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Current Economic Trends: Their Promise

By DONALD B. WOODWARD*

Second Vice-President, Mutual Life Insurance Co. of New York

Insurance economist stresses increasing scientific knowledge as factor in current economic progress, and cites impediments to its use in prevailing fiscal and monetary policies, as well as the barriers imposed by labor and by monopolistic restraints. Sees encouragement on domestic scene in improved political and economic atmosphere developed recently and, concludes, though we will continue to have cyclical readjustments, we are in fact "moving fast to better things."

As science has contributed to the development of opportunity for man—and for woman—so has it provided the physical basis for preparing him to grasp that opportunity as it appears. The last generation has seen great improvement in facilities for collecting and transmitting facts and the interpretations of facts made by the best minds of each country, and for carrying these even to the out of the way corners of the earth. Here we have the mechanical basis for the development of a wider wisdom, and, indeed, a wider sense of morality. By the latter I mean an appreciation of the importance of the common good over selfish interests and an understanding of the elements which contribute to the common good. In its application to the most important problem facing our world today, the bounty of science holds a promise that improved communications and greater opportunity for travel will further the growth of international understanding. Furthermore, if

Donald B. Woodward

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*Part of address of Mr. Woodward before the Cleveland Chapter of Robert Morris Associates and Cleveland Association of Credit Men, Cleveland, O., April 11, 1947.

Portrays Florida Banking Progress

Frank W. Norris, in annual report as President of Florida Bankers Association, discusses advances made by Florida banks in last seven years. Warns of over-optimism and stresses burden of National Debt. Sees possible period of almost continuous reduction of bank deposits.

Frank W. Norris, President of the Florida Bankers Association, and Vice-President of the Barnett National Bank of Jacksonville, Fla., in his annual report at the Convention of the Association at Boca Raton, Fla., on April 3, called attention to Florida's progress in banking as compared to other states in the last seven years, and at the same time, pointed out the dangers and pitfalls which may confront the banks in the years ahead. His remarks on this occasion follow:

Frank W. Norris

I have recently been furnished with a few interesting figures showing the progress of Florida banks for the seven years from December 31, 1939 through December 31, 1946.

In December 1939, there were 13,535 banks in the United States; in December 1946, there were 13,359, or a decrease of 175. In Florida for those periods, there were 162 banks and 176 respectively, or an increase of 14. Deposits nationwide from December 1939 to December 31, 1946 showed an increase of $80,953,000,000.00 or 144%. The banks in Florida in 1939 showed total de-

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As We See It

EDITORIAL

Again and Again and Again

It would, perhaps, be unfair to say that President Hoover started it, but he was certainly the first to give it the prominence it has since rather steadily enjoyed—this idea that somehow government, either seeing a depression upon us or sensing (so it thinks) the approach of one, can by pulling this string or that prevent a "boom" from bringing its own "bust." His efforts early in the 1929 depression, though strenuous, failed. By the time President Roosevelt entered the White House the country was wearied of prolonged bad times, and was for a while, at any rate, persuaded that new procedure might succeed where the old had failed. The New Deal was essentially a philosophy of profligacy and it, too, miserably failed, although no one is likely to accuse the New Dealers of want of ingenuity or "boldness" in applying their ideas.

When the bloodiest and most expensive of all wars was finally won in 1945 and this country at length really faced the problem of reconversion, there arose an influential clique in Washington which convinced the President that the country was soon to be face to face with a reconversion depression, and that the way to avoid it, or limit its effect, was to divert much more of the current product to wage earners. The President in a short time had cause to rue any such course, for the phenomenon which plagued him was not a depression but a boom. These wholly unforeseen (by the planners in Washington, at any rate) and swift changes in the complexion of things did not rob those who had been the closest advisers of the President of their faith that higher wages were the cure-all which could be applied with equally good result whether a "boom" or a "bust" confronted the

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Management Problems in Threatened Recession

By WILFRED SYKES*

President, Inland Steel Company

Prominent industrialist sees short recession ahead due to disappearance of black markets and accumulation of inventories. Says prices are too high and there is approaching consumer resistance. Warns present extravagant practices in business must end, and calls for less government interference. Holds labor troubles are result of political maneuvering and have fostered class consciousness. Scores taxation policy which hits risk capital and punishes success.

At the moment many are faced with problems of procurement, but I think that the difficulties that arise from the lack of raw materials for many manufacturers are being solved rapidly. The situation has been particularly acute as regards metals. We have had, of course, the post-reconversion rush of every business to get back into normal production and to retrieve or retain its place in the markets of the country. Consequently the demand in many lines has far exceeded supply, although supply is generally much in excess of what it was in pre-war years. In the steel industry, for instance, there seems to be an insatiable demand for all forms of steel, although in some of the heavier lines it is obvious that the real peak is over. There still remains the great unsatisfied demand for lighter items, such as sheets, although the mills of the country are producing this commodity in much greater volume than ever before.

Wilfred M. Sykes

Of course, the demand is made up not only of the actual current needs but of the desire to build up inventories so as to insure operations against delays due to the lack of raw materials. Now the idea as to what insurance is necessary varies a great deal among different concerns. Many companies, I am satisfied, have acquired, or are trying to acquire, stocks out of all reason in relation to their normal peacetime business. We must not believe that there is always going to be an insatiable demand for our products, and our ideas as to reason-

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*Address by Mr. Sykes at the Personnel and Management Conference sponsored by the Chicago Junior Association of Commerce, Chicago, Ill. April 10, 1947.

GENERAL CONTENTS

Editorial

From Washington Ahead of the News

By CARLISLE BARGERON

One is likely to hear on most every hand around Washington about how the Democrats are out-propagandizing the Republicans, about the ineptness of the Republicans in politics, about their general lack of political cleverness. They are undoubtedly guilty on all counts.

What a beautiful position the Republicans would now be in, with a nationwide telephone strike and John L. Lewis acting up again, the wiseacre observes, if, when they first came into control of Congress the Republicans had passed the Case "anti-labor" bill. Truman would have vetoed it and wouldn't he now be in a pretty mess. Instead of the Gallup Poll showing 60% of the people approving him, we are told, he would be lower down than a snake's stomach.

Carlisle Bargeron

Not unlikely this is true. But if the Republicans were as politically "smart" as this, as politically clever, they wouldn't be Republicans. They came into office, presumably, because among other things, the people are tired of cleverness, of smartness. They want some sound people to run the government.

This writer, who was reared a Democrat and who has lived in Washington a long time, came to the conclusion a long time ago that the Democrats are the people to party with, and the Republicans the people to run the government. If I have my choice any time between having dinner with a Republican and a Democrat, I would prefer the Democrat. With the Republican I might get two cocktails before dinner and a lot of profound conversation. With the Democrat I would get a complete drunk, a lot of so-called brilliant conversation, many a good laugh, very probably not get any dinner but have a hangover the following day. However, in my suffering I would realize that I had had a hifalutin' time. One has a right to choose his companions, and for companions, I take the Democrats. Even the

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Their Fifth Column Gone?

"The battle from here on out will be increasingly tough. The opposition is entrenched politically and is arrogant economically. It is prepared to resist any further wage increases whatsoever. We must not anticipate any easy gains. It is the firm conviction of this convention, however, that we should drive ahead in all segments of our jurisdiction to secure the increases to which we are entitled.

* * * *

"We can no longer rely upon the NLRB to carry out the intent of the National Labor Relations Act. We are forced to recognize through our experience in the past year that we cannot rely upon the board to aid us. We are forced to take economic action when the situation demands to carry out the intent of the act, the recognition of the majority of the workers in collective bargaining or elimination of the employer's unfair practices."—The International Longshoremen's and Warehousemen's Union (CIO).

In substantial measure the more aggressive labor unions appear to have lost their fifth column in governmental offices. They have lost many of their friends elsewhere too.

It would be unfortunate if they chose to fight a losing fight to the last man.

Congress to Act on Labor Bills

Republican members of the House Labor Committee on April 9 had ready labor legislation which, having their approval, was expected to pass the House when it comes up for vote. The measure, introduced in the House on April 10 by Representative Fred A. Hartley (R.-N.J.), Chairman of the Labor Committee, was described by Mr. Hartley, according to Associated Press advices of April 8 from Passaic, N. J., where he addressed the Chamber of Commerce, as making provision to:

Ban the closed shop.

Abolish the National Labor Relations Board.

Create a new Labor Board whose members, regional directors, and examiners would have to be confirmed by the Senate.

Remove mediation machinery from the Department of Labor.

Return to employers the right of free speech.

Ban foremen's unions.

Ban industry-wide bargaining but permit company-wide bargaining.

Require filing with the union membership and the United States Department of Labor of union financial statements.

Prohibit secondary boycotts, mass picketing, wildcat strikes, featherbedding and sit-down strikes.

Deal "effectively with and prohibit and prevent jurisdictional strikes."

Make unions equally liable with management for breach of contract.

Make anti-trust laws applicable to labor "monopolies."

Mr. Hartley said also that the bill was designed to insure that rulings by the new Labor Board would be based on "the preponderance of the evidence" rather than on "ex parte" decisions. He said it would clarify rules of procedure for the Board.

Before the bill received final approval from Republican committeemen it met with a couple of changes: One would provide a period of mediation and arbitration for settling strikes which the bill defines as affecting the national health, welfare and safety; the other would remove a proposed ban on the union shop if both management and labor want one.

The Senate also was roused to action on changes in the labor laws, Associated Press advices stated. Senator Taft (R.-Ohio) on April 7 said that provisions designed to avert "national paralysis" strikes by court injunction are included in the preliminary draft of a general labor bill before the Senate Labor Committee (approved by the committee April 14), of which he is Chairman. As it stands, the bill was described by Mr. Taft as outlawing the closed shop, restricting union shop agreements, prohibiting secondary boycotts and jurisdictional strikes and curtail industry-wide bargaining in some cases.

Discussing the bill at a news conference, Mr. Taft emphasized that the proposed bill was "literally and completely tentative." He said that the provision proposed to aim at national paralysis strikes would operate like this, it is learned from Associated Press accounts:

When the Attorney-General decided that a threatened strike affecting "substantially an entire industry" would "imperil the national health or safety," he could petition for a sixty-day injunction to block the strike.

If no settlement had been reached by the disputing parties at the end of that time, the workers would hold a secret ballot election to determine whether to go on strike. If they decided to strike, the injunction would be dissolved and the President would report to Congress on the situation. It then would be up to Congress to take whatever action it saw fit.

Asked what Congress could do, Taft replied: "That's the $64 question."

He said, however, that Government seizure would be one of the steps open to Congress.

When asked whether the proposal would apply to the present telephone strike, Taft said he thought it would. He added: "I think it's on the border line as to whether it affects national health and safety."

Redeem Belgian Bonds

Kingdom of Belgium external loan 30-year sinking fund 7% gold bonds due June 1, 1955, in the principal amount of $211,000 have been drawn by lot for redemption through the sinking fund on June 1, 1947. Payment at 107½% of the principal plus interest to the redemption date will be made at J. P. Morgan & Co., Inc., or at Guaranty Trust Company of New York, sinking fund administrators.

Byrd Shows U. S. Commitments Abroad

Urging upon his fellow legislators caution in voting United States aid to Greece and Turkey, Senator Harry F. Byrd (D.-Va.) on April 5 summarized this country's international commitments in the next 15 months as reaching an approximate total of $7,043,100,000, Associated Press Washington advices stated. The aid to Greece and Turkey requested by President Truman would add $400,000,000 to this amount, according to the Associated Press. Senator Byrd's total is based on figures compiled at his request by the Budget Bureau. Its largest item is $2,850,000,000 still available to Great Britain as of March 1 out of the $3,750,000,000 credit. Other items, said the Associated Press, are:

Funds requested by the President for relief in liberated countries—$350,000,000.

Relief in American-occupied areas of enemy countries—$1,120,000,000.

Export-Import Bank loans, excluding the $500,000,000 earmarked for China and smaller sums for commercial type loans—$944,100,000.

Philippine aid—$663,000,000.

The final settlement for UNRRA—$552,000,000.

Free transfer of surplus war properties to foreign countries—$207,000,000.

Completion of this country's investment in the International Bank—$159,000,000.

Participation in the International Refugee Organization—$75,000,000.

Maritime Commission ship transfers—$73,000,000.

Direct assistance to foreign countries from military supplies—$50,000,000.

Elected Directors of 'Junior Republic' Assn.

Orie B. Kelly, President of the Lawyers Trust Co., N. Y., and Philip Isles, partner of Lehman Brothers, were elected members of the board of directors of the George "Junior Republic" Association at a meeting of the Executive Committee of that organization in its New York office, on April 2, it was announced by Donald S. Stralem, Chairman of the Board. Others elected at the same time were Maxwell L. Scott, Vice-President of Cross & Brown, Inc.; Dr. Joseph P. Day, Vice-President of Joseph P. Day, Inc.; Howard Dietz, Vice-President of Metro-Goldwyn Mayer, Inc.; and James P. McAllister, Vice-President and General Manager of the McAllister Lighterage Line, Inc. The George "Junior Republic" of which Dr. Alexander Forbes of Boston is President, was founded by the late William R. George, 52 years ago. It was he who conceived the plan of self-government by teen-age boys and girls as a program of character-building and training for citizenship. It has served as a pattern for youth organizations throughout the country and the plan is being used extensively by Occupational Forces in stabilizing youth in European countries. Michael Candeila of Brooklyn, New York, 16 years of age, and Jeanette Brashear are President and Vice-President, respectively, of the "Junior Republic." Plans to increase the facilities of the Republic through model town planning at its present location at Freeville, New York were adopted, construction of additional housing to begin during the Summer or early Fall.

Supreme Court Rules State Board Cannot Rule on Labor Disputes Covered by NLRA

In a decision on April 7 the United States Supreme Court ruled that States cannot rule on labor disputes which are covered under Federal law. The decision was given on appeals by Bethlehem Steel Co. in a case affecting its mill at Lackawanna, N. Y., and by the Allegheny Ludlum Steel Corp., operator of mills at Dunkirk, N. Y. In the action which brought the ruling, the New York State Labor Relations Board contended, according to the Associated Press, that it had authority to require the two steel corporations to recognize foremen's unions. The corporations replied that since they were engaged in interstate commerce the National Labor Relations Board alone had authority to determine bargaining units among their employees.

Chapters of the Foremen's Association of America asked the New York State Labor Relations Board to certify them as bargaining agents for supervisors in the plants. The firms which disputed the jurisdiction of the State Board lost the dispute in New York courts. They then appealed to the Supreme Court.

The six—three decision of the Supreme Court on April 7 upset the New York Board's order for the recognition by the steel companies of foremen's unions.

Justice Jackson, who wrote the majority opinion, said that conflict might develop if two different boards had concurrent powers, and declared that the NLRB "has jurisdiction of the industry in which these particular employers are engaged and has asserted control of their labor relations in general."

"We do not believe this leaves room for the operation of the State authority asserted," he added.

If the NLRB had not gone into the field at all, Justice Jackson's majority opinion said, the ruling might have been different. Justice Frankfurter wrote a dissent in which Justices Murphy and Rutledge joined.

In part, the Associated Press said:

Justice Frankfurter in his dissent argued that the Court should have upheld an arrangement formally entered into between the NLRB and the New York State Board whereby the State group was delegated to handle such controversies because the Federal agency for budgetary reasons could not deal with them.

Justice Frankfurter said he reads the majority opinion "to mean that it is beyond the power of the National Board to agree with State agencies enforcing laws like the Wagner Act to divide, with due regard to local interests, the domain over which Congress had given the National Board abstract discretion but which, practically, cannot be covered by it alone."

The dissenters argued that Federal legislation, like the Wagner Act, must be construed with due regard to accommodation between the assertions of new Federal authority and the functions of the individual states.

In the Associated Press accounts from Washington it was also stated:

In today's case the Court did not go into the general issue of rights of the foremen's organization, merely referring to that matter as having been passed on in the Packard Motor Car Company foremen's case. In the Packard case, the court held that foremen have the right under the National Labor Relations Act to organize unions and bargain collectively. That case failed to settle conclusively, however, the question whether the same union representing rank-and-file workers may also represent foremen.

Bill Asks FDIC Repay Funds Obtained From Treasury

Also provides for reduction of assessment on Member Banks

Senator Homer E. Capehart (R.-Ind.) on April 8 introduced legislation which would require the Federal Deposit Insurance Corporation to repay the government funds with which it started operation. Included in the measure, according to Associated Press Washington advices, was provision to reduce the assessment on member banks when assets of the corporation were in excess of $1,000,000,000.

The Corporation's Chairman, Maple T. Harl, had two days earlier, according to the same advices, recommended repayment of the stock: "The Corporation previously suggested a program for gradual repayment," Mr. Harl said, adding that it "now repeats that proposal." He said that the Corporation had an earned surplus of $769,000,000 at the end of 1946 which, added to the funds furnished by the Treasury and Federal Reserve Banks, gave the Corporation assets of $1,058,000,000. "The method of repayment," Mr. Harl stated, "should be such as to maintain at all times a fund adequate for the protection of deposits in insured banks."

The method proposed by Senator Capehart would be to continue an assessment rate of 1/12 of 1% on member banks until the Corporation's assets equal or exceed $1,000,000,000. Thereafter assessments would be halted until the surplus dropped below $990,000,000. Then they could be resumed temporarily at a rate of 1/24 of 1%.

In his report (we quote from the Associated Press) Mr. Harl stated that in 1946 only one bank received aid from the Corporation, and none was placed in receivership. In the agency's history, he said, 402 insured banks were closed but 98% of their deposits "were made available promptly without loss to the depositors" and "less than ¼ of 1% of the depositors held accounts in excess of $5,000 that were not fully protected." Continuing the Associated Press said:

Total deposits in the 13,550 banks insured by the Corporation declined 6% from $158,000,000,000 at the end of 1945 to $149,000,000,000 last Dec. 31, Mr. Harl said, and added:

"The decline was confined chiefly to the war-loan accounts of the United States Government, which were drawn upon to permit cash redemption of some of the Federal government obligations maturing during the year.

"Deposits of individuals, partnerships and corporattions continued to rise in 1946".

Class I RR. Gross Earnings Up $56,833,934 In February—Net Income Off $7,600,000

The Class I railroads of the United States in February, 1947, had an estimated net income, after interest and rentals, of about $14,600 compared with a net income of $22,200,000 in February, 1946, according to reports filed by the carriers with the Bureau of Railway Economics of the Association of American Railroads and made public on April 3. Net railway operating income, before interest and rentals, amounted to $43,145,572 compared with a net railway operating income of $50,521,963 in February, 1946. The Association further reported as follows:

In the first two months of 1947, these roads, which represent a total of 227,313 miles (excluding Missouri & Arkansas Railroad), had an estimated net income, after interest and rentals, of $43,900,000 compared with a net income of $52,000,000 in the corresponding period of 1946. Net railway operating income, before interest and rentals, totaled $101,202,013 compared with $116,469,855 in the same period of 1946.

Operating expenses for the month of February, 1946, and the two months ended February, 1946, only partially reflect the retroactive wage increases applicable from Jan. 1, 1946. Net earnings of the railroads for those 1946 periods are overstated to the extent of the exclusion of the retroactive wage payments.

In the 12 months ended Feb. 28, 1947, the rate of return on property investment averaged 2.62%, compared with a rate of return of 3.61% for the 12 months ended Feb. 28, 1946.

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

Total operating revenues in the first two months of 1947 totaled $1,321,473,786 compared with $1,219,946,495 in the same period of 1946, or an increase of 8.3%. Operating expenses in the first two months of 1947 amounted to $1,048,327,763 compared with $953,037,483 in the corresponding period of 1946, or an increase of 10%.

Thirty-eight Class I railroads failed to earn interest and rentals in the first two months of 1947, of which 17 were in the Eastern District, five in the Southern Region and 16 in the Western District.

Eastern District

The Class I railroads in the Eastern District in the first two months of 1947 had an estimated net income, after interest and rentals, of $7,500,000 compared with a net income of $4,300,000 in the same period of 1946. For the month of February alone their estimated deficit after interest and rentals, was $1,700,000 compared with a deficit of $2,000,000 in February, 1946.

The same roads in the first two months of 1947 had a net railway operating income, before interest and rentals of $33,685,084 compared with $30,441,572 in the same period of 1946. Their net railway operating income before interest and rentals in February amounted to $10,892,796 compared with $11,249,289 in February, 1946.

Operating revenues of the Class I railroads in the Eastern District in the first two months of 1947 totaled $605,483,776, an increase of 13.6% compared with the same period of 1946, while operating expenses totaled $497,279,891, or an increase of 11.5% above 1946.

Southern Region

The Class I railroads in the Southern Region in the first two months of 1947 had an estimated net income, after interest and rentals, of $11,200,000 compared with a net income of $12,900,000 in the same period of 1946. For the month of February alone, they had an estimated net income, after interest and rentals, of $4,800,000 compared with a net income of $6,900,000 in February, 1946.

Those same roads in the first two months of 1947 had a net railway operating income, before interest and rentals, of $19,068,473 compared with $23,602,712 in the same period of 1946. Their net railway operating income, before interest and rentals, in February amounted to $9,111,885 compared with a net railway operating income of $12,549,511 in February, 1946.

Operating revenues of the Class I railroads in the Southern Region in the first two months of 1947 totaled $193,583,906, an increase of 8.7% compared with the same period in 1946, while operating expenses totaled $150,116,727, an increase of 14% above 1946.

Western District

The Class I railroads in the Western District in the first two months of 1947 had an estimated net income, after interest and rentals, of $25,200,000 compared with $34,800,000 in the same period of 1946. For the month of February alone, they had an estimated net income, after interest and rentals, of $11,500,000 compared with a net income of $17,300,000 in February, 1946.

Those same roads in the first two months of 1947, had a net railway operating income, before interest and rentals, of $48,448,456 compared with $62,425,572 in the same period of 1946. Their net railway operating income, before interest and rentals in February amounted to $23,140,891 compared with a net railway operating income of $26,723,163 in February, 1946.

Operating revenue of the Class I railroads in the Western District in the first two months of 1947 totaled $522,406,105, an increase of 2.7% compared with the same period of 1946, while operating expenses totaled $400,931,145, an increase of 6.8% above 1946.

CLASS I RAILROADS—UNITED STATES

Period Ended Feb. 28—	1947—Month	—1946	1947—2 Months	—1946
Total operating revenues	$635,939,761	$579,105,827	$1,321,473,786	$1,219,946,495
Total operating expenses	509,379,547	456,291,303	1,048,327,763	953,037,483
Operating ratio—percent	80.10	78.79	79.33	78.12
Taxes	70,410,658	61,161,906	146,069,712	128,628,777
Net railway operating income (before charges)	43,145,572	50,521,963	101,202,013	116,469,855
Net income, after chgs. (est.)	14,600,000	22,200,000	43,900,000	52,000,000

Rumania Orders Wage Increases Up to 700%

Rumania on April 9, after a recalculation of the nation's sliding wage scale, which is geared to price levels, ordered wage increases ranging up to 700%, according to delayed Associated Press advices from Bucharest on April 9, which appeared in the New York "Times," and which added:

The increases are expected to bring total wages up to approximately 50% of the amount of notes in circulation—a figure that has not been published since the Rumanian National Bank was nationalized last Jan. 1.

As a result Rumanian heavy industries—especially steel, iron, oil and coal—are facing a crisis, for payrolls cannot be met because of the lack of currency and bank credits.

Prices of commodities have been soaring daily, pulling with them the price of gold and foreign exchange on the free market. Since last Monday the price of gold has doubled.

Large denominations of 1,000,000 lei are expected to be issued about April 20.

Weinhandl New CED Community Chairman

A. R. Weinhandl, President of the First National Bank, of Minot, N. D., has been appointed Minot Community Chairman of the Committee for Economic Development, it was announced on April 17 by Walter Fuller, President of the Curtis Publishing Co., and Chairman of the newly formed CED National Information Committee. In addition to his duties as president of the bank Mr. Weinhandl has been active in business and civic affairs in his community. He is a director of the North Dakota Reclamation Association, the Missouri-Souris Projects Association, the Minot Rotary Club and the Minot Community Chest. In addition, he is Vice-President of the North Dakota Bankers Association, also a member of the Minot Association of Commerce and a member of the National Relations Committee of the Chamber of Commerce of the United States. Mr. Weinhandl recently was appointed a member of the Committee of Seven named under sponsorship of the U. S. Department of Commerce to carry on research and development work in the State of North Dakota.

