27, a special dispatch from Washington to the New York "Times" stated. The President complimented Mr. Patterson on his service under most difficult conditions. On March 31 the President sent to the Senate the name of Cavendish W. Cannon, of Utah, to succeed Mr. Patterson as Envoy to Yugoslavia. Mr. Cannon at present is a Foreign Service Officer.

Ambassador Patterson agreed to continue to act in a consultative capacity with the State Department until the appointment of his successor. In Associated Press advices from Washington it was noted that Mr. Patterson has been in the United States since late November and has given a series of lectures on Marshal Tito and conditions in Yugoslavia.

Culbertson Goes to Madrid

Under date of March 26 special advices from Washington to the New York "Times" stated:

Paul T. Culbertson, chief of the western European division of the State Department, has been assigned to Madrid as First Secretary of the Embassy and Charge d'Affaires, it was announced today. The State Department said the assignment was of "a purely routine administrative character and has no political significance whatsoever."

Lewis Orders Holiday in Coal Mines

Head of mine workers in letter to union members accuses Secretary of Interior Krug of criminal negligence and responsibility for Centralia, Ill., mine disaster. Calls government mine administration debauched. John D. Battle of National Coal Association says holiday order is an exhibition of tyrannical power.

On March 29, John L. Lewis, President of the United Mine Workers, in a surprise move, addressed a letter to officers and members of the bituminous districts of his organization, directing a week's holiday as a memorial to the victims of the Centralia, Ill. mine disaster, which occurred on March 26. The text of the Lewis letter follows:

John L. Lewis

"To the officers and members of the United Mine Workers of America in all bituminous districts in the United States:

"Greetings:

"Another monumental mining disaster has occurred. An explosion occurring Tuesday, March 26, in the No. 5 mine of the Centralia Coal Company at Centralia, Ill., killed 111 mine workers.

"This is the worst disaster of its kind since 1928. The explosion and its attendant loss of life could have been prevented if the mining laws and the Federal safety code had been enforced. Local union officials have frequently called attention to the dangerous and unlawful conditions of this mine. State and Federal mine inspectors, after intimate examination, have reported the dangerous condition of this mine to their superiors. The mine was being operated under the supervision of the United States government, and the agent of government responsible for the safety of the men was J. A. Krug, Secretary of the Interior.

"Criminal negligence on the part of Krug is responsible for the death of these brave men and the future impoverishment of their families. Forced to work by yellow-dog injunction secured by Krug and his co-conspirators, the safety of these men was neglected to a point where they died like trapped animals.

"The widows now weep and their children have become pathetic, mournful and helpless figures. There is public sorrow at the moment, but we know from harsh experience that it is only a momentary feeling of pity on the part of the public, and this sacrifice, like others before, will soon be forgotten. Shortly after the mine workers bury their dead, the feeling of sorrow will remain only in the breasts of the loved ones who survived; and the mine workers can look forward to the next catastrophe.

"We who are privileged to speak for our dead, and for those pathetic widows and orphans, and for the future safety of our people, challenge this criminal and calloused attitude. This killing must stop. This debauched administration of mine safety must stop. It must be stopped now. The American people must be aroused to the stark realities of the situation and the casualties of the coal industry. Coal is already saturated with the blood of too many brave men and drenched with the tears of too many surviving widows and orphans.

"As an effective protest against these horrors, we believe that the industry should suspend work, mediate, pray and resolve for a safer and more secure future for those working in the coal mining industry. Under the basis agreement which has been continued in full force and effect there is a provision, under safety practices, which provides as follows:

"... 'The international union, United Mine Workers of America, may designate memorial periods provided it shall give proper notice to each district.'

"We believe the time has arrived when such a memorial period should be made effective. We recommend, therefore, in accordance with our agreement that the designated memorial period shall begin at midnight, Monday, March 31, and end at midnight, Sunday, April 6, 1947.

"During this period, coal production will cease and memorial ceremonies, church services and other exercises should be conducted to honor our dead and to pray to God in His infinite mercy to provide consolation for the bereaved families. The cooperation of the clergy and churches should be invited and accepted.

"It is a sacred coincidence that the greater part of this designated period of mourning will be during 'Holy Week.' 'Good Friday,' April 4, is observed by Christians everywhere in sorrowful meditation and prayer for the suffering and crucified Christ who died for us that we might live. During this sorrowful period it is fitting and proper that we join in these spiritual exercises.

"The mine workers are entitled to the reasonable privileges of all other citizens. They are entitled to reasonable protection of their lives as they follow their vocation. Let us hope that this period of mourning, in which all should participate, will realistically bring home to our callous government officials and the American people the necessity for such protection in the future."

Secretary of National Coal Association Calls Order "Tyrannical"

In answer to the foregoing letter, John D. Battle, Executive Secretary of the National Coal Association, made the following statement on March 29:

"John L. Lewis has once again given to Congress and the country an exhibition of his tyrannical and absolute power over the coal miners and the nation's fuel supply.

"The one week's work stoppage which he has decreed ostensibly to dramatize the tragic loss of life in the mine explosion at Centralia, Ill., will not bring any of those dead back to life, and will not bring any aid or comfort to their bereaved families and dependents.

"But Mr. Lewis's grandstand play will deprive 400,000 living miners of one week's wage and deprive the country of perhaps as much as 10,000,000 tons of coal that is badly needed by the railroads, the utilities, steel and other industries, and householders in this country, and for shipment overseas to relieve the desperate fuel famine in Europe.

"Since bituminous-coal miners, according to the most recent report of the United States Bureau of Labor Statistics, are earning on the average about $70 weekly, this new work stoppage will cost the mine workers in wages upward of $15,000,000. Its cost to the coal industry as a whole and to the national economy will be double or triple that amount. And all to no purpose except to cater to Mr. Lewis's delusions of grandeur.

"It would appear on the face of the matter that this new work stoppage is illegal and as contemptuous of government authority as was the work stoppage of last November, for which Mr. Lewis was prosecuted by the government and convicted of contempt of court.

"Putting a new label on it offering a new excuse, does not validate calling a halt to all coal mining in the face of an existing work contract to which the government is a party.

"It is a flagrant breach of the contract, but since the mines are at present in the hands of the government, the legal aspects of the work stoppages are a matter for the government to grapple with."

Hungary Credit Extended by U. S.

An agreement extending Hungary an additional $15,000,000 in credit for the purchase of surplus property has been signed by representatives of that country and the United States, Maj.-Gen. Donald H. Connolly, Foreign Liquidation Commissioner, announced on March 27. This increases to $30,000,000 the amount of surplus property credit extended Hungary by the United States, said the Commissioner's office, which also stated:

Terms of the agreement provide that Hungary shall make repayment in 25 equal annual installments starting July 1, 1952. The interest rate is 2⅜%. For the next five years, the United States also has the option of using up to $2,000,000 annually in Hungarian currency for U. S. Government expenses there or using the dollar equivalent of all or part of this amount for the acquisition or improvement of real estate. In 1952 and each year thereafter this maximum amount will be increased to $3,000,000 annually.

An earlier credit of $15,000,000 to Hungary was made known on Feb. 15 by the State Department at Washington, at which time Associated Press advices from Washington said:

The credit will allow Hungary to purchase surplus war material in occupied Germany. A similar amount was granted Hungary last year. These credits are among economic measures taken by the United States to aid that nation, which is under Soviet military occupation.

The State Department's announcement, according to the same press accounts, concluded:

The U. S. Government is continuing its consideration of various possible means of extending additional economic assistance to Hungary and, in this connection, has been cooperating closely with the Hungarian Legation and, more recently, with Mr. Jeno Koranyi, minister counsellor in the Ministry of Commerce, who came to Washington for this purpose.

It is hoped that arrangements can be concluded at an early date under which further economic aid for Hungary will be forthcoming.

Trumans to Visit Ottawa

An American President will pay an official visit to Canada for the second time when President Truman visits Ottawa early this June, according to a dispatch from that city on Mar. 25 to the New York "Times." In announcing the projected visit Prime Minister W. L. Mackenzie King said that the date had not yet been definitely arranged. It is anticipated that the President will address the Senate and House of Commons and probably speak to a mass reception on Parliament during his stay in Canada. Following the Quebec conference in 1943 President Roosevelt spoke to a public gathering on Parliament Hill in Ottawa. Mr. and Mrs. Truman are to be the guests of the Governor General, Viscount Alexander, at Government House.

The State of Trade

A slight increase in total industrial production took place the past week from the very high level of the previous week. Mild weather coupled with the absence of any large labor disturbances enabled some industries to reach new production peaks. An additional factor which contributed its share to increased output in the week was the continued improvement in the supply of raw materials.

Encouraging also were reports that inflationary tendencies in the steel market were at long last coming under control with softness appearing in scrap markets in some districts and slight declines occuring in others. Other indications of a slow return to more normal conditions in the steel trade are evidences of weakness in so-called black market or twilight steel prices and the attainment of a new and significant peacetime peak in steel output last week.

The automotive industry received a production setback the past week due to the violent snow and wind storm that raged over the Detroit area and surrounding localities early in the week upsetting manufacturing schedules. The loss in production, however, turned out be not as great as had first appeared probable.

Car and truck output in the United States and Canada for last week was estimated by Ward's Automotive Reports at 100,261 units. This compares with a revised figure of 108,472 for the previous week, 37,285 a year ago and 124,165 in the 1941 week.

The current total comprises 68,184 cars and 27,102 trucks built in this country and 3,245 cars and 1,730 trucks in Canada.

The announcement by John L. Lewis, head of the United Mine Workers Union, that his 400,000 soft coal miners would quit the pits at midnight March 31, for a six-day period of mourning for the 111 victims of the Centralia (Ill.) mine disaster proved to be not such an immediate threat to production as may have first appeared, since according to a government official, output the present week would have been less than half normal even without the stoppage. Tuesday, this official pointed out, is a traditional mine holiday and in addition, many miners remain away from the pits Holy Thursday and Good Friday, coupled with a usual high rate of absenteeism on the Saturday before Easter. From the viewpoint of industry spokesmen in Pittsburgh, the stoppage would have little effect on production if all the miners return to work next week. Some significance may be attributed to the fact that the close-down order was scheduled to begin at the exact moment Mr. Lewis had once planned a nation-wide strike for higher wages until he was restrained from doing so by the United States Supreme Court.

One other item of interest the current week and having a direct bearing on the nation's economy was the signing by President Truman on Monday and "with reluctance" legislation extending sugar rationing and price controls until Oct. 31, 1947. Mr. Truman also approved a measure retaining until June 30, next, the powers of priority and allocation control given in the Second War Powers Act over such items as tin, antimony, cinchona bark, streptomycin, cordage fibers, railroad transportation, tractors exports and whatever other commodities may be classified by the Secretaries of State and Commerce as essential to international commitments.

In addition, the government purchase of natural rubber will end, though Congress extended domestic controls over the use of both natural and synthetic rubber for one year. Emergency powers over truck lines and water carriers will be withdrawn from the Interstate Commerce Commission and the Office of Defense Transportation, but railroads will continue subject to freight embargoes and curtailment of operations if these again prove necessary. Other controls to be retained are those governing critically scarce building materials and uranium materials with authority over the former passing from the CPA to the Housing Expediter and the latter from the CPA to the Atomic Control Commission.

There was a moderate rise in retail volume the past week with dollar volume moderately above that of a year ago, reflecting chiefly higher prices rather than increased unit sales. The approaching holiday stimulated interest in apparel and gift items, but consumer selectivity continued to be evident.

Wholesale volume in the week remained close to the high level of the preceding week and was moderately above that of the corresponding week a year ago. Trading was light as buyers reordered Spring merchandise and checked on delivery of previously purchased goods. In hardware and electrical appliances continued improvement was noted in shipments.

Steel Industry — Inflationary tendencies in the steel market last week received a setback when, for the first time since the runaway scrap market began, scrap markets turned soft in some districts, declined slightly in others and were poised for a change at such points as Pittsburgh and Chicago, according to "The Iron Age," national metalworking paper, in its review of the steel trade.

Other developments in the current situation which may indicate a slow but orderly return to some sort of normalcy, states the magazine, were a softening in so-called black market or twilight steel prices plus the attainment the past week of a new and significant peacetime peak in steel production. Below the surface, supporting the apparent change in the steel scrap market as well as the high steel operating rate, the trade paper continues, has been a steady increase in the volume of pig iron production since the first of the year with indications pointing to a new high in pig iron output this month.

For the first time since last fall, when bitter competion between various scrap consumers broke out at points distant from the mills and had the effect of raising prices at those points, some major scrap users were out of the market early last week. This action has caused some anxiety in scrap circles and the first definite indication, "The Iron Age" notes, was a softening in scrap prices at Boston, a slight reduction in the average price in New York and a moderate downward trend at Philadelphia.

Quotations last week were steady at Pittsburgh, but reflected no actual change at Chicago. The range at Cleveland on the other hand has been narrowed with a reduction in the top prices for heavy melting steel. Whether or not this sudden weakness in the scrap market portends a sharp drop remains to be seen, the above trade authority observes, but it is definite that the peak has been reached and the trend in scrap prices is downward. Supporting this viewpoint is the fact

(Continued on page 8)

As We See It

(Continued from first page)

Consider the case of the grains, particularly wheat. Here, certainly, is not an "administered price"—that is, a price fixed by an individual or small group of businessmen in a half free and half controlled market. On the contrary, this is one of the relatively few markets in this or any other country which very nearly exemplifies the classical notion of perfect competition. Yet here it is that the most spectacular of recent price increases have taken place. Without question this market has felt pressure of a world demand which exceeds world supply by a substantial margin at prices which until lately have been prevailing. But recent spectacular price changes have had other causes super-imposed upon this basic situation. These other causes do not reflect credit upon Government, which has not only been vacillating in its computations of requirements and in its purchases, but which, whether intended or not, has led the markets to misread the current situation. One result appears to be that public buyers have been able to get their grain somewhat cheaper than otherwise might have been the case; another is that those individuals who were obliged to buy wheat in recent weeks have paid much more than would normally have been exacted of them. There can scarcely be any doubt that private interests behaving as the public authorities have done during the past few months would have been accused — and probably convicted — of manipulation.

Of course, in these markets as in all others, similarly situated prices which encourage production and tend to drive out unessential buying are to be regarded as in the public interest. It is by such means that a free economy adjusts itself to that which it has no way of controlling. It is in light of such reasoning that informed observers are disposed to regard some other recent price advances as in the public interest, whether or not we like to pay what is asked at present. Thus if it is necessary to pay current prices for the non-ferrous metals and for steel scrap in order to bring high-cost mines into operation and thus enlarge supply, to draw what is wanted from foreign mines, or to increase the flow of scrap from many potential points of supply, then the public must either pay such prices or get along as best it may with quantities of numerous types of goods which are clearly less than desired. The public is at all times free to make that choice, and it is only the public which can make the final decision in such matters.

Necessary Adjustments

There are doubtless many other instances in which no just complaint can be made of higher prices. The markets of the country are adjusting themselves to conditions which follow upon the heels of several years of arbitrary price controls during which many elements of cost rose very substantially and at varying rates. It certainly would not be more surprising to find that some prices have not yet adjusted themselves fully to all this than it would be to observe that others may have over-shot the mark. Whatever may be ahead of us at present, it may be taken for granted that some prices will move upward in response to economic factors which can not be denied or ignored if we are to have the supplies we desire. It may or may not be true that others in counter-balancing numbers will decline. That will depend upon many factors now not altogether easy to appraise.

In all such considerations it is vital to bear in mind that beginning several years prior to the war, and continuing, of course, at an accelerating rate during hostilities, the Federal Government at times deliberately and at times, perhaps, unavoidably has been engaged in enlarging the money supply of the people of this nation. Whatever may be one's view of the so-called quantity theory, it may be safely assumed that the influence of this monetary revolution is on the side of higher prices, and will remain so. Contrary to popular conceptions, full production is no antidote for such a disorder. Reduction of this supply by transfer of government obligations from the banks to other holders, or substantial year-to-year reduction in the debt of the Federal Government in the hands of the banks, or preferably both, is the only real remedy. Here again it must be said that public policy is definitely not on the side of price stability or price reduction.

Finally, in appraising current profits and the amounts set aside out of earnings for contingency reserves and the like, the fact must not be overlooked that a dollar is today not what a dollar was in years gone by. If it is just to consider the cost of living in studying wage rates and changes in wages, it is also just to consider the general price level in weighing what business enterprise is earning and what it is putting aside for the proverbial rainy day. The business man who is setting aside funds to carry him and his enterprise through a possible period of adversity in the future, must, of course, not forget that the cost of "carrying his enterprise through" such a period will be very much larger than was the case only a relatively few years ago.

All such matters must be taken into consideration if the existing price situation is to be understood. Many of them doubtless have influenced the price decisions of countless businessmen during the past few weeks. These leaders in industry and trade must, of course, also remember, as doubtless most of them have, that it may not be altogether wise merely to charge all that traffic appears able and willing for the moment to bear.

FDIC Returns to Philadelphia Banks

The Federal Deposit Insurance Corporation announced on March 4 that it has recovered for and returned to the associated banks of the Philadelphia Clearing House Association, with interest, the $9,000,000 advanced by them in 1934 to the Integrity Trust Company of that city in a futile effort to prevent the institution from closnig its doors. The announcement came from Maple T. Harl, Chairman of the Board of Directors of the Federal Deposit Insurance Corporation. According to Chairman Harl, the recovery of the balance of the $9,000,000 advanced and its repayment to the 12 banks comprising the Clearing House Association was effected out of the proceeds of the liquidation of the frozen and substandard assets assigned to the Federal Deposit Insurance Corporation by the Integrity Trust Company in January, 1940 when the Federal Deposit Insurance Corporation advanced approximately $20,000,000 to cover the insured deposits thereby completely protecting all depositors of the Integrity Trust Company. The announcement added:

"Depositors' funds were made available by the Federal Deposit Insurance Corporation through the medium of two paying agents, the First National Bank of Philadelphia in the case of checking deposits and the Western Saving Fund Society of Philadelphia in the case of savings depositors. The 12 Philadelphia banks which had previously advanced the Integrity Trust Company a total of $9,000,000, received $6,000,000 of the funds advanced by the Federal Deposit Insurance Corpration in January, 1940 and agreed to look for reimbursement of the remaining $3,000,000 from the proceeds of the liquidation by the Federal Deposit Insurance Corporation of the pledged assets."

Chairman Harl further stated: "We of the Federal Deposit Insurance Corporation are highly gratified to report that as a result of this transaction no depositor in the Integrity Trust Company has taken a dollar's loss on any account regardless of amount, everyone having been paid in full. The banks which came to the aid of the Integrity Trust Company in 1934 subordinated their deposits for the purpose of protecting the institution and they likewise now have been paid in full. This is Federal deposit insurance in action."

Items About Banks, Trust Companies

The statement of the Chase National Bank of New York for March 31, 1947 made public April 2 shows deposits of the bank at the end of March at $4,488,156,000 compared with $4,495,304,000 on Dec. 31, 1946 and $5,140,087,000 on March 30, 1946. During the past twelve months there was a reduction of $931,470,000 in the bank's United States Government War Loan deposit, which amounted to $149,221,000 on March 31, 1947, compared with $1,080,691,000 on March 30, 1946. Total resources on March 31, 1947 amounted to $4,860,581,000 compared with $4,865,535,000 on Dec. 31, 1946 and $5,498,511,000 a year ago; cash in the bank's vault and on deposit with the Federal Reserve Bank and other banks amounted to $1,104,330,000, compared with $1,143,401,000 and $875,763,000 on the respective dates; investments in United States Government securities at $2,140,178,000 compared with $2,221,343,000 and $2,960,277,000; loans and discounts, $1,251,549,000 compared with $1,126,462,000 on Dec. 31, 1946 and $1,315,612,000 on March 30, 1946.

Capital funds of the bank on March 31 and Dec. 31 were as follows:

	Mar. 31, '47	Dec. 31, '46
Capital	$111,000,000	$111,000,000
Surplus	154,000,000	154,000,000
Undivid. profits	49,049,000	48,501,000
Tot. cap. funds	$314,049,000	$313,501,000

Net earnings per share on the 7,400,000 shares of capital stock for the first quarter of this year, compared with the fourth quarter of 1946 are shown in the following table:

	1947 1st Quart. per sh.	1946 4th Quart. per sh.
Net current operating earnings	$ .44	$ .59
Net profits from sales of securities	.03	.00
Tot. net earns.	$ .47	$ .59

Karl A. Panthen, a Vice-President of the Chase National Bank of New York, died on March 30 in Memorial Hospital. Mr. Panthen, who resided in Scarsdale, N. Y., was 57 years of age. He was born in Schenectady, N. Y., and for 10 years had been associated with the General Electric Co. and during the first World War served in the Bureau of Aircraft Production of the U. S. Army. Noting that in 1919 he joined the staff of the Chase National Bank and was successively an officer of the bank and of its affiliate, the Chase Securities Corp., the New York "Times" of March 31 added:

From 1925 to 1927 Mr. Panthen had charge of the bank's branch in Havana.

Subsequently, he resumed his work with securities. In recent years his activities in the Chase organization had been devoted largely to the reorganization of industrial corporations.

He had been a director of many corporations and at his death was a member of the board of the Botany Worsted Mills, the Crown Cork International Corp. and the H. W. Baker Linen Corp.

In 1939 and 1940 the services of Mr. Panthen were lent by the bank to the Associated Hospital Service of New York to develop a new financial system for the "Blue Cross" activities of that organization.

Guy Emerson, Vice-President of Bankers Trust Company of New York, retired from the bank on April 1. He is now in his 25th year of service with the institution. Prior to that he was for six years Vice-President of the National Bank of Commerce, New York. On May 15 Mr. Emerson will become Chairman of the Executive Committee of the John Price Jones Corporation, 150 Nassau Street, New York, fund-raising and public relations counsel for educational and other philanthropic institutions. He has been a director of the Jones Corporation for 27 years. Besides assisting with fund-raising activities of the Jones Corporation, Mr. Emerson will organize a new affiliate partnership to handle institutional and commercial public relations. He will also continue his activities in various civic undertakings with which he has been identified for many years.

During the First World War Mr. Emerson was Director of Publicity in the Liberty Loan campaigns and in 141 was the first Chairman of the Executive Committee of the U. S. Treasury Defense Bond Committee for New York State. Mr. Emerson's past associations include: President of the National Audubon Society in 1944; President of the Association of Reserve City Bankers in 1930; Vice-Chairman of the National Red Cross War Funds in Washington from 1941 to 1943; and Chairman of the Advisory Committee of the Office of Civilian Requirements of the War Production Board in 1944. He is a trustee of the Samuel H. Kress Foundation and the Community Service Society of New York and Treasurer of the Eastern Division of the Salvation Army.

