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Governor Dewey Defends His Legislative Program

In public address, he upholds measure prohibiting strikes by public employees and scorns "political reprisals." Cites state rent controls and asserts "labor knows it gets a square deal in New York."

Governor Thomas E. Dewey on April 19 broadcast an address over the radio in which he reported on the legislation enacted at the last session of the New York Legislature and approved by him. He gave considerable attention to the Condon-Wadlin bill prohibiting strikes by public employees, and defied threats of political reprisals against him for approving the measure.

Thomas E. Dewey

Text of Address

The text of the Governor's address follows:

Tonight I want to talk with you about the widely discussed Condon-Wadlin public-strike bill and a number of other measures. By each of these your State Government has greatly strengthened its ability to assure to our people the largest measure of liberty, of security and of opportunity.

Some people violently opposed the Condon-Wadlin bill because they thought it did too much and some people strongly favored it because they hoped it did too much. Neither group was right and its terms are very clear. It provides simply that the employees of the government of your State and its localities may not strike against their government. It applies, of course, only to the employees of government and as a matter of fact it always has been the law that employees of government have no right to strike.

Until recently it seemed that this was beyond argument. Everybody who ever took the trouble to read the law learned quickly that the failure of any public employee fully and faithfully to perform his duties was cause for dismissal. All of the employees of the State with whom I am acquainted always understood this and I believe it had always been assumed by the public.

Law Essential

But a series of recent even's made it clear that unless the law was restated clearly and simply for all to understand, and with specific penalties for its violation, we should go on to an increasingly

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Financing Corporations

By JAMES M. KILLPACK*

Vice-President, Central National Bank of Cleveland

Asserting banks, as a whole, are taking care of short and medium term credit requirements of industries, Mr. Killpack describes current financial procedure of corporations. Stresses importance of supplying short term loans to business by commercial banks. Points out term loans by banks do not have as satisfactory records as short term transactions and may bring disaster to both borrower and lender. Sees no advantage to industries in obtaining loans from insurance companies and attacks government direct lending. Advocates caution in corporation borrowing.

I am thoroughly convinced that a balance sheet supplying the consolidated judgment of industrial members of this club would furnish the banker members with an excellent yardstick for the measurement of credit and the financing of industry.

James Killpack

You men are well along in the book, however, and I am not posing as a judge but perhaps together we can develop some thought-starters.

Civilization is on the verge of the last half of the 20th Century. Some facts about the American century may be interesting. At this time our national income is running at the rate of $160 billions annually. This is ten times our national income of 1900.

The U. S. public debt is in excess of $260 billions, a sum almost beyond comprehension. It is 200 times the public debt of 1900 which stood at one and one-quater billion. That one and one-quarter billion dollars, by the way, is only about 60% of Cleveland's present bank deposits and only slightly in excess of a loan arranged by a group of U. S. banks for the General Motors Corporation during World War II.

During the early 20's our nation was able to reduce its public debt each year out of total receipts of less than $5 billion per annum. It now appears that there is little left for debt reduction out of receipts in excess of $40 billions.

In the early years of the cen-

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*An address by Mr. Killpack before the Cleveland Treasurers Club, Cleveland, Ohio, March 26, 1947.

Says Private Int'l Investing Prospects Are Enormous

Professor Angell maintains world will need $35 billion in next 8 to 10 years, in addition to $15 billion already granted since War's end. Predicts largest part will come from American private investors, and that all loans can be repaid.

The possibilities for American private investors for making safe international loans on a large scale were strikingly outlined by James W. Angell, Professor of Economics at Columbia University, before the Academy of Political Science in New York City on April 17.