"The Committee for Economic Development is now engaged in an intensive program of research leading to the formulation of responsible recommendations designed to encourage national economic policies contributing to the maintenance of high levels of production, distribution and employment in this country," Mr. Weinhandl said. "Only through better public understanding will come the new policies which will help us avoid sharp dips in business activity and employment and bring about continuing economic progress," he added.

January Life Insurance Payments Were High

Payments to policyholders and their beneficiaries during January by the country's life insurance companies were $266,447,000, a 2% increase compared with payments in January, 1946, the Institute of Life Insurance reported on March 26. Death benefit payments decreased nearly 4%, but payments to living policyholders increased more than 6%.

The State of Trade

There was little in the developments of the past week to cause business and industry to show any great degree of optimism over the prospects for the immediate future. Beset as it is with a nation-wide telephone strike which up to the present has produced no meeting of the minds on the essentials of the dispute, plus the safety strike the bituminous coal miners have been staging since the Centralia disaster, are sufficient in themselves to produce a country-wide state of economic unrest.

Present stocks of coal of the steel mills have modified to a large extent the dire effects such a lay-off could produce on the output of steel, but from a long-range viewpoint, it could well prove to be disastrous to our whole economy. Suffice it to say that indications at this time point to an early resumption of soft coal mining in most of the nation's pits, since John L. Lewis, the United Mine Workers head, is not prone to jeopardize further the financial position of his union by flouting the government and its courts.

The stock market last week reacted unfavorably to the confused business and industrial situation by breaking through its January lows at the close of the week. The call for a downward revision of prices both at the retail and manufacturing level also proved particularly demoralizing to the market.

Negotiations in the telephone strike up to Tuesday of this week had reached a point where Lewis B. Schwellenbach, Secretary of Labor, at midnight on Monday made a proposal to the National Federation of Telephone Workers and the American Telephone and Telegraph Company to submit to a five-man arbitration board for consideration, five national questions raised by the union and any other issues they may desire to bring to the attention of the board. Mr. Schwellenbach made it clear that both labor and management be permitted to submit their cases to the board and that separate awards be made in each case.

The Secretary further proposed that the parties at once "enter into intense negotiations" for forty-eight hours to resolve the five contentious issues in their dispute and that he would expect the parties to reply by 5 p.m. on Tuesday. He added, that he would expect a report on negotiations forty-eight hours after that at 5 p.m. on Thursday. Should the disputants agree to the proposal it was presumed that the strike would be called off at that time.

Latest reports pertaining to the automotive industry revealed that one phase of the conflict between labor and management over increased wages had been breached on Monday of this week with the acceptance by the United Electrical, Radio and Machine Workers of America, CIO of General Motors Corporation's offer to grant a 15-cent pay rise. Of this amount 11½ cents will be paid as direct, hourly salary advances and 3½ cents as adjustments for paid holidays and other economic factors.

This settlement by some union and management officials in Detroit, it was reported, was interpreted as a blow to CIO bargaining efforts on an industry-wide basis by making it difficult for the United Automobile Workers to press their demands for a 23½ cents increase.

Walter P. Reuther, international president of the union the same day declared that the 15-cent hourly increase to the corporation's 30,000 electrical workers "is public proof that the extremely favorable profit position of General Motors enables it to grant a still larger wage increase."

Final determination of the long-drawn out portal pay suit against the Mount Clemens (Mich.) Pottery Company ended on Monday of the present week when the Supreme Court granted a government request that it drop all further consideration of the action. This request was made by the Justice Department after the United States Circuit Court in Cincinnati dismissed the appeal of company workers who lost their suit for retroactive pay.

The workers and the company agreed in the Circuit Court to dismissal of the case, which touched off other portal-to-portal wage suits totaling close to $6,000,000,000.

Touching upon industrial output for the country as a whole, it is noted that total production remained close to the high levels of previous weeks, notwithstanding work stoppages in many soft coal mines, flood conditions in some sections of the Middle West and a national telephone strike. The backlog of orders in many industries remained large and production of small electric motors was at a high level, being considerably above that of the corresponding week a year ago.

Automotive production in the week dropped below the expected mark of more than 100,000 units and was attributed by Ward's Automotive Reports to curtailment of operations by widespread flood conditions in Michigan plant areas, shortage of steel and the one-day shutdown of Ford Motor Co. factories in observance of the death of the founder.

Output of cars and trucks in the United States and Canada last week was estimated by Ward's at 97,988 units, compared with a revised figure of 97,385 units for last week.

Of the current week's production, 67,693 passenger cars and 25,045 trucks were turned out in this country and 3,310 and 1,940 in Canada.

In the comparable period last year, 49,425 units were produced and 99,260 in the corresponding week of 1941.

Total retail volume declined moderately in the week with dollar volume slightly above that of the corresponding week a year ago. The usual post-holiday decline in apparel interest was offset to some extent by the continued heavy demand for food and many previously scarce durable goods.

There was a slight decrease in wholesale activity too, with total dollar volume moderately above that of a year ago. Order volume generally was limited to small fill-in orders and many buyers were hesitant to place orders for delivery in the third and fourth quarter at current prices.

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 94.5% of capacity for the week beginning April 14, 1947, as compared with 95.1% one week ago, 96.4% one month ago and 77.4% one year ago. This represents a decrease of 0.6 point or 0.6% from the preceding week.

The week's operating rate is equivalent to 1,653,700 tons of steel ingots and castings compared with 1,664,200 tons one week ago, 1,686,900 tons one month ago and 1,364,100 tons one year ago.

Steel Industry—As if the steel industry didn't have enough trouble this week with its coal mines abruptly shut down over a union-government safety squabble, its attention was forcibly focused on the steel labor outlook which is

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As We See It

(Continued from first page)

nation—or, in fact, whether any one really knows which, if either, is in the offing.

Delusions Persist

But this time the President hesitates a little. He seems to suppose that if someone does not "do something" about prices, wages must rise, but evidently he is not ready to rest his case with a demand for higher wages. For this much the public may, perhaps, be grateful, but there is a great deal more to be considered. The President is among the two or three dozen influential figures in the nation who are crying unto heaven that something be "done about prices," and that steps be taken to "save us" from the "coming depression"—and he seems to be aligned with those who have never for a moment given up the idea that business can lift itself up by its own bootstraps and must do so or else government must "step in."

Although no less a personage than the Chairman of the Board of Governors of the Federal Reserve System only a relatively short time ago announced from Olympus that the danger of inflation had passed (or words to that effect), official attention and official worries appear now to be centered chiefly upon the price situation, the all but unanimous view being apparently that the danger of inflation is anything but over. The various official and semi-official utterances upon the current situation do not always mesh very well, but it appears generally to be the view that prices are far too high—that is, except farm prices (the highest of all), which are as always under the protective wing of a considerable number of farm votes—and that if prices are not reduced promptly, certainly if prices continue to rise, we must inevitably come upon hard times, now commonly called a "bust."

Dubious Remedies

Many even among those of us who look with considerable uneasiness upon the recent behavior of prices must, of course, object to such an over-simplified diagnosis of the current situation, but what is even more disturbing is the general nature of the remedies proposed by so many of the critics of the day, and the consequent danger of steps which could scarcely fail to make a bad matter worse. According to such doctors, the government must do this or that. It must "encourage" sellers to reduce prices; it must "discourage" consumer buying at current price levels in order to oblige sellers to reduce costs; it must, if necessary, revert to price controls in order to dictate prices it thinks sound and reasonable; and much more of the same order. The notion of an omniscient and omnipotent government, somehow rising far above the men who compose it and the men who select and support it, dies hard—if indeed it dies at all!

Perhaps history never repeats itself as we often hear, but it certainly seems to do so frequently enough. Again government, wishing to persuade business men to do this or that, has found itself in collision with its own anti-trust laws. It was under President Coolidge that the practice developed of asking and obtaining clean bills of health from the Department of Justice when action thought possibly to be in conflict with the laws of the land was in contemplation. The "trade practice conferences" of that day resulted. More than a few business men who had been acting under what they supposed were letters of immunity, or something of the sort, from the Attorney General's office, grew quite warrantably uneasy only a very few years later when the Hoover regime repudiated any such steps taken by government officials of a former regime.

It remained, however, for the Roosevelt Administration to cap the climax of this folly, if not bad faith with the business community. It, too, wishing to obtain mass action from business men, soon found statutes and indeed common law provisions directly in the path of those from whom it was soliciting "cooperation" —cooperation with one another as well as with the government. It was not long before the NRA had emerged to "correct" this situation. The remedy failed for other and very fundamental reasons (which also apply now), but after its failure a number of business men who had acted with the blessings of Washington, faced criminal prosecutions in courts which would not hear or at any rate give any weight to what Washington had said to them. It was a sad day for these business men—and a sad day for the country as a whole.

We should suppose that all that we have been saying, and indeed much more of the same order, would be so well known to the business community that President Truman and his Administration would have considerable difficulty persuading any thoughtful man to proceed in direct violation of the anti-trust laws (as they have been repeatedly interpreted by the Supreme Court) upon the mere assurance that no prosecutions would ensue. The notion of firm agreements to reduce prices is of very doubtful validity as a preventive of a "bust" in any event, of course, but promoted under such circumstances as now exist it could not fail to bring wholly undesirable results and to involve serious hazards.

It may or may not be true that higher prices or failure to get prices down within a very short period of time would result in a "bust," or that getting them down would prevent such a "bust." What is clear, is that many of the current proposals are not only certain to be impotent but are heavily loaded with hazard. If government wishes to be really helpful, let it cut expenditures sharply, reduce its debt, and get its obligations out of the banks—and thus cut the ground out from under the inflationary tendencies of the times.

Grady Confirmed as Ambassador to India

The first Ambassador from the United States to India will be Henry F. Grady of California, whose name for the post was sent to the Senate by President Truman on April 7. The nomination was confirmed by the Senate on April 9. The fact that Mr. Grady had been chosen for the Ambassadorship was revealed by Under-Secretary of State Dean Acheson at a news conference on April 4, Associated Press Washington advices stated. From San Francisco the same day the Associated Press reported that Mr. Grady, who is President of the American President Lines, had declared, "I am proud and very much pleased that the President has selected me as the first American Ambassador to India."

Stating that he had been in India twice since 1931 "on vital war missions," Mr. Grady said that it would be a pleasure to renew the many friendships he had made there. A native of San Francisco and 65 years old, Mr. Grady during the first World War performed technical trade services for the Government; during the last war he was Vice-President of the economic section of the Allied Control Commission in Italy. The appointment of an Ambassador to India marks the opening of formal diplomatic relations between that country and the United States. Asaf Ali, India's first Ambassador to this country, presented his credentials to President Truman about two months ago.

Truman Urges Developm't Of Timber Resources

A statement issued by President Truman commemorating Arbor Day, April 10, emphasized the need for reinforcing the nation's timer resources, a dispatch from Washington to the New York "Times" stated on April 9. "We have today, without question, a very real forest problem," the President said, and pointed to the need for considering trees as one of the country's crops "which, with care and protection, can produce endless harvests of essential timber." Mr. Truman drew attention to the responsibility resting on farmers and small woodland owners, who own 64% of the country's commercial forest lands.

Sweden Controls All Imports

Act prompted by foreign currency scarcity. Essentially important goods as oils, industrial raw materials, and machines placed on free list. Swedish Government denies any intent to repudiate 1935 Treaty with U. S., assuring there will be no discrimination against us.

WASHINGTON.—Because of the increasing scarcity of foreign currencies, the Swedish Government has found it to be necessary to issue a general order putting all imports under the control of the government. The government intends immediately to put certain categories of goods which are of essential importance for the Swedish economy such as oils, industrial raw materials and machines on a special free list. The importation of all other goods will be submitted to a careful control on the side of the authorities and a reduction of the imports of certain non-essential goods will be effected.

Through the American Legation in Stockholm, the Swedish Government has notified the Government of the United States that such import regulations were to be instituted. The imposing of government control on the imports is regarded by the Swedish Government as a measure of a formal nature. It contends that whether it contravenes the stipulations in Article 7 of the 1935 Treaty with the United States will depend on the manner in which the right of the government to limit imports will be exercised as regards the goods enumerated in the list attached to this treaty. The Swedish Government wants to discuss this question in the way prescribed in the treaty and with observance of the formal procedure stipulated, if this should be considered suitable. Sweden states it has no intent whatever to repudiate the treaty.

The consultations between the Swedish and American Governments may lead to results which, in no way, conflict with the stipulations of the treaty. On the other hand, it is possible that the parties will consider it expedient to make a temporary agreement concerning the applications of the list mentioned above. The Swedish Government is willing to discuss the effects of the Swedish import control on American exports not only as regards goods on this list but also other goods of a mutual interest. In the application of the import regulations, no discrimination against imports from the United States will be made. In several bilateral trade agreements, Sweden has undertaken to allow the importation of a series of luxury goods. The Swedish authorities have assured the American Legation in Stockholm that American goods will receive no less favorable treatment than goods from a third country.

The Spanish - Swedish trade agreement, for instance, calls for the importation to Sweden of certain quantities of oranges from Spain. Therefore, the orange exporters in Florida and California will be guaranteed to get Swedish import licenses on a basis of equality with Spain as long as Sweden allows the importation of Spanish oranges. The proportions will be settled during discussions with the parties concerned. The Swedish authorities have promised that all such information concerning goods affected by Sweden's bilateral trade agreements, which is necessary in order to discuss cases of alleged discrimination, will be put at the disposal of the American Legation in Stockholm. The Swedish authorities have also given their assurance that the granting of import licenses will not be determined by the existence of a supply of certain currencies. Thus, the importation of French cosmetic preparations will not be allowed because of the existence of a relatively good supply of French francs unless the importation from the United States of such goods is allowed on an equal basis. The assurance concerning an equal treatment applies to all kinds of goods. The Swedish authorities have, however, pointed out that the selection of the goods of which the importation will be limited must be based on an examination of their dispensability. Therefore, the relative importance of those goods for Sweden will decide to what extent the total exports from various countries in reality will be affected by the Swedish import control.

Senate Group to Hold Tax Hearings

Plans in the Senate to end the delay in legislation to bring about income tax reductions in 1947 were announced on April 4 by Senator Millikin (R-Colo.), Finance Committee Chairman, who said that his group may take up the measure within the next couple of weeks and send it to the Senate floor early in May. Senate Republicans have been reported becoming restive over the Finance Committee's attitude of waiting for agreement between House and Senate conferees on the resolution to cut President Truman's budget. Senator Millikin now says, however, Associated Press Washington advices stated, that the Finance Committee and the Senate do not have to wait for settlement of the budget controversy before going to work on the tax bill.

The tax-cutting bill passed by the House on March 27 (referred to in our issue of April 10, page 1837) provides a 20% reduction for most taxpayers, a 30% reduction for those with the lowest incomes, and a 10½% cut for those in the highest brackets. Senator Millikin said that he did not know whether the Senate bill would be in the same amounts, but he declared that the cut would be substantial. There appears to be a general assumption that the Senate version will delete a provision of the House measure making the tax cuts retroactive to Jan. 1, 1947.

Treasury to Retire Bills

Secretary of the Treasury Snyder announced on April 9 that the offering of Treasury bills on April 17 will amount to $1,100,000,000, adding that the total of bills maturing on that date is $1,300,000,000, so that the amount outstanding will be reduced by $200,000,000.

The Secretary said that this reduction of $200,000,000 in bills is a continuation of the Treasury's policy for the retirement of debt held by the banking system. The Treasury advices further said that "there are no other securities maturing until June 1—the May 1 certificate was paid off in full last year—and since the Treasury has an ample cash balance, part of it is being applied to retire Treasury bills now."

The Secretary pointed out that the Treasury began its debt pay-off program on March 1, 1946 and that since that time the debt has been reduced by $22,000,000,000.

In response to an inquiry, the Secretary stated that the retirement of bills has no relation to Treasury policy with respect to interest rates and that no change in policy is presently contemplated.

Steel Operations Maintained at High Level—Labor Trouble Feared as Wage Talks Stall

"Nothing has happened in the past week to change the serious steel labor outlook—nor are any new developments of an optimistic nature expected this week," according to "The Iron Age," national metalworking paper, which, in its issue of today (April 17), further adds:

"Meetings between steel firms and the steel union, held occasionally since the middle of January, have produced nothing.

"The United States Steel Corp. was still insisting this week that the portal question must be legislated satisfactorily before any wage commitments could be made. The union so far has named no definite wage demand except to ask for a substantial increase. The steel firm has at no time made a wage offer. This fussing around is expected to be eliminated by the beginning of next week when both sides will be forced to attempt to do in 10 days what could have been done in the past 3½ months.

"Mr. Murray by next Monday, April 21, will have received the authority from his strategy committee, representing all steel workers, to call a strike for May 1 if efforts to obtain a wage increase fail. Unless conditions change radically from what they are this week, it is a 50-50 chance that the steel industry will be shut down by a strike.

"The contract settlement between General Motors and the electrical workers going for 15¢ an hour raise which includes a straight 11½¢ an hour increase plus 3½¢ an hour to take care of paid vacations may have some influence on the final steel settlement.

"One factor in the current steel situation which the union is expected to pounce upon will be the steel earnings report of U. S. Steel Corp. for the first quarter of this year. These figures which will show quite an increase from fourth quarter net income are expected to be announced on April 29. Steel officials insist that the showing for one quarter is insufficient time on which to base permanently higher wage rates.

"There is fear in some quarters that the steel price structure may not withstand a severe testing when supply begins to outrun demand late this year. Most steel officials believe that the earnings in the first quarter of this year will have no bearing on the year's labor costs and that they should not be taken as a reason for a much higher wage rate.

"None of this opinion is shared by Mr. Murray who is expected to score heavily with the public when the steel earnings report is announced. He can point to the fact that the union agreed to a contract extension for a longer period than has ever been done before and also point out that so far no offer of a wage increase has been made by the company. Between the middle of this week and the middle of next week there is a chance that higher officials in the Steel Corp. may take over negotiations. Such a step was taken during the labor controversy in 1946.

"Neither side wants the intervention of the government in the present steel wage deadlock. With the Administration's future at stake the government will definitely be in the picture unless Mr. Murray and the Steel Corp. can reach some settlement before May 1.

"The scrap market, sometimes accepted as a sensitive barometer of things to come, slid off further this week. Prices for heavy melting steel declined at Pittsburgh, Philadelphia, Cleveland, Youngstown, New York, Detroit and Buffalo. The "Iron Age" steel scrap composite price this week was $34.75 a gross ton, down 67c a ton from last week's level of $35.42. A more severe test of scrap prices is expected next week when many old high-priced orders will have been completed. The possibility of a steel strike, the high level of pig iron output and better scrap shipments are all having their effect on the downward trend in scrap prices.

"The decline in the steel ingot rate this week was not significant and represents a normal fluctuation to be expected when the level has been maintained at such a high rate."

The American Iron & Steel Institute this week announced that telegraphic reports which it had received indicated that the operating rate of steel companies having 93% of the steel capacity of the industry will be 94.5% of capacity for the week beginning April 14, compared with 95.1% one week ago, 96.4% one month ago and 77.4% one year ago. The operating rate for the week beginning April 14 is equivalent to 1,653,700 tons of steel ingots and castings, compared to 1,664,200 tons one week ago, 1,686,900 tons one month ago, and 1,364,100 tons one year ago.

"Steel," of Cleveland, in its summary of the latest news developments in the metalworking industry, on April 14 stated in part as follows:

"Optimism is less buoyant in the iron and steel industry. Steelmaking operations are holding well in the face of curtailed coal supplies and demand shows no sign of abating, but the immediate future outlook in the industry is clouded by threat of serious labor trouble in the offing.

"Current coal mining stoppage appears to be petering out, although the ominous threat of widespread shutdown of furnaces for lack of fuel continues. Even though the coal barrier is hurdled prospects for continued high steel production over the remainder of the year are darkened by lack of progress in working out a new steel wage contract.

"Government officials continue to press for lower prices and the heat has not been taken off the steel industry despite the statement of Benjamin Fairless, President of United States Steel, that consideration of price policy must await settlement of the wage question. Whether the psychological pressure on industry for price reductions being exerted by government officials, including President Truman, will be effective remains to be seen. Some market opinion leans to the view a token cut of $1 to $2 per ton in base steel prices may be forthcoming, especially should first quarter data show steel earnings substantially above those in the last quarter of 1946. This view applies to the near-term. For the long-term it is generally felt competitive forces will begin to whack at the steel price structure later in the year when supply and demand come into balance. This, it is said, should begin to show up in some products late in the summer. At the moment the only price action in iron and steel involves revision of extra cards to conform with changes recently initiated.

"Steel production was record-breaking for peacetime during first quarter. Output totaled 20,919,055 tons, almost double production in the first three months of 1946. March output at 7,284,516 also set a peacetime record. Sustained operations at the March rate over the remainder of 1947 would result in an output this year of approximately 85,000,000 tons of ingots, which would be 19,000,000 tons more than were produced in 1946."

Trade Commission Urges Anti-Merger Amendment Changes

The Gwynne subcommittee of the House Judiciary Committee which is conducting hearings on legislation to amend the Clayton Act (known also as the Federal Trade Commission Act), on March 26 was told by Judge W. T. Kelly, Chief Counsel to the Federal Trade Commission, that the pending Kefauver-O'Mahoney measure is "too rigid" and at the same time an "inadequate remedy" for many cases, advices to the New York "Journal of Commerce" from its Washington bureau stated.

The Clayton Act prohibits corporate mergers by acquisition of stock control, but Section 7 of the Act permits mergers by acquisition of physical assets. The Kefauver-O'Mahoney bill, it is said, seeks to revise this section by prohibiting mergers where acquisition of stocks or assets would substantially lessen competition between the acquiring and the acquired concerns.

But Judge Kelly was reported to have criticized this proposal (we quote from the "Journal of Commerce" advices) as prohibiting "desirable acquisitions" as well as undesirable ones and not being "broad enough to cover conglomerate and vertical mergers."

The same account said:

Cited as an example of the conglomerate merger was the acquisition by a leading steel producer of several steel drum fabricating concerns since 1940. Such an acquisition, Judge Kelly pointed out, would not be covered by the Kefauver standard, as steel producers and drum fabricators are not in competition with each other and the effect of merger could not be "to substantially lessen competition between them."

The following, the same press advices continued, is Judge Kelly's recommendation for the amendment of Section 7:

"No corporation engaged in commerce shall acquire, directly or indirectly, the whole or any part of the stock or other share capital and no corporation subject to the whole or any part of the assets of another corporation engaged also in commerce, where in any line of commerce or in any section, community or trade area there is reasonable probability that the effect of such acquisition may be to substantially lessen competition or to tend to create a monopoly of any line of commerce."

President Truman in his economic report to Congress urged amendment of the Act to prohibit both types of mergers, and recently the Federal Trade Commission in its annual report to the Senate Judiciary Committee recommended the change.

Carstarphen Becomes Secy. Of St. Louis F. R. Bank

It was announced on April 11 that the Board of Directors of the Federal Reserve Bank of St. Louis has elected Lewis H. Carstarphen as Secretary of the bank effective April 14, to succeed Clarence M. Stewart, who will assume the managership of the Little Rock Branch on May 1. Mr. Carstarphen will continue to serve as General Counsel of the Bank, which position he has held since June 1, 1938. After receiving his LL.B. degree from the University of Missouri in 1932, Mr. Carstarphen was associated with the firm of Taylor, Chasnoff & Willson, St. Louis, in the practice of law until he joined the staff of the Federal Reserve Bank.

From Washington Ahead of the News

(Continued from first page)

New Dealers are irrepressible on parties. They can say the most brilliant things. But when it comes to running the government, I take the Republicans. I take them now, notwithstanding the Gallup Poll against them.

From a long study I am convinced that this purely commercial enterprise is not a very accurate measuring rod between elections. They go around, with their so-called scientific sampling, asking, do you believe there are too many divorces; do you prefer Greece to Russia; are boys and girls necking now more than they were 10 years ago. It is a rather funny thing that they will find the people are overwhelming for permanent military training, for example, when everybody I talk with, outside of the intellectuals, are against it. These polls, which have been added to the craziness of our living, find that we are in favor of tax reduction on the one hand, and against cutting down the budget on the other. They will find the people overwhelmingly for Lilienthal and against the Senators who voted against him; when on a recent trip which I made outside of Washington, I could find but few people who knew what Lilienthal was.