The statement of condition of the Manufacturers Trust Co. as of Mar. 31, 1947 shows deposits of $2,103,695,601 against $2,286,946,694 on Dec. 31, while resources of $2,250,225,889 were reported as of Mar. 31, comparing with the figures of $2,434,252,883 for the Dec. 31, 1946 period. U. S. Government securities as of Mar. 31 are shown as $1,179,216,424 against $1,233,148,318 three months ago; cash and due from banks amounted to $505,278,630 at the latest date compared with $631,322,811 on Dec. 31. Loans, bills purchased and bankers' acceptances amounted to $469,166,049 in the latest report against $475,065,721 on Dec. 31.

Capital funds and surplus account have remained unchanged for the past quarter at $41,250,000 each, while undivided profits amounted on Mar. 31, 1947 to $37,683,686 against $36,529,898 Dec. 31, 1946.

Bank of the Manhattan Company of New York reported as of March 31, 1947 total deposits of $1,014,512,354 and total assets of $1,087,398,746, compared respectively with $1,055,451,016 and $1,129,958,512 as of Dec. 31, 1946. Cash on hand and due from banks amounted to $311,538,864 against $316,145,094; holdings of United States Government obligations, $321,478,615 against $378,042,009. Loans and discounts amounted to $404,094,624, compared with $385,765,415. Capital remained at $20,000,000. Surplus remained at $30,000,000. Undivided profits after reserve of $600,000 for quarterly dividend increased to $13,452,534 from $13,110,036 at the end of December.

The Public National Bank & Trust Company of New York announced in its Mar. 31, 1947 statement of condition that the total deposits were $503,931,631, compared with $552,052,883 as of Dec. 31, 1946. Total assets at the end of March were reported at $539,300,744 against $588,383,752 at the end of December. U. S. Government securities held by the bank

(Continued on page 16)

Gov. Warren Protests Gasoline Price Increase

California Governor says he'll ask Justice Department to investigate price manipulations on West Coast.

According to an AP despatch from San Francisco on March 20, the gasoline price increase announced by Standard of California, was termed "a plain steal" by Gov. Earl Warren.

Gov. Earl Warren

The Governor added he would ask the Department of Justice to investigate oil company earnings and "agreements and understandings for the manipulation of gasoline prices on the Pacific Coast to the injury of the public."

Answering Gov. Warren's charges, a Standard Oil spokesman said the "higher gasoline prices were necessitated by higher crude prices. Crude prices had to go up to assure production of the necessary supply of oil for the Western States.

"Product prices are based now, as always, on the costs of doing business. We are sorry Gov. Warren disagrees with our position."

Following the price announcement of Standard Oil of California, Socony-Vacuum Oil Co. also raised its price of all grades of gasolines, kerosene and distillate fuels, which include home heating and Diesel grades .07 of a cent a gallon throughout New York State and New England.

Voorhees Food Chief In Occupied Countries

The newly created post of War Department Food Administrator for Occupied Areas is to be occupied by Tracy S. Voorhees, who accompanied Herbert Hoover on his recent food mission to Germany, according to an announcement by Secretary of War Paterson on March 26. The new office was established and Mr. Voorhees, who has been serving as special assistant to Mr. Patterson, was appointed to it on the recommendation of Mr. Hoover and Howard C. Petersen, Assistant Secretary of War, who has responsibility for administration of civil affairs in occupied areas. The move is intended to meet the threat of famine in Germany, Japan and Korea, advices to the New York "Times" from Washington stated on Mar. 26. Mr. Voorhees, who has been acting for Mr. Petersen on food relief problems for occupied areas, will concern himself as Food Administrator with programs for importing food, seed and chemical fertilizers into the occupied countries, Secretary Patterson stated. Besides filling these nations' immediate requirement for food the plan is to enable them to increase their own food production.

Supreme Court Asked for Portal Pay Decision

The United States Supreme Court has been asked to immediately review the lower court decision involving the portal-to-portal pay issue in the Mount Clemens Pottery Co. case. Attorney-General Tom C. Clark stated in a petition filed with the Court that the public interest will be "promoted" by prompt settlement of the decision by United States District Court Judge Frank A. Picard denying the pottery plant workers the portal pay claims, according to Washington Associated Press advices Mar. 20. The Government's petition seeks to have the Supreme Court pass on the matter, which has become of historic importance, without previous intervention by the Sixth Circuit Court of Appeals at Cincinnati. The Attorney General, it is said, believes that a prompt ruling by the high tribunal would settle the almost $6,000,000,000 portal-pay suits filed against companies in numerous States, the multitude of which, he says, "now threatens to embarrass judicial administration in both Federal and State courts and to disrupt industrial relations in the period of reconversion." Mr. Clark also called attention, it is stated, to the possible effect of such suits on tax refunds which the Treasury might be called upon to make to companies the courts awarded portal-to-portal pay claims.

In reviewing the Mount Clemens case the Associated Press went on to say that the company's workers had recently appealed Judge Picard's decision to the United States Circuit Court in Cincinnati, and continued:

"The Supreme Court, in its June, 1946, decision, held that time spent by employees in walking to work after punching the time clock constituted working time under the wage-hour act. It sent the case back to Judge Picard to determine the amount of walking time involved and the amount of preliminary activities, 'giving due consideration to the *de minimis* doctrine.'

Judge Picard ruled on Feb. 8 that workers are not entitled to portal time except when they are going to their jobs. In the Mount Clemens case, he said, this time never amounted to more than eight minutes and in his opinion compensation was banned by the *de minimis* doctrine.

Mr. Clark told the Supreme Court that, in the Government's view, "the *de minimis* doctrine requires that account be taken not only of the relative amounts in controversy, but of public interests as well. His petition added:

"Due consideration must be given both to a proper balancing of walking and 'make-ready' time against those periods devoted to personal pursuits during normal working hours and to the expense, difficulty and possible disruption of industrial peace incident to the keeping of records of short intervals of time."

The Supreme Court, which was in recess until Mar. 31, was not expected to announce its action until that time.

Truman to Broadcast Roosevelt Service

In announcing plans for the commemoration of the second anniversary of the death of the late President Franklin D. Roosevelt on Apr. 12, Henry Morgenthau, Jr., President of the Franklin D. Roosevelt Memorial Foundation, disclosed on Mar. 27 that services would be held at Hyde Park, N. Y. at which Mrs. Roosevelt and Robert Sherwood would broadcast, Washington advices to the Associated Press stated. Preceding this President Truman will make a nationwide broadcast from the White-House at 4:30 p.m. in honor of the late President. The President is honorary President of the Memorial Foundation.

House Bill Rejects Warren

The House, by a roll-call vote of 343 to 39, on March 25 passed a reduced appropriations bill, which puts Edgar L. Warren, Conciliation Director, off the Labor Department payroll and cuts in half funds requested for the National Labor Relations Board, Associated Press Washington advices stated. The measure appropriates $1,694,586,700 for the Labor Department, the Federal Security Agency and related offices for the fiscal year beginning July 1.

The House vote sustained the recommendation of the Appropriations Committee on March 21 that the financial props be removed from under the U. S. Conciliation Service by refusing to pay for Mr. Warren, its Director, and a number of his top aides. The Conciliation Service is the Labor Department's chief means of settling labor-management disputes. In Associated Press advices it was stated:

As it went to the Senate, the bill carried $89,864,200 for the Labor Department, $899,045,180 for the Federal Security Agency, $4,033,700 for the NLRB, $850,000 for the National (railway) Mediation Board and $690,793,000 for the Railroad Retirement Board.

The over-all total was $78,825,520 below the President's budget estimates and $365,170,277 above current-year appropriations. The increase was due to enlargement of the railroad retirement account.

The action today raised to $975,898,270 the total cuts in the President's budget on the two big appropriation bills now passed by the House. The two together—carrying funds for the Labor Department-Federal Security Agency and the Treasury-Post Office Departments—account for approximately 40% of the total Presidential budget of $37,500,000,000 for the fiscal year starting next July 1.

Bradford Exec. V.-P. Of U. S. Chamber

The elevation of Ralph Bradford to be Executive Vice-President of the Chamber of Commerce of the United States was anounced on March 24 by the Chamber's Board of Directors. Arch N. Booth, for the last four years his assistant, becomes Manager of the Chamber. The change in Mr. Bradford's title was made upon recommendation of the President and the Executive Committee, as being more nearly commensurable with his executive responsibilities and the over-all public relations and policy character of his work. The change in Mr. Booth's title was made upon the recommendation of Mr. Bradford, in recognition of the increased responsibilities which Mr. Booth has assumed and which he will be asked to assume. Mr. Bradford, who came to the Chamber in 1929 as an Assitant Departmental Manager, has advanced steadily in the organization. He was promoted to departmental manager, became Secretary in 1939, and was appointed head of the organization with the title of General Manager in 1942. The new executive Vice-President was born in Pennsylvania and reared in Texas. Mr Booth came to the Chamber four years ago from Wichita, Kansas, where he was manager of the Wichita Chamber of Commerce. He took there a leading part in the city's development. As Mr. Bradford's chief aide, he has steadily assumed added responsibilities in the Chamber's management.

Government Employees to Have Loyalty Test

President Truman, in an Executive Order issued March 22, set up machinery for the elimination of subversive or disloyal persons from the Federal service, thus adopting the recommendations of his temporary Commission on Employee Loyalty. Under the order, which covers approximately 2,200,000 executive branch positions, there is to be a Civil Service investigation of the loyalty of every person entering the civilian employment of any department or agency of the Executive Branch of the Federal Government. Persons not entering competitive service, and hence not investigated by the Civil Service Commission, are to be subjected to a loyalty investigation by the department or agency employing them. In the introduction to his order, according to Associated Press Washington advices, the President stated that every Government employee "is endowed with a measure of trusteeship over the democratic processes which are the heart and sinew of the United States." Present employees who have not already been checked for loyalty are to be subjected to scrutiny by the Federal Bureau of Investigation. Department heads will be held "personally responsible" for the character of their subordinates.

A "central master index" is to be maintained within the Civil Service Commission of all persons who have undergone loyalty checks by any Department or agency since Sept. 1, 1939. Each department head is to "appoint" one or more loyalty boards, [we quote from the Associated Press] each composed of not less than three representatives of the department or agency concerned, for the purpose of hearing loyalty cases arising within such department or agency and making recommendations with respect to the removal of any officer or employee of such department or agency on grounds relating to loyalty, and he shall prescribe regulations for the conduct of the proceedings before such boards.

It was also indicated in Associated Press account that as a final authority for appeal by employees recommended for dismissal on grounds of disloyalty there is to be "established in the Civil Service Commission a loyalty review board of not less than three impartial persons, the members of which shall be officers or employees of the commission.

"a. The board shall have authority to review cases involving persons recommended for dismissal on grounds relating to loyalty by the loyalty board of any department or agency and to make advisory recommendations thereon to the head of the employing department or agency. Such cases may be referred to the board either by the employing department or agency, or by the officer or employee concerned.

"b. The board shall make rules and regulations, not inconsistent with the provisions of this order deemed necessary to implement statutes and executive orders relating to employee loyalty.

"c. The loyalty review board shall also:

"(1) Advise all departments and agencies on all problems relating to employee loyalty.

"(2) Disseminate information pertinent to employee loyalty programs.

"(3) Co-ordinate the employee loyalty policies and procedures of the several departments and agencies.

"(4) Make reports and submit recommendation to the Civil Service Commission for transmission to the President from time to time as may be necessary to the maintenance of the employee loyalty program."

The Executive Order provides the following standards for judging the employee's, or prospective employee's, loyalty — we quote from the New York "Herald Tribune" account (Associated Press) of the Order:

1. The standard for the refusal of employment or the removal from employment in an executive department or agency on grounds relating to loyalty shall be that, on all the evidence, reasonable grounds exist for belief that the person involved is disloyal to the government of the United States.

2. Activities and associations of an applicant or employee which may be considered in connection with the determination of disloyalty may include one or more of the following:

A. Sabotage, espionage, or attempts or preparations therefor, or knowingly associating with spies or saboteurs;

B. Treason or sedition or advocacy thereof;

C. Advocacy of revolution of force or violence to alter the constitutional form of government of the United States;

D. Intentional, unauthorized disclosure to any person, under circumstances which may indicate disloyalty to the United States, of documents or information of a confidential or non-public character obtained by the person making the disclosure as a result of his employment by the government of the United States.

E. Performing or attempting to perform his duties, or otherwise acting, so as to serve the interests of another government in preference to the interests of the United States.

F. Membership in, affiliation with or sympathetic association with any foreign or domestic organization association, movement, group or combination of persons, designated by the Attorney General as totalitarian, Fascist, Communist, or subversive, or as having adopted a policy of advocating or approving the Commission of acts of force or violence to deny other persons their rights under the Constitution of the United States, or as seeking to alter the form of government of the United States by unconstitutional means.

The order does not apply to Congress and its employees nor to the Courts and their employees. The President acted only as the head of the Executive branch of the Government. The program, although ordered into effect immediately, still requires an appropriation from Congress of implementing funds.

War Contract Board Members Renamed

It was announced by the Treasury Department on March 13 that the following three members of the Appeal Board of the Office of Contract Settlement (functions of which were transferred to the Department by executive order in December 1946) have been reappointed, advices to the New York "Journal of Commerce" from its Washington bureau stated:

Raymond P. Baldwin, a member of the New York and Boston bars, former special assistant to the Attorney General, and Assistant General Counsel of the Foreign Economic Administration.

Lawrence E. Hartwig, a member of the New York bar, formerly with the School of Law, University of Oregon.

George O. May, a certified public accountant and formerly a senior partner of Price, Waterhouse & Co.

Steel Operations Lower—Consumer Resistance To Increased Prices Seen in Scrap Break

According to the American Iron and Steel Institute, the operating rate of steel companies having 93% of the steel capacity of the industry will be 95.4% of capacity for the week beginning March 31, compared with 97.0% for the preceding week, 94.4% one month ago and 87.1% one year ago. This week's schedule is equivalent to 1,669,400 tons of steel ingots and castings, compared to 1,697,400 tons one week ago (the highest weekly peacetime tonnage in the history of the industry), 1,651,900 tons one month ago and 1,535,000 tons one year ago. Temporary material shortages, the Institute said, is probably responsible for the slight recession this week, which, however, was the 13th week in succession in which operations have been slated above 90%.

"Scrap prices declined this week in every major district in the country," according to the "Iron Age," national metalworking paper, which in its issue of today (April 3), adds:

"Average quotations on heavy melting steel were down $2.75 a ton at Philadelphia, $3.25 in the Youngstown area, $1.50 at Chicago, $2 in Pittsburgh, $2.50 in Boston and $2.88 in New York.

"The downward trend that appeared last week has now become a definite downward movement and it is almost certain that one of the greatest scrap price peaks in history has been passed. The "Iron Age" scrap composite price this week reflecting changes at Pittsburgh, Chicago and Philadelphia is $37.33 a gross ton, down $2.17 a ton from last week's level of $39.50.

"Sensing that the trend of scrap prices is definitely downward, scrap consumers are attempting to take advantage of this fact by refraining from buying as far as possible. By this method it is hoped that prices can be depressed further. While there was an indication this week that additional declines in the scrap price level are in order, there was no concrete evidence yet of a drop comparable in speed and degree with the upward trend which began last fall.

"Efforts in some quarters to minimize the effect of the 'memorial strike' in the coal fields this week do not alter the fact that one large producer may be forced to take off as many as eight blast furnaces in the Pittsburgh district because of coke shortages. These units are entirely dependent upon beehive coke for fuel and since beehive coke workers will observe the mine shutdown this week, some firms in the Middle West may feel the effects of the loss in coal for some weeks to come.

"The drop in the steel ingot rate this week is not considered to reflect a downward movement. Gas shortages at Pittsburgh and the probable effects of the coal mine shutdown this week are more responsible than any other factors. This situation is temporary and it is to be expected that normal fluctuations in the steel ingot rate will take place from time to time.

"The relationship between the United States Steel Corp. and the steel workers union continues unruffled and static, but the dilly-dallying in Congress over portal-to-portal legislation might change this serene state of minds. Whether or not Philip Murray, USWA head, can continue to postpone militant action on a wage increase and at the same time keep his membership in check, remains to be seen. The steel corporation will definitely make no wage increase commitments until the danger of portal-to-portal retroactive payments is completely eliminated.

"If the portal-to-portal bill as now written is vetoed by President Truman because it includes labor legislation other than the specific portal-to-portal pay problem, a crisis may develop in the steel labor situation if a new bill is not almost immediately prepared and passed. The continual deferment in steel wage negotiations is beginning to snap the nerves of some steel workers as well as some steel officials. Labor and management would come to an agreement quickly if the portal-to-portal legislation framed to take care of that problem alone were quickly passed.

"Steel consumers last week in general were not finding steel supplies any easier to obtain but there were additional signs that a more normal market is already in the making. Some companies are making headway in reducing backlogs other than for flat-rolled material. Still other companies report that incoming business in March was not as heavy as in February. Orders so far this year are still running ahead of the same period a year ago but in recent weeks the difference has been reduced.

"While the steel industry has been criticized in some quarters for its alleged inability to furnish greater quantities of pig iron for merchant use, official figures do not support such criticism. Since last August the output of pig iron has advanced steadily while that portion directed to merchant channels has increased at a far greater rate. The increase in the amount of pig iron used for steel-making and for ingot molds increased about 2% from last August to January this year. During the same period the amount of pig iron shipped into merchant trade channels increased 22%.

"The move in the steel industry to reduce extra charges where inequalities have been found — started a few weeks ago by Carnegie-Illinois Steel Corp—will be broadened to include products in addition to those already announced. Some changes will be made in wire rod and other wire product extras. Studies are also being made on tubular goods items. Action on the latter, may not take place for several weeks. Contrary to predictions in some circles reductions in the base price of steel products will not take place this week and no specific consideration is being given such action at this time."

"Steel," of Cleveland, in its summary of latest news developments in the metalworking industry, on March 31 stated in part as follows:

"Consumer resistance to the current high prices is increasing. Steel buyers are vigorously protesting fantastic prices quoted on spot delivery steel in the so-called 'gray' market. Concurrently, psychological pressure for downward price adjustments on commodities in general is being exerted by government authorities, including President Truman. In this connection the Federal Trade Commission is reported investigating alleged abuse in the marketing of steel products.

"Further downward revisions are expected on scrap, with many mills out of the market and purchases of material from remote points suddenly discontinued at some centers. Indications are, however, that so long as steel plant and foundry operations continue at current high rates, and there is no indication of early decline, the reaction in scrap will be orderly, changes downward likely to be less drastic than those which characterized the upward advance.

"Blizzards throughout the Midwest served to temper the weakness in scrap, slowing down shipments and thus providing a degree of resistance to the declining tendency. Resumption of active shipments and expanding collections should result in renewed pressure on the top-heavy price structure. Various factors contributed to the price break in scrap. The steel mills and foundries have been exhibiting increasing resistance to the high prices, and further, some stocks have been accumulated. Also, current heavy pig iron production has, in limited degree, eased the pressure on scrap. Pig iron output may establish a new all-time record within the next few weeks. However, an acute shortage of iron is expected for some time so that too much relief in the scrap situation cannot be counted upon in that direction, at least not in the immediate future.

"Demand for steel continues as pressing as ever. Flat-rolled products are under extreme pressure and no relief is in sight before late fall at the earliest. Charges by stampers that a larger proportion of hot-rolled sheets is being diverted to cold-reduced mills to their disadvantage is denied by the sheetmakers. The stringency in supply is attributed solely to the enormous demand for flat-rolled coming from all directions of the consuming trade. Plates continue scarce though production is reported gaining, and talk is heard that demand-supply balance may be struck in this commodity late in third quarter. Large bars have been in improving supply position in recent weeks but imposition of new heavy railroad car demands may change the picture in this product over coming weeks."

Russia Rejects U. S. Note on Hungary

The United States note of March 17 to Russian authorities in Budapest, the second in 12 days, protesting that minority groups led by the Communist party in Hungary are "attempting to seize power through resort to extra-constitutional tactics," and requesting a three-power investigation of the situation, was rejected by the Soviet command on March 19, Associated Press advices from Budapest stated. The American note, signed by Brig.-Gen. George H. Weems, American representative on the Allied Control Council for Hungary, addressed to the Russian Lieut.-Gen. V. P. Sviridov, said that Communist tactics are threatening "to continuance of democracy in Hungary." It also renewed the American demand for an inquiry, saying (we quote from the Associated Press):

"The United States Government considers that Powers signatory to the agreement concluded at Yalta in regard to liberated Europe are obligated to take concerted action to investigate political conditions in Hungary.

"In my Government's view it cannot be contended that such an investigation would, as you suggest, improperly impair the legal rights of the Hungarian courts, or that my Government's concern with regard to the case of Bela Kovacs constitutes an infringement of the right of the Soviet occupation authorities to take reasonable measures for maintenance of the security of the occupation forces."

Bela Kovacs, Secretary-General of the middle-of-the-road Small Holders party and a member of the Hungarian Parliament, was recently arrested by the Russians.

Refusing for the second time the American request for an investigation General Sviridov, who is acting Chairman of the Allied Control Commission for Hungary, in a note delivered to General Weems, declared: "I do not find it possible to change my attitude toward your offer for investigation of the existing conditions in Hungary."

NAM Treatise Upholds Present System of Govt. & Business; Stresses Individual Enterprise

The declaration that the American individual enterprise system can be preserved despite the recent world drift toward collectivism and consequent dictatorship, was made on March 29 by the Economic Principles Commission of the National Association of Manufacturers on the basis of a six-year study of the historical background and distinctive features of our economy. The results of the study have been published in a two-volume work of more than 1,100 pages. It is an exhaustive treatise entitled "The American Individual Enterprise System."

The authors, emphasizing that our system can be perpetuated, declare that if we are to do so it is necessary to strike down bureaucracy and overthrow "the dragon of statism."

The NAM Economic Principles Commissions — composed of 16 business executives and economists—was appointed to make a thorough analysis of the philosophy, operations, and achievements of the American economic system because industrial leaders believed the people were not being told all they should know about the American way of life. In its announcement in the matter the NAM says:

"The two-volume work follows the course of the American economic system from Colonial times to the aftermath of World War II. Employment relations, savings and capital formations, money and credit, the role of prices and price determination, transportation, competition and monopoly, business fluctuations, government finance, and government spending are all considered analytically and in detail. The final chapters offer a program for America's future and discuss 'American Industry and the Future.'