"In 1914, American foreign investment totaled only $2.5 billion gross. By 1929 it had reached nearly $15 billions," said Dr. Angell. "But during the 1930's American investors abroad suffered substantial losses and disappointments, and by the beginning of the war the total figure had dropped to $11.5 billions. These losses, however, were due in substantial measure to our own actions. A considerable part of the investments were badly planned or were made at exorbitant rates; we had greatly intensified economic disturbances in other countries by pumping capital abroad in boom times, and then pulling it back when activity abroad slacked off; and our whole commercial policy had made it extremely difficult for our foreign debtors, even with the best will in the world, to repay us. These grave defects in our international commercial and financial policies played an important part in precipitating the economic collapse of many foreign countries in the early 1930's, and in provoking the growth of trade and exchange restrictions abroad.

"The world's present legitimate requirements for international investment are enormous," continued Professor Angell. "The money is needed for postwar repair and

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As We See It

EDITORIAL

Those "Inalienable Rights" of Labor

One might suppose from much that is being said today that the "right" to behave as they have of late years been doing had been handed down to the labor unions from Sinai on tablets of stone at or near the beginning of time. And some such impression appears to be fairly general among the uninformed, or at least among many of them. Yet nothing could be much further from the fact.

The truth of the matter is that for some half a century after the Declaration of Independence strikes were unlawful in any form or for any purpose. Further, much that now goes to constitute the ordinary garden variety of strike and its accompaniments, is still unlawful almost everywhere in the United States, if not everywhere. There is, of course, no "right" to strike (as there is no other right) except as it is conferred by the body politic, and the same body politic which gave is fully able to take away. To labor unions it has given most generously during the past century, particularly during the past half century. Abuse of the privileges bestowed upon labor unions and upon no other element in the population is not a particularly good way to encourage such liberality. The "labor legislation" which has been enacted in a number of states, and the movement now under way at Washington to enact sweeping measures having to do with labor unions, is a direct result of that abuse. It is, of course, sheer historical nonsense (or just plain nonsense) to assert that any "God-given" rights are involved.

We Changed Our Minds

The change in the common law status of labor unions during the 19th century—or at least the sophistical reasoning by which these changes were defended—does the legal mind little credit. Much the same may be said of a very large part of the defense of statute law changes. But such weaknesses as these probably are but a rather sad commentary

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From Washington Ahead of the News

By CARLISLE BARGERON

Regardless of how much enthusiasm Mr. Truman may be creating among the Democrats and New Dealers over his supposed enhanced prospects, he is riding for considerable embarrassment in his stand against tax reduction. It is doubtful if the House Republicans will succeed in cutting his budget as much as the $6 billion they promised but they will reach the Senate figure of $4½ billion, if they do not exceed it.

Carlisle Bargeron

The two bodies have not yet got together on the ceiling, and perhaps it is just as well. But the fact that the Senate stands committed to a reduction of $4½ billion makes it unlikely that it will restore any of the House cuts. If it does it will have to make some new ones to remain within its own limitation.

A $4½ billion saving in the Truman budget together with a Treasury surplus at the end of the fiscal year expected to amount to $3 or $4 billion will make the Truman stand against tax reduction look rather ridiculous. The Republicans knew all the while there would be this surplus. Mr. Truman probably knew it, too. Since time immemorial, back in the days when the Treasury had surpluses, the Administration in power has always underestimated them. It does this understandably with a view to heading off bright ideas of what to do with them, such as a bonus for the veterans, etc. But with his knowledge of this, Mr. Truman is considered by the political observers hereabouts, to have used some pretty bad judgment.

The expected propaganda barrage against the $139 million cut by the House in the Interior De-

(Continued on page 7)

Truman Reports Surplus in Current Budget

In statement from White House he estimates $1¼ billion revenue excess. Ascribes situation to government economies and high profits and prices.

On April 19, President Harry S. Truman issued a statement on the budget situation for the fiscal year ending June 30, 1947. In the statement the President estimated there will be a surplus of about $1.25 billion instead of the $2.3 billion deficit expected last January, when he sent his budget message to Congress.