These so-called scientific polls have a way of tightening up in a national election when their forecasts can be measured. At this time, too, they have available to them, the findings of the Washington correspondents who have toured the country, they have the findings of all sorts of experts. I have never known, for example, a forecast to give me any information which I did not already have.

So when these polls now tell me that Truman is in 60% favor of the country, I do not assume that the Republicans in their plodding way, have thrown away their chances for 1948. The country wanted slow-going, plodding, substantial men in government, instead of the reckless so-called brilliants, and that's the reason they voted the Republicans in. There is no doubt that the country feels a tremendous relief from Roosevelt which Truman is, and that that is reflected in the expressions of people when a pollster walks up to them and with poised pencil and pad, asks, what do you think about Truman. I, myself, would utter a wholehearted ejaculation of relief. But it's relative, as everything is.

Coming out of Russia several years ago, I thought I had come from darkness into night when I reached Poland.

There is no mistaking the fact, though, that while Roosevelt is gone and the country has voted definitely against the New Deal, the New Deal propagandists are still in positions of importance; indeed, have increased their positions, in the mediums of information. From the Washington observation post you get the impression, that they ran from their government jobs to places as editors, columnists and assistant publishers on the Eastern newspapers, and they've fallen on the radio networks like nobody's business.

When overnight, almost, they build up Truman to an international statesman because he gives $400,000,000 to Greece and Turkey; when they make a dramatic figure out of Vandenberg when he is one of the political tragedies of our times, you can understand just how much weight these fellows carry.

I never thought I'd live to see the day when it was a crime to cut the government's budget and try to reduce taxes, along with the debt, but you have only to read many Eastern newspapers to learn that it is.

Labor Department Reports Consumers' Price Index Down 0.2% to February 15

Retail prices of living essentials commonly bought by moderate-income city families averaged 0.2% lower on Feb. 15 than on Jan. 15, according to the Bureau of Labor Statistics of the U. S. Department of Labor. Further declines in the family food bill more than offset higher prices for all major groups of items in the family budget, said the Bureau, which stated that "retail food prices dropped 0.8%; all other living essentials advanced 0.4% between mid-January and mid-February." The Department further reported:

"This small overall decline between January and February—the second since the mid-December all-time high—is in contrast to the rapid advances of 1% and 2% a month during the last half of 1946. The consumers' price index on Feb. 15, 1947, was 152.8 (1935-39=100). In mid-February consumers goods and services used by families in large cities were 17.9% higher than a year ago and 51.6% above the Jan. 1, 1941 level.

"Retail food prices in large cities declined 0.8% between mid-January and mid-February, and on Feb. 15 were 2.9% below the mid-November all-time high of 187.7 (1935-39=100). A seasonal drop of 6.5% in egg prices was accompanied by a 3.6% decline for dairy products and lower prices for meats, fish, poultry. Fresh fruit and vegetable prices advanced 2.8% on the average during the month as green beans increased 35% and lettuce rose 13%. Retail prices of coffee and sugar continued to advance.

"Clothing prices, advancing for the 44th conservative month, were 1.1% higher in mid-February than in mid-January and have risen almost 80% since August 1939. Prices of women's clothing advanced sharply between mid-January and mid-February. Higher prices were reported for cotton housedresses, rayon dresses, hosiery, and undergarments reflecting earlier increases in manufacturer's prices. Prices of men's suits and topcoats, and work clothing, also rose in most cities. Prices of footwear advanced 1.2% during the month.

"Housefurnishings prices increased 0.6% between mid-January and mid-February as prices of washing machines, gas stoves, and floor coverings continued to rise. Miscellaneous goods and services costs rose 0.1%. Higher prices for gasoline, newspapers, motion picture admissions, and beauty shop services more than offset slightly lower prices for household cleaning supplies.

"Based on rent change in six cities, it was estimated that the rent index for all large cities combined increased 0.1% to 108.9% on Feb. 15, 1947. Rents advanced 0.3% in Memphis and New Orleans and 0.4% in Washington between September 1946 and February 1947 and 0.4% in Philadelphia between August 1946 and February 1947.

"Fuel, electricity and ice costs rose 0.2% on the average. Changes in rates increased and cost of gas to domestic consumers in Philadelphia by 11%; rate reduction lowered electricity costs to Denver consumers by 21%.

Current Economic Trends: Their Promise

(Continued from first page)

the benefits of science can be extended to raise living standards throughout the world, the root cause of international friction between the haves and the have-nots will be largely removed.

These are the prizes which dangle before us. I have the conviction, shared by many students and businessmen knowing far more of science than ever I shall, that they are realizable—if, but only if, to use the blunt expression again, if we have the sense that God gave the gabbling geese. But don't think of this as a low standard; remember that geese once saved the Roman Capitol.

For possession of the knowledge of natural science and its application alone does not and will not assure us the possession of the prizes. We can, if we will, thwart and frustrate and even render impotent and sterile the scientist and the salesman, the biologist and the businessman, the pioneer and the producer. This we can do, and easily, too, by devotion to bad economies, pressure group politics and nationalistic economic policies. We can hide this great light under a bushel, if we wish, and in the words that Thomas Gray might use if writing his Elegy today, "leave the world to darkness and the bomb."

No, the prizes from a growing knowledge of natural science and its application will not drop into our laps like ripe apples from a tree. We shall have to earn them if we are to possess them. We shall have to earn them by doing the things and creating the environment that cause them to grow and then exert effort and skill in plucking them. More specifically, we shall have to find the right answers to the economic, the political and the social problems with which we are now dealing. And we have to find these answers for ourselves. No mysterious entity, be it government or God, will solve our problems for us. God still helps those who help themselves. We have, for example, been wont to help ourselves and our families to personal security through the purchase of life insurance. Now let us raise our sights still further and help ourselves to a higher standard of life and to international security again by our own efforts.

There are two broad sets of economic problems, those of production and those of distribution. In the last 15 years we have been accustomed to hear that we have solved the first problem, so that we are left only with that of finding buyers who have the ability, as well as the desire, to take the enormous flow of products and services which this economy can turn out. I do not mean to depreciate the importance of the distribution problem. But I do want to emphasize, and perhaps to overemphasize, to drive my point home—that we cannot take production for granted, that the existence of a cornucopian technology does not assure output. In the first place, the drive of human will, or something we familiarly call "enterprise," is required to exploit these possibilities. In the second place, we cannot realize the maximum potentialities unless energies and resources are channeled in the most appropriate direction.

Therefore, one of the most important aims of economic policy should be to promote enterprise of men and women. Men and women do things, we must remember—not some broad impersonal force that moves like the tides—and men and women must be motivated to act, not discouraged by a host of obstacles from doing so. So let us look at some of the factors which, if properly guided, will help motivate action, but if inappropriately constituted, may discourage action.

One of these is the fiscal policy and operations of the Federal Government. Federal taxes, individually and in the aggregate, must be at such levels and so distributed that men and women are not dissuaded from taking risks and exerting efforts to increase their incomes in ways that bring about more goods and services. The Federal Government cannot levy taxes on a "heads I win, tails you lose" basis and expect maximization of effort in this economy. Nor must a debt management and fiscal operation be carried on which feeds or continuously threatens to feed the fires of inflation and impairs the value of money if enterprise is to be encouraged. Avoidance of incentive paralyzing taxes and inflation requires reduction in expenditures—major reductions—so that both taxes and debt can be cut. If taxes and the debt cannot be cut in the greatest boom this country has ever experienced, the country is in a sad state indeed. This whole subject will be ably discussed in an early publication of the Committee on Public Debt Policy and I need not dwell on it further here other than to emphasize that the country is precariously close to heeding selfish pressure group counsels at peril to the promises of science. While I fully realize that the government must shoulder greater domestic and foreign responsibilities than any of us would have been prepared to admit before the war, I do not believe that $37½ billion is required for necessary government activities.

Monetary Policy

A related factor is monetary policy. Like taxation, monetary policy deals basically with the rewards offered to enterprise and thrift and with the value of money. In our devotion to defeatist economies during the 1930's and then under the compulsions of war finance, monetary policy has become adamantly rigidified on an interest rate policy that penalizes the thrifty in the mistakenly assumed interests of the big debtor: the Treasury. To effectuate this policy it utilizes mechanisms that feed the most grievous inflation this country has ever had. Unless there is a turning in this road, it leads away from the attainment of the promises of science. This factor is discussed in a recent publication of the Committee on Public Debt Policy which I urge you to read.

Labor Policy

Another factor very relevant to our quest for the prize of science is labor policy. Scientific development has involved a shift for the major part of our population from self-employment to working for hire, with production concentrated largely in the hands of a small number of large firms. A concomitant development has been the rise of the corporation and the trade union, with wages, the price of labor—and, consequently, returns to investors and managers—set by contest among titans, or by government administrative decision, rather than by any remote approach to the theoretically balanced workings of a free market. As a result, when this balance of power swings to one side or the other, distortions and stresses usually appear—on the one hand, inordinate labor costs and unreasonable strife and disorder which may discourage enterprise, or, on the reverse swing of the pendulum, wages so low relative to prices that the largest segment of the market has insufficient purchasing power to take industry's products off the market. Management and labor must learn to work together and government to facilitate rather than impair relations if that light is not to be hidden under that bushel. And when I say work, I mean work.

The second broad range of problems which I cited is that of assuring the most appropriate direction of our energies and resources. The signpost for policy here indicates strenuous efforts to remove or minimize all types of barriers to the free flow of energies and resources, both legal barriers, those involved in the combinations of various groups and those grounded in custom and trade practices. Legal obstacles to the free flow of trade and labor include, among others, State income taxes discriminating against out-of-State residents, health, sanitary and quarantine regulations like the Florida exclusion of California citrus fruit, the many annoying regulations which beset interstate trucking, etc. Legal interference with prices, like State fair-trade laws, and Federal parity prices, also warrant reexamination from the economic viewpoint.

I include in this category of trade obstructions, of course, business combination, some trade association activity, price discrimination, tie-in agreements, and particularly any attempts to block technological advance for the purpose of protecting existing investments. Any arrangements which enhance price rigidities are particularly undesirable. They not only tend to misdirect the flow of resources, but also accentuate the problem of distributing the products of industry, and contribute to the cyclical instability of our economy.

I would also cite the interferences which have been introduced by labor unions, and their number is legion. They include conspiracies with employers to fix prices, requirements for the use of unnecessary labor, discrimination against out-of-state materials, and discrimination against new methods of producing goods—prefabricated housing is an outstanding example. Many of the zoning and other local government restrictions are also grievous restraints on construction.

Restraints on Flow of Investment Funds

Although we hear less discussion of them in this context, restraints also impede the free flow of investment funds. For example, savings institutions are restricted both by law and by custom to investment in certain specified types of obligation, and in some instances they are restricted as to the geographical area in which they may invest as well. While we realize that such restrictions seem appropriate and necessary in view of the stewardship and trustee responsibilities of such institutions, these restraints for the most part acquired force many years ago and in a very different environment, and now merit reexamination with a view to achieving the maximum degree of compatibility, and adjustment, between these requirements and the needs of the economy as a whole.

Thus far domestic impediments standing in the way of the most efficient utilization of our energies and scientific knowledge have been listed. The barriers which stand between countries which impair the most productive international utilization of resources are almost too numerous to list. They include bilateral trade agreements, state trading, and particularly state trading on a political basis, international cartels, tariffs, exchange controls and import quotas. Here we have seen, and unfortunately, are still seeing, a vicious circle of adverse economic and political developments. Although in many cases these instruments of economic warfare have been deliberately used for purposes of political aggression, in other cases their adoption reflected efforts at national self-sufficiency in self defense against both political fears and depression insecurity. But one control invites another, and the network spread like the plague during the thirties. This, in turn, intensified these same political fears and suspicious, so inimical to the maintenance of world peace. Both the evidence of history and outlines of logic are so clear, to me at least, that I am convinced this is a unitary world, and if we stubbornly and pig-headedly impair that unity, we shall reap—and in the not distant future—the great, great granddaddy of all the whirlwinds.

Nor am I throwing rocks at other countries. We live in the most brittle of all glass houses. Undoubtedly, the commercial policy which was adopted by the United States after the first world war was a major cause of the world depression of the 30's, which inaugurated this vicious circle. It is up to us as the greatest offender of the past, and as the most powerful country at present, to lead the way in the absolutely necessary direction of anti-discrimination and anti-restrictionism.

Realization of Promises of Science

Finally, the realization of the promises of science require reasonably full and reasonably steady employment, or fairly constant prosperity. The spirit of enterprise is paralyzed and the age old evil forces of restrictionism are aggravated with every sizable slump — and with a major one, as the 1930's, they run rampant and uncontrollable until disaster itself rolls over us. But fortunately, this is a derived problem. Only the defeatist economist and their disciples, now happily diminishing in number and lung-power, believe us afflicted with the chronic slump, the dominant propensity to stagnate. If we can and will take the right road of fiscal and monetary and labor policy, if we will turn boldly and irrevocably away from domestic and international restrictionism—obedient, as Lot's wife was not, in never turning back—then the resulting enterprise, production and trade should limit the fluctuations in both depth and time sufficiently to deprive them of their terror and their harmfulness.

I have recited a formidable list of threats to the attainment of science's promises. Only someone with the mantle of prophecy can foretell whether those threats will materialize or be avoided, and I do not have it. But if I cannot prophesy, you may wish me to attempt to evaluate our course so far. With real humility, I shall try.

The Historical Perspective

If we look at our times in historical perspective, it seems to me there is more room for encouragement than the alarms of this or any moment usually indicate. When we look at the domestic scene, we see that both the political and the economic atmosphere is more favorable to enterprise than it has been for many years past. In fiscal policy, for example, remarkable unanimity exists among widely different groups on the desirability of tax reduction, debt reduction and expense reduction; it seems more likely than not that their varied efforts will find some measure of success. All reports indicate that monetary policy is being subjected to a most extensive review, and those in a position to prophesy tell us to expect some change—and soon. On the labor front we see some evidence of a more mature and reasonable attitude, and extensive determination by Congress to correct some of the excesses of recent years. Considering the background of the past two years, Congress exhibits a remarkable lack of vindictiveness and an attitude of thoughtful deliberation which makes it appear unlikely that repressive labor legislation will stir up further strife. Although some observers believe we face a shortage of consumer purchasing power as the result of this past year's excess of price increases over wage increases, some business recognition of this problem exists, and voluntary price reductions attest growing business statesmanship. Private lenders are seeking ways to take and share risk and provide funds for newer and small businesses. Bank regional credit pools are a case in point. Attacks are also being made on barriers impeding the free flow of trade and resources. The Department of Justice has been showing increased vigilance in the enforcement of the anti-trust laws, and industry, regional and local groups are making some efforts aagainst other forms of domestic restrictionism.

The International Field

In the international field the formation of the ITO now in progress in Geneva promises to impel the world on the first step back to freer trading, and unlike the period after the First World War, the people of the United States seem ready to accept their responsibility to adopt policies which will implement this trend. The U.N. is in operation and has organized a number of subsidiary endeavors. The International Bank, the International Monetary Fund, the international aviation organization, the international food organization — among others —are functioning. The Council of Foreign Ministers is holding regular meetings.

We will undoubtedly continue to have the cyclical readjustments which seem implicit in a free and dynamic economic system, but now we have new means of mitigating the severity of these fluctuations. For one thing the weight of Government in the economy is, and will continue to be much greater than it has been in the past, and the machinery of the Full Employment Act is available to attempt to cordinate the variety of Government activities with this end in view. Fiscal and monetary operations have especially great promise, and the development of theory plus the varied experiences of the past two decades make it more likely than not that they will be used more effectively in the future than in the past.

This is quite a collection of favorable developments, and the collection is more than fragments. I am sure that it is not necessary to array the signs of a less favorable nature here again—though as I did so earlier in this discussion, it seemed to me that there were none without some favorable one opposite. If this is so, the case seems still to be open.

Moving to Better Things

One final consideration looms large in my mind. Not 20 months have yet passed since that historic ceremony on the Missouri in Tokyo Bay, ending the shooting of the greatest upheaval the world has known. Twenty months after the ceremoney in the railroad car in Compiegne Forest in Nov. 1918 had seen far less progress in the establishment of international organization, and, though it is more debatable, I think rather less in domestic reconstruction. Twenty months after Appomattox saw this nation more brutally divided by far than now. And not for far more than 20 months after Yorktown was the Constitution ratified: indeed, it was seven long years and four months until the ninth colony ratified — and then nine months more passed before the Government declared the Constitution to be in effect.

Or let me put it to you in reverse. Twelve years passed after Yorktown before the cotton gin was invented, and 44 years before the first steam railroad came. Twelve years passed after Appomattox before the telephone was invented, 14 years before the electric light began to flicker, 28 years before the automobile began to sputter, 39 years before the machine began to fly. . . . It was far more than 20 months after that Armistice day of 1918 that the great industrial flowering of the 'twenties was visibly underway.

In short, while we today are, of course, impatient for faster progress, let us remember that the glory of Rome did get built even though the process required more than a day. We are in fact moving fast, not slowly.

The prizes of natural science are ours for the taking, and I see no evidence that we have yet turned our backs to them.

FDIC Insured Deposits At All-Time High

"Deposits of individuals, partnerships, and corporations in all insured commercial and mutual savings banks continued to rise during the past year, reaching an all-time high of $124,085,000,000 on Dec. 31, 1946," Chairman Maple T. Harl of the Federal Deposit Insurance Corporation announced on March 23. "This increase in the deposits of the private sector of the economy was accompanied by a substantial increase in bank loans," said Mr. Harl who added "the Federal debt retirement program brought a decline in the deposits of the U. S. Government and in bank holdings of U. S. Government obligations which resulted in declines in total deposits and total assets of all insured banks." Total deposits, including public funds and other types of deposits, on Dec. 31, 1946 he reported, amounted to $148,457,000,000 as compared with $158,174,000,000 at the end of 1945, while total assets decreased from $169,006,000,000 on Dec. 31, 1945 to $160,001,000,000 on Dec. 31, 1946. All of the decreases occurred in commercial banks while mutual savings banks continued to report growths in deposits and assets. It is further indicated:

"The 13,359 insured commercial banks reported a decline of $10,782,000,000 in their deposits from a total of $147,811,000,000 on Dec. 31, 1945 to $137,029,000,000 on Dec. 31, 1946. U. S. Government deposits declined $20,794,000,000 during the same period and totaled only $3,052,000,000 on Dec. 31, 1946. Deposits of individuals, partnerships, and corporations, amounted to $112,664,000,000 on Dec. 31, 1946 as compared with $101,901,000,000 on Dec. 31, 1945, an increase of $10,763,000,000 or 11%.

"Total assets of the insured commercial banks amounted to $147,365,000,000 as of Dec. 31, 1946, a decrease of $10,217,000,000 or 6% during the year. This decline was confined to holdings of U. S. Government obligations which decreased $15,358,000,000 to a total of $73,575,000,000 at the end of 1946. Federal debt retirement involved primarily Treasury notes and certificates of indebtedness and these were the issues chiefly affected in the reduction in bank holdings of Government securities.

"The decrease in holdings of U. S. Government obligations during 1946 was partially offset by a material increase in the volume of loans," Mr. Harl reported. "Financial assistance by commercial banks to business increased substantially in the first full year of reconversion to peacetime pursuits." Total loans of insured commercial banks amounted to $30,740,000,000 as of Dec. 31, 1946 compared with $25,769,000,000 on Dec. 31, 1945, an increase of $4,971,000,000 or nearly 20%. Substantial increases in the volume of commercial and industrial, real estate, and consumer loans more than offset the decrease in loans to brokers and dealers in securities and to others for the purpose of purchasing or carrying securities. Commercial and industrial loans rose 48% to $14,019,000,000 real estate loans rose 52% to $7,106,000,000, and consumer loans to individuals rose 40% to $3,308,000,000 outstanding at the end of 1946. Security loans decreased to $3,127,000, from a peak of $6,771,000,000 at the close of 1945 when the Victory loan drive ended.

The further advices from the FDIC state:

"Total capital accounts of insured commercial banks amounted to $9,288,000,000 on Dec. 31, 1946 as compared with $8,672,000,000 at the end of 1945, a growth of 7%. This increase in total capital accounts together with the decline in total assets during the year brought about an increase in the ratio of capital to total assets. The ratio was 6.3% on Dec. 31, 1946, as compared with 5.5% at the end of 1945.

"The 191 insured mutual savings banks reported that their total deposits and total assets amounted to $11,428,000,000 and $12,637,000,000, respectively, at the end of 1946. Holdings of U. S. Government obligations increased 11% over Dec. 31, 1945, and loans rose about 5% during the year. The ratio of capital accounts to total assets of these banks increased from 9.1% to 9.3% during 1946 since surplus grew at a more rapid rate than assets."

John Goodloe Becomes Chairman of RFC

The Board of Directors of the Reconstruction Finance Corporation announced on April 9 the resignation of Charles B. Henderson as its Chairman and the election of John D. Goodloe, a native of Richmond, Ky., as his successor. These actions were taken at a Board meeting on the 9th. Mr. Henderson on April 8 submitted his resignation to President Truman as a member of the Board of Directors of the Reconstruction Finance Corporation, effective upon the appointment of his successor. Mr. Henderson's physicians had urged him to relinquish his work last summer but owing to the pressure of post-war RFC business, he delayed his resignation until now. While Mr. Henderson will continue as an RFC Director until the President names his successor, he will leave Washington in the immediate future on a trip to Honolulu for a month's rest.

Mr. Goodloe was appointed a member of the Board last January to succeed George E. Allen, after having served as General Counsel of the Corporation since January, 1943. Earlier he had held other positions in the legal department of the Corporation. Subsequent to the transfer of Commodity Credit Corporation from the RFC to the Department of Agriculture, Mr. Goodloe served successively as Assistant Secretary and Assistant General Counsel, Secretary and General Counsel and Vice-President and General Counsel of Commodity Credit Corp. Mr. Henderson first was appointed a Director of RFC by President Roosevelt in February, 1934 and has served continuously since that time. He was elected Chairman of the Board July 1, 1941, when he succeeded Emil Schram.

Portrays Florida Banking Progress

(Continued from first page)

posits of $408,922,000.00, while on December 31, 1946 this figure stood at $1,732,850,000.00 or an increase of 324%. Loans in the nation's banks showed an increase of 82%, while in Florida an increase of 171% was shown. Net earnings, after income taxes, for the nation during that period showed an increase of 128%, while earnings in Florida banks showed an increase of 216%. Dividends nationwide increased 27%, while the Florida banks showed an increase in dividends paid of 69%. Though we have had our share of "booms" and "busts," the above figures indicate that Florida banks can be justly proud of their record. The Hon. C. M. Gay, our Comptroller, appearing on our program tomorrow, is in much better position than I to acquaint you with the splendid job the records show you have performed.

We are ending the first full year's operations since the close of formal hostilities of the Second World War. In the recent report of the Comptroller of the Currency, it was called to our attention that while the banks successfully shouldered the heavy responsibilities placed on them in connection with the financing of production of war materials and in spearheading the Government's bond drives, we have an equally serious problem in participating in the reconversion program. The Comptroller believes "that we also appreciate the importance of restraining credit for speculative rather than productive purposes and of avoiding basing loans on inflated values." We have had our own reconversion problems, which have resulted in the increase of salary schedules in the light of changed conditions; and other general increased costs of operation. This we face—as some believe—in a possible period of declining deposits. Many thoughtful students of finance expect that the experience of war years and conditions prevailing through the latter half of 1945 may lead to a period of over-optimism in banking as well as in other sectors of our economic system. The past year has shown that we are more and more re-entering the proper field of commercial loans. I am quite hopeful, however, that this experience will prevent our adventuring in this field without a proper appraisal of the risks involved. The immediate future demands of bank management an increased and a constant vigilance.

In my opinion, our Convention acted quite wisely at its last session in voting unanimously to establish the office of a permanent secretary. The information that can and will be distributed through such a central office should be most valuable to all of us. We certainly need all the information we can obtain on problems pertinent to our business, and an outlet through which we can express and show the strength of our unity. Your Executive Council has followed your instructions, and the office of a permanent secretary is now in force, with offices in the Rutland Building, Orlando, Florida. Those who had the responsibility of filling this office feel that we were most fortunate in obtaining the services of Mr. Floyd Call; and we feel quite sure he will justify your confidence and fullest cooperation.