"Many factors have been responsible for the American people's rise in individual well-being, in wealth, in income, in security, and in scale of living, the Commission reported. However, it found that our system of representative democracy and our system of individual enterprise have been dominant throughout. We could not have our present system of production and distribution without our present system of government, nor our present system of government without our present system of business."

Making it clear that the books express the views of the authors and not necessarily those of NAM, the writers state that business must "learn to live with reasonable government regulation, and use its influence merely to keep such regulation in proper bounds." The present trend of ever-increasing regulation may be reversed, it is explained, but a return to conditions of the 1920's is considered unlikely. It is expected that the future will see continued administration of social security by State and Federal Governments, and that there will be more "rigidity" in wage scales.

Economic planning by government to cure unemployment and other social ills contains all the dangers of dictatorship, the authors believe.

"In other words, economic planning, if it is to have even a possibility of being effective, must not be faced with the risk of an overthrow through free elections," it is pointed out. "Rather, it must have the indefinite tenure of office that can be obtained only by a dictatorship operating through some form of fascism, socialism, collectivism or centralized bureaucy, all of which are merely different kinds of statism."

The books were published for the Commission by the McGraw-Hill Book Co., Inc., New York.

Among members of the Economic Principles Commission, which produced the books, were:

Robert R. Wason, President, Manning, Maxwell & Moore, Inc.; Chairman, Economic Principles Commission, NAM, 1943-1945; President, National Association of Manufacturers, 1946; Robert W. Burgess, Chief Economist, Western Electric Co., Inc.; Former Vice-President, American Statistical Association; W. W. Cumberland, Partner, Ladenburg, Thalmann & Co.; former Foreign Trade Adviser, U. S. Department of State; former Professor of Economics, University of Minnesota; John Hanna, Professor of Law, Columbia University; Donald J. Hardenbrook, Vice-President and Director, Union Bag & Paper Corp.; former Chairman of the Board, Econometric Institute; former Member of N. Y. Stock Exchange; Broderick Haskell, Vice-President, Guaranty Trust Co. of New York; Willford I. King, Professor of Economics, New York University; former President, American Statistical Association; Harley L. Lutz, Professor of Public Finance, Princeton University; Chief Economist, The Tax Foundation, former Professor of Economics at Oberlin College and Stanford University; former President, National Tax Association.

Results of Treasury Bill Offering

The Secretary of the Treasury announced on March 31 that the tenders for $1,300,000,000 or thereabout of 91-day Treasury bills to be dated April 3 and to mature July 3, which were offered on March 28 were opened at the Federal Reserve banks on March 31.

Total applied for $1,721,799,000.

Total accepted, $1,303,249,000 (includes $15,259,000 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.

(75% of the amount bid for at the low price was accepted.)

There was a maturity of a similar issue of bills on April 3 in the amount of $1,311,277,000.

Dealer Consents To Injunction

J. J. LeDone Co., however, does not admit facts of alleged fraud in complaint filed by SEC.

On March 26 in New York City, Federal Judge Edward A. Conger permanently enjoined Joseph J. LeDone, trading in oil and gas stocks and oil royalties as J. J. LeDone Co., from further alleged violations of fraud provisions of the Securities and Exchange Acts of 1933 and 1934. LeDone consented to the judgment but without admission as to the facts alleging fraud filed against him by the Securities Exchange Commission.

The SEC complaint alleged that oil royalties were sold by LeDone at considerably more than the value of recoverable oil. In support of its accusation the SEC said that investors had placed $416,078 to acquire rights to the proceeds from the sale of recoverable oil worth $272,890.

Congress Would Place Curbs on Foreign Relief

The House Foreign Affairs Committee on March 19 approved a measure to send $350,000,000 in relief funds to war-torn countries, but set up within the enabling resolution numerous restrictions upon its disbursement. It specifically stated that the money was to be limited to the following, according to an Associated Press dispatch from Washington: "Food, medical supplies, processed and unprocessed materials for clothing, fuel, fertilizer, pesticides and seed." To be provided in the form of transfers of supplies or establishment of credits in this country, under the direction of the President, the relief assistance could be extended only until June 30, 1948. All supplies transferred or otherwise made available are to be distributed among the people of the designated country under the supervision of United States representatives in that country.

The resolution as reported in Associated Press accounts from Washington stipulates that "no relief assistance shall be provided under the authority of this joint resolution to the people of any country unless the Government of such country has given assurance satisfactory to the President that:

(a) The supplies transferred or otherwise made available pursuant to this joint resolution, as well as similar supplies produced locally or imported from outside sources, will be distributed among the people of such country without discrimination as to race, creed, or political belief;

(b) Representatives of the Government of the United States and of the press and radio of the United States will be permitted to observe freely and to report fully regarding the distribution and utilization of said supplies;

(c) Full and continuous publicity will be given within such country as to the purpose, source, character, scope, amounts and progress of the United States relief program carried on therein pursuant to this joint resolution;

(d) If food, medical supplies, fertilizer or seed is transferred or otherwise made available to such country pursuant to this joint resolution, no articles of the same character will be exported or removed from such country while need therefor for relief purposes continues;

(e) Such country has taken or is taking, in so far as possible, the economic measures necessary to reduce its relief needs and to provide for its own future reconstruction;

(f) Upon request of the President, it will furnish promptly information concerning the production, use, distribution, importation and exportation of any supplies which affect the relief needs of the people of such country; and

(g) Representatives of the Government of the United States will be permitted to supervise the distribution among the people of such country of the supplies transferred or otherwise made available pursuant to this joint resolution.

Senate Group Urged to Approve Service Merger

Heads of both the Army and Navy have told the Senate Armed Services Committee that a merger of the two branches of the nation's armed forces into a single department, with co-equal status for the Air Forces, would be the most successful means of making the United States militarily strong. The Committee is holding hearings on President Truman's proposal to unify the services under one Cabinet officer. On March 18, Secretary of the Navy James Forrestal declared before the Committee, according to Associated Press Washington advices:

"This bill provides an organization which will allow us to apply the full punitive power of the United States against any future enemy. It provides for the coordination of the three armed services, but what is to me even more important than that, it provides for the integration of foreign policy with national policy."

Mr. Forrestal who, with all other top-ranking Navy men, strenuously opposed a similar merger bill last year, said that the present bill is a compromise and asked that Congress not alter it lest the plan "be thrown out of balance." He went on to say that the War and Navy Departments have agreed that the present plan "is a sound and workable accommodation" between differing points of view. The proposal for unification is one which has long been pending; but the armed forces committee is not primarily concerned with foreign policy matters.

On March 20 Secretary of War Robert P. Patterson added his recommendation for early approval of the measure as one which would be regarded throughout the world as a strengthening by this country of its national defense. Mr. Patterson also pointed out that the proposed unification bill would serve to strengthen national defense "without calling for the expenditure of more funds." He said that in that respect it is "unique," and that "other measures to strengthen national defense call for the spending of more money."

To questions of the Committee as to whether the Secretary of National Defense provided for in the bill might have too much individual power, Mr. Patterson replied that provisions in the bill afford ample safeguard against domination by the Secretary with Cabinet rank.

Permits NASD Membership To Firm Employing Disqualified Individual

SEC rules on petition in behalf of Leason & Co., Inc., employing Lowell Niebuhr, head of firm that had been expelled from NASD.

In a decision released on March 28, the SEC approved continuance in NASD membership of Leason & Co., Inc., of Chicago, while employing Lowell Niebuhr, who was President of Lowell Niebuhr & Co., Inc., a firm which had been expelled from NASD membership for violation of the Association's rules of fair practice. The Board of Governors of the NASD sponsored the application and indicated it has no objection to Niebuhr's employment by Leason & Co., Inc., but it requested approval of SEC because of the statutory prohibition from continuing Leason & Co., Inc., in membership in the absence of such approval.

According to the SEC's decision, evidence was taken at the NASD hearing preceding the present application, which showed that Niebuhr is adequately supervised by the Leason firm in his activities as a trader and that his relations with the firm's customers have been satisfactory. It appeared further that Niebuhr has no financial interest in Leason & Co., Inc., and does not participate in the corporate management of the firm.

No Bust, But a Balanced Economy

(Continued from first page)

by the end of 1947 and throughout 1948.

Those who still prophecy a recession are ignoring three significant facts. First, inventory accumulation is giving way to inventory balance. Manufacturers, wholesalers and retailers have stopped hoarding merchandise and supplies in anticipation of further price increases. More significantly, they are getting ready for the early reappearance of good qualities, sound workmanship and effective styling. Commodities are being channeled into distribution as fast as they can be fed. Speculative hoarding of goods which was a major cause of the 1920-21 collapse is rapidly becoming the exception in business rather than the general practice.

Second, America's capacity to produce is increasing daily. And, significantly, our actual output is constantly expanding. The inexperienced labor population of the war period is becoming a seasoned working force. Goldbricking, a practice encouraged by labor and condoned by management during wartime scarcities of manpower and goods, is quickly giving way to higher efficiency standards and the weeding out of unnecessary workers. Simultaneously with the rising efficiency of labor is the replacement of obsolete and inefficient machinery by up-to-date equipment. Much of it is still on the order book. But the important thing is that industry is clamoring for it and that the suppliers are turning out as much as their facilities permit.

Finally, and here lies the crux of our economic future, American business is determined to become more efficient and to turn out more than ever before. To be sure there are still many enterprises that are guided by yesterday's dreams of a lasting sellers' market rather than the stark realization of tomorrow's buyers' market. Fortunately, these establishments are in a minority. For them the outlook is not only one of recession but elimination from the market. And precisely because their superior competitors are able and willing to expand output and take over the job of satisfying the market demand, there need be no recession. In my opinion, there will be no recession.

The balanced economy which I confidently anticipate in the second half of 1947 will be characterized by:

A physical volume of production larger than at any time in our history;

Employment to continue at the present level and perhaps to go slightly above it;

Prices to be generally 10 to 15% lower in the second half of 1947, compared with present levels, both in durable and soft goods;

Our national income to be from $10 to $15 billions lower—as a result of price adjustments now taking place and increased productivity per man hour which will become fully evident in the last six months of 1947.

Thus the predicted decline in prices will be the result of a balanced economy in high efficiency gear rather than the product of overexpanded inventory and the cause of a collapse, as in 1920-21.

Supplies of soft goods to be in balance with demand at the lower price level, while supplies of durable consumers' goods will be close to a balanced position.

Last, not least, it should be emphasized that the buyers' market of tomorrow will be that of a high-output economy rather than that of a depressed market.

This fact cannot be too strongly stressed. The consumer of tomorrow will be selective. He will not be resentful. The pent-up demand is still with us. So is the purchasing power to back it up. But this pent-up demand is no longer promiscuous as to quality and indifferent as to style. It will choose among the sellers and accept only that merchandise which is the merchandise of tomorrow in quality, workmanship, and style. Here lies the key that opens the gates to tomorrow's market.

Inventories in the men's apparel field are badly concentrated today. Too much of it is in the upper price ranges, of fair quality, and gives little evidence of style-consciousness. Also size and style ranges are as yet too limited. For what reason there exists a real danger for the individual store that its inventory today will be too large when the price and quality ranges now missing from the market flow again freely. And most of the pent-up demand is precisely for that merchandise which is not found in the current market. The store which loads up indiscriminately with goods as they become available is in for a rude awakening. The same holds true of mills, converters and other links in the chain which finally leads to the ultimate consumer.

Fortunately, many producers and retailers are making their readjustments in inventory. They are clearing their shelves and setting their sights at tomorrow's market. They realize the folly of pumping into the market excessive quantities in prices that can no longer be paid by the average consumer. These merchants are fully aware of the fact that an expanding volume of output generates caution and selectivity on the part of the buying public. They realize that demand is postponable when better merchandise and style are in prospect.

I therefore submit for your careful consideration my first recommendations:—Check your inventory with a view to its soundness when you add to your present stock merchandise that has long been absent from your store. Will your current inventory still bear its normal share of total inventory? Or, will you be overstocked in certain price brackets and size ranges? If so, my advice is not to wait until this realization becomes industry-wide and cutthroat competition drives prices way below actual value.

Another area of store operations which demands careful appraisal is productivity of sales personnel. The indifference and inertia acquired through years of easy selling is not eradicated overnight. The buyers' market is not yet here in the men's apparel field. Sales people need not as yet recast their approach to the customer in order to draw down the same amount of commissions which they earned last month or in the months before.

But the time is rapidly approaching when selling will once more be imperative in the apparel field. Only then it will be too late. Efficient selling is an art, not a trade. To gain the customer's patronage and his repeat business requires tact, skill and knowledge. It is not yet too late, but certainly not too early, to examine your selling force with these objectives in view. Incidentally, it may be well to point out that many a sale of tomorrow is being effectively killed today by ineffective salesmen.

The store that wants an effective sales force tomorrow must accomplish three objectives. It must inculcate into its help a thorough appreciation of the store individuality which you are aiming at. Your men must know precisely in what manner you propose to serve your customers, which clientele you are trying to build up, what you desire to emphasize most strongly in your promotions: fashion, quality, or price. Your men must also know well in advance what your buying program is; qualities and size ranges that you expect to receive.

Remember, in a buyers' market, one dissatisfied customer is far worse than one lost sale, particularly, if the sale need not be lost but can skillfully be converted into a postponed purchase at your store.

My second recommendation therefore is:—Make your sales training program an immediate must. No matter how recently you may have initiated it, check it carefully and frequently as we approach the buyers' market. Make your sales force an integral part of your store individuality. Infuse them with your enthusiasm and initiative.

The next area which requires examination is your overhead expenses. Store rents are on the upward grade, and will remain so for several years. Every square foot of selling space must therefore yield a larger dollar revenue in order to return the same rate of operating profit. In the average store, out of every dollar taken in, five cents go for rent and five cents remain as operating profit, before interest, taxes and other fixed charges. If store rents rise by 20%, it will mean that you will have to sell $1.25 for every dollar now taken in, if you are to have the same five cents of operating profit. Store-wide, you must sell 25% more than you did in 1946.

That is, if you cannot reduce some of your other expenses. There is ample reason to believe that non-selling personnel is still a war-inflated item. More efficient office equipment, simplified billings procedures, improved floor layout are the more obvious sources of appreciable savings.

My third recommendation to you:— Get maximum utilization out of your space area. Eliminate all possible waste in your non-selling departments.

Next, and of prime significance, is your store's individuality. The time is rapidly passing when you can safely promote your establishment as a "we-have-it-also" store. Chain stores as well as department stores are increasing stress on quality and price. To compete against them on this score is at best a profitless undertaking; at worst, it spells early failure.

Yet, there is more need than ever before for the genuine services of independent men's apparel stores. Men in the income brackets above $5,000 are literally searching the market for style merchandise and real apparel store service. These men do have suits, coats, shirts and other accessories. But these are 1941 models. And what these men want are 1948 models and qualities in 1947. They don't want to look dressed. They want to look well dressed; fashionably clothed; well outfitted.

To fit the clothes to the men is the traditional and timeless task of the independent store. It has been and must again become his mark of distinction; rather than the wartime selling job of fitting the man to the suit on the rack. No chain store, no department store can fill this special assignment completely. It may come close to it; but it cannot, by the very nature of its organization, do it full justice. That is the intra-industry competition that you must face. Unless you achieve this goal, the big outfit will have enough of an edge on you to make you give way.

My fourth recommendation to you therefore is:—Become the merchant for your customer and cease to be the seller for the manufacturer. Let your store reflect your personality, your vision, and your service to your customers and you need not fear competitors. As a merchant-leader in your field you have individuality. As a mere competitor you are only an also-ran.

The State of Trade

(Continued from page 3)

that for several weeks higher prices have brought better shipments of scrap and in some cases large consumers have built up enough supplies to enable them to take a chance on staying out of the market as a protest against ridiculously high scrap prices.

Brokers and other purveyors of steel at more than the so-called legitimate mill or warehouse price have become anxious during the past few weeks as to their ability quickly to dispose of steel in their hands or supplies over which they have control. This state of mind, "The Iron Age" points out, has been reflected in a substantial drop in so-called premium prices over the past few months and these so-called high premium markets may be a thing of the past within the next few months.

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 95.4% of capacity for the week beginning March 31, 1947, as compared with 97.0% one week ago, 94.4% one month ago and 87.1% one year ago. This represents a decrease of 1.6 points or 1.6% from the preceding week.

The week's operating rate is equivalent to 1,669,400 tons of steel ingots and castings compared with 1,697,400 tons one week ago, 1,651,900 tons one month ago and 1,535,000 tons one year ago.

Electric Production—The Edison Electric Institute reports that the output of electricity decreased to 4,759,066,000 kwh. in the week ended March 22, 1947, from 4,763,843,000 kwh. in the preceding week. Output for the week ended March 22, 1947, was 18.5% above that for the corresponding weekly period one year ago.

Consolidated Edison Co. of New York reports system output of 203,000,000 kwh. in the week ended March 23, 1947, compared with 178,500,000 kwh. for the corresponding week of 1946, or an increase of 13.7%. Local distribution of electricity amounted to 194,000,000 kwh. compared with 177,500,000 kwh. for the corresponding week of last year, an increase of 9.3%.

Railroad Freight Loadings—Car loadings of revenue freight for the week ended March 22, 1947 totaled 844,041 cars, the Association of American Railroads announced. This was an increase of 2,894 cars, 0.3% above the preceding week, and 39,435 cars or 4.9% above the corresponding week for 1946. Compared with the similar period of 1945, an increase of 27,300 cars or 3.3% is shown.

Paper and Paperboard Production—Paper production in the United States for the week ended March 22, was 105.8% of mill capacity, against 107.2% (revised figure) in the preceding week and 105.0% 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 103%, compared with 104% in the preceding week and 99% in the corresponding week a year ago.

Production of paper and paperboard during January, 1947, at 1,762,929 tons, was 185,178 tons above December, the Census Bureau reported.

Wholesale Food Price Index Off Sharply—Following the steadying movement of last week, the wholesale food price index, compiled by Dun & Bradstreet, Inc., declined sharply last week to stand at $6.56 on March 25. This compared with $6.70 on March 18, a drop of 2.0%, and was 3.1% under the all-time high of $6.77 recorded on March 4. The current figure compares with $4.18 on the corresponding date a year ago.

The week's advances included corn, oats, barley, beef, cocoa, beans, eggs, potatoes and hogs. Declines occurred in wheat, rye, hams, bellies, butter, coffee, cottonseed oil, raisins, currants, prunes, steers 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., moved irregularly in the past week. After trending irregularly downward for three days the index turned upward to stand at 268.03 on March 25. This compared with 269.25 on March 18, and with 187.56 on the like date a year ago.

Violent price fluctuations featured the leading grain markets last week. Values moved upward early, March wheat reaching $3.05 per bushel or within 20 cents of its all-time peak, and corn touched new high ground since 1920. Then came several days of heavy selling, causing sharp losses in wheat and corn prices, followed by an upturn in late trading which wiped out most of the earlier declines. Bullish sentiment resulted largely from reports of a constantly tightening wheat supply situation and the announcement of May export allocations of grain, showing that about 23,000,000 bushels of wheat and wheat flour and a like amount of corn should be shipped abroad that month. Heavy export flour sales and active buying of corn futures by export interests were noted as the week closed. Cash lard quotations were about the same as a week ago but the undertone appeared to be easier due to growing consumer resistance to paying high prices for lard and other shortening. Butter prices continued to weaken, reflecting more liberal offerings, but livestock markets on the other hand were fairly steady.

Cotton values in both spot and futures markets registered further moderate gains in the past week, after fluctuating irregularly during the period. A decline at midweek was largely influenced by the reactionary movement in grains but the downtrend was held in check by short covering and active mill price fixing. Strengthening factors in late dealings were attributed to a lessening of selling pressure, fairly good replacement buying and the continued tightness in the supply position of the staple. In line with preliminary estimates, the Census report on domestic consumption of cotton during February indicated a continuing high rate of mill activity. Consumption last month was placed at 840,463 bales as compared with 746,994 bales in February a year ago. Total consumption for the seven months of the current season was 6,044,326 bales, against 5,152,778 bales last year, an increase of 17.3%. Ginnings from the 1946 crop were reported at 8,514,489 running bales, according to the Census Bureau. This was about 3% below those of the previous year and 28% below two years ago.

Trading in domestic wools in the Boston market continued irregular. A fair volume of sales was recorded for the week, mostly in worsted types. Sales of foreign apparel wools were limited by scarcity of offerings. Imports of foreign wools into the ports of New York, Boston and Philadelphia during the first half of March were at a very high level.

Retail and Wholesale Trade—Total retail volume rose moderately last week. All though dollar volume was moderately above that of the corresponding week a year ago, most retailers reported that unit sales were slightly below the usual pre-Easter level, states Dun & Bradstreet, Inc. in its current survey of trade. Cold weather toward the end of the week curtailed retail trade slightly in some sections. The demands for jewelry, candy and other gift items rose slightly but considerable resistance to high prices was reported.

Women's apparel volume increased moderately last week. Medium-priced dresses and suits continued to be popular, but some style resistance was noted. The demand for blouses, lingerie and handbags was high. Interest in footwear rose noticeably and requests for men's black shoes were especially numerous. The supply of men's shirts, suits and topcoats improved and consumer interest in these items remained at a high level.

The demand for builders' supplies and hardware remained strong the past week with some improvement in the supply of these items reported. Interest in electrical appliances remained at the high level of previous weeks but consumers continued to insist on well-known brands. Sales of toys, games, sporting goods and luggage increased moderately. The demand for bedroom and dining-room furniture was high and some improvement in stocks noted.

Retail food volume continued at a high level last week and was considerably above that of a year ago. Consumers continued to display considerable resistance to high meat prices. Shortages of canned pineapple and some soap products were reported but most foods were available in ample quantities. The demand for fresh fruits and vegetables was high and interest in canned fish rose moderately. Baked goods in most localities were in heavy demand. Retail volume for the country at the close on Wednesday of last week was estimated to be from 9 to 13% above that of the corresponding week a year ago. Regional estimates exceeded those of a year ago by the following percentages: New England and Southwest 8 to 12, East and Northwest 10 to 14, Middle West 7 to 11, South 9 to 13 and Pacific Coast 12 to 16.

Although trading in wholseale centers remained light last week, high prices kept total dollar volume moderately above that of a year ago. Unit sales of most durable goods continued to compare very favorably with those of the corresponding 1946 week, reflecting chiefly the greatly improved supply condition of these items. Unit sales in many non-durable goods lines continued to be slightly above those of a year ago.