President Truman

Text of Statement

The text of the statement follows:—

"Revised estimates now indicate that there will be a surplus of about $1.25 billion in the fiscal year 1947. This is a sharp improvement over the estimated deficit of $2.3 billion shown for fiscal 1947 in the budget document last January.

"The improvement is due to two factors. First of all, we have been able to hold expenditures below earlier expectations. While some items, such as refunds, terminal leave payments and international payments, will exceed the earlier estimates, these increases will be more than offset by reductions in the areas where economy is possible.

"It is now estimated that expenditures will amount to about $41.25 billion in the fiscal year, or $1.25 billion lower than the estimate last January.

"I have required the major departments of the government to limit their expenditures to the fullest possible extent. Economies in the War and Navy Departments and in the public works expenditures of the government have contributed substantially to the reduced estimate for expenditures.

"The second factor accounting for the improved budgetary situation is that revenues have been running ahead of our earlier estimates. It now appears that receipts of the government will amount to $42.5 billion in fiscal 1947—an increase of $2.3 billion above the January estimate. This has been due to the extraordinary high levels of economic activity that have been achieved—and also, I regret to say, to the sharp increase in prices that has taken place since the removal of controls. This has inflated the entire economic structure and currently is resulting in very sharply increased corporate profits.

"Arrangements have been made to add a new section to the daily Treasury statement, effective immediately, comparing the budget estimates for this fiscal year with the actual figures to date each day. This comparison now shows a surplus for the fiscal year to April 15 of $2.6 billion, or more than $1 billion in excess of the new estimate for the entire fiscal year. This is because of an important concentration of expenditure in the last part of the fiscal year. For example, the heaviest payments of interest on the public debt are made in the month of June. Also, there will be large payments to the National Service Life Insurance fund during the last part of the fiscal year. These and other items account for the difference between the surplus now shown in the daily Treasury statement and the expected surplus for the entire fiscal year.

"I have stated on many occasions my firm resolve to balance the budget and provide for reduction of the public debt. Now that we are achieving a balanced budget I want to emphasize the need for reducing the public debt to the fullest possible extent now, while times are good. A good start has been made on this objective by bringing the debt down from its all-time peak of almost $280 billion to the present level of $258 billion. The soundness of our policies in managing the debt is evident from the fact that almost all the reduction to date has occurred in the holdings of Federal securities by banks. But the most important thing we can do in debt management today is to continue to reduce the debt as rapidly as possible.

"It is natural for taxpayers to wish to see taxes reduced. But to do this now would promote inflation, so that the benefits of any reduction would be largely dissipated."

Debt and Taxes

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"It is natural for taxpayers to wish to see taxes reduced. But to do this now would promote inflation, so that the benefits of any reduction would be largely dissipated."—President Truman.

What the President apparently does not understand is that the debt could be reduced the more rapidly and, perhaps, taxes also reduced if expenditures were really cut to the bone or at least somewhere near it.

Russia Agrees to Lend-Lease Settlement

Very shortly, after Soviet Ambassador Nikolai V. Novikov returns to Washington from Moscow, negotiations are scheduled to begin toward settlement of Russia's $11,297,883,000 Lend-Lease account with the United States, with Mr. Novikov heading the Russian delegation. The Soviet's agreement to settle the account comes after fourteen months of prodding and six American notes, Associated Press, Washington advices pointed out on April 14. The disclosure raised the possibility that Moscow may be planning to renew its request for a $1,000,000,000 American loan. The talks are to determine how much Russia is to pay for the material and equipment supplied her by the United States from Mar. 11, 1941, to Sept. 30, 1946 From Associated Press Washington advices, April 14, we quote:

Officials said that Russia received a larger share proportionately of civilian-type goods than did Britain or France. France was allowed 30 years to pay $720,000,000, the amount negotiators figured the French owed on their Lend-Lease bill, and Britain 55 years to pay $650,000,000.