It is a pleasure to report to you that we have had five of our six groups hold regular meetings. The attendance in all but one was gratifying. It was my pleasure to attend four of the five meetings; and I became much impressed with the importance of all of our groups holding regular meetings. I do not think we should make this burdensome on ourselves, but it would appear that two meetings a year of each group could accomplish a great deal. After all, the Executive Council, or your directors, if you please, are elected by and at these group meetings.

Your committees have done splendid work, and I am deeply grateful for their time and accomplishments. Tom Mixson, chairman of the Citrus Committee, held a most interesting and instructive meeting in Lakeland this past summer. Ray Carroll was present at a meeting of his Livestock Committee at the recent Cattle Show in Ocala. Pic Hollinger's Agricultural Committee met at Gainesville with officials of the Department of Agriculture of the University of Florida. We were honored by the attendance there of A. G. Brown, chairman of the Agricultural Section of the American Bankers Association.

Frank Sherman, chairman of the Educational Committee, has done a fine piece of work in reestablishing the Bankers School, to be held this June at the University of Florida. You will hear later of the splendid work of W. R. (Bill) McQuaid, chairman of the Legislative Committee. That committee met for one full day in Jacksonville and has practically been in continuous session by correspondence for some time. The Trust Section has also been active, and recently held a meeting of its Legislative Committee in Jacksonville in conjunction with Mr. McQuaid's committee.

Bob Conn, chairman of the Public Relations Committee, has done considerable work in its behalf by visiting most of the banks in the State during the past year. The reports of all our committees will speak for themselves. It is through the work of the committees that the results of our Association will be felt.

Our Association was honored by a request from the Governor to be represented in Tallahassee at his conference on KEEP FLORIDA GREEN. Mr. George Ware ably represented us at that meeting. Your president was asked to keynote the annual meeting of the State Chamber of Commerce at its convention in Miami, in December. It was my privilege to do so on your behalf. Your Executive Council have felt their responsibilities quite keenly and have held two full meetings, each lasting an entire day.

Secretary Carlisle Rogers, and also Floyd Call during his short time with us, attended many meetings; and I feel that the Florida Bankers Association was well represented by them in many important places. Both of these gentlemen were called by the Secretary of the Treasury to meet in Washington with representatives of other states, to discuss the distribution of Savings Bonds. The bankers of America sold or distributed most of the bonds that culminated in our present tremendous Government debt. We were glad to do our part in facilitating the financing of the war.

So much has been written about the Federal debt that a great many people are becoming apathetic in their viewpoint toward this problem. However, I think that we bankers, of all people, should not drift into this viewpoint, but should do what we can to impress the public with the fact that this debt affects the life of every man and woman in the country, and will continue to do so for a long time to come. It will influence the number of jobs open, the wages or income people will receive, what and how much they can buy, and what their savings will be worth. The full realization should be forcibly brought to the attention of all, that each individual citizen's share of this indebtedness is estimated to be $1,981.00 or about $7,000.00 for a family of four, and represents a per capita financial burden eight times greater than after the First World War.

"A wise debt policy will at times call for difficult, drastic and unwelcome action by the Government." Such action requires not only wisdom and courage by the Government but also understanding by and support of the people. We can and should do much in obtaining that understanding and support.

In the President's message to the 80th Congress, he asked for $37½ billion for the operation of the Government during the fiscal year beginning July 1, 1947. I wonder how many people realize the disappointing and alarming fact that there was no provision in that request for reducing the $260 billion dollar public debt.

Of our many natural resources, none is more important than our forest products; and of our many industries, none is more important than our citrus industry. We thought it wise to give space on this program to a discussion of each and have been fortunate in securing exceptionally well informed speakers to present their views. There is hardly a bank in the State that is not vitally interested in at least one of these subjects.

We are meeing today, in convention assembled, to discuss many problems that are of prime importance to the Florida Bankers Association. It is a legislative year. We have not attempted to request our friends in the Legislature to divert their time from the problems of a war-torn economy to give attention to some much-needed legislation required in matters directly affecting the banking profession. Consequently, this year we are asking their cooperation to consider some bills which we think are quite important. We feel that any legislation affecting banks is of direct interest to the business life of our State as a whole. Several vital matters of our own are to be considered at the business session Saturday. However, I am quite sure that all of our problems will be happily resolved and not accentuated.

Draft Law Ends: Records to Be Saved

The Selective Service Act, under which 10,200,367 men in the United States were inducted into the armed forces, expired at midnight on March 31. Earlier the same day President Truman signed legislation to preserve draft records and keep local boards in nominal existence, Associated Press Washington advices stated. The President also nominated Maj. Gen. Lewis B. Hershey, Director of the Draft, to be director of the newly established Office of Selective Service Records. The new agency is expected to operate until March 31, 1948. Its task will be the assembly of Selective Service records, for permanent storage, in the State capitals. The law contains no authority to draft men.

A statement issued by the President, chronicling the achievements of the selective service program concluded by saying: "I extend my heartfelt appreciation on behalf of the nation to the Selective Service system, not only to the unpaid officials but to the thousands of loyal clerks who have worked so faithfully through these long years."

A reference to the plans for the preservation of draft records appeared in our issue of April 3, page 1851.

Management Problems in Threatened Recession

(Continued from first page)

able inventories should be in some measure regulated by our pre-war experience. This attempt to build up excessive inventories carries with it considerable danger for the solvency of many of the smaller concerns because they are likely to be caught with slow-moving goods and unfinished material far in excess of what they can finance in a period of low business activity.

Black Markets

I think we should recognize also that people become panicky and create black markets by their willingness to pay excessive prices for immediate accommodation. None of the reputable manufacturers tolerate black markets, and I am sure all of them do their utmost to avoid having their materials flow into black markets, but unfortunately this cannot always be done. For instance, in the steel industry I have been asked how it is possible for people to buy steel from strangers which when it comes to their plant has the Inland stamp on it. This has happened in some cases very much to our embarrassment. There is one way that I know this is being done. People have obtained allotments from the Housing Administration in Washington on statements that they were making certain products for that program. The amounts of materials asked for and allotted have been excessive, and it has been more profitable to sell inventories than to manufacture the goods the steel was supposed to be used for. This can occur because there is no adequate policing of the allotments. I mention this only as one source because we have been unable to trace down some of the other sources.

What I have said about steel applies equally to most of the other metals. Copper is short, and some of our electrical manufacturing companies are being limited in their production by the inability to obtain this vital component of electrical machinery. Lead and zinc are in the same category.

The situation regarding all of these metals was aggravated by the restrictions imposed by the OPA which prevented the building up of adequate backlogs. The world market was much higher than the ceilings imposed in this country. Consequently we could depend only upon domestic supply which normally does not meet our needs. However, I believe there are signs that even in the most critical lines the supply is catching up with the real demand.

Coming Business Pattern

This brings me to the second point I should like to discuss, and that is what kind of business pattern are we likely to follow in the next year or so. If our business follows the historical pattern, we may expect a slump this year which will materially slow down the business tempo. This recession in business is not only historical, but it has a real basis. I have already touched on one of the reasons, and that is the accumulation of inventories which at the first sign of a slump become excessive in relation to current demands and may seriously affect the financial stability of manufacturers. This accentuates the depression because manufacturers immediately stop buying raw materials and attempt to liquidate the stocks which they have in their plants. Under these circumstances, of course, the worst swings occur in the rates of operation of the raw material suppliers.

We have gone through a certain amount of inflation—about 50%. We have followed the pattern after World War I in that prices have risen, and manufacturers have hurried into the market, sometimes with inferior goods, demanding prices considerably above their real values. And, of course, they have been able to sell a large quantity of goods, but this was because we had practically five years during which consumer goods, to a great extent, were not produced. During this period urgent needs were developed which had to be satisfied regardless of price, and generally of quality. However, I think we are rapidly emerging from this state of affairs, and consumers are beginning to question both price and quality to an increasing degree which will be accentuated as the year goes on.

Consumer Resistance

In many lines we are now seeing consumer resistance, and from a great many sources, in and out of our own company, I find that it is becoming more and more necessary to sell our goods, rather than to dole them out to eager buyers. However, prices are still too high, and it will take a recession in business of more or less severity to bring about a reduction. As the urgent needs are satisfied I think we would be foolish not to realize that we must go through this period of readjustment when prices will be brought more in line with values, and this, of course, only spells a reduction in volume until such a goal has been reached.

I think we should all face the fact that during the war years business standards deteriorated. In general the executive and sales departments were concerned more with service than with the job of running a highly competitive business, which necessitates continued effort to insure success. Our manufacturing departments deteriorated due to the fact that volume became the sole criterion of successful operation rather than economical conduct of manufacturing operations. All these and other elements have contributed to a general let-down in management, and it will take some adversity to bring us down to earth again. And in this process of getting down to earth we will have to devise the ways and means of producing our goods at prices that people can afford to pay. We will have to learn again that quality must be commensurate with price; that we cannot charge high prices for poor quality goods. I think that everybody will agree that we have a hidden inflation which is not reflected by statistics and which is due to the fact that quality has declined while prices have increased. As part of our process of getting down to earth we will have to cut out a lot of extravagant practices which have grown in most businesses during the last few years. And we will have to become more conscious of tightened budgets as part of the process of reducing costs so that prices can also be reduced. We will have to learn a good deal more as to where our money goes and what is essential and what is waste. I think if businesses would so organize their accounting systems that the top executives could readily scrutinize the way in which the money of the company is used, they would find that there are many hidden sources of waste and expenditures that do not contribute to the successful operation of the business.

And then again we will have to scrutinize rather carefully some of the extravagant ideas of our bright boys in business. We will find out, as we have found out before, that a period of boom always brings along the bright boys whose balloons are punctured when adversity strikes. There is one characteristic that is always present during a boom period, and that is the abundance of bright ideas for spending money, backed up by plausible stories of the great benefits to be derived. We find this not only in our business, but on a vaster scale in government. There are always excellent reasons for adding new functions and new activities which are all costly and add to the cost of our goods. We must ask ourselves frankly and honestly what real values, proposed changes have in promoting our business activities.

Government Interference

The duration of this period of recession or depression, whichever word you like, may be affected by a great many factors. If we can be free from government interference, and free from all the dogooders who are going to solve the world's problems, industry will pull out rather quickly. But if we are to have the government rushing at the first sign of any recession in business and trying to regulate it from Washington, then we can look for a much longer period of disturbed business and unsatisfactory conditions.

If we had not had all the government interference and all the cock-eyed schemes for lifting up the country during the 30's, we would not have required a war to put us on a prosperous basis. We would have come out of the depression, severe as it was, within two or three years, and would have been on a much sounder basis than we were before, but this whole process was upset and we never really got out of the depression until we were running all out in preparation for war. The war prosperity, of course, was no substitute for real recovery of business, although a lot of people have been fooled into thinking that they were really prosperous during those years. All we did was to borrow heavily on the future and increase the burdens we will have to carry for a long time to come.

Recession Will Be Short

While I am satisfied there will be a temporary slow-down in business which is necessary to bring about realistic prices and quality, I am also equally positive that such a period will be relatively short if we are left alone. There is an enormous pent-up demand for things really needed in this country which will take us a decade to fill even at a maximum rate of operations. So much of our housing, public utilities, manufacturing facilities, etc., require rebuilding or rehabilitation that, I believe, the estimates that have been made rather understate the problem. Our civilian needs can provide us with a period of business activity and prosperity equal to anything we have known in the past if our efforts and resources can be directed toward supplying these needs. If our resources are to be siphoned off by taxation and used for no productive purposes, then we can take the other road and slide downhill just as other countries have done in the past, and as we see England doing today.

Labor Troubles

During 1946 we had the worst labor troubles and disturbances that any of us remember. They cut deeply into our economy and delayed recovery and reconversion from the war. They affected practically every phase of industry, and we lost production which can never be made up. For instance, in the steel industry in 1946, we dropped to about 72% of capacity, whereas we might have been running at 100%. This was caused not only by the steel strike, but also by two coal strikes, and by the transportation strike. The disturbance to industry is not measured by the number of days that a strike continues, but by the fact that recovery is always slow, and it is not possible to immediately start up a large complicated industry and get all the materials flowing smoothly through the plants after they have been shut down, so that the effect of strikes is much greater than just the number of man-days lost as reported by the Bureau of Labor Statistics.

To a great extent these disturbances were unnecessary and were the result of political maneuvering with an eye on the 1946 elections. The maneuvering was not very successful as the elections showed. The people of this country are fed up with strikes and with the arrogant methods of labor leaders who for their own purposes never hesitate to destroy the livelihood of large sections of the country and to inconvenience the public generally. These men, perhaps, should not be blamed so much as the politicians who built them up with the thought that they were thereby acquiring political strength. But I think the public have awakened to the real conditions that exist, and I hope the politicians, of both parties, will realize that no one in this country can adopt a public-be-damned attitude and get away with it indefinitely. I think, therefore, that in view of the legislation now before Congress, we can expect to have fewer strikes against the public interest than we had in 1946, and to that extent we may have a chance of getting over our difficulties more quickly.

Do not think that I believe our labor leaders have reformed—not at all—but most of them are scared as to the effect that legislation may have on their vested interests. However, in the case of the leader of the coal mines, I am satisfied in my own mind that we are dealing more with a psychopathic case than with a normal American, and if the government is realistic, they will treat him as such.

The sad part of all these labor disturbances has been that they have brought about class consciousness and have fostered discontent so that today people are not looking forward to the opportunities that exist, but are grumbling about their present conditions, and they are being told that they don't have to go out and work to improve these conditions, but that in some mysterious manner they can get something for nothing. We cannot blame the workmen too much when we have our government preaching this doctrine.

Incidence of Present Taxation

I think the most disturbing factor that will affect business, not only in 1947, but in the years to come, unless something is done about it, is the incidence of our present taxation. We have been following for the last 15 years a plan of taxation intended to penalize anyone who was successful, with the consequence that we have, to a great extent, strangled American initiative. If you will study almost any of the large successful companies, you will find that they were founded by energetic, resourceful and hard-working people with small capital who were willing to put everything they had into building up their enterprises. Year after year they plowed back surplus earnings until the concern was in a position where if it needed credit, it could command it. Today, that is not the condition. The taxes on business are such as to discourage new industries. As a matter of fact, we discriminate against business by double taxation. We not only tax the earnings of the company, but we tax again the dividends the individual receives. The consequence is that considering the risk of business and the generally small returns, even if the business is successful, people who have resources are not investing them where there is considerable risk and the possible returns are very low.

It is industry that has produced the jobs that have made this country what it is. But we have been killing the goose that lays the golden eggs.

It is interesting to look at the Annual Report of the United States Steel Corporation for 1946 where figures are given showing the effect of government policies which have narrowed the margin on which American business can operate. In the first five years, from 1902 to 1906, employment costs represented 30c. of each dollar taken in. At that time there was a considerable interest charge, but the company was able to make a profit of something more than 16% on its sales. During the five years from 1942 to 1946 employment costs amounted to over 45c. of every dollar taken in. Taxes had increased eight-fold. Interest had been practicalley eliminated, but the net return on sales dropped from over 16% to 3.7%. Now, this is what has happened to one of the largest manufacturing companies in the country with a capital investment of about one and one-half billion dollars. If they could earn only 3.7% during the last five years, what are their chances of earning any kind of reasonable return on the investment when business is bad and competition at its keenest?

Hitting Risk Capital

Now we have hit the source of risk capital in two ways. Risk capital came, to some extent, from people who had accumulated money and wanted to find ways to invest their accumulations, but largely it came from those who were in the upper salaries brackets and who, in spite of popular ideas, did not blow all their earnings in riotous living. They actually were the foundation on which practically all our business depended for risk capital. Now we have taxed away the incomes of this class so that they have no longer any funds available for risk, and we have frozen those past accumulated funds, because those who control them realize that it would be foolish to venture the loss of their capital when the possible return is so meagre.

While the bulk of risk capital came from people in the upper income brackets who wanted to re-invest their savings in active businesses, we must not overlook the impetus that was given to the development of business by those who were handling the accumulations of the past. I know of one prominent investor who is pretty well confined to dealing in real estate or trying to take some advantage of the stock market. He is very unhappy about it. In the past he always had 10 or 12 ventures going at any one time, of which one or two might turn out all right and the others would be flops. But those that turned out all right became new businesses requiring equipment and capital goods expenditures and giving employment to many workers. Now, under present conditions, this man is foolish if he ventures his capital where he takes the losses and the government takes a good part of any profits. The risks and possible profits just don't balance.

The result is that we have two forces which tend to almost entirely discourage the growth of small businesses, which might grow into large businesses, both arising from the theory of taxation which endeavors to punish anyone who is successful.

Of course, this does not mean that people are not saving, but their savings are not going into the development of new businesses, but rather into such things as life insurance, annuities, etc. And, of course, such funds cannot be used for risk capital. They can be loaned as a mortgage on existing businesses so that any large and solvent concern can command capital through the sale of bonds which will enable it to add to its manufacturing facilities and add to its strength and stature. This means that, in spite of all the chest-thumping in Washington, the cards are stacked against the small business which is trying to grow, in favor of the large and established business. Actually, these policies are helping to create monopolies of the sound, going concerns, and discouraging competition that might arise from new enterprises. This is not good for America or for the American way of life. The free competitive business has been the foundation of this country's growth. This system we must preserve. Other nations clamor for our products, the result of our system; yet their ideologies would destroy it. I hope you men will realize these facts and see that our way of life is not lost.

George Garrett Named Minister to Eire

President Truman on April 7 named George A. Garrett, an investment banker of Washington, D. C., to be Minister to Eire and on April 9 the Senate confirmed the nomination. Mr. Garrett replaces David Gray, who recently resigned the post of Envoy to Ireland.

Mr. Garrett, who is Washington resident partner of the investment banking firm of Merrill Lynch, Pierce, Fenner & Beane, was born in La Crosse, Wisconsin, in 1888, and attended Cornell University and the University of Chicago. He began his business career with the Harris Trust & Savings Bank in Chicago in 1910. In 1912 he was elected Vice-President of the Dupont National Bank of Washington, D. C., resigning in 1917 to enter the investment banking business. Mr. Garrett became the Washington resident partner of Merrill Lynch in 1941.

Mr. Garrett, who served in the Army as a first Lieutenant during World War I, is President of the Emergency Hospital, Washington, D. C., and Vice-President and Director of the National Symphony Orchestra. President Truman recently appointed him a member of the District of Columbia Redevelopment Land Agency. Mr. Garrett has long been active in Washington civic and charitable affairs.

Mexican President to Visit U. S. April 29

Plans for the reception of President Miguel Aleman of Mexico when he arrives in Washington on April 29 to visit the United States have been announced by the White House, Associated Press Washington advices stated April 9. It will be the first official visit to Washington by a Mexican President. Repaying the courtesy extended to President Truman when he visited Mexico in March, the United States President and his Cabinet will meet President Aleman at the National Airport April 29. Following appropriate military honors there, said the Associated Press, the Mexican President will stop at the District Building to be welcomed by the Commissioners of the District of Columbia. He will drive to the White House at 5 p.m. to be the United States President's overnight guest. There will be a White House State dinner at 8 that night. The next day he will move to the Mexican Embassy so that he can give a dinner in honor of President and Mrs. Truman.

On May 2 President Aleman and his party will go to New York for two days. He will pay a visit to West Point on May 5, and from there will fly to Chattanooga, Tenn., to inspect installations of the Tennessee Valley Authority. On May 7 he is to receive an honorary degree from the University of Kansas City, and that afternoon will leave for Mexico City.

The State of Trade

(Continued from page 3)

turning darker every day, according to "The Iron Age," national metalworking paper. With contract extensions running out the end of this month it is not expected that Philip Murray, steelworkers union head, will again postpone the issues.

A real crisis in steel labor relations—more serious than any since early 1946—will be reached around the middle of April. At that time Mr. Murray will report to his policy committee on the results obtained so far in collective bargaining meetings with the U. S. Steel Corp. The report will be brief and, according to the magazine, can be summed up in two words—nothing accomplished.

Cordial relations between steel firms and the union are now synthetic. Both sides are aware that some definite action must be taken within a week to 10 days if the steel labor outlook is to remain on an even keel. There is little chance that the Steel Corp. will budge from its position that no definite wage negotiations can lead anywhere until retroactive portal pay possibilities are eliminated by law, observes "The Iron Age."

It looks as if the failure of Congress to act promptly many weeks ago on the specific question of the portal pay issue will place on it the responsibility for a steel strike if one occurs—and last week such a possibility was not remote. Mr. Murray and his policy committee will decide that question soon.

Steel ingot production declined only one-half a point to 95.5% of rated capacity. If the coal controversy is cleared up within the next 10 days no substantial drop in steel output will occur. If the shutdown takes a more serious turn a week from now, steel firms will be forced to make sharp cuts in their schedules to conserve stocks of coal on hand, the above trade authority points out.

The steel price situation looked clear-cut the past week. If the union were to agree to a contract without a wage increase—too unlikely to consider—steel prices would be cut immediately. If the final wage agreement would result in a moderate increase, the probability of a basic price reduction would be good. If the union gains a substantial wage increase, a cut in base prices would be unlikely. No action on base prices one way or the other, however, will be taken until after final contracts are signed with the USWA.

Further downward adjustments on steel extra charges—charges for chemical and physical characteristics which are added to the base price—in addition to those already made will take place on wire products within the next week or so. These minor revisions, the magazine adds, will save steel consumers several million dollars a year. About 30 days from now additional extra revisions will be made on pipe and tubular goods thus effecting further savings.

Electric Production — The Edison Electric Institute reports that the output of electricity decreased to 4,693,055,000 kwh. in the week ended April 5, 1947, from 4,728,885,000 kwh. in the preceding week. Output for the week ended April 5, 1947, was 17.7% above that for the corresponding weekly period one year ago.

Consolidated Edison Co. of New York reports system output of 203,200,000 kwh. in the week ended April 6, 1947, compared with 183,800,000 kwh. for the corresponding week of 1946, or an increase of 10.5%. Local distribution of electricity amounted to 191,900,000 kwh. compared with 179,700,000 kwh. for the corresponding week of last year, an increase of 6.8%.

Railroad Freight Loadings—Car loadings of revenue freight for the week ended April 5, 1947 totaled 715,159 cars, the Association of American Railroads announced. This was a decrease of 114,253 cars, or 13.8% below the preceding week, due largely to the coal miners' work stoppage, and 71,515 cars or 11.1% above the corresponding week for 1946, both of which weeks included coal mine labor difficulties. Compared with the similar period of 1945, a decrease of 50,513 cars or 6.6% is shown.

Business Failures Remain High —Commercial and industrial failures in the week ending April 10 declined from the previous week's level, but continued to be more than twice as numerous as in the comparable week of 1946. Dun & Bradstreet, Inc., reports 59 concerns failed in the week just ended. This total was lower than the 71 reported a week ago but considerably higher than the 24 reported in the corresponding week last year.

Forty-nine of the week's 59 failures involved liabilities of $5,000 or more. These large failures, although showing a small decline from 53 in the previous week to 49 this week, were almost three times as numerous as a year ago when only 17 failures occurred in this size group. Small failures with losses under $5,000 also fell off from last week's level, numbering 10 against 18. Little change appeared in the small-size failures from the 1946 record.

Twice as many concerns failed this week in manufacturing as in any other industry or trade group. Totaling 29, manufacturers failing remained the same as in the previous week; compared with the corresponding week of last year they were nearly six times as frequent. Retail trade and wholesale trade accounted for about an equal number of failures this week, with 13 and 10 respectively. While the number of wholesalers failing varied only slightly from the number occurring a week ago, the number of retailers failing declined sharply, from 21 to 13 this week. This compared with a total of nine retail failures in 1946's corresponding week.

The Middle Atlantic and Pacific States accounted for three-fifths of this week's failures. A total of 22 concerns failed in the Middle Atlantic States; 15 failed in the Pacific States. In the Middle Atlantic region there was a slight rise from the previous week and a sharp increase from the 1946 level, with four times as many concerns failing this week as a year ago. In the Pacific States failures went up sharply from last week's level as well as from that of a year ago. Almost four times as many concerns failed in the Pacific Region as a week ago, two times as many as in the same week of 1946.

Six Canadian failures were reported, as compared with none in the previous week and three in the corresponding week a year ago.