Department store sales on a country-wide basis, as taken from the Federal Reserve Board's index for the week ended March 22, 1947, increased by 12% above the same period of last year. This compares with an increase of 10% in the preceding week. For the four weeks ended March 22, 1947, sales increased by 10% and for the year to date by 13%.

Retail trade in New York the past week held to about the same pace or rate of gain as in previous weeks with department store sales estimated at 10% above those of last year. Demand for apparel in the week tapered off resulting in a decline for specialty shops.

It was reported that last-minute efforts to dress up Easter retail stocks provided some impetus to activity in the wholesale garment business. The market according to present indications is preparing to concentrate on lower price ranges at shorter mark-ups to overcome consumer price resistance. In primary markets cottons, rayons, worsteds and gabardines continue to move well but other woolen goods in fall lines recently opened were reported moving sluggishly.

Wholesale food prices last week were featured by a decline from the recent highs notwithstanding uncertain trends and wide fluctuations in the basic commodity markets.

According to the Federal Reserve Board's index, department store sales in New York City for the weekly period to March 22, 1947, increased 13% above the same period last year. This compared with an increase of 9% (revised figure) in the preceding week. For the four weeks ended March 22, 1947, sales rose 11% and for the year to date increased to 14%.

'Blueprint for American Business'

(Continued from first page)

great stake in world peace. Peace can mean the opening of the channels of international trade. There is a huge backlog of unsatisfied consumer demand in the domestic market but when the day of an exportable surplus comes, business will need the open channels of a world market. In the larger sense, the autarchy of the 1930's, the trade barriers, quotas, and cartels of the prewar era will operate as a constant threat to peace.

To the businessman and individual taxpayer, world peace is a desirable practical aim. The President's budget for the coming year asks 11 billion dollars for defense. This is 30% of the total. This is more than the total cost of our Federal Government before 1940. Peace will mean the possibility of tax savings to all American people.

(2) American business desperately needs industrial peace. We talked glibly about production for the postwar era. The postwar era is here but not full production. Strife between management and labor is to a large degree responsible for that condition. Both these great factors in our productive system must exhibit more statesmanship in the future than they have in the past. This means mutual understanding and concessions for the benefit of all.

No one denies the permanence of gains made by labor after a long period of struggle. Labor has won recognition of the right to organize, to bargain collectively, and to strike. But big labor is no longer an unequal match for big business, big agriculture, and big government. Therefore, it has become increasingly evident that the Wagner Act is too heavily weighted on the side of labor. In the light of recent experience, it is not too much to ask now that labor be held equally responsible with business for violations of contract and subject to the anti-trust laws. The secondary boycott is untenable and there can be no right to strike against the public safety and welfare. Certainly, an employer should have the same constitutional right of free speech guaranteed to labor. Among these are to oust from its ranks, Communists and racketeers wherever they may appear and to maintain a consciousness of the needs of the public.

(3) American business needs a return to sanity in public finance. In South Dakota we have the perhaps antiquated notion that economy in government is a virtue and that taxes are paid by people. We believe also that the functions of government should be also handled that they can be comprehended by the limited mind of man. And we have possibly the irreverent philosophy that the Federal Government is not the giver of the more abundant life.

We are now offered a Federal budget calling for a total of 37½ billion dollars. This is not so much a budget as a request for expenditures. There never was a request for expenditures made that could not be cut and an expenditure does not become sanctified merely because it is made by a government agency.

It is plain that a Federal budget of from 35 to 40 billion dollars means any hope of substantial tax reduction is a snare and a delusion. 65% of the President's budget goes for three items: defense, veterans, and interest on the public debt. The first two cannot be considered on emotional and political bases alone. There can be no debt reduction without reduction in expenditures and tax relief waits on both.

Budget reduction is impossible as long as any agency of government wants to spend on a WPA or wartime basis. Today, we have two and a half million Federal employees and I have never heard of a Federal agency that committed suicide or voluntarily dissolved.

We are probably going to have to be resigned to a Federal tax bill next year of somewhere around 30 billion dollars. If so, it may be possible to make moderate reductions in individual and corporate income taxes.

(4) Business must help bring about a revaluation of our philosophy of business and government. We cannot continue to live by the theory that the only solution of our problems is in the creation of a governmental agency or the perpetuation of one already in existence. This is a form of paranoia to which instruments of government are particularly susceptible.

Business has always cried loudly against government control. Now let business demonstrate that it has the character and the capacity to operate a free enterprise system without greed, without government interference, and with due regard for the public interest. This is a responsibility businessmen and trade associations cannot escape.

It is not enough for business to beat itself on the breast and drool with pious unction about free enterprise and capitalism. Business must demonstrate in action that these terms describe an economy of production and consumption with the objective of fairness and justice to the greater enrichment of all America.

Business has done a remarkable job of advertising goods and gadgets but a woefully poor job of selling itself to the American people. Even students question the ethics and morals of business. A great many people consider all business suspect and that there is something sinister about the word profit. Others believe corporation is a synonym for unscrupulous and capitalism is a definition for greed. Too few people have any conception of the amount of taxes paid by business and little understanding of the meaning of a free market.

To combat these untruths and prejudices, business faces the greatest selling job in its history. It needs desperately to tell its story simply and honestly to the American people and then to back it up with a record of performance that demonstrates the integrity of this position.

Finally, we all need to redefine some glittering words in the English language. Instead of talking so much of rights and profits we need to talk more of obligations and services. Instead of speaking in sepulchral tones of social security and liberalism we need to talk plainly about thrift, hard work, and fundamentals. Instead of drooling about democracy and the good life, we need to practice self restraint as the cornerstone of self government and to realize that there is no Utopia where no one will ever have to work or worry.

I have faith that American business can meet these problems if it will but honestly and resolutely steel itself to the task. Then we shall sketch a blueprint upon which a greater America will be built.

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.
Apr. 1	122.11	117.40	122.50	120.43	117.00	110.15	112.56	118.60	121.04
Mar. 31	122.24	117.40	122.50	120.43	117.00	110.34	112.75	118.60	121.04
29	122.27	117.40	122.50	120.43	117.20	110.34	112.75	118.60	121.04
28	122.27	117.40	122.50	120.43	117.20	110.34	112.75	118.60	121.04
27	122.27	117.40	122.50	120.22	117.20	110.34	112.56	118.60	121.25
26	122.27	117.40	122.50	120.22	117.00	110.34	112.75	118.60	121.04
25	122.24	117.40	122.29	120.22	117.00	110.34	112.75	118.40	121.04
24	122.24	117.40	122.29	120.22	117.00	110.34	112.75	118.40	121.04
22	122.27	117.40	122.29	120.22	117.00	110.34	112.75	118.40	121.04
21	122.24	117.40	122.29	120.22	117.00	110.15	112.56	118.40	121.04
20	122.24	117.40	122.29	120.22	117.00	110.34	112.75	118.40	121.04
19	122.24	117.20	122.29	120.02	117.00	110.34	112.75	118.40	120.84
18	122.27	117.20	122.09	120.02	117.00	110.34	112.75	118.40	120.84
17	122.27	117.20	122.09	120.02	117.00	110.34	112.75	118.20	121.04
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	118.20	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	117.20	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	117.60	119.82
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	122.50	120.43	117.40	111.07	113.31	118.80	121.25
Low 1947	122.08	116.80	121.04	119.61	116.80	110.15	112.56	117.80	120.02
1 Year Ago Apr. 1, 1946	125.64	119.82	123.99	122.29	119.41	114.27	117.40	120.22	122.09
2 Years Ago Mar. 31, 1945	122.01	114.85	121.04	118.40	114.85	106.04	111.25	114.27	119.20

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.
Apr. 1	1.54	2.78	2.53	2.63	2.80	3.16	3.03	2.72	2.60
Mar. 31	1.53	2.78	2.53	2.63	2.80	3.15	3.02	2.72	2.60
29	1.53	2.78	2.53	2.63	2.79	3.15	3.02	2.72	2.60
28	1.53	2.78	2.53	2.63	2.79	3.15	3.02	2.72	2.60
27	1.53	2.78	2.53	2.64	2.79	3.15	3.03	2.72	2.59
26	1.53	2.78	2.53	2.64	2.80	3.15	3.02	2.72	2.60
25	1.53	2.78	2.54	2.64	2.80	3.15	3.02	2.73	2.60
24	1.53	2.78	2.54	2.64	2.80	3.15	3.02	2.73	2.60
22	1.53	2.78	2.54	2.64	2.80	3.15	3.02	2.73	2.60
21	1.53	2.78	2.54	2.64	2.80	3.16	3.03	2.73	2.60
20	1.53	2.78	2.54	2.64	2.80	3.15	3.02	2.73	2.60
19	1.53	2.79	2.54	2.65	2.80	3.15	3.02	2.73	2.61
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	2.74	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	2.68	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	2.53	2.63	2.78	3.11	2.99	2.71	2.59
1 Year Ago Apr. 1, 1946	1.36	2.66	2.46	2.54	2.68	2.94	2.78	2.64	2.55
2 Years Ago Mar. 31, 1945	1.66	2.91	2.60	2.73	2.91	3.39	3.10	2.94	2.69

*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.

Electric Output for Week Ended March 29, 1947, 18.5% 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 29, 1947, was 4,728,885,000 kwh., an increase of 18.5% over the corresponding week last year when electric output amounted to 3,992,283,000 kwh. The current figure also compares with 4,759,066,000 kwh. produced in the week ended March 22, 1947, which was 18.5% higher than the 4,017,310,000 kwh. produced in the week ended March 23, 1946. The largest increases were reported by the Central Industrial and Pacific Coast groups which showed increases of 24.4% and 19.6% respectively over the same week in 1946.

PERCENTAGE INCREASE OVER SAME WEEK LAST YEAR

Major Geographical Division—	Week Ended— Mar. 29	Mar. 22	Mar. 15	Mar. 8	Mar. 1
New England	13.1	11.5	11.5	13.0	10.3
Middle Atlantic	13.6	11.8	12.1	13.6	12.3
Central Industrial	24.4	23.0	23.3	23.8	24.4
West Central	16.3	16.3	18.4	18.1	16.5
Southern States	17.0	21.4	24.2	27.2	24.8
Rocky Mountain	13.6	9.1	10.6	13.0	10.5
Pacific Coast	19.6	19.9	20.2	23.1	21.7
Total United States	18.5	18.5	19.5	21.1	19.9

DATA FOR RECENT WEEKS (Thousands of Kilowatt-Hours)

Week Ended—	1946	1945	% Change Over 1945	1944	1932	1929
Dec. 7	4,672,712	4,096,954	+14.1	4,538,012	1,563,384	1,840,863
Dec. 14	4,777,943	4,154,061	+15.0	4,563,079	1,554,473	1,860,021
Dec. 21	4,940,453	4,239,376	+16.5	4,616,975	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	4,759,066	4,017,310	+18.5	4,401,716	1,480,208	1,679,589
Mar. 29	4,728,885	3,992,283	+18.5	4,329,478	1,465,076	1,633,291

National Fertilizer Association Commodity Price Index Reaches New High

During the week ended March 29, 1947 the weekly wholesale commodity price index compiled by The National Fertilizer Association and made public on March 31, rose to an all-time high of 200.5 from 199.3 in the preceding week. The previous high point of 199.9 was reached in the week ended March 8, 1947. A month ago the index stood at 197.8 and a year ago at 144.9, 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 advanced while two declined; the other six remained at the level of the preceding week. A slight advance was registered for the farm products group; the higher prices for cotton, grains, poultry, hay, and peanuts were partially offset by lower prices for livestock. The rise in the fuels index was due to higher quotations for gasoline and petroleum. Price advances for brown sheeting, print cloth, and burlap caused the textiles index to rise. Higher prices were quoted for flour, corn meal, oranges, and pork, but lower prices for butter, bread, dried fruits, ham, bellies, cocoa, coffee, lard, and some meats caused the foods index to decline slightly. In the miscellaneous commodities group, price advances were registered for calfskins, linseed meal, and hides, but these advances were more than offset by lower prices for leather, cottonseed meal, bran, and middlings. Price rises for some items in the other composite groups were nullified by price declines for other items.

During the week 24 price series in the index advanced and 22 declined; in the preceding week 21 advanced and 23 declined; in the second preceding week 29 advanced and 21 declined.

WEEKLY WHOLESALE COMMODITY PRICE INDEX
Compiled by The National Fertilizer Association
1935-1939=100*

% Each Group Bears to the Total Index	Group	Latest Week Mar. 29, 1947	Preceding Week Mar. 22, 1947	Month Ago Mar. 1, 1947	Year Ago Mar. 30, 1946
25.3	Foods	222.7	223.6	222.2	144.0
	Fats and Oils	321.4	328.3	301.0	147.4
	Cottonseed Oil	433.1	427.4	387.5	163.1
23.0	Farm Products	251.0	249.8	251.4	174.0
	Cotton	339.5	332.7	324.4	259.0
	Grains	254.0	245.2	232.2	173.4
	Livestock	240.1	245.5	253.8	160.7
17.3	Fuels	168.8	164.9	159.4	128.4
10.8	Miscellaneous Commodities	163.3	163.6	157.8	134.3
8.2	Textiles	217.9	210.5	208.4	166.1
7.1	Metals	147.9	147.9	142.8	117.1
6.1	Building Materials	203.4	203.4	212.5	167.8
1.3	Chemicals and Drugs	154.5	154.5	155.3	127.2
.3	Fertilizer Materials	128.0	128.0	125.6	116.4
.3	Fertilizers	133.7	133.7	133.7	119.8
.3	Farm Machinery	126.3	126.3	126.3	105.3
100.0	All groups combined	200.5	199.3	197.8	144.9

*Indexes on 1926-28 base were: March 29, 1947, 156.2; March 22, 1947, 155.3†; and March 30, 1946, 112.9.
†Correction.

Registry Service for Netherlands Indies

Postmaster Albert Goldman announced on March 25 that Postal Union (regular) mail articles for the Netherlands Indies may now be registered. The mail service is, however, restricted to articles for the following destinations:

"**Island of Sumatra**—Medan, Padang, Palembang, and Sabang only; **Island of Java**—Batavia, Bataviacentrum, Meester Cornelis, Buitenzorg, Bandoeng, Tjimahi, Semarang, and Soerabaja only; **Other islands**—All destinations."

Ives Introduces Job Bias Curb Bill

Sen. Irving M. Ives (R.-N. Y.), who as a State Senator sponsored New York State's anti-discrimination law two years ago, on March 27 introduced in the U. S. Senate a bill designed to eliminate discrimination in employment, Associated Press Washington advices stated. He declared that it was not an "FEPC bill"; legislation to make permanent the Fair Employment Practices Committee was filibustered to death by Southern Democrats in the last session of Congress.

Stating that his measure has a new approach to the problem of discrimination in employment because of race, religion, color, national origin or ancestry, Senator Ives described it as relying largely upon mediation and conciliation, with a minimum of legal compulsion. From the Associated Press we quote:

The Ives bill would establish a seven-member "National Commission against Discrimination in Employment," appointed by the President, confirmed by the Senate and paid $10,000 a year each.

Beyond its conciliatory function, the Commission would have authority to file charges, hold hearings and issue cease-and-desist orders in discrimination cases, subject to judicial review.

Seven Senators jointed him as co-authors: Leverett Saltonstall, Republican, of Massachusetts; H. Alexander Smith, Republican, of New Jersey; Wayne Morse, Republican, of Oregon; Dennis Chavez, Democrat, of New Mexico; James E. Murray, Democrat, of Montana; Francis J. Myers, Democrat, of Pennsylvania, and Sheridan Downey, Democrat, of California.

Survey by SEC of Listed Corporations

The Securities and Exchange Commission released on March 14 sales data for 807 identical corporations showing the net sales or operating revenues of these companies for each of the calendar quarters of 1946. The Commission reports:

Net sales were larger in each succeeding quarter, amounting to $8,905,511,000 for the first quarter; $10,454,895,000 for the second quarter (an increase of 17.4%): $11,799,950,000 for the third quarter (an increase of 12.9%); and $13,663,311,000 for the fourth quarter (an increase of 15.8%). The percentage of increase was fairly consistent in each quarter, with the fourth quarter showing the largest dollar increase.

When using these data as an indication of business trends or possible profits, it should be noted that some of these reports are for companies with seasonal variations in their business or companies whose production has been influenced by such circumstances as strikes, material shortages, etc.

Moody's Daily Commodity Index

Tuesday, March 25	426.4
Wednesday, March 26	431.8
Thursday, March 27	426.0
Friday, March 28	422.8
Saturday, March 29	424.2
Monday, March 31	423.9
Tuesday, April 1	422.1
Two weeks ago March 18	429.8
Month ago, March 1	416.8
Year ago, April 1, 1946	273.3
1946 High Dec. 24	380.6
Low Jan. 2	264.7
1947 High March 26	431.8
Low Jan. 20	371.5

Civil Engineering Construction Totals $60,132,000 for Week

Civil engineering construction volume in continental United States totals $60,132,000 for the week ending March 27, 1947, as reported by "Engineering News-Record." This volume is 45% below the previous week, 55% below the corresponding week of last year, and 44% below the previous four-week moving average. The report made public on March 27, added:

Private construction this week, $33,639,000, is 59% less than last week, and 67% below the week last year. Public construction, $26,493,000, is 0.3% below last week, and 23% less than the week last year. State and municipal construction, $20,753,000, 13% below last week, is 0.2% below the 1946 week. Federal construction, $5,740,000, is 105% above last week, and 57% below the week last year.

Total engineering construction for the 13-week period of 1947 records a cumulative total of $1,187,876,000, which is 21% above the total for a like period of 1946. On a cumulative basis, private construction in 1947 totals $794,531,000, which is 22% above that for 1946. Public construction, $393,345,000, is 20% greater than the cumulative total for the corresponding period of 1946, whereas state and municipal construction, $305,853,000 to date, is 41% above 1946. Federal construction, $87,492,000, dropped 20% below the 13-week total of 1946.

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

	Mar. 27, 1947	Mar. 20, 1947	Mar. 28, 1946
Total U. S. Construction	$60,132,000	$109,080,000	$134,912,000
Private Construction	33,639,000	82,520,000	100,681,000
Public Construction	26,493,000	26,560,000	34,231,000
State and Municipal	20,753,000	23,756,000	20,791,000
Federal	5,740,000	2,804,000	13,440,000

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

New Capital

New capital for construction purposes this week totals $22,633,000, and is made up of $17,098,000 in State and municipal bond sales and $5,535,000 in corporate securities. New capital for construction purposes for the 13-week period of 1947 totals $256,004,000, 28% less than the $357,218,000 reported for the corresponding period of 1946.

Dept. Store Sales in N. Y. Federal Reserve District in January, 18% Over Last Year

The Federal Reserve Bank of New York announced on Feb. 21, that January sales in department stores, in the second, (New York) Federal Reserve District increased 18% over a year before. The combined sales of January to December 1946 were up 30% from a similar period the previous year. Stocks of merchandise on hand in department stores, at the end of January 1947 were 42% over those of the same month in 1946.

The apparel stores in the New York Reserve District reported a 9% gain in net sales in January. Their stocks on hand at the close of the month were 41% over the figures for January 1946. The details as made available by the Reserve Bank follows:

DEPARTMENT STORE SALES BY MAJOR LOCALITIES
Second Federal Reserve District

Department stores	Percentage Change from Preceding Year — Net Sales Jan. 1947	Net Sales Jan.-Dec. 1946	Stocks on Hand Jan. 31, 1947
Second District	+18	+30	+42
New York City	+19	+29	+39
Northern New Jersey	+16	+33	+34
Newark	+14	+30	+39
Westchester and Fairfield Counties	+26	+37	+60
Bridgeport	+24	+33	+45
Lower Hudson River Valley	+17	+35	+41
Poughkeepsie	+17	+33	+40
Upper Hudson River Valley	+12	+34	+53
Albany	+ 9	+43	+58
Schenectady	+17	+24	+45
Central New York State	+25	+35	+47
Mohawk River Valley	+17	+27	+41
Utica	+16	+24	+31
Syracuse	+29	+38	+52
Northern New York State	+19	+34	----
Southern New York State	+23	+30	+59
Binghamton	+21	+30	+67
Elmira	+14	+22	+53
Western New York State	+14	+29	+52
Buffalo	+13	+19	+48
Niagara Falls	+16	+12	+55
Rochester	+16	+30	+59
*Apparel stores	+ 9	+24	+41

*Chiefly New York City.

INDEXES OF DEPARTMENT STORE SALES AND STOCKS
Second Federal Reserve District
[1935-1939 average = 100]

	1946 Jan.	1946 Nov.	1946 Dec.	1947 Jan.
Sales (average monthly), unadjusted	158	295	385	186
Sales (average daily), Unadjusted	155	301	392	183
Sales (average daily), seasonally adjusted	194	231	232	228
Stocks, unadjusted	144	247	213	205
*Stocks, seasonally adjusted	164	221	238	233

*Seasonal adjustment factors for 1938-1946 revised; available upon request.

INDEXES OF DEPARTMENT STORE SALES FOR SIX LEADING CITIES IN THE SECOND FEDERAL RESERVE DISTRICT
1935-39 average = 100

	Annual Average 1945	Annual Average 1946	1946 Jan.	1946 Nov.	1946 Dec.	1947 Jan.
Average monthly, unadjusted:						
New York City	168	218	†164	294	381	195
Newark	153	199	139	281	355	160
Buffalo	204	263	179	343	431	202
Rochester	185	240	168	301	412	195
Syracuse	225	311	190	400	527	244
Bridgeport	162	215	145	280	404	180
Average daily, unadjusted:						
New York City	---	---	161	300	†389	191
Newark	---	---	137	287	363	156
Buffalo	---	---	177	351	441	199
Rochester	---	---	165	308	421	192
Syracuse	---	---	187	409	539	241
Bridgeport	---	---	142	285	412	177
*Aver. daily, seasonally adjusted:						
New York City	---	---	192	232	233	227
Newark	---	---	180	216	199	206
Buffalo	---	---	239	281	267	269
Rochester	---	---	204	259	254	237
Syracuse	---	---	256	341	323	330
Bridgeport	---	---	164	238	218	203

*Seasonal adjustment factors revised; available upon request. †Revised.

The Role of FDIC

(Continued from first page)

panies, and about 200 mutual savings banks, whose depositors are insured by the Federal Deposit Insurance Corp. These institutions constitute 92% of all the banks in the nation and hold 95% of all the deposits in the country which as of Dec. 31, 1946, amounted to $157 billion.

Losses $87 Million

In the more than 13 years of its operation, the Corporation has promptly paid $87 million in the 245 insured banks that have failed. More than 330,000 depositors in those institutions were completely protected.

Under the authorization of the Banking Act of 1935, the FDIC exerts every effort to forestall failures by facilitating the merger of weak insured banks with strong institutions. There have been 156 such mergers, with the FDIC disbursing some $176 million. The advantages of this type of action are that all depositors are protected, and there is no interruption in banking service in the community. The successor bank takes over all the sound assets of the weak bank. The difference between the amount of these sound assets and the deposit liabilities assumed by the going bank is paid in cash promptly by the FDIC. No loss to depositors—no interruption to banking service. That's deposit insurance in action.

There is another matter to which I should like to call your attention, namely, the Corporation's philosophy, to wit: We do not look upon ourselves as a bank supervisory agency. We take the position that the supervisory control of state banks is vested in the respective State Banking Departments. Supervision of national banks is the responsibility of the Comptroller of the Currency.

In our opinion, the Federal Deposit Insurance Corp. is charged solely with responsibility for protecting the depositors in insured banks, within the limits provided by law, against losses. The law, of course, provides certain means of safeguarding the interests of the Corporation and of minimizing its risk in banks which are insured. The initial safeguard gives our Board of Directors the right to pass upon the insurability of the risk at the time a bank applies for insurance. The Corporation has the right to cite an insured bank for statutory violations; also for unsafe and unsound practices; *likewise*, the right to terminate the bank's insurance should the infractions not be remedied immediately.

We regard the power given to the Corporation to examine insured banks and to review reports of examination made by supervisory agencies, as merely a means of determining our risk. There is no construing such action, as transferring supervisory authority to the Corporation, from duly constituted state and national supervisory authorities.

Government Capital to Be Returned

Appropriately, we have recommended that the $289 million originally provided the Corporation by Congress be returned to the Federal Treasury gradually over the next few years. We feel that the capital account of the Federal Deposit Insurance Corp. should be composed of resources contributed wholly by its members, namely the banks of this great nation. The honor of Federal recognition is welcome, but government subsidization of banks has been so widely deplored that it would be wise, in our opinion, if it were ended at the earliest possible opportunity.

Our primary duty, of course, is protection of the depositors in insured banks. At the same time, we think of ourselves as trustees for an insurance fund that has been built up by assessments from insured banks. In our capacity as trustees, it is our duty to administer the insurance fund along sound business lines in order that the Corporation will be prepared at all times, to protect depositors' balances, as contemplated by law. As an important by-product, however, the mere fact that we do stand ready to protect depositors is a great safeguard to the banking system. By discouraging bank runs and mass depositor hysteria, the FDIC is an important stabilizing influence for our whole financial system.

Educational Program

The Corporation has undertaken an educational program for its staff members designed to increase their practical and theoretical knowledge of all banking problems. Arrangements have been made to permit certain members of our staff to take courses given by the American Institute of Banking, while others will be detailed to attend outstanding schools of finance and banking which have well-staffed commercial and savings bank sections. Incidentally, we are proud to have had a part in preparing the new text on savings banking which is being used for the first time this year by the American Institute of Banking.

No phase of the banking system has been overlooked. For example, we have worked closely with those savings bankers, who form our mutual savings banks advisory council, on many problems, particularly on the subject of bank examination. The result of these efforts has been embodied in the program method of examination which we recently inaugurated for savings banks.

Liquidation Policies

Now a word about our liquidation policies and the results of those policies to date: In the early years of its operation, the Corporation followed the policy of liquidating all the assets, which it acquired from banks, in such a manner as to avoid undue hardship to debtors, businessmen and the community. The Corporation was fully aware of the hardship and shock which would have resulted from the depression of local markets through *forced* liquidation. Furthermore, orderly liquidation affords the Corporation a larger recovery.

In recent years, however, improved economic conditions accompanying the war have permitted a policy of prompt liquidation without disturbance to the economic life of the community. The Corporation has, therefore, followed a program of prompt liquidation in order to take advantage of current high values and the improved financial condition of debtors.

The Corporation's losses in the liquidation of the assets of those 401 banks which either failed or merged are estimated at $28 million. This is about 11% of the $263 million advanced, or less than 6% of the total deposits of $508 million in those banks—truly an unusual record.

Depositors' losses and the losses sustained by the Corporation in both the receivership and the merger cases have been unusually low. We recognize and appreciate that this has been the result—at least in part—of the favorable conditions existing during the past decade for the disposition of assets by receivers or by the Corporation. We believe that it has also been the result—in part—of the liquidation policies of the Corporation, and the fine cooperation of such outstanding State Banking Departments as you have here in New Mexico and Arizona.

Three Years Without Losses to Depositors

We are now in the third year in which there has not been a loss to a single depositor in this country. This is an all-time record for bank stability. Moreover, in recent years there has been a marked decline in the number of banks requiring financial aid. In fact, there was only one merger case in each of the years 1943, 1944, 1945 and 1946.

This decline in the number of banks requiring financial aid may be attributed, in large part, to the highly liquid state of bank assets, to increases in prices, to a high level of business activity, and to the absence of adverse shifts of deposits, as well as to the fine cooperation of you and your fellow bankers throughout the nation.

We are sold on the dual system of banking, and regard it as an important factor in our economic structure. We are interested in seeing a material increase in the volume of business done by all banks, but in looking to the future it should be remembered, however, that the last few years have been exceptionally favorable to banking. We hope, therefore, that bankers universally are preparing for the time when prices and business activity level off by assuring themselves an ample margin of safety and protection in the assets they acquire.

Competent management combined with sound supervision form the foundation of a stable banking structure. The challenge of the day demands from management the utmost alertness to changing conditions. Manifestly, the future of this country lies to a great degree, in the way in which bankers, as well as the leaders of agriculture, industry, and labor, meet that challenge.

It has been truly said that in no other nation in the world is there to be found management so able, labor so skilled, with a government so well established to serve—not to dictate. If all three—management, labor and government—have the will and the intelligence to subordinate temporary selfish advantages to the one great purpose of making the various cogs in our economic machine function smoothly and efficiently, then we may confidently look forward to a period of continued prosperity.

To achieve that prosperity we must have courageous leadership, and I predict that you bankers of this great Southwest and your colleagues throughout the nation will and can furnish that type of leadership so vital at this time. In the final analysis, what happens to America depends on what happens to its banks.

Hogg Gets Post With Ohio Oil Commission

Mr. C. C. Hogg, former oilman and now director of the Edwy R. Brown School of Petroleum at Marietta, Ohio, College, has been appointed by Thomas J. Herbert, Governor of Ohio, to serve on the Research and Coordinating Committee of the Interstate Oil Compact Commission, said an announcement issued on March 28, by Marietta College.

Mr. Hogg is a director and former General Manager of the Patoil Corp., Pleasantville, Pa. He has also served as Vice-President and General Manager of the National Petroleum Co. He assumed the directorship of the Brown School of Petroleum last spring. Some 140 students, most of them veterans, are enrolled in this school. It was created by a bequest of $300,000 in the will of Edwy R. Brown, pioneer oil operator of the Midwest and Vice-President of the Socony-Vacuum Oil Co. at the time of his death in 1942.

Gas Sales Increased 10.1% in January

Total gas utility sales to ultimate consumers in January were 3,069,994,000 therms, an increase of 10.1% over January, 1946, the American Gas Association reports. The Association's index of total gas utility sales on Jan. 31, 1947 stood at 215.0% of the 1935-1939 average. For the 12 months ending Jan. 31, 1947 total gas utility sales were 26,458,759,000 therms, an increase of 1.9% over a year earlier.

Natural gas sales in January rose 9.6% to total 2,649,346,000 therms, and the index of natural gas sales stood at 216.6% of the 1935-1939 average. In the 12 months ended Jan. 31, 1947, natural gas sales were 1.2% above the previous comparable period.

Sales of manufactured gas in January totalled 237,464,000 therms an increase of 11.7% over a year earlier. On Jan. 31, 1947, the index of manufactured gas sales stood at 186.2% of the 1935-1939 average. For the 12 month period manufactured gas sales rose 7.5% over the previous yearly period.

Mixed gas sales in January, 1947 aggregated 183,184,000 therms, up 16.5% over January, 1946 and the index of mixed gas sales stood at 234.3% of the 1935-1939 average. In the 12 months ended Jan. 31, 1947 mixed gas sales totalled 1,277,239,000 therms, a gain of 5.6% over a year earlier.

Gas sales, revenues and customers showed marked gains in the final quarter of 1946, the Association reports. Total revenues from sales of gas by utilities in the last three months of 1946 amounted to $318,700,000, an increase of 9.5% over the preceding year. There were 20,900,000 customers on the gas mains at the end of the year, a gain of 2.9% over 1945. Manufactured gas sales increased 7.6% in the quarter ended Dec. 31, 1946 compared with the like period in 1945; natural gas sales were up 8.5% in the quarter, and sales of mixed gas gained 9.0% over sales in the same quarter of 1945.

A summary of sales data for January, 1947 and for 12 months is as follows (in 000 therms):

Period Ended Dec. 31—	1946—Month	—1945	1946—12 Mos.	—1945
Natural Gas	2,307,321	2,167,378	22,918,638	22,890,711
Manufactured Gas	206,360	189,177	2,171,009	2,068,235
Mixed Gas	148,882	132,508	1,258,015	1,188,947
Total	2,662,563	2,489,063	26,347,662	26,147,893
Period Ended Jan. 31—	**1947—Month**	**—1946**	**1947—12 Mos.**	**—1946**
Natural Gas	2,649,346	2,417,774	22,960,720	22,682,199
Manufactured Gas	237,464	212,522	2,220,800	2,064,935
Mixed Gas	183,184	157,229	1,277,239	1,209,706
Total	3,069,994	2,787,525	26,458,759	25,956,840

U. S. Foreign Trade in 1945 and 1946

The value of United States exports in December rose sharply to a new postwar high of $1,094 million from the previous months high of $987 million, the Bureau of the Census announced on Feb. 10. Exports for the year 1946 totaled $9,738 million, or only 0.7% less than the $9,806 million in 1945 when during the first seven and a half months we were at war and Lend-Lease shipments comprised from 60% to 75% of monthly exports.

General imports also moved sharply upward in December to a new high dollar value of $536 million from $481 million in November. For the twelve months of 1946, general imports aggregated $4,934 million compared to a total of $4,136 million in 1945, an increase amounting to 19%.

The value of commercial exports amounted to $1,022 million in December, or 93% of total exports. This value was $119 million above November and $511 million above the year's low in October when shipments were retarded by the strike situation. Commercial export values for the year 1946 totaled $7,907 million compared with $3,874 million in 1945 when they were only 40% of total exports.

Exports under the UNRRA program increased to $55 million in December from $53 million in November and $11 million in October. The value of December exports under this program was the highest since the $77 million in August 1946. December exports under the Lend-Lease program dropped to a new low of 7.2 million.

Despite an 11% gain in value, the export shipping weight in December was 8.5% below the November level. The decline in December shipping weight to 17,413 million pounds from 18,899 million pounds in November was caused by a sharp reduction in exports of coal, which more than counter-balanced increased tonnages of other merchandise shipped.

The shipping weight of general imports declined slightly in December compared with November to 10,767 million pounds from 10,909 million pounds, although the rise in import values amounted to 11%. For the year 1946, shipping weight of goods imported totaled 127,687 million pounds, a rise of 4% from the 122,346 million pounds in 1945.

The composition of United States foreign trade for the 12 months of 1946 follows:

VALUE (MILLIONS OF DOLLARS)

Month	Total Exports	Commercial Exports	UNRRA Exports	*U. S. Govt. Exports	Lend-Lease Exports	†General Imports
1946 Total	$9,737.9	$7,906.5	$1,014.5	$163.0	$653.9	$4,934.3
January	798.7	538.2	125.1	5.0	130.4	393.5
February	669.9	470.4	91.3	11.8	96.3	317.6
March	815.4	585.6	107.0	6.6	116.2	384.4
April	756.8	531.8	89.8	4.8	80.4	407.2
May	850.6	652.3	122.2	9.4	66.6	397.4
June	877.7	683.4	118.0	19.0	57.2	385.9
July	825.6	646.1	118.4	23.9	37.1	433.8
August	883.0	748.4	77.7	23.1	33.8	425.7
September	642.7	562.8	45.8	21.6	12.4	377.8
October	536.7	511.7	11.1	6.4	7.6	393.7
November	987.4	903.6	52.8	22.5	8.6	481.4
December	1,093.5	1,022.2	55.3	8.8	7.2	535.8

Coverage

Exports currently being made under the Lend-Lease program represent with few exceptions merchandise for which arrangements for repayment were completed prior to the exportation of the merchandise. In many cases these arrangements apply to merchandise which was in Lend-Lease procurement channels at the cessation of hostilities with Japan and call for a substantial down payment by foreign governments with the remainder to be paid in 20 to 30 years. In other cases the arrangements involved the full cash payment prior to the export shipments being made. In only a small percentage of the Lend-Lease shipments made during the war period were arrangements for repayment made prior to export.

Excluded from all export figures are shipments to the United States armed forces abroad, shipments between Continental United States and the Territories and Possessions, and shipments between the Territories and Possessions. None of the export or import figures have been adjusted for changes in price level.

Data for December are preliminary. Revised totals appear in the second December release. Prior months' data includes revisions released with the November 1946 reports.

Summary figures on exports and imports are presented in the following tables:

TABLE I

UNITED STATES EXPORTS OF DOMESTIC AND FOREIGN MERCHANDISE AND DOMESTIC MERCHANDISE

January 1945-December 1946, by Months

Domestic and Foreign Merchandise: Month—	Value 1945	Value 1946
January	$902,800,000	$798,700,000
February	886,600,000	669,900,000
March	1,030,100,000	815,400,000
April	1,005,400,000	756,800,000
May	1,135,500,000	850,600,000
June	870,300,000	877,700,000
July	893,200,000	825,600,000
August	737,400,000	883,000,000
September	514,400,000	642,700,000
October	455,300,000	536,700,000
November	638,900,000	987,400,000
December	736,100,000	1,093,500,000
Total January-December	$9,805,900,000	$9,737,900,000
Domestic Merchandise:		
January	$895,900,000	$778,800,000
February	877,700,000	643,100,000
March	1,017,100,000	786,600,000
April	987,200,000	739,200,000
May	1,118,700,000	815,000,000
June	848,400,000	858,000,000
July	858,800,000	807,400,000
August	716,600,000	860,100,000
September	500,100,000	626,900,000
October	440,500,000	528,800,000
November	612,300,000	965,700,000
December	715,200,000	1,080,200,000
Total January-December	$9,588,500,000	$9,496,000,000

TABLE II

UNITED STATES GENERAL IMPORTS AND IMPORTS FOR CONSUMPTION OF MERCHANDISE

January 1945-December 1946, by Months

†General Imports: Month—	Value 1945	Value 1946
January	$333,900,000	$393,500,000
February	325,500,000	317,600,000
March	364,800,000	384,400,000
April	366,100,000	407,200,000
May	372,100,000	397,400,000
June	359,600,000	385,900,000
July	355,700,000	433,800,000
August	359,700,000	425,700,000
September	334,700,000	377,800,000
October	344,400,000	393,700,000
November	322,400,000	481,400,000
December	297,200,000	535,800,000
Total January-December	$4,135,900,000	$4,934,300,000
‡Imports for Consumption:		
January	$355,200,000	$400,100,000
February	331,400,000	307,000,000
March	365,800,000	374,000,000
April	356,000,000	394,900,000
May	362,100,000	389,700,000
June	338,800,000	371,700,000
July	345,600,000	422,000,000
August	355,000,000	415,600,000
September	329,300,000	378,600,000
October	343,700,000	396,400,000
November	312,600,000	469,700,000
December	279,500,000	497,600,000
Total January-December	$4,074,800,000	$4,817,400,000

*Consists of shipments by and for the account of, or consigned to, U. S. Government agencies and establishments abroad. Prior to July 1, 1945 shipments consigned to U. S. Government agencies abroad were excluded from all export statistics. The figures exclude shipments of office supplies and equipment, and shipments to the U. S. armed forces abroad.

†General imports are a total of imports for immediate consumption plus entries into bonded storage and manufacturing warehouses.

‡Imports for consumption are a total of imports for immediate consumption plus withdrawals from bonded storage and manufacturing warehouses.

NOTE—Totals represent sum of unrounded figures, hence may vary slightly from sum of rounded amounts.

United States Savings Bonds Issued and Redeemed Through Feb. 28, 1947

(Dollar amounts in millions—rounded and will not necessarily add to totals)

	*Amount Issued	*Amount Redeemed	†Amount Outstdg.	Percent Redeemed of Amt. Issued
Series A-D:				
Series A-1935 (matured)	$255	$243	$11	95.29
Series B-1936 (matured)	462	418	44	90.48
Series C-1937	582	243	‡338	41.75
Series C-1938	652	147	505	22.55
Series D-1939	1,007	200	807	19.86
Series D-1940	1,194	213	981	17.84
Series D-1941	518	81	437	15.64
Total series A-D	$4,671	$1,547	$3,123	33.12
Series E:				
Series E-1941	1,452	297	1,155	20.45
Series E-1942	6,584	2,106	4,478	31.99
Series E-1943	10,779	4,093	6,686	37.97
Series E-1944	12,617	4,821	7,796	38.21
Series E-1945	9,869	3,466	6,403	35.12
Series E-1946	4,317	749	3,568	17.35
Series E-1947 (2 months)	§657	**	§657	----
Total series E	$46,274	$15,531	$30,743	33.56
Unclassified redemptions:				
Series A-E	----	92	—92	------
Total series A-E	$50,945	$17,170	$33,774	33.70
Series F and G:				
Series F and G-1941	1,527	173	1,354	11.33
Series F and G-1942	3,178	403	2,775	12.68
Series F and G-1943	3,351	413	2,938	12.32
Series F and G-1944	3,685	324	3,361	8.79
Series F and G-1945	3,141	168	2,973	5.35
Series F and G-1946	2,992	37	2,955	1.24
Series F and G-1947 (2 months)	641	**	641	----
Total series F & G	$18,515	$1,517	$16,998	8.19
¶Total all series	$69,460	$18,688	$50,772	26.90

*Includes accrued discount. **Less than $500,000. †Current redemption values. ‡Includes matured bonds which have not been presented for payment. §Includes $35 million reported on public debt statement as "unclassified sales." ¶Includes series A and B (matured), and therefore does not agree with totals under interest-bearing debt on Public Debt Statement.

Loree Chairman of Foreign Trade Council

Robert F. Loree, former Vice-President of the Guaranty Trust Company of New York, has been elected Chairman of the board of directors of the National Foreign Trade Council, it was announced on March 26. John Abbink, President of the Business Publishers International Corporation, who served as NFTC Chairman for the past two years, assumes the position of Past-Chairman and will continue active in the affairs of the Council.

Staff officers elected by the board are Eugene P. Thomas, who continues as President; William S. Swingle, former Vice-President and now Executive Vice-President; Edward L. Behr, Jr., former Assistant Vice-President and now Vice-President, and Robert A. Breen, continuing as Secretary. Robert H. Patchin, Vice-President, W. R. Grace & Co., was re-elected Treasurer.

In accepting the Chairmanship of the Council, Mr. Loree made public the following statement:

"During the year ahead while the world attempts to regain a peacetime economic footing, the National Foreign Trade Council, speaking for American international trade and investment interests, will be guided in its policy recommendations by the proposition that world prosperity depends to a considerable extent upon the maintenance of prosperity within the United States. At the same time, domestic economic progress will be greatly aided by an expansion of sound American export and import trade and direct foreign investments. Economically unsound governmental barriers and restrictions hindering the growth of international commercial relations must give way to freer trade and a larger flow of investment capital, with assurance against disruption or loss caused by policies of governments seeking temporary and unfair national advantage."

Mr. Loree has devoted much of his career to the field of foreign trade and investment. From 1925 to 1946 he was Vice-President of Guaranty Trust Company in charge of the foreign department and foreign branches. He was also Vice-President and director of the Mercantile Bank of the Americas from 1921 to 1946. He has been President and director of the Bank of Central and South America and of the National Bank of Nicaragua. He is a director of the New York Central Railroad and of the Emigrant Industrial Savings Bank. His foreign trade activities have also included a directorship in the National Foreign Trade Council and Chairmanship of its Foreign Property-Holders Protective Committee. He served for seven years, starting in 1939, as Chairman of the Foreign Exchange Committee. He has been a recent Chairman of the executive committee of the Chamber of Commerce of the State of New York.

Senate Votes to Preserve Draft Records

President Truman's request for legislation which would preserve all draft records after the expiration of the Selective Service Act on Mar. 31 met with favorable response from the Senate which on Mar. 24 passed a measure designed to keep the records intact for the present. Although the President proposed that the draft records be transferred to central depots in each state, the bill which the Senate passed, according to United Press Washington advices, would leave them in local draft boards until next June 30. Under the legislation a new office of Selective Service Records would be set up to replace the wartime conscription machinery.

Trading on New York Exchanges

The Securities and Exchange Commission made public on March 26 figures showing the volume of total round-lot stock sales on the New York Stock Exchange and the New York Curb Exchange and the volume of round-lot stock transactions for the account of all members of these exchanges in the week ended March 8, continuing a series of current figures being published weekly by the Commission. Short sales are shown separately from other sales in these figures.

Trading on the Stock Exchange for the account of members (except odd-lot dealers) during the week ended March 8 (in round-lot transaction) total 2,019,807 shares, which amount was 18.16% of the total transactions on the Exchange of 5,563,010 shares. This compares with member trading during the week ended March 1 of 2,085,943 shares, or 18.41%, of the total trading of 5,668,220 shares.

On the New York Curb Exchange, member trading during the week ended March 8 amounted to 492,560 shares, or 15.41%, of the total volume on that Exchange of 1,597,870 shares. During the week ended March 1 trading for the account of Curb members of 460,250 shares was 17.04% of the total trading of 1,350,265 shares.