Wholesale Food Price Index Shows Further Drop—Food prices at wholesale again trended downward in the past week and the wholesale food price index, compiled by Dun & Bradstreet, Inc., registered a further moderate drop to stand at $6.41 on April 8, as against $6.45 a week earlier. The current level compares with $4.19 on the corresponding date a year ago.

Advances during the week included beef, butter, cocoa, eggs, potatoes, and steers, while declines appeared in flour, wheat corn, rye, oats, barley, bellies, lard, coffee, cottonseed oil, raisins, currants, hogs and lambs. The index represents the sum total of the price per pound of 31 foods in general use.

Daily Wholesale Commodity Price Index—The daily wholesale commodity price index, compiled by Dun & Bradstreet, Inc., was comparatively steady at a lower level during the past week. The index closed at 262.43 on April 8, as against 265.81 a week ago, and 189.46 on the comparative date last year.

Grain markets during the past week were again unsettled with prices fluctuating irregularly over a fairly wide range. Wheat advanced at times on reports of increased buying, but a lack of sustained aggressive support was attributed to the belief that foreign demand for old-crop wheat and flour would fall off sharply and to the excellent outlook for the new Winter wheat outlook. With the CCC out of the market, trading in cash wheat was exceptionally light. Domestic demand for flour remained quiet with buyers holding back in the hope of obtaining lower prices when new-crop wheat flour becomes available. Cash corn was in fairly good demand and prices held quite steady. Oats were firm aided by better shipping demand and light receipts. Lard futures continued to trend downward despite a reduction in cold storage stocks last month. Cash lard also showed weakness on the prospect of a much better supply of competing oils and fats. Steers were firmer and hogs turned upward after early weakness.

Cotton prices moved irregularly in the week just ended. Values fell about two-thirds of a cent per pound largely due to a slackening of trade and mill buying. New crop months were especially weak, reflecting uncertainty of mill demand due to reports of consumer resistance to the current high level of textile prices. Other depressing influences were the publication of reports by private authorities indicating much larger increases in new crop acreage than had previously been expected. The parity price for cotton as of mid-March reached a new record high of 28.40 cents per pound, an advance of a full cent over a month previous. Sales of cotton registered under the Government export program jumped sharply to 18,200 bales in the final week of March, bringing the total for the month to 50,000 bales. Crop preparations continued to be retarded by cool weather and wet soil conditions in most of the central and eastern sections of the belt. Quietness in carded gray cotton goods was accentuated by the holiday season. Activity was centered in goods for prompt shipment with prices holding firm despite increasing resistance from various sources.

Sales of domestic wools in the Boston market continued very small last week as manufacturers limited purchases to cover immediate requirements. Domestic wool prices were advanced 2 to 3 cents per pound, clean basis, due to a further increase in the parity basis. Fair activity was reported in long staple scoured pulled wools and there was moderate demand for scoured Texas wools.

Retail and Wholesale Trade — A slight drop in the volume of consumer purchasing in the two days before Easter together with the usual post-holiday decline resulted in a moderate decrease in total retail volume last week according to Dun & Bradstreet, Inc., in its weekly review of trade. Despite an early Easter this year, the increased supply of durable goods and high prices kept total dollar volume slightly above that of the corresponding week of 1946. Clearance and mark-down sales were numerous during most of the week.

Women's Spring and Summer suits continued to attract many shoppers. The demand for hats, gloves and shoes remained strong, while interest in women's coats dropped sharply and considerable resistance to the high prices of all types of apparel was reported. Numerous post-holiday clearance sales met with only moderate response. A slight improvement in the supply of men's shirts and suits was reported. There was a moderate increase in the demand for children's apparel.

Retail grocery volume continued at the high levels of previous weeks. Total food volume was moderately above that of a year ago, despite many reports of consumer selectivity and price resistance. The supply of meat and dairy products was ample with stocks of fresh fruits and vegetables adequate. Interest in canned foods was high and stocks of certain previously scarce fish and fruits improved moderately.

The demand for furniture and house furnishings remained at a high level last week. The supply of bedroom and dining-room furniture continued to be inadequate to meet the estimated current demand. Interest in gardening tools and equipment increased moderately, while numerous requests for lawn furniture were reported. Some improvement in the supply of gas stoves, refrigerators and washing machines was noted and the demand for these items remained strong.

Retail volume for the country in the week ended last Wednesday was estimated to be from 5 to 9% above that of the corresponding week a year ago. Regional estimates exceeded those of a year ago by the following percentages: New England and Northwest 7 to 11, East and Southwest 5 to 9, Middle West and South 4 to 8, and Pacific Coast 8 to 12.

Trading in the majority of wholesale markets was restrained during the week. High prices and increased supplies of merchandise especially in durable goods lines, kept total dollar volume moderately above that of a year ago. New order volume for most soft goods fell off considerably as retailers attempted to clear their shelves of as much Spring stock as possible and to reduce inventories in general.

Department store sales on a country-wide basis, as taken from the Federal Reserve Board's index for the week ended April 5, 1947, increased by 17% above the same period of last year. This compares with an increase of 10% in the preceding week. For the four weeks ended April 5, 1947, sales increased by 12% and for the year to date by 13%.

In New York the past week retail trade results compared rather unfavorably with the high pre-Easter volume of 1946. According to reports, department store sales in the week declined by as much as 15% or more in the case of individual stores with average declines estimated as ranging from 5 to 10%.

Activity in wholesale markets was a trifle better with a limited number of buyers seeking goods for special promotions. Rayon piece goods reports state, continued in strong demand and cottons were still selling ahead, with slight reductions reported on sport goods.

The hosiery market, it is understood, has reached a balance of supply and demand with goods easier to obtain and price reductions now in evidence.

According to the Federal Reserve Board's index, department store sales in New York City for the weekly period to April 5, 1947, increased 7% above the same period last year. This compared with a like increase of 7% in the preceding week. For the four weeks ended April 5, 1947 sales rose 9% and for the year to date increased to 13%.

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.
April 15	121.86	117.40	122.50	120.43	116.80	110.15	112.37	118.80	121.04
14	121.95	117.40	122.50	122.43	116.30	110.15	112.37	118.80	121.04
12	a	117.40	122.50	120.43	116.80	110.34	112.56	118.80	121.04
11	122.02	117.40	122.50	120.43	116.80	110.34	112.37	118.80	121.25
10	122.11	117.40	122.50	120.43	116.80	110.15	112.37	118.80	121.25
9	122.20	117.40	122.50	120.43	116.80	110.15	112.37	118.80	121.04
8	122.20	117.40	122.50	120.43	116.80	110.15	112.37	118.60	121.04
7	122,20	117.40	122.50	120.43	116.80	110.15	112.37	118.60	121.04
5	a	117.40	122.50	120.43	116.80	110.15	112.56	118.60	121.04
4	Market	Closed							
3	122.17	117.40	122.50	120.43	116.80	110.15	112.56	118.60	121.04
2	122.17	117.40	122.50	120.43	117.00	110.15	112.56	118.60	121.04
1	122.11	117.40	122.50	120.43	117.00	110.15	112.56	118.60	121.04
Mar. 28	122.27	117.40	122.50	120.43	117.20	110.34	112.75	118.60	121.04
21	122.24	117.20	122.29	120.22	117.00	110.15	112.56	118.40	121.04
14	122.27	117.20	122.09	120.02	117.00	110.34	112.75	118.20	120.84
7	122.17	117.20	122.09	120.02	117.00	110.52	112.75	118.40	120.84
Feb. 28	122.20	117.20	122.09	120.02	117.00	110.52	112.75	118.40	120.84
21	122.14	117.40	122.09	120.22	111.20	110.70	112.93	118.40	121.04
14	122.20	117.40	122.09	120.02	117.20	110.88	113.12	118.40	120.84
7	122.20	117.60	122.09	120.22	117.20	111.07	113.31	118.60	120.84
Jan. 31	122.08	117.40	121.88	120.22	117.40	110.88	113.31	118.80	120.63
24	122.39	117.60	121.88	120.43	117.40	110.88	113.31	118.80	120.63
17	122.24	117.40	121.88	120.22	117.40	110.70	113.12	118.60	120.84
10	122.17	117.20	121.67	119.82	117.20	110.52	113.12	118.40	120.43
3	122.14	116.80	121.25	119.61	116.80	110.15	112.75	118.00	120.02
High 1947	122.39	117.60	122.50	120.43	117.40	111.07	113.31	118.80	121.25
Low 1947	121.95	116.80	121.04	119.61	116.80	110.15	112.37	117.80	120.02
1 Year Ago Apr. 15, 1946	125.77	119.82	124.20	122.09	119.41	114.08	117.60	120.22	121.88
2 Years Ago Apr. 13, 1945	122.59	115.04	120.84	118.60	115.04	106.56	111.81	114.46	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.
April 15	1.55	2.78	2.53	2.63	2.81	3.16	3.04	2.71	2.60
14	1.55	2.78	2.53	2.63	2.81	3.16	3.04	2.71	2.60
12	a	2.78	2.53	2.63	2.81	3.15	3.03	2.71	2.60
11	1.54	2.78	2.53	2.63	2.81	3.15	3.04	2.71	2.59
10	1.54	2.78	2.53	2.63	2.81	3.16	3.04	2.71	2.59
8	1.53	2.78	2.53	2.62	2.81	3.16	3.04	2.72	2.60
9	1.53	2.78	2.53	2.63	2.81	3.16	3.04	2.71	2.60
7	1.53	2.78	2.53	2.63	2.81	3.16	3.04	2.72	2.60
5	a	2.78	2.53	2.63	2.81	3.16	3.03	2.72	2.60
4	Market	Closed							
3	1.53	2.78	2.53	2.63	2.81	3.16	3.03	2.72	2.60
2	1.53	2.78	2.53	2.63	2.80	3.16	3.03	2.72	2.60
1	1.54	2.78	2.53	2.63	2.80	3.16	3.03	2.72	2.60
Mar. 28	1.53	2.78	2.53	2.63	2.79	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
21	1.53	2.79	2.54	2.64	2.80	3.16	3.03	2.73	2.60
14	1.56	2.79	2.55	2.65	2.80	3.15	3.02	2.74	2.61
7	1.57	2.79	2.55	2.65	2.80	3.14	3.02	2.73	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
High 1947	1.57	2.81	2.60	2.67	2.81	3.16	3.04	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. 15, 1946	1.35	2.66	2.45	2.55	2.68	2.95	2.77	2.64	2.56
2 Years Ago Apr. 13, 1945	1.62	2.90	2.61	2.72	2.90	3.36	3.07	2.93	2.69

a Market closed.

*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 April 12, 1947, 15.1% Ahead of That for Same Week Last Year

The Edison Electric Institute, in its current weekly report, estimates that the amount of electrical energy distributed by the electric light and power industry for the week ended April 12, 1947, was 4,619,700,00 kwh., an increase of 15.1% over the corresponding week last year when electric output amounted to 4,014,652,000 kwh. The current figure also compares with 4,693,055,000 kwh. produced in the week ended April 5, 1947, which was 17.7% higher than the 3,987,673,000 kwh. produced in the week ended April 6, 1946. The largest increases were reported by the Pacific Coast and Rocky Mountain groups which showed increases of 23.1% and 20.0% respectively over the same week in 1946.

PERCENTAGE INCREASE OVER SAME WEEK LAST YEAR

Major Geographical Division—	Week Ended Apr. 12	Apr. 5	Mar. 29	Mar. 22	Mar. 15
New England	6.9	8.9	13.1	11.5	11.5
Middle Atlantic	6.4	10.8	13.6	11.8	12.1
Central Industrial	16.9	21.1	24.4	23.0	23.3
West Central	15.5	18.2	16.3	16.3	18.4
Southern States	16.3	18.0	17.0	21.4	24.2
Rocky Mountain	20.0	12.2	13.6	9.1	10.6
Pacific Coast	23.1	24.7	19.6	19.9	20.2
Total United States	15.1	17.7	18.5	18.5	19.5

DATA FOR RECENT WEEKS (Thousands of Kilowatt-Hours)

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
Apr. 5	4,693,055	3,987,673	+17.7	4,321,794	1,480,738	1,696,543
Apr. 12	4,619,700	4,014,652	+15.1	4,332,400	1,469,810	1,709,331
Apr. 19		3,987,145		4,411,325	1,454,505	1,699,822
Apr. 26		3,976,750		4,415,889	1,429,032	1,588,434

Class I Railroads Spent $1,570,555,000 For Fuels, Materials and Supplies in 1946

The Class I railroads of the United States in 1946 spent $1,570,555,000 for fuels and materials and supplies used in connection with their operations, the Association of American Railroads announced, on April 7. Similar expenditures made in 1945 totaled $1,572,404,000. The Association in this connection further reported as follows:

For fuel alone, the railroads expended $553,153,000 in 1946 compared with $555,155,000 in 1945, and for forest products they spent $148,984,000 in the past year compared with $136,962,000 in the preceding year.

Expenditures for iron and steel products of all kinds amounted to $520,546,000 in 1946 compared with $520,876,000 in 1945, and for miscellaneous materials their expenditures amounted to $347,872,000 in the past year compared with $359,411,000 in 1945.

For bituminous coal only, their purchases totaled $386,464,000, a decrease of $9,707,000 compared with the preceding year, while anthracite purchases totaled $4,745,000, an increase of $840,000 compared with 1945. Purchases of fuel oil in 1946 amounted to $149,033,000 compared with $142,656,000 in the preceding year. For gasoline there was an expenditure of $5,815,000 in the past year, while for all other fuels, including coke, wood, and fuel for illumination, expenditures amounted to $7,096,000.

For cross ties, including switch and bridge ties, the railroads expended $96,306,000 in 1946, an increase of $12,228,000 above such expenditures in 1945. Purchases of lumber and all other forest products amounted to $52,678,000, a decrease of $206,000 below the preceding year.

For locomotives and car castings, beams, couplers, frames, and car roofs, the railroads spent $67,482,000 in 1946 compared with $55,709,000 in the preceding year. Purchases of steel rail, including new and second-hand except scrap, amounted to $65,302,000 in 1946 compared with $77,038,000 in the preceding year, and for track fastenings, track bolts, spikes, and other such materials used in connection with the laying of rails, the railroads expended $61,686,000, a decrease of $734,000 below the preceding year.

For wheels, axles, and tires, the railroads expended $42,374,000 compared with $44,794,000 in the preceding year, and for bar iron and steel, spring steel, tool steel, unfabricated rolled shapes, wire netting and chain, boiler, firebox, tank, sheet iron, and steel of all kinds, their expenditures amounted to $32,298,000 compared with $30,960,000 in the preceding year.

Purchases of interlocking and signal material in 1946 amounted to $28,987,000, and for standard and special mechanical appliances for locomotives, $18,822,000.

Among the miscellaneous purchases, the Class I railroads spent $39,897,000 for glass, drugs, chemicals, including chemicals for timber treatment, and painters' supplies; $29,334,000 for lubricating oils and grease, illuminating oils, boiler compound, and waste; $26,706,000 for stationery and printing; $59,500,000 for commissary supplies for dining cars, camps, and restaurants; $28,359,000 for electrical materials; $16,327,000 for ballast; $34,459,000 for non-ferrous metals and products; $11,431,000 for passenger-car trimmings; and $23,313,000 for locomotive, train, and station supplies.

Cites Obstacles to U. S.-Soviet Accord

Dr. Counts speaking at a luncheon session of the Eastern States Association of Professional Schools for Teachers in the Commodore Hotel on March 21, outlined a list of major obstacles that prevent understanding between peoples of the Soviet Union and the United States and a program designed to overcome these obstacles, said the New York "Times" of March 22 from which the following remarks of Dr. Counts were also taken:

In this country we begin under the severe handicap of a long tradition of ignorance about, and indifference to, Russia, Dr. Counts said. This, he explained, is because the traditional orientation of our schools has been toward Western Europe.

The United States and Russia are profoundly different in their origins, history, institutions and philosophy, Dr. Counts asserted. Russia's history and her geographical position seem to have encouraged the growth of a tradition of absolutism, with its political police, its denial of personal liberty, its resorts to cruel and inhuman punishment and its callous disregard of human life.

"The revolution, and its aftermath, have left a heritage of fear, suspicion and hostility," Dr. Counts declared. "It divided the world into two camps which, except for the period of Fascist power, have continued to the present hour.

"On their side, the Soviet leaders repudiated numerous obligations, raised the banners of world revolution, proclaimed their intention of overthrowing all existing institutions, established a ruthless dictatorship at home, and founded international agencies and organizations to achieve their purpose.

"On our side, we joined the enemies of the revolution and sought by various means, including economic boycott, political isolation and military intervention, to crush the revolutionary forces. We were thus a party to the prolongation of the civil war, the devastation of the economy, which resulted in severe famine and widespread starvation in Russia in 1920-21."

Dr. Counts also held that World War II created a condition tending to foster intense rivalry between the two countries, and that the general condition of insecurity, anxiety and misery now prevailing througout the world encourages the weaker nations to gravitate into one camp or the other, thus sharpening the rivalry.

Deep-seated and apparently irreconcilable ideological differences must not be ignored or glossed over, Dr. Counts said. This, he suggested, may be the supreme obstacle to the development of mutual trust and collaboration.

Free communication between the peoples of the two countries is now impossible, he said. Dr. Counts listed as another obstacle the fact that Soviet educational institutions are engaged in building in the minds of the Russians myths that their country is the largest and greatest in the world.

Dr. Count's program to overcome obstacles were:

Each country should make the language of the other one of the major foreign languages in its schools; strive to give to the young a fair, balanced and friendly account of the geography, history, institutions, literatures and peoples of the other country; cooperate in a generous exchange of students, scholars, scientists and artists; exchange a mission of leading educators; exchange books, magazines and professional literature; repudiate without qualification every attempt to conduct organized propaganda; eliminate from schools all doctrines of extreme nationalism and all forms of military training, and prepare the young to recognize and accept the fact of profound differences between the two countries.

Schwellenbach Seeks Funds Restored in Bill

Restoration of funds denied them by the House was asked of a Senate Appropriations subcommittee by Secretary of Labor Lewis B. Schwellenbach and Conciliation Director Edgar L. Warren, Associated Press Washington advices stated on April 9. Mr. Schwellenbach said that the House's reductions, to $18,136,200 from $31,850,700 asked by President Truman, were particularly untimely because the Labor Department, although "the smallest Executive Department" with only 7,227 employees, was facing "one of the most complicated and difficult problems in our domestic economy."

Mr. Schwellenbach also told the Committee that in directing him to dismiss Mr. Warren the House was trying to exercise power which the Constitution denied Congress. Mr. Warren asserted that he reorganized the conciliation service with emphasis upon decentralization and that both the Senate and House gave approval last year; but that now the House proposes to oust him for the reorganization. The Associated Press added:

Both Mr. Schwellenbach and Mr. Warren said that the $598,400 House cut in funds for the conciliation service would reduce the Government's ability to prevent or end strikes.

If the House cuts went through, Mr. Schwellenbach said, the effect would be to cut off "services vital to the maintenance of a stabilized economy." The money is for the year beginning July 1.

Truman Drops Mississippi Speech; Others Scheduled

It was announced by the White House on April 2 that President Truman's plans to speak at Cleveland, Miss., May 8, at the annual gathering of the Delta Council, had been cancelled because of "pressure of business — international events and domestic affairs." In making the announcement Presidential Secretary Charles G. Ross said there was no "specific reason" to which the cancellation could be attributed, but that it seemed "an inopportune time" for the President to get away from Washington. No change has been announced in the President's plans to go to New York April 21 to address the annual luncheon of the Associated Press, and to Princeton University June 17 to receive an honorary degree. The latter occasion is that of the Princeton bicentennial convocation, at which the President is scheduled to speak, and which will attract several hundred delegates from universities throughout the world.

Moody's Daily Commodity Index

Tuesday, April 8	415.5
Wednesday, April 9	416.1
Thursday, April 10	417.3
Friday, April 11	416.6
Saturday, April 12	415.3
Monday, April 14	410.7
Tuesday April 15	410.5
Two weeks ago, April 1	422.1
Month ago, March 15	430.1
Year ago	272.9
1946 High Dec. 24	380.6
Low Jan. 2	264.7
1947 High March 26	431.8
Low Jan. 20	371.5

Trading on New York Exchanges

The Securities and Exchange Commission made public on April 9 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 22, continuing a series of current figures being published weekly by the Commission. Short sales are shown separately from other sales in these figures.

Trading on the Stock Exchange for the account of members (except odd-lot dealers) during the week ended March 22 (in round-lot transactions) totaled 1,327,810 shares, which amount was 17.01% of the total transactions on the Exchange of 3,904,600 shares. This compares with member trading during the week ended March 15 of 1,768,920 shares, or 17.33% of the total trading of 5,105,070 shares.

On the New York Curb Exchange, member trading during the week ended March 15 amounted to 336,800 shares, or 16.62% of the total volume on that Exchange of 1,013,435 shares. During the week ended March 15 trading for the account of Curb members of 342,392 shares was 13.71% of the total trading of 1,249,110.

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

WEEK ENDED MARCH 22, 1947

	Total for Week	†%
A. Total Round-Lot Sales:		
Short sales	164,470	
‡Other sales	3,740,130	
Total sales	3,904,600	
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	432,410	
Short sales	67,140	
‡Other sales	342,920	
Total sales	410,060	10.79
2. Other transactions initiated on the floor—		
Total purchases	108,110	
Short sales	11,600	
‡Other sales	90,100	
Total sales	101,700	2.69
3. Other transactions initiated off the floor—		
Total purchases	135,650	
Short sales	20,890	
‡Other sales	118,990	
Total sales	139,880	3.53
4. Total—		
Total purchases	676,170	
Short sales	99,630	
‡Other sales	552,010	
Total sales	651,640	17.01

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

WEEK ENDED MARCH 22, 1947

	Total for Week	†%
A. Total Round-Lot Sales:		
Short sales	13,575	
‡Other sales	999,860	
Total sales	1,013,435	
B. Round-Lot Transactions for Account of Members:		
1. Transactions of specialists in stocks in which they are registered—		
Total purchases	104,560	
Short sales	5,350	
‡Other sales	85,045	
Total sales	90,395	9.62
2. Other transactions initiated on the floor—		
Total purchases	20,250	
Short sales	1,800	
‡Other sales	13,050	
Total sales	14,850	1.73
3. Other transactions initiated off the floor—		
Total purchases	56,890	
Short sales	4,800	
‡Other sales	45,055	
Total sales	49,855	5.27
4. Total—		
Total purchases	181,700	
Short sales	11,950	
‡Other sales	143,150	
Total sales	155,100	16.62
C. Odd-Lot transactions for Account of Specialists—		
Customers' short sales	0	
§Customers' other sales	59,556	
Total purchases	59,556	
Total sales	47,258	

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

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

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

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

Bankers Dollar Acceptances Outstanding On February 28, $230,031,000

The volume of bankers dollar acceptances outstanding on Feb. 28, amounted to $230,031,000 a decrease of $11,405,000 from the Jan. 31 total, according to the monthly acceptances survey issued on March 17 by the Federal Reserve Bank of New York. As compared with a year before, the Feb. 28 total represents an increase of $63,179,000.

In the month to month comparison, Imports, Exports, Domestic Shipments, Domestic Warehouse Credits and the figures based on goods stored in or shipped between foreign countries were all lower on Feb. 28, than on Jan. 31; while the only increase was dollar exchange.

In the yearly analysis all items except imports and exports showed a decrease on Feb. 28, 1947, from the corresponding date a year before.

The Reserve Bank's report follows:

BANKERS DOLLAR ACCEPTANCES OUTSTANDING—UNITED STATES BY FEDERAL RESERVE DISTRICTS

Federal Reserve District—	Feb. 28, 1947	Jan. 31, 1947	Feb. 28, 1946
1 Boston	$15,785,000	$17,832,000	$23,250,000
2 New York	147,465,000	150,093,000	93,469,000
3 Philadelphia	14,825,000	16,716,000	11,633,000
4 Cleveland	1,983,000	1,516,000	1,647,000
5 Richmond	1,016,000	936,000	1,637,000
6 Atlanta	3,916,000	4,833,000	5,892,000
7 Chicago	6,421,000	7,914,000	5,029,000
8 St. Louis	1,900,000	1,644,000	963,000
9 Minneapolis	227,000	244,000	184,000
10 Kansas City	------	------	------
11 Dallas	3,783,000	4,627,000	637,000
12 San Francisco	32,710,000	35,081,000	22,511,000
Grand Total	$230,031,000	$241,436,000	$166,852,000

Decrease for month $11,405,000 Increase for year $63,179,000

ACCORDING TO NATURE OF CREDIT

	Feb. 28, 1947	Jan. 31, 1947	Feb. 28, 1946
Imports	$163,775,000	$171,740,000	$108,933,000
Exports	34,539,000	34,986,000	17,805,000
Domestic shipments	11,749,000	12,033,000	13,396,000
Domestic warehouse credits	12,524,000	14,928,000	17,899,000
Dollar exchange	104,000	13,000	178,000
Based on goods stored in or shipped between foreign countries	7,340,000	7,736,000	8,641,000

This decrease may be considered seasonal as since 1925 there have been 17 decreases as against six increases in the month of February. Declines in imports of coffee, burlap, and skins, and in domestic storage of cotton accounted for a large part of the decreases in the respective classifications.

BILLS HELD BY ACCEPTING BANKS

Own bills $76,240,000 Bills of others $94,524,000 Total $170,764,000

Decrease for month $12,359,000

CURRENT MARKET RATES ON PRIME BANKERS ACCEPTANCES, MARCH 17, 1947

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

Dept. Store Sales in N. Y. Federal Reserve District in February, 8% Over Last Year

The Federal Reserve Bank of New York announced on March 21 that February sales in department stores, in the second (New York) Federal Reserve District increased 8% over a year before. The combined sales of January and February 1947, were up 13% from a similar period the previous year. Stocks of merchandise on hand in department stores at the end of February 1947 were 49% over those of the same month in 1946.

The apparel stores in the New York Reserve District reported a 5% loss in net sales in February. Their stocks on hand at the close of the month were 57% over the figures for February 1946. The details as made available by the Reserve Bank follows:

DEPARTMENT STORE SALES BY MAJOR LOCALITIES
Second Federal Reserve District

Department stores	Net Sales Feb. 1947	Net Sales Jan.-Feb. 1946	Stocks on Hand Feb. 28, 1947
Second District	+8	+13	+49
New York City	+9	+14	+47
Northern New Jersey	+2	+8	+35
Newark	0	+6	+39
Westchester and Fairfield Counties	+9	+18	+60
Bridgeport	+10	+17	+43
Lower Hudson River Valley	+14	+15	+55
Poughkeepsie	+10	+13	+54
Upper Hudson River Valley	+13	+13	+58
Albany	+13	+11	+63
Schenectady	+12	+15	+50
Central New York State	+17	+21	+60
Mohawk River Valley	+5	+11	+40
Utica	+4	+10	+31
Syracuse	+22	+25	+71
Northern New York State	+8	+14	----
Southern New York State	+13	+18	+61
Binghamton	+6	+14	+63
Elmira	+15	+15	+58
Western New York State	+7	+10	+58
Buffalo	+2	+7	+56
Niagara Falls	+15	+17	+44
Rochester	+14	+15	+66
*Apparel stores	—5	+2	+57

(Percentage Change from Preceding Year)

*Chiefly New York City.

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

	1946 Feb.	1946 Dec.	1947 Jan.	1947 Feb.
Sales (average monthly), unadjusted	157	385	186	170
Sales (average daily), unadjusted	174	392	†182	188
Sales (average daily), seasonally adjusted	207	232	228	224
Stocks, unadjusted	†155	213	†206	231
*Stocks, seasonally adjusted	167	238	†234	249

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

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

	1946 Feb.	1946 Dec.	1947 Jan.	1947 Feb.
Average monthly, unadjusted:				
New York City	161	381	195	175
Newark	144	355	*156	145
Buffalo	188	431	202	192
Rochester	163	412	195	185
Syracuse	198	527	244	240
Bridgeport	135	404	180	148
Average daily, unadjusted—				
New York City	178	389	191	194
Newark	160	363	*153	161
Buffalo	201	441	199	205
Rochester	173	421	192	198
Syracuse	209	539	241	256
Bridgeport	149	412	177	164
†Average daily, seasonally adjusted:				
New York City	*203	*233	227	220
Newark	*191	*199	*202	191
Buffalo	*251	*267	269	256
Rochester	212	*254	237	241
Syracuse	272	*323	330	333
Bridgeport	*194	218	203	213

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

OPA and Other Agencies To End June 30

Legislation enacted by Congress, and signed on March 22 by President Truman provides for the termination of OPA and other wartime control agencies by June 30. Congressional action on the legislation was completed on March 12, when the Senate approved a Senate-House Conference report thereon, following the approval by the House of the report on March 11. The report had to do with the $179,645,688 deficiency appropriation bills which included a final allotment of slightly more than $14,000,000 for the Office of Price Administration and a rider which directs the OPA and other wartime control agencies to liquidate by June 30. Going out of business along with OPA said Associated Press Washington accounts on March 12 will be the Civilian Production Administration, the Office of War Mobilization and Reconversion and the Office of Temporary Controls. The same advices stated:

Actually, OPA may cease operations well before June 30 for agency officials claim the slightly more than $14,000,000 finally provided for its liquidation will last at most through April. That sum is all available for operation between now and July 1, for paying off OPA employees, and closing its business.

Included in the Deficiency appropriation Measure—which the House passed yesterday and sent to the Senate—are funds for a number of Government agencies. The Veterans Administration gets the biggest amount, approximately $145,000,000.

The deficiency appropriation bill was originally passed by the House on Feb. 18, and by the Senate on March 5, on which date it went to conference for adjustment of the House and Senate provisions; the House registered its approval of the conference report on March 11 by a vote of 342 to 49, while the Senate agreed to the report on March 12 by a voice vote.

NYSE Odd-Lot Trading

The Securities and Exchange Commission made public on April 9 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 29, 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 29, 1947

	Total For Week
Odd-Lot Sales by Dealers— (Customers' purchases)	
Number of orders	22,008
Number of shares	632,773
Dollar value	$25,912,510
Odd-Lot Purchases by Dealers— (Customers' sales)	
Number of Orders:	
Customers' short sales	348
*Customers' other sales	18,772
Customers' total sales	19,120
Number of Shares:	
Customers' short sales	13,106
*Customers' other sales	516,384
Customers' total sales	529,490
Dollar value	$20,595,719
Round-Lot Sales by Dealers—	
Number of Shares:	
Short sales	0
†Other sales	161,050
Total sales	161,050
Round-Lot Purchases by Dealers—	
Number of shares	256,150

*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."

The National Fertilizer Association Commodity Price Index Shows Decline

The weekly wholesale commodity price index compiled by The National Fertilizer Association declined to 199.5 for the week ended April 12, 1947 from 200.4 in the preceding week. This is the second consecutive week in which the index has fallen. A month ago the index stood at 199.6 and a year ago at 145.8, all based on the 1935-1939 average as 100. The Association's report issued on April 14, continued as follows:

During the week four of the composite groups in the index declined while four advanced; the other three remained at the level of the preceding week. The price rises for grains, eggs, and wool were more than offset by declines for cotton and livestock, with the result that the index for the farm products group fell. The drop in the index for miscellaneous commodities was due to lower quotations for rubber, cottonseed meal, bran and middlings. The textiles index and the fertilizer materials index declined slightly. Prices for bellies, meats and some fats and oils fell, but higher prices for flour, potatoes and sugar caused the foods index to rise. The fuels index rose slightly. The drop in the price of steel scrap was more than offset by higher prices for tin and silver, and the metals index rose 0.4%. Higher prices for alcohol, both denatured and ethyl, and creosote oil caused the chemicals and drugs index to advance.

During the week 27 price series in the index declined and 16 advanced; in the preceding week 26 declined and 15 advanced; in the second preceding week 22 declined and 24 advanced.

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

% Each Group Bears to the Total Index	Group	Latest Week Apr. 12, 1947	Preceding Week Apr. 5, 1947	Month Ago Mar. 15, 1947	Year Ago Apr. 13, 1946
25.3	Foods	222.6	221.9	224.4	144.0
	Fats and Oils	317.8	320.7	321.4	147.4
	Cottonseed Oil	433.1	433.1	427.4	163.1
23.0	Farm Products	247.6	250.8	256.0	175.1
	Cotton	327.8	335.1	336.1	263.8
	Grains	258.3	246.2	253.1	173.8
	Livestock	235.6	242.9	249.5	161.5
17.3	Fuels	170.3	170.2	159.2	131.7
10.8	Miscellaneous Commodities	158.6	162.4	162.6	133.9
8.2	Textiles	216.5	217.2	211.1	166.9
7.1	Metals	148.3	147.7	147.8	117.2
6.1	Building Materials	203.4	203.4	203.0	167.8
1.3	Chemicals and Drugs	158.4	154.5	154.5	127.5
.3	Fertilizer Materials	127.6	128.0	128.0	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	199.5	200.4	199.6	145.8

*Indexes on 1926-28 base were: April 12, 1947, 155.4; April 5, 1947, 156.1; and April 13, 1946, 113.6.

Civil Engineering Construction Totals $125,198,000 for Week

Civil engineering construction volume in continental United States totals $125,198,000 for the week ending April 10, 1947, as reported by "Engineering News-Record." This volume is 4% below the previous week, 5% above the corresponding week of last year, and 24% above the previous four-week moving average. The report, issued on April 10, added:

Private construction this week, $42,973,000, is 28% less than last week, and 46% below the week last year. Public construction, $82,225,000, is 15% above last week, and 111% greater than the week last year. State and municipal construction, $60,139,000, 19% above last week, is 139% above the 1946 week. Federal construction, $22,086,000, is 6% above last week, and 59% above the week last year.

Total engineering construction for the 15-week period of 1947 records a cumulative total of $1,443,836,000, which is 17% above the total for a like period of 1946. On a cumulative basis, private construction in 1947 totals $896,925,000, which is 10% above that for 1946. Public construction, $546,911,000, is 31% greater than the cumulative total for the corresponding period of 1946, whereas state and municipal construction, $416,456,000 to date, is 48% above 1946. Federal construction, $130,455,000 dropped 3% below the 15-week total of 1946.

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

	April 10, '47	April 3, '47	April 11, '46
Total U. S. Construction	$125,198,000	$130,762,000	$118,860,000
Private Construction	42,973,000	59,421,000	79,809,000
Public Construction	82,225,000	71,341,000	39,051,000
State and Municipal	60,139,000	50,464,000	25,168,000
Federal	22,086,000	20,877,000	13,883,000

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

New Capital

New capital for construction purposes this week totals $24,228,000 and is made up of state and municipal bond sales. New capital for construction purposes for the 15-week period of 1947 totals $475,761,000, 19% greater than the $400,655,000 reported for the corresponding period of 1946.

Wholesale Prices Decline 0.4% in Week Ended April 5, Labor Department Reports*

With lower prices for agricultural commodities, average primary market prices declined 0.4% during the week ended April 5, 1947, according to the Bureau of Labor Statistics, U. S. Department of Labor, which on April 10 added that "nonagricultural commodities continued to advance." At the same time it was stated that the Bureau's index of commodity prices in primary markets dropped to 148.8% of the 1926 average, 0.1% higher than four weeks earlier and 36.4% above a year ago. The Bureau's advices continued:

"Farm Products and Foods—Led by substantial declines for grains, prices of farm products decreased 1.4% during the week, reaching a level 0.3% below a month ago and 34.0% above early April, 1946. Wheat quotations dropped nearly 7% in the absence of government purchase of flour as there were reports of better domestic and European crops. Quotations for other grains also declined. Large supplies brought lower prices for good to choice steers but prices of other cattle advanced as demand centered on lower priced grades. Hog prices declined as supplies improved slightly. Live poultry quotations were higher. Domestic wool prices again advanced as CCC raised selling prices to meet parity requirements.

"Average prices of food decreased 1.3%, with declines in all subgroups except cereal products, which advanced fractionally. Ample supplies, coupled with resistance to prevailing high prices, particularly for pork, brought declines for meats. Prices of dressed poultry and eggs advanced with Easter demand. Average prices of fruits and vegetables and dairy products were lower. Sugar prices were higher as the Office of Temporary Controls raised ceiling prices to cover increased ocean freight rates. Prices of salt were higher due to increased production costs. Lower prices were reported for black pepper, lard and edible vegetable oils, largely reflecting lack of demand at prevailing high prices. On the average foods were 3.7% below the level of early March and 49.9% higher than last year.

"Other Commodities—Prices of all commodities other than farm products and foods rose 0.3% as a group. Higher raw material costs caused sharp advances for some chemicals, including acetone, ethyl alcohol, benzene, and lead arsenate, but there were declines for cream of tartar and tartaric acid, reflecting lower costs, and for ergot, tallow and cotton seed meal. Higher labor and raw material costs also brought price increases for newsprint, woodpulp and box board, and for some housefurnishings. Prices of Ponderosa and sugar pine rose, reflecting the general shortage of mill work lumber and cedar siding was up sharply. With restoration of free trading in crude rubber, prices of smoked sheets and Amber No. 3 declined but latex crepe, in short supply, rose sharply. There were further substantial increases in soap prices. Cattlefeed prices were lower. Higher prices were reported for brick and other building materials, gasoline and lubricating oil and tool steel. Quotations for bar silver declined. Prices of certain fine cotton goods and wool dress goods advanced and prices of Manila hemp were higher following relaxation of inventory restrictions by the Office of Temporary Controls."

CHANGES IN WHOLESALE PRICES BY COMMODITY GROUPS
FOR WEEK ENDED APRIL 5, 1947
(1926=100)

Commodity Groups—	4-5 1947	3-29 1947	3-22 1947	3-3 1947	4-6 1946	Percent change to April 5, 1947 from— 3-29 1947	3-8 1947	4-6 1946
All commodities	148.8	149.4	149.0	148.7	109.1	— 0.4	+ 0.1	+36.4
Farm products	181.2	183.8	182.9	181.8	135.2	— 1.4	— 0.3	+34.0
Foods	164.4	166.5	166.2	170.7	109.7	— 1.3	— 3.7	+49.9
Hides and leather products	174.3	174.2	174.9	174.2	120.1	+ 0.1	+ 0.1	+45.1
Textile products	139.3	138.7	138.7	137.4	104.5	+ 0.4	+ 1.4	+33.3
Fuel and lighting materials	103.9	103.5	101.7	98.8	85.5	+ 0.4	+ 5.2	+21.5
Metals and metal products	140.3	140.3	140.3	139.7	108.0	0	+ 0.4	+29.9
Building materials	177.8	177.0	176.7	175.3	124.0	+ 0.5	+ 1.4	+43.4
Chemicals and allied products	134.5	132.8	133.0	130.6	96.0	+ 1.3	+ 3.0	+40.1
Housefurnishings goods	126.7	126.6	126.6	126.1	108.7	+ 0.1	+ 0.5	+16.6
Miscellaneous commodities	115.7	114.9	114.6	111.9	95.4	+ 0.7	+ 3.4	+21.3
Special Groups—								
Raw materials	164.0	165.5	164.3	162.5	122.2	— 0.9	+ 0.9	+34.2
Semi-manufactured articles	145.6	145.1	145.1	144.0	100.6	+ 0.3	+ 1.1	+44.7
Manufactured products	142.8	143.3	143.1	143.7	104.6	— 0.3	— 0.6	+36.5
All commodities other than Farm products	141.7	141.9	141.6	141.4	103.4	— 0.1	+ 0.2	+37.0
All commodities other than Farm products and foods	132.3	131.9	131.3	129.4	102.4	+ 0.3	+ 2.2	+29.2

PERCENTAGE CHANGES IN SUBGROUP INDEXES FROM
MARCH 29, 1947 TO APRIL 5, 1947

Increases

Chemicals	3.0	Woolen and worsted goods	0.5
Paper and pulp	2.8	Other textile products	0.4
Brick and tile	1.0	Bituminous coal	0.3
Cotton goods	1.0	Other farm products	0.3
Other miscellaneous	1.0	Cement	0.2
Lumber	0.9	Furniture	0.2
Leather	0.7	Cereal products	0.1
Plumbing and heating	0.7	Furnishings	0.1
Petroleum and products	0.6	Other building materials	0.1

Decreases

Grains	4.7	Dairy products	0.9
Rubber	3.6	Other foods	0.7
Meats	2.5	Hides and skins	0.6
Cattle feed	2.1	Oils and fats	0.6
Livestock and poultry	1.8	Fertilizer materials	0.3
Fruits and vegetables	1.1	Clothing	0.2
Drugs and pharmaceuticals	C.1		

†Revised.

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

Bank Debits for Month of March

The Board of Governors of the Federal Reserve System issued on April 11 its usual monthly summary of "bank debits" which we give below:

SUMMARY BY FEDERAL RESERVE DISTRICTS
(In millions of dollars)

Federal Reserve District—	March, 1947	March, 1946	3 Months Ended March, 1947	3 Months Ended March, 1946
Boston	4,061	3,745	11,767	10,774
New York	36,559	38,270	106,361	112,419
Philadelphia	4,053	3,808	11,943	10,846
Cleveland	5,921	4,957	17,140	14,164
Richmond	3,568	3,159	10,392	8,981
Atlanta	3,676	3,108	10,504	8,900
Chicago	15,132	12,832	40,929	34,728
St. Louis	2,878	2,423	8,383	6,812
Minneapolis	2,019	1,594	5,777	4,593
Kansas City	3,407	2,823	9,998	8,054
Dallas	2,969	2,592	8,800	7,426
San Francisco	9,076	8,268	26,394	22,985
Total, 334 centers	93,319	87,579	268,388	250,684
*New York City	33,547	35,670	97,597	104,987
*140 other centers	49,958	43,449	142,311	121,636
193 other centers	9,814	8,459	28,480	24,061

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

No. of R. R. Employees Increased to 1,326,337

Employees of Class I railroads of the United States, as of the middle of March, 1947, totaled 1,326,337, a decrease of 2.97% compared with the corresponding month last year, and an increase of 0.11% over February, 1947, according to a report just issued by the Bureau of Transport Economics and Statistics of the Interstate Commerce Commission.

A decline under March, 1946, is shown in the number of employees for every reporting group with the exception of executives, officials, and staff assistants, and transportation (train and engine service), which shows increases of 0.11% and 0.69%, respectively. The percentages of decreases are:

Professional, clerical, and general, 1.87; maintenance of way and structures, 6.58; maintenance of equipment and stores, 3.43; transportation (other than train, engine, and yard), 4.11; and transportation (yardmasters, switchtenders, and hostlers), 5.40.

Cuban Sugar Crop Over 6 Million Short Tons

The current 1947 Cuban sugar crop, estimated at 6,137,000 short tons, is being harvested at a rapid rate under favorable conditions, according to cable advices received by Lamborn & Company, sugar brokers. The advices from the latter further state:

Should the estimate of 6,137,000 tons be attained, it will be a new all-time record crop for Cuba. The previous high was established in 1925 when 5,894,000 tons were harvested. In 1946 the outturn amounted to 4,476,000 tons. Production since the start of grinding, to March 31 this year, approximated 3,527,000 tons as against 2,780,000 tons to the same date last year and 3,761,000 tons to March 31, 1925. During the month of March this year production totaled 1,754,000 tons as against 1,571,000 tons for the same month last year and 1,380,000 tons during March of 1925.

Last year 161 mills were in operation and the same number is expected to operate this year. 160 mills are now grinding. 183 mills were in operation in 1925. The grinding capacity of the mills currently operating, according to Lamborn & Company, is greater than that of 1925.

Rubber Bill Signed

President Truman on March 29 signed a bill to extend, until March 31, 1948, the Government's allocation authority over rubber. The legislation also authorizes the Government to continue in the synthetic rubber producing business, but ended, as of midnight, March 31, this year, Government purchasing of natural rubber. Congress completed action on the legislation, which is in the form of a joint resolution on March 25, when the House agreed to amendments in the resolution as it passed that body on March 24. The House had previously passed the resolution on March 17.

Designed to keep the synthetic rubber industry going until Congress fixes a permanent rubber policy for the national defense, the bill at the same time restores to private industry the natural rubber trade, and removes it from the jurisdiction of the Reconstruction Finance Corporation, which was sole purchaser and seller in wartime.

Control over domestic allocation and use of both natural and synthetic rubber is retained, said the Associated Press, in order to insure against individual companies acquiring and hoarding the still-scarce material to the detriment of other users.

Daily Average Crude Oil Production for Week Ended April 5, 1947 Increased 26,500 Bbls.

The American Petroleum Institute estimates that the daily average gross crude oil production for the week ended April 5, 1947 was 4,891,600 barrels, a gain of 26,500 barrels per day over the preceding week and an increase of 445,500 barrels per day over the corresponding week of 1946. The current figure also exceeded by 146,600 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. [The estimate for the month of April was not available.] Daily output for the four weeks ended April 5, 1947 averaged 4,865,700 barrels. The Institute's statement follows:

Reports received from refining companies indicate that the industry as a whole ran to stills on a Bureau of Mines basis approximately 14,772,000 barrels of crude oil daily and produced 4,374,000 barrels of gasoline; 2,138,000 barrels of kerosine; 5,653,000 barrels of distillate fuel, and 8,206,000 barrels of residual fuel oil during the week ended April 5, 1947; and had in storage at the end of that week 106,966,000 barrels of finished and unfinished gasoline; 9,213,000 barrels of kerosine; 32,358,000 barrels of distillate fuel, and 43,541,000 barrels of residual fuel oil.

DAILY AVERAGE CRUDE OIL PRODUCTION (FIGURES IN BARRELS)

	*B. of M. Calculated Requirements March	State Allowables Begin. Apr. 1	Actual Production Week Ended Apr. 5, 1947	Change from Previous Week	4 Weeks Ended Apr. 5, 1947	Week Ended Apr. 6, 1946
**New York-Penna.	48,200		46,600	+ 1,350	47,050	48,700
Florida	----		150	----	150	100
**West Virginia	8,000		7,700	+ 800	7,600	7,850
**Ohio—Southeast }	8,000		6,550	+ 350	6,450	5,700
Ohio—Other }			2,300	+ 100	2,350	2,150
Indiana	18,000		18,300	+ 250	17,800	19,150
Illinois	210,000		184,300	— 5,800	188,100	209,050
Kentucky	29,000		27,250	— 150	27,150	32,800
Michigan	47,000		43,050	— 1,200	42,650	46,400
Nebraska	700		†650	----	650	750
Kansas	270,000	275,000	†276,450	— 4,700	271,500	236,000
Oklahoma	375,000	378,125	†379,250	+ 8,850	371,250	368,500
Texas—						
District I			20,650	+ 100	20,600	----
District II			157,950	+ 50	157,900	----
District III			483,450	— 3,850	486,350	----
District IV			242,000	----	242,000	----
District V			38,150	— 150	38,250	----
East Texas			325,550	+ 12,550	316,150	----
Other Dist. VI			111,300	+ 300	111,050	----
District VII-B			36,750	+ 300	36,500	----
District VII-C			35,700	+ 800	35,100	----
District VIII			480,700	+ 7,000	475,450	----
District IX			133,550	+ 3,550	130,900	----
District X			84,800	+ 150	84,700	----
Total Texas	2,060,000	‡2,186,125	2,150,550	+ 20,800	2,134,950	1,864,100
North Louisiana			94,950	+ 100	95,200	84,850
Coastal Louisiana			312,600	+ 1,150	311,750	286,800
Total Louisiana	400,000	447,000	407,550	+ 1,250	406,950	371,650
Arkansas	79,000	82,693	73,300	+ 150	73,800	77,500
Mississippi	77,000		86,300	+ 300	85,450	55,850
Alabama	2,100		1,300	+ 300	1,050	1,150
New Mexico—So. East }	101,000	112,000	103,150	— 750	103,700	95,300
New Mexico—Other }			500	----	500	500
Wyoming	100,000		108,350	— 3,500	110,900	104,200
Montana	24,000		21,200	— 950	22,050	20,150
Colorado	38,000		36,850	— 2,350	36,750	23,450
California	850,000	§843,200	910,000	+ 11,400	906,900	855,100
Total United States	4,745,000		4,891,600	+ 26,500	4,865,700	4,446,100
**Pennsylvania Grade (included above)			60,850	+ 2,500	61,100	62,250

*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. Figures for April not yet available.

†Oklahoma, Kansas, Nebraska figures are for week ended 7:00 a.m. April 3, 1947.