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

WEEK ENDED MARCH 8, 1947

	Total for Week	†%
A. Total Round-Lot Sales:		
Short sales	231,650	
‡Other sales	5,331,360	
Total sales	5,563,010	
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	680,000	
Short sales	112,610	
‡Other sales	535,720	
Total sales	648,330	11.94
2. Other transactions initiated on the floor—		
Total purchases	156,090	
Short sales	23,700	
‡Other sales	132,390	
Total sales	156,090	2.81
3. Other transactions initiated off the floor—		
Total purchases	173,250	
Short sales	22,480	
‡Other sales	183,567	
Total sales	206,047	3.41
4. Total—		
Total purchases	1,009,340	
Short sales	158,790	
‡Other sales	851,677	
Total sales	1,010,467	18.16

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

WEEK ENDED MARCH 8, 1947

	Total for Week	†%
A. Total Round-Lot Sales:		
Short sales	17,750	
‡Other sales	1,580,120	
Total sales	1,597,870	
B. Round-Lot Transactions for Account of Members:		
1. Transactions of specialists in stocks in which they are registered—		
Total purchases	135,700	
Short sales	6,300	
‡Other sales	175,000	
Total sales	181,300	9.92
2. Other transactions initiated on the floor—		
Total purchases	18,155	
Short sales	2,500	
‡Other sales	26,900	
Total sales	29,400	1.49
3. Other transactions initiated off the floor—		
Total purchases	79,145	
Short sales	2,825	
‡Other sales	46,035	
Total sales	48,860	4.00
4. Total—		
Total purchases	233,000	
Short sales	11,625	
‡Other sales	247,935	
Total sales	259,560	15.41
C. Odd-Lot transactions for Account of Specialists—		
Customers' short sales	0	
§Customers' other sales	74,154	
Total purchases	74,154	
Total sales	60,366	

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

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

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

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

Commercial Paper Outstanding on Feb. 28

Reports received by the Federal Reserve Bank of New Nork from commercial paper dealers show a total of $242,700,000 of open market paper outstanding on Feb. 28, 1947, compared with $236,400,000 on Jan. 31, 1947, and $178,200,000 on Feb. 28, 1946, the bank announced on March 17.

The following are the totale for the last two years:

1947—	$	1946—	$
Feb. 28	242,700,000	Feb. 28	178,200,000
Jan. 31	236,400,000	Jan. 31	173,700,000
1946—	$	1945—	
Dec. 31	227,600,000	Dec. 31	158,900,000
Nov. 29	226,800,000	Nov. 30	156,100,000
Oct. 31	201,500,000	Oct. 31	127,100,000
Sep. 30	147,600,000	Sep. 28	111,100,000
Aug. 31	141,600,000	Aug. 31	110,200,000
July 31	130,800,000	July 31	106,800,000
June 28	121,400,000	Jun. 29	100,800,000
May 30	126,000,000	May 31	102,800,000
Apr. 30	148,700,000	Apr. 30	118,600,000
Mar. 29	171,500,000	Mar. 30	146,700,000

Daily Average Crude Oil Production for Week Ended March 22, 1947 Increased 17,100 Barrels

The American Petroleum Institute estimates that the daily average gross crude oil production for the week ended March 22, 1947 was 4,861,600 barrels, a gain of 17,100 barrels per day over the preceding week and an increase of 430,650 barrels per day over the corresponding week of 1946. The current figure also exceeded by 116,600 barrels the daily average figure of 4,745,000 barrels estimated by the United States Bureau of Mines as the requirement for the month of March, 1947. Daily output for the four weeks ended March 22, 1947 averaged 4,825,350 barrels. The Institute's statement adds:

Reports received from refining companies indicate that the industry as a whole ran to stills on a Bureau of Mines basis approximately 4,885,000 barrels of crude oil daily and produced 14,440,000 barrels of gasoline; 2,125,000 barrels of kerosine; 5,968,000 barrels of distillate fuel, and 8,621,000 barrels of residual fuel oil during the week ended March 22, 1947; and had in storage at the end of the week 106,526,000 barrels of finished and unfinished gasoline; 9,872,000 barrels of kerosine; 32,993,000 barrels of distillate fuel, and 42,703,000 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. 22, 1947	Change from Previous Week	4 Weeks Ended Mar. 22, 1947	Week Ended Mar. 23, 1946
**New York-Penna.	48,200		47,500	— 1,300	46,500	47,900
Florida			150	----	150	100
**West Virginia	8,000		7,600	— 650	7,300	7,800
**Ohio—Southeast	8,000		6,650	+ 300	6,050	5,700
Ohio—Other			2,500	+ 50	2,350	2,250
Indiana	18,000		18,050	+ 1,200	17,550	17,650
Illinois	210,000		187,350	— 3,200	191,850	208,650
Kentucky	29,000		27,200	+ 350	27,050	32,000
Michigan	47,000		41,150	— 1,000	42,700	44,300
Nebraska	700		†60	----	700	800
Kansas	270,000	270,000	†267,750	+ 7,050	263,950	259,400
Oklahoma	375,000	369,475	†367,850	+ 400	367,700	367,500
Texas—						
District I			20,550	----	20,400	----
District II			157,900	----	154,900	----
District III			487,300	----	478,250	----
District IV			242,000	----	237,300	----
District V			38,300	----	37,850	----
East Texas			313,000	----	316,800	----
Other Dist. VI			111,000	----	109,750	----
District VII-B			36,450	----	36,350	----
District VII-C			34,900	----	34,350	----
District VIII			473,700	----	472,150	----
District IX			130,000	----	129,050	----
District X			84,650	----	84,300	----
Total Texas	2,060,000	‡2,145,271	2,129,750	----	2,111,450	1,817,500
North Louisiana			96,150	+ 1,250	94,750	82,450
Coastal Louisiana			311,450	----	311,150	293,350
Total Louisiana	400,000	447,000	407,600	+ 1,250	405,900	375,800
Arkansas	79,000	81,706	74,750	+ 850	74,300	77,250
Mississippi	77,000		87,300	+ 5,050	85,050	55,250
Alabama	2,100		950	----	950	1,000
New Mexico—So. East	101,000	112,000	103,900	----	103,750	95,150
New Mexico—Other			450	----	450	450
Wyoming	100,000		114,300	+ 5,150	110,300	111,650
Montana	24,000		22,300	— 250	22,200	20,100
Colorado	38,000		37,400	+ 3,750	35,350	22,550
California	850,000	§845,300	908,500	— 1,900	901,800	860,200
Total United States	4,745,000		4,861,600	+17,100	4,825,350	4,430,950
**Pennsylvania Grade (included above)			61,750	— 1,650	59,850	61,400

*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 oil 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 20, 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 22, 1947

(Figures in thousands of barrels of 42 gallons each)

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

District—	% Daily 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	787	93.8	1,777	22,516	4,394	9,412	5,912
Appalachian—								
District No. 1	76.3	107	74.8	286	2,633	204	387	203
District No. 2	84.7	64	103.2	212	974	21	67	77
Ind., Ill., Ky.	87.4	820	94.3	2,852	22,571	1,120	2,374	2,008
Okla., Kans., Mo.	78.3	398	84.9	1,415	10,951	336	1,146	883
Inland Texas	59.8	214	64.8	945	4,632	168	301	745
Texas Gulf Coast	89.2	1,086	88.6	3,118	15,348	1,877	6,040	5,072
Louisiana Gulf Coast	97.4	364	113.4	965	5,624	677	1,992	1,386
No. La. & Arkansas	55.9	65	51.6	170	1,922	276	541	122
Rocky Mountain—								
New Mexico	19.0	11	84.6	37	86	15	33	37
Other Rocky Mt.	70.9	129	78.2	421	3,167	44	469	712
California	85.5	840	84.5	2,233	16,102	740	10,231	25,548
Total U. S.—B. of M. basis Mar. 22, 1947	85.8	4,885	87.9	14,440	*106,526	9,872	32,993	42,703
Total U. S.—B. of M. basis Mar. 15 1947	85.8	4,986	89.7	15,125	106,813	10,501	34,384	43,734
U. S. B. of M. basis Mar 23, 1946		4,690	---	13,250	†104,330	8,669	27,775	37,853

*Includes unfinished gasoline stocks of 8,240,000 barrels. †Includes unfinished gasoline stocks of 9,115,000 barrels. ‡Stocks at refineries, at bulk terminals, in transit and in pipe lines. §In addition, there were produced 2,125,000 barrels of kerosene, 5,968,000 barrels of gas oil and distillate fuel oil and 8,621,000 barrels of residual fuel oil in the week ended March 22, 1947, as compared with 2,230,000 barrels, 6,025,000 barrels and 8,916,000 barrels, respectively, in the preceding week and 2,369,000 barrels, 5,644,000 barrels and 8,469,000 barrels, respectively, in the week ended March 23, 1946.

NYSE Odd-Lot Trading

The Securities and Exchange Commission made public on March 26 a summary of complete figures showing the daily volume of stock transactions for odd-lot account of all odd-lot dealers and specialists who handled odd lots on the New York Stock Exchange for the week ended March 15, continuing a series of current figures being published by the Commission. The figures are based upon reports filed with the Commission by the odd-lot dealers and specialists.

STOCK TRANSACTIONS FOR THE ODD-LOT ACCOUNT OF ODD-LOT DEALERS AND SPECIALISTS ON THE N. Y. STOCK EXCHANGE

Week Ended March 15, 1947

	Total For Week
Odd-Lot Sales by Dealers— (Customers' purchases)	
Number of orders	26,928
Number of shares	746,199
Dollar value	$30,143,803
Odd-Lot Purchases by Dealers— (Customers' sales)	
Number of Orders:	
Customers' short sales	433
*Customers' other sales	20,554
Customers' total sales	20,987
Number of Shares:	
Customers' short sales	16,107
*Customers' other sales	583,131
Customers' total sales	599,238
Dollar vaue	$22,559,761
Round-Lot Sales by Dealers—	
Number of Shares:	
Short sales	0
†Other sales	147,320
Total sales	147,320
Round-Lot Purchases by Dealers—	
Number of shares	290,580

*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."

Urge Price Cuts

At a press conference on Mar. 26, the 100th he has held since taking office. President Truman voiced the hope that industry would see that the wisdom of reducing prices before the wage-price spiral rose beyond control. Citing the price reductions of the Ford Motor Co., International Harvester and other companies the President said that he hoped business in general would read the handwriting on the wall before it is too late. Expressing concern over the upward trend, Mr. Truman said, according to Washington Associated Press advices, that he did not want to see a rise in prices that might lead to inflation. Secretary of the Treasury Snyder added his voice to the President's hope that prices would be reduced. He said, to quote from the same press advices, that "Labor must not make over demands or they will force prices up." He added that he was "not too optimistic," but that reductions by basic industries would be reflected in lower prices to consumers. Mr. Snyder said the prime reason he would like to see prices reduced would be to lower living costs and take off pressure for wage increases.

President Truman told newsmen that his Economic Advisory Council is now making a complete survey of the price situation.

May Continue Easing of Army Ship Standards

The Army would be permitted to continue transporting American civilians and troops for another year on ships which do not meet navigation safety standards under legislation approved unanimously by the House on Mar. 13, according to Associated Press Washington advices. Existing authority, which was originally granted to meet wartime shipping shortages, expires Mar. 31. The Army asked renewal because of heavy troop shipments to and from this country and the lack of a sufficient number of regular transports, according to Associated Press Washington advices.

Latest Summary of Copper Statistics

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

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

U. S. Duty Free Copper	Production *Crude	Production Refined	Deliveries to Customers †Domestic	Deliveries to Customers Export	‡Refined Stocks End of Period	Stock Increase (+) or Decreases (—) §Blister	Stock Increase (+) or Decreases (—) Refined
Year 1939	836,074	818,289	814,407	134,152	159,485	+17,785	—130,270
Year 1940	992,293	1,033,710	1,001,886	48,537	142,772	—41,417	— 16,713
Year 1941	1,016,996	1,065,667	1,545,541	307	75,564	—48,671	— 67,208
Year 1942	1,152,344	1,135,708	1,635,236	----	65,309	+16,636	— 10,255
Year 1943	1,194,699	1,206,871	1,643,677	----	52,121	—12,172	— 13,188
Year 1944	1,056,180	1,098,788	1,636,295	----	66,780	—42,608	+ 14,659
Year 1945	841,667	843,113	1,517,842	----	76,512	— 1,446	+ 9,732
Year 1946	651,260	604,071	1,260,921	909	80,832	+47,189	+ 4,320
2 Mos., 1947	¶152,603	157,735	261,426	----	74,645	— 5,132	— 6,187
Jan., 1946	58,178	69,008	115,601	----	72,799	—10,830	— 3,713
Feb., 1946	41,667	49,923	86,089	909	74,339	— 8,256	+ 1,540
Mar., 1946	41,832	20,139	58,590	----	70,249	+21,693	— 4,090
Apr., 1946	29,280	18,989	75,756	----	65,448	+10,291	— 4,801
May, 1946	31,897	20,551	93,647	----	75,754	+11,346	+ 10,306
June, 1946	32,785	23,870	95,267	----	79,145	+ 8,915	+ 3,391
July, 1946	56,906	43,606	97,527	----	101,183	+13,300	+ 22,038
Aug., 1946	64,462	59,591	118,381	----	94,669	+ 4,871	— 6,514
Sept., 1946	69,748	67,803	113,158	----	98,619	+ 1,945	+ 3,950
Oct., 1946	72,807	77,947	136,481	----	91,161	— 5,140	— 7,458
Nov., 1946	73,024	75,066	129,206	----	90,896	— 2,042	— 265
Dec., 1946	78,674	77,578	141,218	----	80,832	+ 1,096	— 10,064
Jan., 1947	78,256	80,144	143,692	----	76,680	— 1,888	— 4,152
Feb., 1947	74,347	77,591	117,734	----	74,645	— 3,244	— 2,035

*Mine or smelter production or shipments, and custom intake including scrap.
†Beginning March, 1941, includes deliveries of duty paid foreign copper for domestic consumption.
‡At refineries on consignment and in exchange warehouses, but not including consumers' stocks at their plants or warehouses.
§Computed by difference between mine and refined production.
¶Includes 140,128 tons of primary metal and 12,475 tons of secondary metal.
NOTE—Statistics for the month of January, 1947, have been revised.

Real Estate Financing in January

Non-farm real estate financing in the nation during January totaled approximately $847,000,000, about a third greater than in the first month of 1946, the Federal Home Loan Bank Administration reported on March 15. More than half of this rise, it was noted, was due to increases in the average amount of the mortgages made, since the number of such liens recorded in the month was only 14% higher than in January, 1946. The advices from the FHLBA also said:

By comparison—and illustrating a recent flattening off in the trend of home financing activity—mortgages registered in July, 1946, numbered 65% more than in July, 1945. Compared with last December, mortgage recordings in January were 1.3% greater in dollar amount. Commercial banks, mutual savings banks and savings and loan associations reported a smaller aggregate of financing for the month while figures were up for insurance companies, individuals and miscellaneous lending institutions.

The compilations are limited to non-farm mortgages of $20,000 or less. Following are the number and amount of mortgage recordings for January, by types of lenders, together with their relative participation in the total of the month's mortgage lending:

	Number	Amount	% of Amount
Savings and loan associations	56,272	$246,114,000	29
Insurance companies	8,835	52,155,000	6
Banks and trust companies	47,195	230,492,000	27
Mutual savings banks	7,759	44,761,000	5
Individuals	47,036	160,297,000	19
Miscellaneous lending institutions	22,086	113,224,000	14
Total	189,183	$847,043,000	100

Wholesale Prices Rose 0.5% In Week Ended March 22, Following Drop Previous Week Labor Dept. Reports*

Following the previous week's slight decline, average primary market prices rose 0.5% during the week ended March 22, 1947, according to the Bureau of Labor Statistics, U. S. Department of Labor which on March 27 stated that "prices of nonagricultural commodities continued their steady advance; agricultural commodities declined." "At 149.0% of the 1926 average, the Bureau's index of commodity prices in primary markets was 37.5% above a year ago and 11% below the May 1920 peak," said the Bureau, on March 27 its advices on that date further stating:

"Farm Products and Foods—Led by lower prices for livestock and fresh fruits and vegetables, average prices of farm products declined 0.7% during the week. With some improvement in supplies, prices for most livestock were lower. Sharp declines in prices of grains, beginning on March 18, were not yet fully reflected in the index. Quotations on March 18, used in the index, were higher than on the previous Tuesday for wheat, corn and barley, and lower for oats and rye. Larger receipts also resulted in declines for citrus fruits, white potatoes, sweetpotatoes and onions. Liberal supplies caused general declines for eggs. Quotations for cotton rose slightly and prices of Australian wool increased with higher domestic prices. On the average prices of farm products were 6.5% above 4 weeks earlier and 37.6% above last year.

"The group index for foods declined 0.2% during the week as lower prices for fruits and vegetables and meats more than offset higher prices for cereal products and cheese. Beef, pork and veal prices showed small declines, due to consumer resistance. Flour prices continued to advance in response to strong demand, particularly for export. Scarcity and higher costs caused increases for oleomargarine. Black pepper prices were lower. Foods as a group were 2.3% above late February and 51.9% above the corresponding week of last year.

"Other Commodities—Average prices of all commodities other than farm products and foods increased 1% during the week. Prices of crude petroleum and petroleum products rose sharply, the 5th advance since decontrol. Further price increases occurred for pig iron and steel scrap, and there was a substantial increase for antimony. Higher prices for southern pine lumber were reported from the South Western area. Prices of fats and oils, fatty acids and soaps again increased, reflecting the general scarcity and higher costs of raw materials. Increases, ranging up to 20% for flour mill by-products, occured in cattle feed prices. Higher raw materials costs caused some producers to raise prices for a number of chemicals and metal products, including formaldehyde, citric acid and phosphate rock, farm machinery, babbitt metal, lead pipe and litharge. Silver prices again declined, resulting in lower prices for silver nitrate. Spot prices of sulphate woodpulp, in short supply, increased and there were further advances for box board. Prices of some cotton goods and woolen and worsted goods rose because of higher costs of raw fibers and increased wage rates. Quotations for goatskins and sheepskins declined."

In reporting on March 20, the wholesale prices for the week ended Mar. 15, the Bureau stated that "following five weeks of steady advances, average primary market prices dropped 0.3% because of lower prices for some foods during the week ended Mar. 15." It was added that "at 148.3% of the 1926 average, the Bureau's index of commodity prices in primary markets was 3.6% above mid-February and 36.8% above a year ago."

The course of prices during the week ended March 15 was further indicated on March 20 as follows by the Bureau:

"Farm Products and Foods—Substantial declines for pork and butter were primarily responsible for a decrease of 2.5% in food prices during the week. On the average foods were 3.5% higher than four weeks earlier and 52.1% above a year ago. Pork prices dropped nearly 13% largely because of resistance to previous high prices. Beef and veal also declined, while dressed poultry, lamb and mutton prices were higher reflecting low supplies. Butter prices were down more than 7% with ample supplies; prices of cheese advanced. Continued demand caused further increases for flour. Prices of fruits and vegetables were higher on the average, with increases for potatoes, dried beans, apples and onions. Lower prices for dried fruits resulted from lack of buying interest at present prices. Continued scarcity brought further increases for edible fats and oils.

"With an advance of 1.3% during the week, market prices on farm products rose for the seventh consecutive week, reaching a level 12.2% above late January and 38.4% above last year. Grain quotations again rose sharply, influenced by the heavy export needs. Average quotations for livestock and poultry dropped reflecting the downward pressure of meat prices, particularly on hogs. Egg prices rose early in the week but decreased later as supplies improved. Quotations for 15/16 middling raw cotton rose to 35 cents per pound as mill consumption continued high. Prices of alfalfa hay rose substantially because of heavy demand on short supplies.

"Other Commodities—Average prices of all commodities other than farm products and foods continued their steady advance with a rise of 0.5% during the week. Prices of fats and oils and soap were higher reflecting general scarcity and there were further substantial price increases of cattle feed. Higher raw material costs were responsible for advances for anilin oil, carbon tetrachloride, lubricating oils, white lead pigment, sanitary cans and boxboard. Prices of calcium arsenate, natural menthol and tankage rose and prices of aquaammonia in drums were up because of the shortage of containers. Copper prices rose to 21½ cents per pound and additional increases were reported for pig iron. Silver prices declined following India's ban on imports. Reduced demand was reflected in lower prices for chinawood oil. Limited supplies and heavy demand forced up prices for calfskins and calfleather while goatskins and sole leather declined. Prices of woolen and worsted goods and rayon were higher due to increased labor and meterial costs. Prices of burlap and hemp also advanced."

CHANGES IN WHOLESALE PRICES BY COMMODITY GROUPS FOR WEEK ENDED MARCH 22, 1947
(1926=100)

Commodity Groups—	3-22 1947	3-15 1947	3-8 1947	2-22 1947	3-23 1946	Percent change to March 22, 1947 from— 3-15 1947	2-22 1947	3-23 1946
All commodities	149.0	148.3	148.7	144.3	108.4	+ 0.5	+ 3.3	+37.5
Farm products	182.9	184.2	181.8	171.7	132.9	— 0.7	+ 6.5	+37.6
Foods	166.2	166.5	170.7	162.5	109.4	— 0.2	+ 2.3	+51.9
Hides and leather products	174.9	175.7	174.2	175.8	120.1	— 0.5	— 0.5	+45.6
Textile products	138.7	138.3	137.4	135.4	102.4	+ 0.3	+ 2.4	+35.4
Fuel and lighting materials	101.7	98.8	98.8	98.6	85.4	+ 2.9	+ 3.1	+19.1
Metals and metal products	140.3	140.2	139.7	138.4	107.9	+ 0.1	+ 1.4	+30.0
Building materials	176.7	175.3	175.3	172.6	123.6	+ 0.8	+ 2.4	+43.0
Chemicals and allied products	133.0	131.7	130.6	129.2	96.0	+ 1.0	+ 2.9	+38.5
Housefurnishings goods	126.6	126.1	126.1	125.3	108.4	+ 0.4	+ 1.0	+16.8
Miscellaneous commodities	114.6	113.0	111.9	110.7	95.4	+ 1.4	+ 3.5	+20.1
Special Groups—								
Raw materials	164.3	164.1	162.5	156.2	120.9	+ 0.1	+ 5.2	+35.9
Semi-manufactured articles	145.4	145.2	144.0	141.3	100.3	+ 0.1	+ 2.9	+45.0
Manufactured products	143.1	142.1	143.7	140.0	104.3	+ 0.7	+ 2.2	+37.2
All commodities other than Farm products	141.6	140.5	141.4	138.3	103.0	+ 0.8	+ 2.4	+37.5
All commodities other than Farm products and foods	131.3	130.0	129.4	128.3	102.0	+ 1.0	+ 2.3	+28.7

PERCENTAGE CHANGES IN SUBGROUP INDEXES FROM MARCH 15, 1947 TO MARCH 22, 1947

Increases

Cattle feed	14.5	Leather	0.3
Petroleum and products	7.1	Paper and pulp	0.3
Cereal products	3.2	Anthracite	0.2
Grains	3.2	Dairy products	0.2
Oils and fats	2.6	Iron and steel	0.2
Lumber	1.9	Agricultural implements	0.1
Fertilizer materials	1.7	Bituminous coal	0.1
Furniture	1.9	Brick and tile	0.1
Woolen and worsted goods	1.0	Clothing	0.1
Chemicals	0.5	Drugs and pharmaceuticals	0.1
Shoes	0.5	Motor vehicles	0.1
Cotton goods	0.4	Other building materials	0.1
Paint and paint materials	0.1		

Decreases

Hides and skins	3.9	Meats	0.9
Livestock and poultry	2.4	Other farm products	0.8
Fruits and vegetables	2.0	Other foods	0.3
Other textile products	0.1		

PERCENTAGE CHANGES IN SUBGROUP INDEXES FROM MARCH 8, 1947 TO MARCH 15, 1947

Increases

Rayon	9.5	Fertilizer materials	0.7
Cattle feed	9.3	Iron and steel	0.5
Grains	7.7	Other foods	0.5
Hides and skins	3.6	Paper and pulp	0.4
Oils and fats	3.3	Other miscellaneous	0.3
Fruits and vegetables	2.3	Other textile products	0.3
Other farm products	2.0	Drugs and pharmaceuticals	0.2
Woolen and worsted goods	1.8	Paint and paint materials	0.2
Nonferrous metals	1.3	Chemicals	0.1
Cereal products	1.2	Cotton goods	0.1
Leather	0.8	Petroleum and products	0.1

Decreases

Meats	7.0	Dairy products	2.9
Livestock and poultry	1.8		

*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 mouthly index.

Regrouping of War Loan Depositaries

Allan Sproul, President of the Federal Reserve Bank of New York on March 22 called attention to member and non-member banks to a change in the grouping of war loan depositaries; his announcement follows:

"Effective immediately, all war loan depositaries have been divided into two groups, as follows:

"Group A — All depositaries having war loan balances of $150,000 or less at the close of business March 22, 1947.

"Group B — All depositaries having war loan balances of more than $150,000 at the close of business March 22, 1947.

"This grouping of depositaries will be continued until further notice, notwithstanding any subsequent changes in the size of the war loan balance of any such depositary.

"There will be no change in the manner of making calls, as outlined in our Circular No. 3055, dated Jan. 22, 1946. That is to say, calls upon banks in Group B will continue to be made from time to time on relatively short notice in accordance with the Treasury's requirements for funds, and calls upon banks in Group A will in general be made not more often than once each month. The amount of any such call upon war loan balances in Group A banks will be expressed as a percentage of such balances approximately equal to the percentage of balances withdrawn from banks in Group B in the period since the last preceding call on Group A banks."

Lend-Lease Closes; Lane Resigns

In anticipation of the formal ending on March 22 of the wartime Lend-Lease agency and transfer of its remaining affairs to the State Department's Office of Finance and Economic Development, Lend-Lease Administrator Chester T. Lane resigned on March 18, according to Associated Press Washington advices, which added:

Mr. Lane told reporters that supplies valued at about $25,000,000 remain to be delivered to Soviet Russia and several other nations under post-war "pipe-line" contracts. In his letter of resignation to Under Secretary of State William L. Clayton, Mr. Lane said "unwarranted" Congressional objections have held up deliveries.

Mr. Lane said he will enter the New York City law firm of Greenman, Shea, Lane & Sandomire.

Loss to U. S. on Crop Insurance $67,500,000

WASHINGTON, March 21 — Reporting that the Government has lost $67,500,000 on crop insurance, Gus Geissler, manager of the Federal Crop Insurance Corp., recommended on Mar. 20 that "we retreat to a more nearly experimental basis." Advices to this effect (Associated Press) which came from Washington on March 21, also reported:

He [Mr. Geissler] told the House Agricultural Committee the program should be continued, but we certainly should pull in our horns until it was determined how to get various crops on a basis where premiums will cover losses. He suggested that Congress authorize the Corporation to figure both premiums and loss payments in either the parity price or support price of covered commodities.

Weekly Coal and Coke Production Statistics

The output of bituminous coal during the week ended March 22, 1947, according to the United States Bureau of Mines, was estimated at 12,885,000 net tons, a decrease of 480,000 tons, or 3.6%, from the preceding week. Production in the corresponding week of 1946 amounted to 13,310,000 tons. Output of soft coal during the calendar year through March 22 approximated 150,272,000 net tons, which was an increase of 1.4% above the production of 148,248,000 tons mined in the similar portion of 1946.

Output of Pennsylvania anthracite during the week ended March 22, 1947, as estimated by the Bureau of Mines, was 1,165,000 tons, a decrease of 30,000 tons (2.5%) from the preceding week. When compared with the production in the corresponding week of 1946 there was a decrease of 136,000 tons, or 10.5%. Cumulative hard coal output this calendar year through March 22 approximated 12,962,000 tons, which was a decrease of 7.1% below the 13,952,000 tons which was produced in the corresponding portion of 1946.

The Bureau also reported that the estimated production of beehive coke in the United States for the week ended March 22, 1947 showed a decrease of 3,900 tons when compared with the output for the week ended March 15, 1947; but was 28,000 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. 22, 1947	*Mar. 15, 1947	Mar. 23, 1946	†Mar. 22, 1947	Mar. 23, 1946
Total, including mine fuel	12,885,000	13,365,000	13,310,000	150,272,000	148,248,000
Daily average	2,148,000	2,228,000	2,218,000	2,175,000	2,115,000

*Revised. †Subject to current adjustment.

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

	Week Ended			Calendar Year to Date		
Penn. Anthracite—	‡Mar. 22, 1947	§Mar. 15, 1947	Mar. 23, 1946	Mar. 22, 1947	Mar. 23, 1946	Mar. 27, 1937
*Total incl. coll. fuel	1,165,000	1,195,000	1,301,000	12,962,000	13,952,000	12,140,000
†Commercial produc.	1,120,000	1,149,000	1,251,000	12,463,000	13,415,000	11,533,000
Beehive Coke—						
‖United States total	134,000	137,900	106,000	1,435,900	1,078,600	891,800

*Includes washery and dredge coal and coal shipped by truck from authorized operations. †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 returns from the operators.)

	Week Ended		
State—	Mar. 15 1947	Mar. 8, 1947	Mar. 16, 1946
Alabama	398,000	397,000	449,000
Alaska	7,000	7,000	6,000
Arkansas	34,000	28,000	36,000
Colorado	162,000	162,000	144,000
Georgia and North Carolina	* 1,000	1,000	*
Illinois	1,498,000	1,488,000	1,588,000
Indiana	620,000	617,000	545,000
Iowa	34,000	40,000	35,000
Kansas and Missouri	119,000	122,000	157,000
Kentucky—Eastern	1,286,000	1,215,000	1,204,000
Kentucky—Western	519,000	500,000	488,000
Maryland	43,000	37,000	54,000
Michigan	* 1,000	1,000	3,000
Montana (bituminous and lignite)	63,000	70,000	84,000
New Mexico	22,000	30,000	28,000
North and South Dakota (lignite)	57,000	58,000	39,000
Ohio	814,000	803,000	830,000
Oklahoma	53,000	62,000	58,000
Pennsylvania (bituminous)	3,062,000	2,810,000	3,092,000
Tennessee	157,000	148,000	178,000
Texas (bituminous and lignite)	1,000	3,000	2,000
Utah	178,000	186,000	144,000
Virginia	424,000	397,000	419,000
Washington	24,000	24,000	27,000
†West Virginia—Southern	2,483,000	2,352,000	2,365,000
‡West Virginia—Northern	1,110,000	1,043,000	1,046,000
Wyoming	185,000	178,000	193,000
§Other Western States	*	1,000	1,000
Total bituminous and lignite	13,365,000	12,780,000	13,215,000

†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—Lead Active—Silver Higher—Copper Industry Awaits Tariff Move

"E. & M. J. Metal and Mineral Markets," in its issue of March 27, stated: "Chief interest in non-ferrous metals during the last week centered in the copper tariff situation, which appears to be approaching the final stage. Temporary lifting of the 4¢ import duty appears certain. Lead producers experienced an active market for lead. However, consumers were less eager to obtain the metal at any price, sellers observed. There were no developments in zinc. The price of silver advanced sharply, rising to 77¼¢ an ounce on March 24. The higher price brought out freer offerings of silver from outside sources, causing the quotation to drop back to 75¼¢ yesterday. The British authorities raised the price of virgin aluminum for the home market to £80 per long ton. The publication further went on to say in part as follows:

Copper

Most operators are confident that the 4¢ import tariff will be suspended in time to avert a serious squeeze in supplies. Lifting of the duty will be on a temporary basis, it is believed—probably for a period of 18 months. Foreign copper released during March amounted to approximately 28,500 tons. As much as 20,000 tons of foreign copper from the Government's holdings will be available for April, according to trade estimates. Metals Reserve had 38,622 tons of copper on hand Feb. 28, against 57,108 tons a month previous.

The domestic quotation continued on the basis of 21½¢, Connecticut Valley. Foreign copper again moved slightly higher for the week.

The fabricating division of the copper industry consumed 115,317 tons of refined copper in February, against 139,263 tons in January. Stocks of refined copper at fabricating plants increased slightly from 393,451 tons at the end of January to 395,720 tons at the end of February.

Executives of 14 of this country's important consumers of copper have written to Congress urging that legislation calling for the suspension of the 4¢ import tax receive favorable consideration.

Consumption of virgin copper in the United Kingdom in January was estimated at 33,485 long tons, which compares with monthly average consumption of 27,117 tons in 1946.

Lead

Though demand for lead shows no signs of abating consumers have been less nervous about the outlook producers report. Sales for the week totaled 14,781 tons, against 14,537 tons in the preceding week. The bulk of the business booked covered April metal.

The refinery statistics for February placed production in this country at 43,077 tons, against 44,422 tons in January. Shipments in February by the domestic industry came to 48,398 tons, against 44,343 tons in January. Stocks at the end of February were reduced to 42,835 tons.

Zinc

Die casters appear to be a little less eager to accumulate zinc, but the galvanizing industry continues to absorb metal at a high rate. The situation in the brass industry is viewed as spotty. There were no price developments last week. The RFC stockpile of slab zinc and zinc contained in concentrates at the end of February totaled 446,616 tons.

Consumption of slab zinc in December amounted to 72,486 tons, against 74,630 tons in November, the Bureau of Mines reports. Consumption in 1946 totaled 790,404 tons, of which galvanizers accounted for 319,189 tons, zinc-base alloys 205,353 tons, brass mills 138,924 tons, ingot makers and foundries 8,431 tons, rolling mills 92,294 tons, and other consumers 26,213 tons.

Aluminum

Effective March 24, the British Ministry of Supply advanced the price of virgin aluminum ingot from £72 15s. per long ton, delivered to consumers' plant, to £80. The price was raised to absorb higher costs.

The higher quotation for aluminum in the British market is equivalent to 14⅜¢ per pound. The United States market continues at 15¢ per pound for ingot.

Nickel

Production of nickel in all forms in Canada during December amounted to 16,988,037 lb., against 17,467,701 lb. in November, and 15,210,091 lb. in December, 1945, according to the Dominion Bureau of Statistics. Production of nickel in 1946 totaled 189,665,605 lb., against 245,130,983 lb. in 1945 and 274,598,629 lb. in 1944.

Tin

Though shortages of fuel have set back production of tin in Malaya, authorities hope for steady progress in the coming months.

Negotiations between the RFC and Bolivian producers have been resumed, and it is believed that the settlement basis under the new contract will be equivalent to 76¢ per pound.

The first meeting of the "Tin Study Group" is scheduled for early in April.

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

	April	May	June
March 20	70.000	70,000	70.000
March 21	70.000	70.000	70.000
March 22	70.000	70.000	70,000
March 24	70,000	70.000	70,000
March 25	70.000	70,000	70,000
March 26	70.000	70.000	70,000

Chinese, or 99% tin, 69.125c.

Quicksilver

Conditions prevailing in quicksilver are such that operators here are not inclined to take a definite stand on the market. So far, offerings from abroad have not been pressing for sale, and the price situation here has been fairly steady. Demand has been on the slow side for some time. During the last week quotations continued at $87 to $90 per flask.

Silver

Hugh Dalton, Chancellor of the Exchequer, informed the British House of Commons last week that 11,750,000 oz. of foreign silver was purchased from United States sources by Beligian buyers through British brokers in the first two months of the current year. In addition, Belgian buyers also bought 500,000 oz. of silver from Russia. Virtually all of the silver obtained by the Belgians was earmarked for shipment to India. Great Britain purchased 1,750,000 oz. from the United States in the same period. The transactions had cost Britain no dollars from her own dollar pool. (As previously noted, the Belgians converted Indian funds into dollars, profiting by the deal in foreign exchange.)

Demand for spot and prompt shipment silver from the domestic trade caused the market to move upward sharply, advancing 4½¢ in a single day, on Monday. Recent activity in silver has strengthened the nearby position. Wide price movements are not unusual in a thin market. The New York Official price settled yesterday at 75¼¢, a net gain for the week of 4⅜¢.

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

	Electrolytic Copper Dom. Refy.	Electrolytic Copper Exp. Refy.	Straits Tin, New York	Lead New York	Lead St. Louis	Zinc St. Louis
March 20	21,225	22.425	70,000	15,000	14,800	10,500
March 21	21.225	22,350	70,000	15,000	14,800	10,500
March 22	21.225	22.425	70,000	15,000	14.800	10.500
March 24	21.225	22.450	70,000	15,000	14,800	10,500
March 25	21.225	22.425	70,000	15,000	14,800	10,500
March 26	21.225	22,550	70,000	15,000	14.800	10.500
Average	21,225	22.438	70.000	15,000	14.800	10,500

Average prices for calendar week ended March 22 are: Domestic copper f.o.b. refinery, 21.225c.; export copper, f.o.b. refinery 22.367c.; Straits tin, 70.000c.; New York lead, 15.000c; St Louis lead, 14.800c.; St. Louis zinc, 10.500c.; and silver, 71.975s.

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.

Qutations for lead reflect prices obtained for common lead only.

FHA Sees Record Production of Rental Housing

Mortgage insurance applications received by Federal Housing Administration offices in January and February point to record production of rental housing in 1947 under the FHA program, it was announced on March 16 by Raymond M. Foley, Commissioner of FHA. In response to President Truman's appeal last December for "a vigorous housing program in 1947," the building industry has launched what promises to be the largest volume of home construction in the history of FHA, Mr. Foley said.

During January and February, FHA field offices received applications for mortgage insurance on more than 45,500 new dwelling units, largely under the Veterans Emergency Housing provisions of the National Housing Act. More than 12,150 of these, or about 27% of the total, consisted of rental units to be built in 253 multi-family housing projects. According to Mr. Foley, applications on rental housing projects have shown a sharply accelerated trend in the past few months. Units covered by such applications were 1,054 in September, 1,382 in October, 2,488 in November, 1,439 in December, 5,488 in January, and 6,667 in February.

Mr. Foley also stated that a new winter record was established during January and February for conversion and property improvement loans reported for insurance under Title I of the National Housing Act. In January, he said, 97,650 loans for more than $44,000,000 were reported for insurance and in February 85,000 for $39,000,000. These figures include loans for conversion of existing structures to provide additional dwelling units for veterans, as well as loans for necessary repairs and maintenance of residential properties. During the first two months of the year, FHA offices received applications for mortgage insurance on 22,100 existing homes, also a new record. Some of the loans were for refinancing existing mortgages, others for the purchase of older homes. Approximately 16,000 dwelling units were started in January and February under FHA inspection, in spite of unfavorable weather, Mr. Foley said.

U. S. Resumes Cultural Relations With Austria

It was announced on March 16 by the State and War Departments that normal cultural relations between the United States and Austria have been resumed. The Associated Press advices from Washington, as given in the New York "Times" added:

A joint announcement released simultaneously in Washington and Vienna said the United States hoped this would encourage organizations and institutions in both countries to promote cultural exchange.

The United States move was made in accordance with the Moscow Declaration of 1943 regarding Austria and with terms of the four-power agreement on new control machinery for Austria of June 28, 1946.

Under this new policy declaration, the United States Government will encourage the sending to Austria of books, art work, non-commercial films, recordings, musical scores and other cultural materials.

The Government also will promote the extension of postal service and of other transportation and communications facilities between the two countries.

Revenue Freight Car Loadings During Week Ended March 22, 1947 Increased 2,894 Cars

Loading of revenue freight for the week ended March 22, 1947 totaled 844,041 cars, the Association of American Railroads announced on March 27. This was an increase of 39,435 cars, or 4.9%, above the corresponding week in 1946, and an increase of 27,300 cars, or 3.3% above the same week in 1945.

Loading of revenue freight for the week of March 22, increased 2,894 cars, or 0.3%, above the preceding week.

Miscellaneous freight loading totaled 386,860 cars, an increase of 4,642 cars above the preceding week, and an increase of 21,821 cars above the corresponding week in 1946.

Loading of merchandise less than carload freight totaled 123,980 cars, a decrease of 1,079 cars below the preceding week, and a decrease of 767 cars below the corresponding week in 1946.

Coal loading amounted to 184,735 cars, a decrease of 7,101 cars below the preceding week, and a decrease of 5,323 cars below the corresponding week in 1946.

Grain and grain products loading totaled 53,717 cars, an increase of 2,149 cars above the preceding week and an increase of 10,260 cars above the corresponding week in 1946. In the Western Districts alone, grain and grain products loading for the week of March 22 totaled 36,511 cars, an increase of 1,715 cars above the preceding week and an increase of 6,914 cars above the corresponding week in 1946.

Livestock loading amounted to 14,142 cars, an increase of 1,658 cars above the preceding week, but a decrease of 1,741 cars below the corresponding week in 1946. In the Western Districts alone loading of livestock for the week of March 22 totaled 11,229 cars, an increase of 1,607 cars above the preceding week, but a decrease of 904 cars below the corresponding week in 1946.

Forest products loading totaled 50,585 cars, an increase of 1,870 cars above the preceding week and an increase of 8,928 cars above the corresponding week in 1946.

Ore loading amounted to 15,163 cars, an increase of 338 cars above the preceding week and an increase of 4,847 cars above the corresponding week in 1946.

Coke loading amounted to 14,859 cars, an increase of 417 cars above the preceding week and an increase of 1,410 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 Allegheny and Southwestern

	1947	1946	1945
Four Weeks of January	3,168,397	2,883,863	3,003,655
Four Weeks of February	3,179,198	2,866,876	3,052,487
Week of March 1	850,031	782,397	785,736
Week of March 8	805,789	786,189	767,055
Week of March 15	841,147	799,906	816,556
Week of March 22	844,041	804,606	816,741
Total	9,688,603	8,923,837	9,242,230