‡This is the net basic allowable as of April 1 calculated on a 30-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 12 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 ENEDED APRIL 5, 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	780	93.0	1,793	22,817	3,931	8,637	6,141
Appalachian—								
District No. 1	76.3	97	67.8	259	2,680	166	370	232
District No. 2	84.7	65	104.8	219	1,011	38	61	112
Ind., Ill., Ky.	87.4	799	91.8	2,632	23,063	1,168	2,388	1,891
Okla., Kans., Mo.	78.3	386	82.3	1,326	10,726	331	1,196	908
Inland Texas	59.8	208	63.0	994	4,486	164	291	684
Texas Gulf Coast	89.2	1,079	88.0	3,412	15,192	1,651	6,122	5,536
Louisiana Gulf Coast	97.4	345	107.5	1,009	5,221	692	1,785	1,477
No. La. & Arkansas	55.9	65	51.6	180	2,034	209	466	108
Rocky Mountain—								
New Mexico	19.0	11	84.6	38	87	16	34	48
Other Rocky Mt.	70.9	113	68.5	360	3,127	45	487	661
California	85.5	824	82.9	2,152	16,522	802	10,521	25,743
Total U. S.—B. of M. basis April 5, 1947	85.8	4,772	85.9	14,374	*106,966	9,213	32,358	43,541
Total U. S.—B. of M. basis Mar. 29, 1947	85.8	4,843	87.1	14,396	107,576	9,572	32,737	42,703
U. S. B. of M. basis April 6, 1946	---	4,533	---	13,332	†103,687	9,831	30,467	37,206

*Includes unfinished gasoline stocks of 8,548,000 barrels. †Includes unfinished gasoline stocks of 8,870,000 barrels. ‡Stocks at refineries, at bulk terminals, in transit and in pipe lines. §In addition, there were produced 2,138,000 barrels of kerosine, 5,653,000 barrels of gas oil and distillate fuel oil and 8,206,000 barrels of residual fuel oil in the week ended April 5, 1947, as compared with 2,064,000 barrels, 5,959,000 barrels and 8,668,000 barrels, respectively, in the preceding week and 1,898,000 barrels, 5,186,000 barrels and 8,197,000 barrels, respectively, in the week ended April 6, 1946.

Condition of National Banks

The statement of condition of the National Banks under the Comptroller's call on Dec. 31, 1946, has recently been issued and is summarized below. For purposes of comparison, like details for previous calls back to and including June 30, 1946, are included.

CONDITION OF NATIONAL BANKS IN THE UNITED STATES ON JUNE 29, 1946, SEPT. 30, AND DEC. 31, 1946
(In thousands of dollars)

	June 29, 1946 (5,018 banks)	Sept. 30, 1946 (5,014 banks)	Dec. 31, 1946 (5,013 banks)
ASSETS	$	$	$
Loans and discounts, including overdrafts	14,498,441	13,801,498	17,309,767
U. S. Government securities, direct obligations }	47,465,475	45,315,509	41,835,752
Obligations guaranteed by U. S. Government }	7,401		7,780
Obligations of States and political subdivisions	2,454,265	2,670,103	2,659,598
Other bonds, notes and debentures	1,945,946	1,971,204	1,986,327
Corporate stocks, including stocks of Federal Reserve banks	143,654	153,448	153,359
Total loans and securities	*66,515,182*	*65,911,762*	*63,952,583*
Cash, balances with other banks, including reserve balances, and cash items in process of collection	18,661,851	18,910,443	20,067,167
Bank premises owned, furniture and fixtures	495,982	508,404	508,893
Real estate owned other than bank premises	10,038	10,109	8,488
Investments and other assets indirectly representing bank premises or other real estate	46,916	46,376	45,464
Customers' liability on acceptances outstanding	58,049	56,899	73,270
Interest, commissions, rent and other income earned or accrued but not collected	140,255	148,259	137,022
Other assets	64,831	65,559	57,376
Total assets	85,993,054	85,657,811	84,850,263
LIABILITIES			
Demand deposits of individuals, partnerships and corporations	42,560,021	44,320,244	45,522,709
Time deposits of individuals, partnerships and corporations	17,173,998	17,718,574	18,031,756
Deposits of U. S. Government and postal savings	7,696,306	5,076,413	1,843,485
Deposits of States and political subdivisions	4,006,759	3,939,025	4,125,722
Deposits of banks	7,816,787	7,712,905	8,355,243
Other deposits (certified and cashiers' checks, etc.)	1,240,887	1,102,473	1,355,243
Total deposits	80,494,758	79,869,634	79,049,839
Demand deposits	*62,859,192*	*61,651,040*	*60,468,758*
Time deposits	*17,635,566*	*18,218,594*	*18,581,081*
Bills payable, rediscounts and other liabilities for borrowed money	24,441	45,227	20,047
Mortgages or other liens on bank premises and other real estate	325	339	339
Acceptances executed by or for account of reporting banks and outstanding	71,061	66,072	83,280
Interest, discount, rent and other income collected but not earned	43,367	50,775	56,635
Interest, taxes and other expenses accrued and unpaid	221,003	239,619	223,436
Other liabilities	264,522	254,817	266,888
Total liabilities	81,119,477	80,526,483	79,700,464
CAPITAL ACCOUNTS			
Capital stock (see memoranda below)	1,683,489	1,748,588	1,756,621
Surplus	2,100,222	2,176,630	2,275,884
Undivided profits	788,759	883,238	785,558
Reserves and retirement account for preferred stock	301,107	322,872	331,736
Total capital accounts	4,873,577	5,131,328	5,149,799
Total liabilities and capital accounts	85,993,054	85,657,811	84,850,263
MEMORANDA			
Par value of capital stock:			
Class A preferred stock	44,106	41,478	38,765
Class B preferred stock	3,318	3,134	3,024
Common stock	1,636,253	1,704,126	1,714,982
Total	1,683,677	1,748,738	1,756,771
Retirable value of preferred capital stock:			
Class A preferred stock	59,128	55,911	52,281
Class B preferred stock	4,466	4,282	4,122
Total	63,594	60,193	56,403
Assets pledged or assigned to secure liabilities and for other purposes (including notes and bills rediscounted and securities sold with agreement to repurchase)	14,739,870	12,219,403	8,835,351
Demand deposits:			
Deposits of individuals, partnerships and corporations	42,560,021	44,320,244	45,522,709
Deposit of U. S. Government:			
War loan and Series E bond accounts	7,431,239	4,791,103	1,556,516
Other accounts	187,958	203,761	196,552
Deposits of States and political subdivisions	3,664,746	3,563,693	3,707,846
Deposits of banks in the United States (including private banks and American branches of foreign banks)	7,121,558	7,005,857	7,459,701
Deposits of banks in foreign countries (including balances of foreign branches of other American banks, but excluding amounts due to own foreign branches)	652,783	663,909	670,191
Certified and cashiers' checks (including dividend checks), letters of credit and travelers' checks sold for cash and amounts due to Federal Reserve banks (transit account)	1,240,887	1,102,473	1,355,243
Total demand deposits	62,859,192	61,651,040	60,468,758
Time deposits:			
Deposits of individuals, partnerships and corporations:	*17,173,998*	17,718,574	18,031,756
Deposits of U. S. Government	74,217	78,762	87,473
Postal savings deposits	2,892	2,787	2,944
Deposits of States and political subdivisions	342,013	375,332	417,876
Deposits of banks in the United States (including private banks and American branches of foreign banks)	35,644	35,837	35,228
Deposits of banks in foreign countries (including balances of foreign branches of other American banks, but excluding amounts due to own foreign branches)	6,802	7,302	5,804
Total time deposits	17,635,566	18,218,594	18,581,081
Ratio of required reserves to net demand plus time deposits:			
Total, Central Reserve city banks	18.72%	18.68%	18.66%
Total, Reserve city banks	16.32%	16.32%	16.30%
Total, Country banks	11.10%	11.12%	11.15%
Total, all member National banks	14.78%	14.76%	14.76%

Weekly Coal and Coke Production Statistics

The total production of soft coal in the week ended April 5, 1947, as estimated by the United States Bureau of Mines, was 3,800,000 net tons, a decrease of 8,350,000 tons from the preceding week. Output in the corresponding week of 1946 was 938,000 tons. Production of bituminous coal and lignite during the current calendar year to April 5, 1947, approximated 166,222,000 net tons, an increase of 2.3% over the 162,468,000 tons produced in the corresponding period of last year.

Output of Pennsylvania anthracite during the week ended April 5, 1947, as estimated by the Bureau of Mines, was 804,000 tons, a decrease of 386,000 tons (32.4%) from the preceding week. When compared with the production in the corresponding week of 1946 there was a decrease of 257,000 tons, or 24.2%. The calendar year to date shows a decrease of 8.4% when compared with the corresponding period of 1946.

The Bureau also reported that the estimated production of beehive coke in the United States for the week ended April 5, 1947, showed a decrease of 88,400 tons when compared with the output for the week ended March 29, 1947; but was 29,100 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	
	Apr. 5, 1947	Mar. 29, 1947	Apr. 6, 1946	*Apr. 5, 1947	Apr. 6, 1946
Bituminous coal & lignite—					
Total, including mine fuel	3,800,000	12,150,000	938,000	166,222,000	162,468,000
Daily average	†760,000	2,025,000	188,000	2,075,000	2,003,000

*Subject to current adjustment. †April 1, "Eight-hour Day," is a holiday in the soft coal fields.

ESTIMATED PRODUCTION OF PENNSYLVANIA ANTHRACITE AND COKE

(In Net Tons)

	Week Ended			Calendar Year to Date		
	‡Apr. 5, 1947	§Mar. 29, 1947	Apr. 6, 1946	Apr. 5, 1947	Apr. 6, 1946	Apr. 10, 1937
Penn. Anthracite—						
*Total incl. coll. fuel	804,000	1,190,000	1,061,000	14,956,000	16,323,000	14,873,000
†Commercial produc.	773,000	1,144,000	1,020,000	14,380,000	15,695,000	14,129,000
Beehive Coke—						
¶United States total	46,900	135,300	17,800	1,618,300	1,200,200	1,014,700

*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. 29, 1947	Mar. 22, 1947	Mar. 30, 1946
Alabama	409,000	396,000	434,000
Alaska	7,000	7,000	7,000
Arkansas	27,000	27,000	34,000
Colorado	135,000	148,000	172,000
Georgia and North Carolina	1,000	1,000	1,000
Illinois	1,362,000	1,474,000	1,541,000
Indiana	553,000	640,000	593,000
Iowa	40,000	40,000	40,000
Kansas and Missouri	123,000	122,000	150,000
Kentucky—Eastern	1,152,000	1,212,000	1,185,000
Kentucky—Western	450,000	496,000	452,000
Maryland	41,000	45,000	62,000
Michigan	2,000	1,000	3,000
Montana (bituminous and lignite)	58,000	60,000	68,000
New Mexico	29,000	34,000	33,000
North and South Dakota (lignite)	48,000	50,000	34,000
Ohio	750,000	770,000	811,000
Oklahoma	55,000	62,000	54,000
Pennsylvania (bituminous)	2,762,000	2,925,000	3,327,000
Tennessee	139,000	139,000	155,000
Texas (bituminous and lignite)	2,000	2,000	3,000
Utah	146,000	169,000	148,000
Virginia	373,000	418,000	399,000
Washington	19,000	23,000	29,000
†West Virginia—Southern	2,265,000	2,384,000	2,252,000
‡West Virginia—Northern	1,046,000	1,075,000	1,077,000
Wyoming	155,000	164,000	218,000
§Other Western States	1,000	1,000	*
Total bituminous and lignite	12,150,000	12,885,000	13,282,000

†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—Senate Committee Votes To Suspend Copper Levy—Foreign Markets Up

"E. & M. J. Metal and Mineral Markets," in its issue of April 10, stated: "The recent move by the British Ministry of Supply that raised the delivered price of copper for consumers in the United Kingdom to a higher level than seemed warranted, together with the delay by Congress in acting on the tariff, resulted in further uncertainty last week over the price situation. Foreign copper sold at higher levels, with business passing over a wide range—from 22.75c to 23.875c, f.a.s. New York equivalent. The domestic market for copper was unchanged. The government has fixed the price of tin for April at 80c a pound. Silver was moderately higher. Quicksilver was unsettled. Tungsten ore was in demand and quite firm." The publication further went on to say in part as follows:

Copper

Uncertainty over the date on which the duty on foreign copper will be temporarily suspended restricted operations last week in both foreign and domestic metal. The situation in foreign copper was most confused, and prices covered a wide range throughout the week. The same buyer obtained copper from different sources on one occasion at prices ranging from 22.75c to 23.75c, f.a.s. basis, on a single day. The E. & M. J. average for the week in foreign copper advanced slightly more than 40 points.

Business transacted in domestic copper suffered in comparison with recent weeks, with the quotation unchanged at 21½c, Connecticut Valley.

There was a slight increase in the daily rate of mine output of copper in February, although the total tonnage produced for the month showed a drop of 3%, the Bureau of Mines reports. Production in February totaled 68,412 tons, against 70,415 tons in January.

Lead

Most sellers report that consumers are less excited about obtaining lead, but they are taking all that is being offered to them. In other words, demand is just as active as it has been. Prevailing quotations are bringing out substantial tonnages of scrap, taxing the capacity of some smelters to handle this material. Lead ore and concentrates are being offered more freely from foreign sources.

Quotations continued on the basis of 15c., New York, and 14.80c St. Louis.

Sales of lead for the week amounted to 5,137 tons.

Mine production of recoverable lead in February in the United States was 29,546 tons, against 31,476 in January, the Bureau of Mines reports. The daily rate of production in February was 1,055 tons, the highest level attained since November 1945, and compares with 1,015 tons in January of the current year.

Zinc

The price situation last week in zinc was unchanged.

The March statistics of the American Zinc Institute revealed that production and shipments of slab zinc were about in balance, with the result that stocks decreased only 412 tons during the month, to 162,099 tons. Production in March totaled 75,376 tons, against 65,198 tons in February. The daily rate of production for March was 2,431 tons, against 2,329 tons in the preceding month. March and February figures are summarized as follows, in tons:

	March	Feb.
Production	75,376	65,198
Shipments:		
Domestic	68,983	65,356
Export and drawback	6,805	10,718
Totals	75,788	76,074
Stock at end	162,049	162,461
Unfilled orders	56,609	57,031

Production of slab zinc in the first three months of 1947 totaled 212,906 tons, against 198,787 tons in the January-March period of 1946.

Tin

Late on April 2, after the E. & M. J. quotations were established for that day, the Reconstruction Finance Corporation announced that it would sell "Grade A" tin to domestic consumers for April on the basis of 80c per pound. The new price was in line with trade estimates that a rise of at least 10c per pound would take place. This rise marked the second sharp advance in the domestic quotation for tin since ceiling prices were removed early in November last year. The ceiling price for the war period was 52c per pound. The prevailing price of tin is the highest named for the metal since 1918, and reflects the adnormal conditions that still obtain in the world's leading tin-producing areas. Recently, RFC closed a deal with Bolivian producers (except Patino) on the basis of 76c per pound of tin contained in concentrates, less smelter charges, f.o.b. South American ports.

Forward quotations for Straits quality tin, in cents per pound, were nominally as follows:

	April	May	June
April 3	80.000	80.000	80.000
April 4	80.000	80.000	80.000
April 5	80.000	80.000	80.000
April 7	80.000	80.000	80.000
April 8	80.000	80.000	80.000
April 9	80.000	80.000	80.000

Chinese, or 99% tin, 79.125c.

Supplies of pig tin available in the United States during 1947 are not likely to exceed 69,000 tons, including substantial withdrawals from government stocks, the Civilian Production Administration informed the Tin-Plate Industry Advisory Committee. No change in existing controls on tin and tin-mill products is under consideration at present. Authority to control tin, which CPA exercised until March 31 under the Second War Powers Act, has been extended by law to June 30, 1947.

Under an agreement signed April 4, Siam will release 16,000 tons of tin accumulated during the war years. A previous agreement, signed Dec. 7, became inoperative pending settlement of war claims. Parties to the agreement are Great Britain, the United States and Siam. Fully one-half of the tonnage will be shipped to the United States and the remainder to Britain and Australia.

Quicksilver

With consumers uncertain over the future sales policy of the Spanish and Italian producers, buying last week remained inactive and the undertone of the market in most quarters rather easy. Spot metal continued at $86 and upward, depending on quantity and seller. Forward metal was unsettled, with the price a matter of negotiation between the buyer and the seller. The sale of a round lot by the Cartel that came to the surface in the preceding week was largely responsible for the unsettled market, most observers feel. There was no word from Washington in reference to the metal brought here from Japan by the government.

Silver

In the absence of pressure from abroad the silver market was fairly steady last week, advancing one-quarter cent on April 4 to 76c an ounce. This price prevailed up to the close of the period under review, with demand described as sufficient to absorb offerings. The London market was closed on Friday and Monday, owing to the Easter Holidays.

U. S. mine output of silver in February was estimated at 2,387,289 ozs., against 2,540,921 ozs. in January, the Bureau of Mines reports.

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

	Electrolytic Copper		Straits Tin,	Lead		Zinc
	Dom. Refy.	Exp. Refy.	New York	New York	St. Louis	St. Louis
April 3	21.225	23.300	80.000	15.000	14.800	10.500
April 4	21.225	23.300	80.000	15.000	14.800	10.500
April 5	21.225	22.675	80.000	15.000	14.800	10.500
April 7	21.225	22.750	80.000	15.000	14.800	10.500
April 8	21.225	23.425	80.000	15.000	14.800	10.500
April 9	21.225	22.675	80.000	15.000	14.800	10.500
Average	21.225	23.021	80.000	15.000	14.800	10.500

Average prices for calendar week ended April 5 are: Domestic copper f.o.b. refinery, 21.225c; export copper f.o.b. refinery, 22.863c; Straits tin, 77.500c; New York lead, 15.000c; St. Louis lead, 14.800c; St. Louis zinc, 10.500c, and silver 75.800c.

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.

Rising Cost of War to U. S. in 100 Years Cited

Figures were released by the War Department on April 8 showing the cost to the United States in lives and dollars in four wars against foreign powers in the past 100 years. The summary, issued in connection with observance of Army Week, emphasizes the Army's contention that preparedness is the best and cheapest insurance against war. The number of dead reported for the 100-year period was 526,081, Associated Press Washington advices stated, and the cost in money, $362,981,660,048. In reporting details of war costs during the century, special advices to the New York "Times" from Washington said:

World War II, with 10,200,000 military personnel participating took a toll of 313,000 lives and cost the country $340,000,000,000, or about 87.5% of the entire national wealth. And, by 1972, accruing costs directly connected with the war, such as veterans' benefits, etc., will raise the bill for World War II to an estimated $700,000,000,000.

The Mexican War, 1846 to 1848, cost $139,500,208, with 12,946 dead; the Spanish war, 1898-99, $992,159,840, and 6,472 dead, and World War I, 1917-21, $21,850,000,000, and 193,663 dead.

The precentage of costs in relation to the national wealth has risen from six-tenths of 1% in the Mexican War, to the 87.5% World War II.

Not only are "wars progressively a greater liability to the nation, but tend to highlight the axiom that adequate peacetime defense is, until effective international controls are established the only reliable deterrent to war," the War Department commented in releasing the figures.

Russian Gold Sold to U. S.

It was reported on April 4 that Russia is again selling large quantities of gold to the United States, last year rising to third place among nations whose shipments have increased the government stock of gold here to approximately three-fifths of the world total. Russian sales, which lapsed during the war, recommenced last April, Associated Press Washington advices stated, and continued:

The $33,729,000 Russia got for its gold in 1946 was in addition to more than $48,000,000 it netted on cash trade transactions with the United States last year.

Officials said today that the Treasury has to keep buying foreign gold so that the metal will continue to be freely accepted throughout the world as international currency.

Otherwise the United States would find itself holding the bag with a stockpile of more than 585,300,000 ounces, worth more than $20,485,000,000 at the United States value of $35 an ounce.

The Treasury buys all the gold (except former enemy-country gold) offered by governments or central banks of countries with which the United States maintains commercial relations. It pays the standard $35 an ounce.

Officials said the gold is accepted by the Treasury whether it is:

1. Swapped outright for dollars, to be used as the foreign country likes.

2. In payment for American goods or settlement of an unfavorable balance with the United States resulting from the gold seller's spending more for American goods than it gets for goods sold to the United States.

3. Put up in settlement of an unfavorable trade balance with a third country.

Revenue Freight Car Loadings During Week Ended April 5, 1947 Decreased 114,253 Cars

Loading of revenue freight for the week ended April 5, 1947 totaled 715,159 cars, the Association of American Railroads announced on April 10. This was an increase of 71,515 cars or 11.1% above the corresponding week in 1946, both of which weeks included coal mine labor difficulties, but a decrease of 50,513 cars or 6.6% below the same week in 1945.

Loading of revenue freight for the week of April 5, decreased 114,253 cars or 13.8% below the preceding week due largely to the coal miners work stoppage.

Miscellaneous freight loading totaled 384,953 cars, a decrease of 871 cars below the preceding week, but an increase of 17,685 cars above the corresponding week in 1946.

Loading of merchandise less than carload freight totaled 126,841 cars, an increase of 1,707 cars above the preceding week, but a decrease of 1,187 cars below the corresponding week in 1946.

Coal loading amounted to 64,830 cars, a decrease of 110,160 cars below the preceding week, but an increase of 31,212 cars above the corresponding week in 1946.

Grain and grain products loading totaled 49,189 cars, a decrease of 2,067 cars below the preceding week but an increase of 11,615 cars above the corresponding week in 1946. In the Western Districts alone, grain and grain products loading for the week of April 5 totaled 33,451 cars, a decrease of 1,988 cars below the preceding week but an increase of 8,597 cars above the corresponding week in 1946.

Livestock loading amounted to 12,739 cars, a decrease of 1,382 cars below the preceding week and a decrease of 3,267 cars below the corresponding week in 1946. In the Western Districts alone loading of livestock for the week of April 5 totaled 9,792 cars, a decrease of 1,278 cars below the preceding week, and a decrease of 2,578 cars below the corresponding week in 1946.

Forest products loading totaled 47,394 cars, a decrease of 3,109 cars below the preceding week but an increase of 4,744 cars above the corresponding week in 1946.

Ore loading amounted to 17,735 cars, an increase of 4,513 cars above the preceding week and an increase of 8,126 cars above the corresponding week in 1946.

Coke loading amounted to 11,478 cars, a decrease of 2,884 cars below the preceding week, but an increase of 2,587 cars above the corresponding week in 1946.

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

	1947	1946	1945
Four Weeks of January	3,168,397	2,883,863	3,003,655
Four Weeks of February	3,179,193	2,866,876	3,052,487
Five Weeks of March	4,170,420	3,982,240	4,022,088
Week of April 5	715,159	643,644	765,672
Total	11,233,174	10,376,623	10,843,902

The following table is a summary of the freight carloadings for the separate railroads and systems for the week ended April 5, 1947. During this period 87 roads reported gains over the week ended April 6, 1946.

REVENUE FREIGHT LOADED AND RECEIVED FROM CONNECTIONS (NUMBER OF CARS) WEEK ENDED APRIL 5

Railroads	Total Revenues Freight Loaded 1947	1946	1945	Total Loads Received from Connections 1947	1946
Eastern District—					
Ann Arbor	325	398	273	1,622	1,726
Bangor & Aroostook	4,256	3,042	2,982	484	431
Boston & Maine	7,571	7,632	6,990	14,383	14,273
Chicago, Indianapolis & Louisville	1,346	992	1,009	2,511	1,846
Central Indiana	18	39	28	34	47
Central Vermont	997	1,072	1,055	2,244	2,015
Delaware & Hudson	5,117	4,494	4,593	12,818	10,820
Delaware, Lackawanna & Western	7,323	8,071	7,352	9,255	9,199
Detroit & Mackinac	371	295	214	273	245
Detroit, Toledo & Ironton	2,804	2,172	1,659	1,562	1,220
Detroit & Toledo Shore Line	452	289	429	3,608	2,365
Erie	12,835	12,080	12,175	16,201	12,839
Grand Trunk Western	4,911	3,721	3,987	9,177	7,482
Lehigh & Hudson River	181	218	206	2,502	3,003
Lehigh & New England	1,621	2,237	1,717	1,479	1,291
Lehigh Valley	7,386	8,230	7,941	8,119	8,009
Maine Central	3,081	2,680	2,387	4,790	4,698
Monongahela	2,417	212	4,226	240	293
Montour	599	43	1,546	21	27
New York Central Lines	47,379	41,854	47,422	46,218	39,510
N. Y., N. H. & Hartford	10,092	10,494	10,251	15,565	15,351
New York Ontario & Western	980	940	952	2,419	3,030
New York, Chicago & St. Louis	7,493	5,923	6,466	14,298	12,312
N. Y., Susquehanna & Western	443	412	430	1,469	2,131
Pittsburgh & Lake Erie	5,699	6,179	7,490	6,900	3,292
Pere Marquette	6,863	5,648	5,040	8,408	6,581
Pittsburg & Shawmut	566	146	687	43	32
Pittsburg, Shawmut & Northern	27	141	170	2	117
Pittsburgh & West Virginia	370	248	775	2,660	1,966
Rutland	408	396	372	1,349	1,189
Wabash	6,402	5,589	5,945	12,157	10,649
Wheeling & Lake Erie	3,902	2,624	5,146	4,731	3,485
Total	154,235	138,511	151,915	207,542	181,474
Allegheny District—					
Akron, Canton & Youngstown	769	675	836	1,338	1,066
Baltimore & Ohio	37,278	28,547	40,324	24,128	21,756
Bessemer & Lake Erie	1,931	901	2,047	1,681	1,378
Cambria & Indiana	308	3	988	6	2
Central RR. of New Jersey	6,341	6,443	6,696	18,626	15,221
Cornwall	473	416	401	69	68
Cumberland & Pennsylvania	75	18	139	13	7
Ligonier Valley	25	0	64	6	10
Long Island	1,295	1,538	1,875	4,489	5,388
Penn-Reading Seashore Lines	1,892	1,682	1,998	2,044	2,202
Pennsylvania System	67,506	60,691	75,167	51,007	47,103
Reading Co.	13,846	14,348	14,795	24,402	21,574
Union (Pittsburgh)	18,347	14,950	18,837	4,068	2,352
Western Maryland	2,891	2,497	3,310	10,830	9,366
Total	152,982	132,889	167,477	142,707	127,493
Pocahontas District—					
Chesapeake & Ohio	12,146	8,034	21,328	11,310	9,571
Norfolk & Western	8,919	6,835	15,361	6,461	5,672
Virginian	838	637	3,150	2,088	1,271
Total	21,903	15,506	39,839	19,859	16,514

Railroads	Total Revenues Freight Loaded 1947	1946	1945	Total Loads Received from Connections 1947	1946
Southern District—					
Alabama, Tennessee & Northern	406	485	365	243	238
Atl. & W. P.—W. RR. of Ala.	977	891	969	2,146	2,053
Atlantic Coast Line	14,929	16,301	14,340	9,804	10,631
Central of Georgia	4,384	4,695	3,772	4,559	4,733
Charleston & Western Carolina	465	501	477	1,678	1,492
Clinchfield	1,204	834	1,486	3,051	2,386
Columbus & Greenville	387	396	274	267	298
Durham & Southern	117	113	94	644	544
Florida East Coast	2,712	4,171	3,550	1,635	1,725
Gainesville Midland	97	94	47	124	114
Georgia	1,259	1,378	1,205	2,181	2,247
Georgia & Florida	373	501	371	786	934
Gulf Mobile & Ohio	4,658	4,514	4,542	4,172	4,089
Illinois Central System	22,525	19,741	26,569	14,580	11,054
Louisville & Nashville	19,194	14,152	19,126	10,605	9,928
Macon, Dublin & Savannah	235	282	229	1,047	1,264
Mississippi Central	362	373	464	424	422
Nashville, Chattanooga & St. L.	3,251	3,238	3,372	4,198	3,902
Norfolk Southern	1,069	1,378	1,010	1,508	1,584
Piedmont Northern	426	458	433	1,737	1,424
Richmond, Fred. & Potomac	505	448	453	8,851	9,988
Seaboard Air Line	13,100	13,233	11,304	9,498	8,418
Southern System	25,684	24,667	23,056	23,740	22,056
Tennessee Central	728	505	648	849	591
Winston-Salem Southbound	139	129	130	886	839
Total	119,186	113,478	118,286	109,213	102,954
Northwestern District					
Chicago & North Western	16,558	15,396	17,827	15,103	13,307
Chicago Great Western	2,315	2,542	2,308	3,679	3,052
Chicago, Milw., St. P. & Pac.	20,143	18,666	19,168	10,907	9,766
Chicago, St. Paul, Minn. & Omaha	3,296	3,543	3,162	4,474	3,442
Duluth, Missabe & Iron Range	1,414	1,000	10,921	303	315
Duluth, South Shore & Atlantic	501	487	497	768	620
Elgin, Joliet & Eastern	8,597	8,061	8,984	10,267	8,148
Ft. Dodge, Des Moines & South	476	454	350	175	106
Great Northern	11,727	9,880	14,242	5,796	4,736
Green Bay & Western	482	415	411	1,006	890
Lake Superior & Ishpeming	221	204	1,634	100	68
Minneapolis & St. Louis	1,737	1,610	1,830	2,684	2,235
Minn., St. Paul & S. S. M.	5,161	4,820	4,544	3,956	3,608
Northern Pacific	10,304	8,646	9,693	5,413	4,474
Spokane International	161	84	240	641	497
Spokane, Portland & Seattle	2,741	2,254	2,413	3,136	2,396
Total	85,834	78,062	98,224	68,408	57,660
Central Western District—					
Atch. Top. & Santa Fe System	25,125	22,286	24,834	10,469	9,972
Alton	3,074	2,442	3,918	3,590	3,092
Bingham & Garfield	220	3	382	94	3
Chicago, Burlington & Quincy	17,458	15,588	18,360	12,740	10,336
Chicago & Illinois Midland	515	182	2,580	854	830
Chicago, Rock Island & Pacific	13,159	12,355	11,398	14,695	12,146
Chicago & Eastern Illinois	2,264	1,951	2,303	3,364	4,204
Colorado & Southern	561	556	599	1,991	1,494
Denver & Rio Grande Western	1,975	1,333	2,899	4,423	2,992
Denver & Salt Lake	327	125	337	43	90
Fort Worth & Denver City	1,185	924	973	1,542	1,370
Illinois Terminal	2,308	1,963	2,480	1,769	1,570
Missouri-Illinois	1,107	990	984	582	542
Nevada Northern	1,636	1,338	1,318	134	93
North Western Pacific	839	522	673	562	523
Peoria & Pekin Union	10	20	2	0	0
Southern Pacific (Pacific)	29,216	28,288	28,582	10,111	9,615
Toledo, Peoria & Western	135	0	258	194	0
Union Pacific System	16,473	13,023	16,178	12,385	10,396
Utah	199	3	380	5	0
Western Pacific	1,523	1,924	1,820	3,296	2,461
Total	119,309	105,816	121,258	82,843	71,729
Southwestern District—					
Burlington-Rock Island	423	223	367	677	440
Gulf Coast Lines	5,773	5,748	6,561	3,142	2,454
International-Great Northern	2,371	2,347	2,424	4,614	4,131
†K. O. & G.-M. V.-O. C.-A.-A.	1,086	1,246	1,223	2,189	1,810
Kansas City Southern	2,909	3,161	4,873	3,263	3,284
Louisiana & Arkansas	2,415	2,454	2,543	2,681	2,411
Litchfield & Madison	325	338	314	1,375	1,154
Missouri & Arkansas	§	197	119	§	346
Missouri-Kansas-Texas Lines	5,378	5,328	7,041	4,798	4,365
Missouri Pacific	15,477	13,538	14,541	16,812	14,012
Quanah Acme & Pacific	139	150	89	263	166
St. Louis-San Francisco	8,576	8,007	8,515	7,542	6,949
St. Louis-Southwestern	2,643	2,669	3,108	5,577	4,842
Texas & New Orleans	9,660	9,376	10,803	6,380	5,080
Texas & Pacific	4,443	4,478	6,022	7,906	6,974
Wichita Falls & Southern	70	91	95	52	58
Weatherford M. W. & N. W.	22	31	35	15	17
Total	61,710	59,382	68,673	67,286	58,493

†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 1947—Week Ended	Orders Received Tons	Production Tons	Unfilled Orders Remaining Tons	Percent of Activity Current	Cumulative
Jan. 4	196,927	142,338	588,406	85	85
Jan. 11	171,420	173,043	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	574,356	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
Mar. 29	160,450	180,729	549,774	102	100
Apr. 5	228,306	181,064	597,373	102	102

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, and other items made necessary adjustments of unfilled orders.

Borrowings on N. Y. S. E. in March

The New York Stock Exchange announced on April 3, 1947, that as of the close of business on March 31, 1947, the total of money borrowed from banks and trust companies in the United States amounted to $301,958,883, compared with the figures for Feb. 28 of $290,855,802. Advices from the Exchange follow:

The total of money borrowed from banks, trust companies and other lenders in the United States, excluding borrowings from other members of national securities exchanges, (1) on direct obligations of or obligations guaranteed as to principal or interest by the United States Government, $101,427,521; (2) on all other collateral, $200,531,362; reported by New York Stock Exchange Member Firms as of the close of business March 31, 1947 aggregated, $301,958,883.

The total of money borrowed, compiled on the same basis, as of the close of business February 28, 1947 was (1) on direct obligations of or obligations guaranteed as to principal or interest by the United States Government, $86,301,025; (2) on all other collateral, $204,554,777; total, $290,855,802.

Results of Treasury Bill Offering

The Secretary of the Treasury announced on April 14 that the tenders for $1,100,000,000 or thereabout of 91-day Treasury bills to be dated April 17 and to mature July 17, which were offered on April 11 were opened at the Federal Reserve banks on April 14.

Total applied for $1,693,278,000.

Total accepted $1,108,078,000 (includes $20,798,000 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.

(64% of the amount bid for at the low price was accepted.)

There was a maturity of a similar issue of bills on April 17 in the amount of $1,315,701,000.

Weekly Lumber Shipments 4.3% in Excess of Output

According to the National Lumber Manufacturers Association, lumber shipments of 399 mills reporting to the National Lumber Trade Barometer were 4.3% above production for the week ended April 5, 1947. In the same week new orders of these mills were 4.3% above production. Unfilled order files of the reporting mills amounted to 75% of stocks. For reporting softwood mills, unfilled orders are equivalent to 28 days' production at the current rate, and gross stocks are equivalent to 35 days' production.

For the year-to-date, shipments of reporting identical mills were 10.8% above production; orders were 18.4% above production.

Compared to the average corresponding week of 1935-39, production of reporting mills was 15.0% above; shipments were 17.8% above; orders were 15.0% above. Compared to the corresponding week in 1943, production of reporting mills was 11.7% above; shipments were 16.5% above; and new orders were 13.4% above.

Items About Banks, Trust Companies

Thomas J. Shanahan, President of the Federation Bank and Trust Company of New York reported as of March 31, 1947 deposits of $32,782,889, and total resources of $37,295,211 against $35,274,886 and $39,756,147 respectively as of Dec. 31, 1946. Cash on hand and due from banks amounted to $7,946,-727 against $9,250,949. Holdings of United States Government securities totaled $7,763,347 against $9,890,655. Loans and discounts were $12,347,250 against $11,668,-949. Capital of 1,500,000 and surplus of $1,500,000 remained unchanged, and undivided profits had been increased from $561,407 to $574,343.

The opening on April 14 of the new office of the Bank of the Manhattan Company at 185 Montague Street, was attended by many civic leaders and prominent citizens of Brooklyn. This office replaces the one which had been located at 26 Court Street, Brooklyn, since 1928. These new, modern and fully equipped banking quarters, located in the heart of the proposed Brooklyn Civic Center, are regarded as an expression of the faith of the Bank of the Manhattan Company in the future of the ever progressive Borough of Brooklyn.

At a regular meeting of the Board of Directors of The National City Bank of New York held on April 15, Harold L. Hammond and Dwight Smith were appointed Assistant Cashiers.

On April 7 the Brooklyn Savings Bank of Brooklyn, N. Y., first savings bank to be organized in Brooklyn and Long Island, celebrates the 120th anniversary of its founding, it was announced by Gilbert C. Barrett, President. The Brooklyn "Eagle" of April 7, from which the foregoing is taken, also had the following to say, in part:

> Incorporated by the State Legislature on April 7, 1827, the bank conducted its affairs several evenings a week at the very beginning because, according to Mr. Barrett, there wasn't enough business to justify full-time operation.
>
> Today it serves 66,000 depositors and its assets total $123,000,000. Its first branch, at Bay Ridge Parkway and 13th Ave., is expected to be in operation by the end of the year.
>
> The bank's first quarters were in the Apprentices' Library Building, Henry and Cranberry Streets.
>
> The bank built is own building at Fulton and Concord Streets in 1848 and remained there for 46 years. In April of 1894 it moved to its present location at Pierrepont and Clinton Streets.
>
> Mr. Barrett, who is the 11th President, took office on Jan. 23, 1947, succeeding Adrian Van Sinderen, a great-great-grandson of the first President.
>
> He said that in 120 years of business the Brooklyn Savings Bank has paid out more than $129,000,000 in dividends to its depositors.

The First National Bank & Trust Company of Tuckahoe, N. Y., on March 27 increased its capital from $100,000 to $300,000 by a stock dividend of $200,000 and from $300,000 to $500,000 by the sale of $200,000 of new stock. This was reported in the March 31 Bulletin of the Office of the Comptroller of the Currency.

John C. Bates, Vice-President of Marine Midland Group Inc., has been elected a Vice-President of the Marine Trust Company of Buffalo, President Charles H. Diefendorf announced on April 7. In the Buffalo "Evening News" of April 7 it was noted that Mr. Bates has been a Vice-President of Marine Midland Group since 1930 and has been connected with Marine Trust Company and affiliated organizations since 1922. The same advices said that as Vice-President of the group he has had supervision of loans and credits for the Marine Midland banks. He is a director of the Robert Morris Associates.

Announcement is made by the National Rockland Bank of Boston that William T. King recently became associated with the bond department of the bank. We quote from the Boston "Herald" of April 9, which also reported:

> Before the war he was associated with the First Boston Corp. as Assistant Manager of the municipal department of the Boston office. Later, he joined F. S. Moseley & Co. as Manager of their Boston municipal department. He is a former President of the Municipal Bond Club of Boston. During the war he served three years in the Naval Air Force.

Chester W. Ewing retired on April 1 as Assistant Treasurer of The New Haven Savings Bank of New Haven, Conn., after 34 years' association with the bank. According to the New Haven "Register," Mr. Ewing joined the bank staff in 1913, and served successively as teller, head bookkeeper and Assistant Secretary before being elected Assistant Treasurer.

Payment of dividends on its common stock, 25 cents a share for the first quarter of 1947, was resumed on April 1 by the National State Bank of Elizabeth, N. J., it was stated in the Newark "Evening News" of April 2, which added that:

> It was the first dividend paid on that stock in 15 years, officials said.
>
> John Kean, President, said it was equivalent to an annual dividend of 4% on the $25 par stock. Shareholders were advised that, for the immediate future, dividends at that rate are contemplated, payable hereafter at the rate of 50 cents a share April 1 and October 1.

The new banking building of the Real Estate Trust Company of Philadelphia, a three-story structure in which an attempt is being made to re-create a bit of old Philadelphia, is expected to be completed in November, it has been announced. While it follows the colonial style of the Independence Hall group, the building will have the most modern facilities, according to Frank C. Roberts, Jr., President of the institution. As an example, the Otis Elevator Company is installing a passenger elevator with collective control, 2,500-pound capacity, 200-foot-per-minute speed, and automatic doors, with self-leveling of the car at each floor and other features, and one of its latest model freight elevators. In addition, there will be an electrically-operated Otis dumbwaiter, for carrying cash and securities directly from the tellers' cages to the vault. It is believed this is possibly the first time a dumbwaiter has been installed in just this way. The building is under construction at the southwest corner of 15th and Sansom Streets. Sydney E. Martin is the architect, and John P. Hallahan is the general contractor.

John L. Meighen, formerly Bank Auditor, was elected Comptroller of the Colonial Trust Company of Pittsburgh, Charles A. McClintock, President, announced on April 12, it was made known in the Pittsburgh "Post Gazette" of April 12, which also said:

> Mr. Meighen has been associated with the Colonial Trust Company since 1939.
>
> He succeeds George R. Haas, who recently retired as Comptroller.

The Berks County Trust Company of Reading, Pa., has sold 53,200 shares of stock, Sidney D. Kline, President, announced on April 3. Advices from Reading to the Philadelphia "Evening Bulletin" indicating this went on to say:

> As a result of the sale, capital of the bank was increased $266,000 to $2,500,000 from $2,-234,000, while the surplus was boosted by $372,400 to $2,606,400 from $2,234,000. Directors also transferred $18,600 from undivided profits to surplus to bring the total surplus to $2,625,000.

Vernon G. Peirson, Pacific Coast Manager since 1929 for the Fidelity and Deposit Company of Maryland and its affiliate, the American Bonding Company of Baltimore, has been elected a Vice-President of both companies. He will continue as before to be connected with the companies' Pacific Executive Office in San Francisco. A native Marylander, Mr. Peirson has been a member of the F&D's field organization since 1920. Prior to going to the west coast in 1926, he had served for five years as Manager of the F&D's branch in Syracuse, N. Y.

The election of William L. Paul as an Assistant Vice-President of the Ohio Citizens Trust Co. of Toledo, Ohio, was announced on April 1 by Willard I. Webb, Jr., President of the institution, it is learned from the Toledo "Blade," whose Business Editor, Frank Skeldon, said:

> Following his graduation from college in 1930, Mr. Paul became associated with the National City Bank of New York and, in 1934, with the Federal Reserve Bank of New York. Later he was employed by the Reynolds Metals Co. in the financial department.
>
> Mr. Paul entered the U. S. Navy in December, 1942, and served until November, 1945, holding the rank of Lieutenant at the time of his release.

The Corn City State Bank of Deshler, Henry County, Ohio, has become a member of the Federal Reserve System, it was announced on April 14 by President Ray M. Gidney of the Federal Reserve Bank of Cleveland. The announcement states that:

> "The Corn City State Bank, founded in 1911, is capitalized with $30,000 common stock and $50,000 capital debentures, has a surplus of $20,000 and deposits totaling $2,069,000. The bank serves a population engaged chiefly in railroading, cattle feeding and general farming. Its officers are: H. L. House, President; T. B. King, Vice-President; H. L. Challen, Cashier, and B. C. King, Assistant Cashier. Directors of the bank are: H. L. House, President since 1914; T. B. King, Vice-President and also postmaster of Deshler; H. L. Challen, Cashier; W. S. House, Mildred King and R. W. Buck."
>
> At the same time the Reserve Bank said:
>
> "Member banks in the Fourth [Cleveland] Federal Reserve District now total 724. They hold more than 86% of the total bank assets and about 85% of the total bank deposits in the district."

Through the sale of $100,000 of new stock, the Old Phoenix National Bank of Medina, Ohio, has increased its capital from $400,000 to $500,000, effective March 24, it is learned from the Comptroller of Currency's weekly bulletin.

Effective April 3 the National Security Bank of Chicago has increased its capital from $500,000 to $600,000 by the sale of $100,000 of new stock, it was stated in the March 31 Bulletin of the Office of the Comptroller of the Currency.

Through a stock dividend of $100,000, the Merchants National Bank & Trust Company of Fargo, North Dakota increased its capital on March 27 from $150,000 to $250,000, the Office of the Comptroller of the Currency reported.

The election of Lewis W. Cole as a director of United States Trust Company of Louisville, Ky., was announced on April 7 by A. B. Comstock, President of the institution, according to the Louisville "Courier Journal" which also said:

> Active in business and civic life of the community for many years, Mr. Cole in 1918 organized the Piggly Wiggly Valley Company and was its President until it was sold to Kroger Grocery & Baking in 1928. Until 1934, Mr. Cole was President of Bernheim Distillery. In 1931, he organized the Steiden Stores, of which he was Chairman of the Board until its sale in 1945 to Winn and Lovett. Mr. Cole is President of Point of Sale, Inc., a merchandising organization.

Directors of Bank of America at San Francisco, at their regular monthly meeting, were informed by L. M. Giannini, President, that while deposits in the first quarter of this year declined seasonally, total deposits of the bank other than War Loan deposits as of March 31, 1947, showed a gain of $279,649,000 over a year ago. Loans on March 31, 1947, totaled $1,928,-263,000, showing a gain of $847,-246,000 over a year ago. Total resources at March 31, 1947, are reported as $5,538,321,000 as compared with $5,538,894,000 on March 31, 1946. War Loan deposits decreased $335,347,000 in the same period. Capital funds, after amortization and depreciation, increased $11,842,000 in the first quarter of this year as contrasted with a gain of $8,257,000 for the first quarter of last year on a comparable basis.

Meeting of Institute of Industrial Banking

The dates for the 1947 Institute of Industrial Banking and the convention of the American Industrial Bankers Association have been announced as June 9, 10, 11, and 12, the meeting to be held at Denver, Colo.

The tentative program for the Institute and convention calls for a meeting of the board and registration on Monday morning, June 9, with the first formal session of the Institute on Monday afternoon, following a luncheon meeting. An informal session is scheduled for Monday night. Morning, luncheon and afternoon sessions of the Institute will be held on Tuesday, with the annual banquet Tuesday evening. Wednesday morning's institute session will be followed by a pleasure trip to Echo Lake, in the mountains above Denver, in the afternoon and a buffalo steak roast that evening. The Institute will close with a session on Thursday morning, June 12 and a luncheon meeting at noon. Thursday afternoon has been set aside for the annual business meeting of the Association, when the election of directors and officers will take place, and at which the selection of the site for the 1948 Institute and convention will be decided.

Resume Rubber Trad'g On Commodity Exch.

Crude rubber futures trading, in suspension since February 6, 1942, because of the war emergency, will be resumed on the Commodity Exchange, Inc., on Thursday, May 1, the Exchange's Board of Governors announced on April 1. In making this announcement the Exchange said:

> Rubber was restored to private industry through adoption by Congress last week of the Crawford bill, which continued consumption and inventory controls of the commodity another year but specifically ended exclusive government buying and importing of crude rubber last Monday, (March 31).

The trading unit, an exchange official said, would be ten long tons, as it was before the war, with delivery at New York City of four tenderable grades, of which No. 1 ribbed smoked sheets will be basic, No. 1X ribbed smoked sheets at five points premium, No. 2 at 50 points discount and No. 3 at 100 points discount.

First delivery month, at the reopening, the Governors decided, will be September 1947 followed by each succeeding month up to and including July, 1948.

Crude rubber futures trading went into Commodity Exchange, Inc., consolidated market in 1933. Previously, it was conducted on the separate Rubber Exchange of New York, Inc., founded in 1926. Rubber was declared a strategic and critical material necessary to the national safety in the summer of 1941 and the government took over control of the commodity Aug. 13 of that year. Free trading was suspended as of that date "for the duration" and all open interest in futures was liquidated later under government price supervision and the market placed in complete inactivity early in 1942.

Since 1910, the price of spot crude natural rubber at New York has fluctuated between a high of $3 per pound in that year to a low of 25/8c per pound in 1932. When the free market was suspended in 1941, the Government-fixed price at New York stood at 22½c per pound. This same price was resumed when Japanese invaders were driven out of the Middle East producing lands but recently was raised by the government to 25¾c per pound. The competitive material, synthetic rubber, made in government-owned American plants, currently is selling for 18½c per pound.

Rubber is to become the second "open market" commodity traded on Commodity Exchange, Inc., since the war. Raw hides futures resumed trading on the exchange Nov. 19, 1946. Other commodity futures traded on the exchange before the war were raw silk, copper, lead, tin and zinc.

Money in Circulation

The Treasury Department in Washington has issued its customary monthly statement showing the amount of money in circulation after deducting the money held in the U. S. Treasury and by Federal Reserve Banks and agents. The figures this time are those of Feb. 28, 1947, and show that the money in circulation at that date (including of course, that held in bank vaults of member banks of the Federal Reserve system) was $28,303,507,022 as against $28,262,-149,666 on Jan. 31, 1947, and $27,-954,295,890 on Feb. 28, 1946, and compares with $5,698,214,612 on Oct. 31, 1920. Just before the outbreak of the first World War, that is, one June 30, 1914, the total was $3,459,434,174.