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

REVENUE FREIGHT LOADED AND RECEIVED FROM CONNECTIONS (NUMBER OF CARS) WEEK ENDED MARCH 22

Railroads	Total Revenues Freight Loaded			Total Loads Received from Connections	
	1947	1946	1945	1947	1946
Eastern District—					
Ann Arbor	353	388	278	1,950	2,014
Bangor & Aroostook	4,018	4,035	3,200	405	395
Boston & Maine	7,419	8,001	7,213	14,836	14,986
Chicago, Indianapolis & Louisville	1,483	1,212	1,121	2,556	2,169
Central Indiana	42	44	36	47	59
Central Vermont	1,107	1,112	1,120	2,591	2,114
Delaware & Hudson	5,336	4,627	5,053	12,977	12,533
Delaware, Lackawanna & Western	7,887	8,097	7,456	9,638	9,018
Detroit & Mackinac	400	275	165	255	218
Detroit, Toledo & Ironton	2,711	2,529	2,036	2,008	1,599
Detroit & Toledo Shore Line	440	314	415	4,089	3,418
Erie	12,782	11,895	13,459	17,452	15,473
Grand Trunk Western	4,717	3,077	4,218	9,096	8,128
Lehigh & Hudson River	181	205	167	3,039	2,831
Lehigh & New England	2,020	2,406	2,082	1,513	1,821
Lehigh Valley	8,808	8,639	7,950	8,365	8,321
Maine Central	3,109	2,889	2,494	5,678	5,257
Monongahela	8,025	6,381	5,957	223	274
Montour	2,211	3,040	2,218	27	37
New York Central Lines	51,937	48,756	49,094	54,220	53,864
N. Y., N. H. & Hartford	10,280	10,623	11,066	16,914	16,266
New York Ontario & Western	807	927	1,025	2,812	2,946
New York, Chicago & St. Louis	7,403	5,904	6,763	15,984	14,441
N. Y., Susquehanna & Western	583	407	520	1,589	2,296
Pittsburgh & Lake Erie	5,660	7,556	8,263	8,954	7,385
Pere Marquette	6,920	5,182	5,446	9,256	7,829
Pittsburg & Shawmut	1,034	1,061	614	28	28
Pittsburg, Shawmut & Northern	374	254	285	117	185
Pittsburgh & West Virginia	678	984	920	2,722	1,830
Rutland	447	422	364	1,432	1,371
Wabash	6,633	5,923	6,142	12,537	11,834
Wheeling & Lake Erie	6,244	4,710	6,655	4,640	3,697
Total	172,049	162,107	163,805	227,950	214,636
Allegheny District—					
Akron, Canton & Youngstown	796	651	830	1,470	1,464
Baltimore & Ohio	43,262	42,992	45,072	25,258	24,528
Bessemer & Lake Erie	3,486	2,779	3,022	1,765	1,683
Cambria & Indiana	1,472	1,635	1,640	6	9
Central RR. of New Jersey	6,870	6,182	6,411	19,248	17,421
Cornwall	470	461	490	76	70
Cumberland & Pennsylvania	304	468	212	18	10
Ligonier Valley	82	34	103	9	4
Long Island	1,368	1,595	1,837	4,919	5,063
Penn-Reading Seashore Lines	1,810	1,743	2,037	1,908	2,157
Pennsylvania System	80,442	79,889	81,758	56,042	62,400
Reading Co.	15,719	14,818	15,413	27,235	27,788
Union (Pittsburgh)	18,815	18,008	19,206	5,324	3,735
Western Maryland	4,710	4,736	4,188	11,797	11,959
Total	179,606	175,991	182,219	155,075	158,291
Pocahontas District—					
Chesapeake & Ohio	34,000	31,795	28,198	13,083	13,468
Norfolk & Western	24,242	22,429	21,665	7,222	6,811
Virginian	4,885	5,070	4,441	2,146	1,817
Total	63,127	59,294	54,304	22,451	22,096
Southern District—					
Alabama, Tennessee & Northern	455	444	400	340	309
Atl. & W. P.—W. RR. of Ala.	927	1,031	955	2,192	2,111
Atlantic Coast Line	14,647	15,893	15,013	9,556	10,857
Central of Georgia	4,305	5,028	3,958	4,645	5,223
Charleston & Western Carolina	463	490	471	1,818	1,713
Clinchfield	2,176	1,883	1,713	4,023	3,605
Columbus & Greenville	400	362	287	290	278
Durham & Southern	90	98	115	801	738
Florida East Coast	2,319	4,083	3,914	1,720	1,655
Gainesville Midland	84	79	42	115	146
Georgia	1,229	1,261	1,232	2,363	2,484
Georgia & Florida	418	466	388	802	947
Gulf Mobile & Ohio	4,631	5,417	4,563	4,479	4,362
Illinois Central System	27,925	29,825	28,753	15,213	14,503
Louisville & Nashville	28,824	27,627	26,410	10,881	10,214
Macon, Dublin & Savannah	249	303	212	991	1,144
Mississippi Central	335	318	414	393	664
Nashville, Chattanooga & St. L.	3,708	3,784	3,546	4,283	4,218
Norfolk Southern	1,127	1,438	1,080	1,605	1,618
Piedmont Northern	429	462	455	2,028	1,639
Richmond, Fred. & Potomac	434	444	495	8,689	9,986
Seaboard Air Line	12,054	12,342	11,835	9,740	8,812
Southern System	27,977	27,251	24,955	25,800	25,824
Tennessee Central	749	683	630	1,008	805
Winston-Salem Southbound	126	143	146	956	1,061
Total	136,081	141,155	131,982	114,731	114,916
Northwestern District					
Chicago & North Western	16,286	15,491	16,309	16,450	14,571
Chicago Great Western	2,662	2,567	2,621	4,023	3,681
Chicago, Milw., St. P. & Pac.	23,320	21,106	21,476	11,880	11,510
Chicago, St. Paul, Minn. & Omaha	3,851	3,663	3,620	5,059	4,667
Duluth, Missabe & Iron Range	1,629	1,231	1,025	334	316
Duluth, South Shore & Atlantic	675	624	495	933	581
Elgin, Joliet & Eastern	8,752	8,216	9,236	11,611	10,349
Ft. Dodge, Des Moines & South	532	464	445	240	115
Great Northern	12,184	10,726	11,026	5,382	5,108
Green Bay & Western	511	501	520	1,013	1,147
Lake Superior & Ishpeming	316	233	295	53	47
Minneapolis & St. Louis	2,478	2,112	2,082	2,549	2,483
Minn., St. Paul & S. S. M.	5,666	5,017	4,475	4,449	4,001
Northern Pacific	10,605	9,757	8,808	5,139	5,042
Spokane International	154	110	219	640	356
Spokane, Portland & Seattle	2,759	1,942	1,881	2,811	2,562
Total	92,380	83,760	84,533	72,566	66,536
Central Western District—					
Atch. Top. & Santa Fe System	26,853	22,527	24,724	10,480	9,532
Alton	3,059	2,998	3,676	3,866	3,247
Bingham & Garfield	436	5	490	119	7
Chicago, Burlington & Quincy	22,334	19,093	20,675	12,991	12,176
Chicago & Illinois Midland	3,265	3,235	2,877	778	874
Chicago, Rock Island & Pacific	13,670	11,946	12,477	14,333	12,965
Chicago & Eastern Illinois	2,957	2,999	2,831	3,596	3,484
Colorado & Southern	636	772	710	2,060	1,722
Denver & Rio Grande Western	3,619	2,899	3,516	5,137	3,980
Denver & Salt Lake	728	666	523	39	40
Fort Worth & Denver City	1,154	905	829	1,635	1,414
Illinois Terminal	2,253	2,109	2,574	1,911	1,645
Missouri-Illinois	1,105	1,032	928	687	641
Nevada Northern	1,669	1,436	1,112	159	108
North Western Pacific	1,021	509	623	592	587
Peoria & Pekin Union	13	9	11	0	0
Southern Pacific (Pacific)	29,983	27,808	27,525	11,154	9,228
Toledo, Peoria & Western	109	0	290	189	0
Union Pacific System	17,251	14,994	16,520	13,397	11,901
Utah	873	881	536	4	2
Western Pacific	1,570	1,771	2,004	3,265	3,024
Total	134,558	118,594	125,451	86,392	76,577
Southwestern District—					
Burlington-Rock Island	329	313	379	657	534
Gulf Coast Lines	6,044	5,320	7,346	2,538	2,392
International-Great Northern	2,050	2,273	3,086	4,343	3,576
‡K. O. & G.-M. V.-O. C.-A.-A.	1,204	1,199	1,198	1,873	1,787
Kansas City Southern	3,541	2,871	5,463	3,408	3,437
Louisiana & Arkansas	2,493	2,532	3,490	2,754	2,334
Litchfield & Madison	439	454	355	1,599	1,211
Missouri & Arkansas	§	195	130	§	427
Missouri-Kansas-Texas Lines	5,359	5,396	6,787	4,355	4,350
Missouri Pacific	17,852	16,927	16,153	17,117	14,549
Quanah Acme & Pacific	143	149	106	278	196
St. Louis-San Francisco	10,508	9,937	9,672	8,181	8,283
St. Louis-Southwestern	2,771	2,667	3,720	5,588	5,106
Texas & New Orleans	9,425	9,372	11,072	6,014	5,662
Texas & Pacific	3,983	3,985	5,364	7,775	6,826
Wichita Falls & Southern	76	87	83	58	68
Weatherford M. W. & N. W.	23	28	43	9	21
Total	66,240	63,705	74,447	66,547	60,759

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

NOTE—Previous year's figures revised.

Weekly Statistics of Paperboard Industry

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

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

STATISTICAL REPORT—ORDERS, PRODUCTION, MILL ACTIVITY

Period	Orders Received Tons	Production Tons	Unfilled Orders Remaining Tons	Percent of Activity Current	Percent of Activity Cumulative
1946—Week Ended					
Dec. 7	207,137	172,417	578,742	99	96
Dec. 14	167,937	175,640	571,179	102	96
Dec. 21	144,083	172,275	543,675	102	96
Dec. 28	99,555	109,210	532,773	66	96
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
Mar. 15	163,207	179,819	595,648	104	101
Mar. 22	155,794	176,918	574,090	103	101

NOTES—Unfilled orders for 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, end other items made necessary adjustments of unfilled orders.

Retail Store Sales in Jan. Reported by Commerce Department

Sales of retail stores in January are estimated at $7,870,000,000, 18% above January 1946, the Department of Commerce said on March 14. This increase was the smallest year-to-year gain in the past 12 months. January sales were 23% below the high level of holiday buying in December, but the decline was somewhat less than normally occurs in January. The seasonally-adjusted index of retail sales (1935-39=100) rose to 278 in January from 270 in December. The January index was slightly higher than the November peak, said the Commerce Department's announcement issued on March 14 which added:

"Sales of nondurable goods stores in January were 12% above a year ago, continuing the narrowing of year-to-year gains recorded in recent months. The largest gain among the nondurabl goods group occurred in dollar sales of food stores which were more than one-fifth over January 1946, but the increase was due to higher prices rather than a larger physical quantity of goods sold. After seasonal adjustment food store sales in January were at a new high.

"In the general merchandise group sales were about 15% more than a year ago, while in the remaining groups of nondurable goods stores, sales exceeded the previous year by 8% or less.

"January sales of durable goods stores were 47% higher than in January a year ago, and they continued to move upward after seasonal adjustment. Sales in the automotive group, including motor vehicle dealers and parts and accessories stores, were up 90% over a year ago but were practically unchanged from the previous month after seasonal adjustment. This reflected a decrease in parts and accessories store sales.

"In the home furnishing group sales in January were 44% above a year ago while building materials and hardware store sales were up 20%. In both of these groups sales in January, after seasonal adjustment, rose about 6% from December. Jewelry store sales in January were about the same as those shown for January 1946. After seasonal adjustment the level was slightly higher than that shown in recent months."

Weekly Lumber Shipments 3.2% Below Production

According to the National Lumber Manufacturers Association, lumber shipments of 419 mills reporting to the National Lumber Trade Barometer were 3.2% below production for the week ending March 22, 1947. In the same week new orders of these mills were 7.2% below production. Unfilled order files of the reporting mills amounted to 76% of stocks. For reporting softwood mills, unfilled orders are equivalent to 29 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 20.8% above production; orders were 13.4% above production.

Compared to the average corresponding week of 1935-39, production of reporting mills was 25.7% above; shipments were 10.9% above; orders were 6.6% above. Compared to the corresponding week in 1946, production of reporting mills was 15.9% above; shipments were 2.6% below; and new orders were 8.4% below.

Items About Banks and Trust Companies

(Continued from page 4)

amounted to $282,277,845 at the end of March against $312,189,-737 Dec. 31.; while cash on hand and due from banks was $103,814,-003 against $121,974,995 three mos. before; loans and discounts are now $133,487,277, compared with $138,864,947. Capital and surplus at the end of March totaled $22,-000,000 and with the $6,910,329 in undivided profits the grand total amounted to $28,910,329, while on Dec. 31 the undivided profits amounted to $6,604,002.

The Commercial National Bank and Trust Company of New York reported as of March 31, 1947 total deposits of $194,034,661 and total assets of $220,102,393, compared respectively with $203,728,-119 and $229,493,939 on Dec. 31, 1946. The bank held cash on hand and due from banks of $46,608,542, compared with $46,391,179 on Dec. 31, 1946; investments in United States Government securities of $121,039,172, compared with $130,-813,239 on Dec. 31, 1946. Loans and discounts of $46,492,962, compared with $48,228,797 on Dec. 31, 1946. The bank's capital account was unchanged at $7,000,000 and its surplus and undivided profit account increased to $13,112,024 from $13,005,633 at Dec. 31, 1946 after payment of dividend. Net earnings per share for the quarter were $0.80.

The Chemical Bank & Trust Company of New York reported as of March 31, 1947, deposits of $1,114,939,997, and total assets of $1,238,076,886, compared respectively with $1,226,822,541 and $1,347,574,272 on Dec. 31, 1946. Cash on hand and due from banks amounted to $282,009,919 (compared with $242,226,400; holdings of U. S. Government securities to $471,050,209, against $628,273,214; bankers' acceptances and call loans to $51,087,881, against $75,-095,699; and loans and discounts to $309,746,354, against $282,138,718. Net operating earnings for the quarter amounted to $1,703,362, as compared to $2,023,481 for the same period a year ago. Net profits and recoveries on securities amounted to $497,557, against $229,695 for the first quarter of 1946. Miscellaneous credits for the quarter amounted to $207, as compared to $513,802 for same period a year ago. Capital and surplus were unchanged at $25,000,000 and $70,000,000, respectively, and undivided profits were $9,150,365, against $8,501,663 at the end of December. The indicated net earnings on the bank's 2,500,000 shares (par $10) amounted to $0.71 per share for the first quarter of 1947.

John M. Bierwirth, President of the New York Trust Co. of New York, has announced the promotion of John C. Orr II to be a Vice-President. Mr. Orr joined the Trust Co. directly after his graduation from Yale University in 1925 and served in various departments of the Personal Trust Division. In 1930 he was appointed an Assistant Trust Officer and in 1936 was promoted to Assistant Vice-President. Located at the Rockefeller Center Office of the Trust Company, Mr. Orr will be associated with personal trust development work in the head office and branches.

Three important promotions of officers of the Manhattan Savings Bank of New York were announced on March 27 by Williard K. Denton, President. Henry J. Vettel and John J. Novak have been advanced from Assistant Vice-President to Vice-President and William M. Mott, Branch Office Manager, has been named an Assistant Vice-President. Mr. Vettel, who has been with the bank 24 years, supervises the bank's uptown offices. Mr. Novak, who joined the bank's staff in 1939, is in charge of the bank's real estate and mortgage servicing department. Mr. Mott has been with the bank since 1930 and will continue to act as Manager of the bank's office at Broadway and 8th Street. The Manhattan Savings Bank, one of the oldest and largest in the country, has five offices in Manhattan and resources of $175,000,000.

Louis R. Kiernan, President, and George W. Shepherd, Vice-President of the Chelsea Trust Co., of Chelsea, Mass., have been elected Vice-Presidents of the National Shawmut Bank of Boston. According to the Boston "Herald" the announcement of their election was made on March 28 by Walter S. Bucklin, President of the Shawmut, as the merger of the Chelsea Trust with the National Shawmut became effective. The "Herald" further added:

> The deposits of the Chelsea Trust Co., founded in 1907, have been assumed by the National Shawmut Bank and the quarters of the Chelsea Trust opened as the Chelsea Square Office of Shawmut. The number of Shawmut offices is thus increased to 27.
>
> Louis R. Kiernan, who has been President of the Chelsea Trust Co. since 1933 and a director since 1937, is a member of the bar.
>
> George W. Shepherd has been Vice-President and Treasurer of the Chelsea Trust Co. since 1932. He has been engaged continuously in the banking business in various Boston institutions since 1908, with the exception of three years, from 1925 to 1928, when he was President of International Proprietaries, Inc., Dayton, Ohio.

An item bearing on the merger of the Chelsea Trust with the Shawmut Bank appeared in these columns March 13, page 1444.

One of the oldest corporate titles in American banking history disappeared on April 1 when the Pennsylvania Company for Insurances on Lives and Granting Annuities opened its head and its branch offices for business under its new name—The Pennsylvania Company for Banking and Trusts. Also opened for the first time as branch offices of the newly named Pennsylvania Co. are the four banking offices of the Germantown Trust Co. of Philadelphia. This transfer of control, which became effective at the close of business on March 29, is the result of a merger of the two financial institutions which was approved by the Pennsylvania and Germantown stockholders at special meetings on March 8. Pennsylvania Co. stockholders at their meeting also approved the proposed new title for the bank, conditional upon the passage of an amendment to the Banking Code then before the State Legislature which would permit the adoption of the new name. This amendment was subsequently passed and signed by Governor Duff.

"The Pennsylvania Co. was originally chartered in 1812 as a life insurance company," explained William Fulton Kurtz, President. He went on to say:

"It discontinued its life and annuity business about 1870 and since that time it has been a bank and trust company. Needless to say, our very long and misleading title had often caused confusion in the public mind and it was to correct that situation that the change in name was made. The Germantown Trust merger, following the Pennsylvania Co.'s recent purchase of the assets of the Erie National Bank of Philadelphia and the Kensington National Bank, gives our bank a total of 18 offices and rounds out a program to make all of the banking facilities of the Pennsylvania Co. easily available to the residents and industries in all sections of the city and suburban areas."

All former officers and employees of the Germantown Trust Co., which was founded in 1889, are continued as officers and employees of the Pennsylvania Co. The offices formerly operated by the Germantown Trust Co. are located at Germantown and Chelten Avenues; Evergreen and Germantown Avenues; Chestnut Hill; North Broad and Ruscomb Streets, Logan; and Germantown Avenue and Pelham Road, Mount Airy.

The proposed change in the name of the Pennsylvania Co. and the recent mergers with it were referred to in these columns March 6, page 1308, and March 20, page 1580.

The capital of the First National Bank in Tarentum, Pa., has been increased from $125,000 to $200,000 by the sale of $75,000 of new stock, according to the weekly bulletin issued by the Office of the Comptroller of the Currency. The increased capital became effective March 20.

The statement of The Philadelphia National Bank of Philadelphia, Pa., for the period ended March 31, 1947, shows deposits on that date of $613,809,317, consisting of $8,697,022 of U. S. Treasury deposits and $605,112,295 representing all other deposits. This compares with deposits of $642,332,917—$12,756,031 of U. S. Treasury deposits and $629,576,886 covering all other deposits — reported on Dec. 31, 1946. Total resources March 31 amounted to $680,581,588, compared with $709,-555,087; cash and due from banks aggregated $218,064,943, compared with $224,534,827; U. S. Government securities, $290,843,969, against $330,341,131; State, county and municipal securities were $14,-290,747 versus $12,209,153; other securities, $33,239,993, against $36,-236,912; loans and discounts, $117,744,886, compared with $99,-407,175. The capital stock of the bank and the surplus at the end of March both remained unchanged at $14,000,000 and $36,000,000, respectively. Undivided profits were $7,703,801, compared with $7,364,-253 at the end of December.

The Mercantile Trust Co. of Baltimore announced on March 26 the election of Paul P. Price as an Assistant Treasurer, John A. Huth as an Assistant Secretary and Gordon E. Kellenberger as a Trust Officer. Charles S. Garland, of Alex. Brown & Sons, was appointed a member of the executive committee. We quote from the Baltimore "Sun" of March 27, in which it was also stated:

> Mr. Price has been with the company since 1915 and Mr. Huth since 1920. Mr. Hellenberger became associated with the company in 1926 and was elected an Assistant Trust Officer in 1942.

According to an item by J. S. Armstrong, Financial Editor of the Baltimore "Sun," appearing in the March 26 issue of that paper, W. Ray Tabler, Cashier of the Centreville National Bank of Maryland (at Centreville) for the past 13 years, has been elected to succeed Addison H. Reese, resigned, as Cashier and Vice-President of the Nicodemus National Bank of Hagerstown, Md.

Mr. Reese was recently named President of the County Trust Co. of Cambridge, Md. (succeeding J. Allan Coad, resigned), and will take over his new duties about May at the Baltimore executive headquarters of the company. Mr. Tabler has resigned his post at Centreville, said the "Sun," and will take up his position in Hagerstown about May 1.

Commerce National Bank is the name suggested to stockholders of the Commerce Guardian Bank of Toledo, Ohio, which will become a national bank April 24, Milton Knight, President, said on March 25 in announcing stockholder approval the previous day of the recapitalization plan. The Toledo "Blade," in making this known on March 25, also had the following to say:

> The institution's capital surplus will be increased to $3,-100,000 and its lending limit to $310,000, Mr. Knight explained. He said that more than 80% of the stockholders already have approved the change from a State to a National bank, but that it will not be voted upon formally until the April meeting.
>
> Under the recapitalization plan approved yesterday, $900,-000 of additional stock will be sold to increase the bank's capital-surplus from its present $2,200,000 and present outstanding stock will be split on the basis of four shares for three.
>
> Commerce Guardian now has outstanding 330,000 shares of $33⅓ par common stock. Under the recapitalization plan, four shares of $25 par stock will be issued for each three shares of present stock. Stockholders will be entitled to buy two shares of the new $25 common for each three shares they now hold.
>
> Under the plan, 20,000 new shares will be offered at $45 a share. After sale of these shares and split-up of existing stock, projected book value of the new stock will be $59.93 a share, based on the bank's statement of Dec. 31, 1946, Mr. Knight said.
>
> Stock purchase warrants and scrip certificates were mailed to shareholders yesterday. They have until April 23 to exercise their rights to purchase new stock.

William A. McDonnell has resigned as a Vice-President of the Mercantile-Commerce Bank and Trust Co. of St. Louis and on March 28 was elected an Executive Vice-President and a director of the First National Bank in St. Louis. The St. Louis "Globe Democrat," reporting this, said:

> Mr. McDonnell's election was considered significant in banking circles, but Walter W. Smith, President of the First National Bank, said he did not desire to make any comment at this time.
>
> Mr. McDonnell will take his new post April 15, to serve equally with William C. Connett, Executive Vice-President.
>
> Mr. McDonnell is a native of Arkansas and practiced law at Little Rock following his graduation from Vanderbilt University in 1917. In 1927 he entered the banking field. He served overseas as an artillery Captain in World War I. He was Vice-President of three Little Rock banks and director of the city's branch of the Federal Reserve Bank before becoming associated with the Mercantile-Commerce Bank and Trust Co. in 1944.
>
> Mr. McDonnell is Chairman of the 1947 Community Chest campaign.

From Washington Ahead of the News

(Continued from first page)

Conscriptionist head, General Hershey.

Naturally, it was reasoned, these men would be dealing with veterans and therefore they should form a committee. Well, all committees to be constructive, must have an executive secretary. When it is considered the damage that the executive secretaries have done to this country, it is like nobody's business.

Be that as it may, somehow or another, this fellow Faulkner came to get the executive secretary job. Mr. Faulkner, a small business man from Ohio, must have fretted at sitting in an old run-down or a temporary building, and being no more than an executive secretary of a committee. You can sort of see Mr. Faulkner asking himself, "Am I mouse or man?"

However that may be, this go-getting business man has promoted his job into an appropriation of around $2,000,000. He has established himself a duplicating veterans' placement service with close to 700 workers. It seems that he only asked for 500 but somehow the Budget Bureau, said, oh, you must have a bigger staff than that. Mr. Faulkner testified before the House Appropriations Committee that he didn't understand the budget and cared less. He was just an American business man trying to do a service, and he could certainly show that he personally had got any number of veterans a job; goodness only knows how many other people got them jobs, too.

Anyway, the House Republicans decided here was a beautiful place to cut, and they did. Whereupon in the New Deal demagoguery and abuse, they were stamped as being anti-veteran.

In the welter of appropriations, they came across the Bureau of Labor Statistics which has enjoyed quite a vogue among the intellectuals in recent years. It has been established for the better part of 50 years, more or less harmlessly gathering in statistics day after day as a crone goes about gathering up paper and sticks. Its few bureaucrats were born, enjoyed a reasonable living over a span of years and then retired.

But when the New Deal began tossing money around, the bureau's then director, Dr. Isadore Lubin, appreciative of the station in life which statisticians and economists had come to have, moved in to get his share. In 1938, the bureau had an appropriation of $800,000 odd, for which amount you would think you could get a lot of statistics. But for the fiscal year 1947, the bureau had close to $6,000,000. The House Republicans' eyes got as big as saucers when they contemplated this amount. They cut it almost in half, in the view, no doubt, that we simply couldn't enjoy so many statistics and a Greek crisis, too.

Well sir, the so-called Liberal editors, prodded by the BLS boys, screamed to high heaven. Wasn't it realized by the dumb Republicans, demanded these editors, that the BLS had become an essential fixture in our economy, that labor-management contracts were written on its figures? It is a fact that the BLS figures do appear in many labor-management contracts because they have become a great talking point for the labor leaders. Whenever these figures don't suit the labor leaders' strategy, they ignore them or attack them as erroneous as they did some months ago.

But anyway, the Republican budget cutters said they wanted the BLS to maintain its cost of living service unimpaired but they did want it to get out of other areas into which it had moved, such as study of occupational hazards, the productivity of labor, the rise and fall of construction, the mental attitudes of the working man, etc. It is sort of fascinating to see the Republicans trying to cut down the governmental expenditures. It's a job!