Both countries, however, supplied the United States considerably more in reverse Lend-Lease than hard-pressed Russia, which returned only $2,213,000.

The State Department said that American Ambassador to Moscow Walter Bedell Smith was assured orally April 5 that Moscow was agreeable to starting the long delayed settlement talks. Smith had personally sought action after previous notes on the subject had been ignored by the Soviet Foreign Office.

A State Department spokesman said that although the $1,000,000,000 loan request was not on the agenda, the Russians presumably could inject it into the conversations.

March Cotton Consumption

The Census Bureau at Washington on April 17 issued its report showing cotton consumed in the United States, cotton on hand and active cotton spindles in the month of March.

In the month of March, 1947, cotton consumed amounted to 875,124 bales of lint and 88,745 bales of linters, as compared with 840,463 bales of lint and 80,441 bales of linters in February and 804,290 bales of lint and 95,461 bales of linters in March, 1946.

In the eight months ending Mar. 31, cotton consumption was 6,919,450 bales of lint and 663,435 bales of linters, which compares with 5,957,068 bales of lint and 701,697 bales of linters in the corresponding period a year ago.

There was 2,257,524 bales of lint and 309,907 bales of linters on hand in consuming establishments on March 31, 1947, which compares with 2,250,615 bales of lint and 303,473 bales of linters on Feb. 28, and 2,391,275 bales of lint and 356,982 bales of linters on March 31, 1946.

On hand in public storage and at compresses, on March 31, 1947, there were 3,354,119 bales of lint and 66,653 bales of linters, which compares with 4,282,547 bales of lint and 72,322 bales of linters on Feb. 28, and 8,616,252 bales of lint and 53,527 bales of linters on March 31, 1946.

There were 21,953,050 cotton spindles active during March, which compares with 21,954,340 cotton spindles active during February, 1947, and with 21,413,108 active cotton spindles during March, 1946.

Senator Murray Scores Labor Bill

Says Senate measure will have unsettling effect upon present labor relations and will bring about more interference of courts and government in labor disputes. Denounces restrictions on collective bargaining by supervisory employees.

Senator James E. Murray (D.-Mont.), a member of the Senate Labor and Public Welfare Committee, issued the following statement on April 17 on the labor relations bill recently approved by a majority of the Committee:

Sen. Jas. E. Murray

"I have been unable to join the Majority members of the Committee who have voted to report the Taft Bill as amended by the Committee. It goes far beyond anything suggested by President Truman, as necessary legislation, in his Message on the State of the Union of Jan. 6, 1947, which included a comprehensive program which I should have been glad to support. In my judgment, many of the provisions of the proposed legislation can only have an unsettling effect upon our present labor relations problem and go well beyond any demonstrated need. Much of the bill would have the effect of undermining collective bargaining in large sectors of American industry.

"The provisions of the bill can be interpreted by the courts to prevent workers from striking to protect their wages and standards of living from unfair sweatshop competition. The bill completely denies to supervisors any protection under Federal labor legislation. It will compel supervisory employees to strike for recognition instead of permitting them to protect their bargaining rights through orderly procedure established by the government.

"I do not feel that depriving these men who are among the most skilled and conscientious workers of the country of all benefits under Federal legislation is an answer to the difficult problem of the relations between supervisors and management.

"The measure, as reported out, also goes undesirably far in opening the door to undue interference by the courts in labor problems. The outcry against 'government by injunction' which resulted in the passage of the Norris-LaGuardia Act arose, among other things, from a recognition of the fact that courts lacked the specialized administrative experience necessary to the handling of labor problems. By allowing courts to issue injunctions in certain types of labor disputes, the bill will in a measure restore the conditions which existed before the passage of the Norris-LaGuardia Act.

"The bill also provides for a substantial Federal interference in the internal affairs of labor organizations, a matter concerning which the Committee has made no adequate study.

"I stand ready to join in any constructive legislation dealing with labor problems but cannot accept measures, the principal effect of which is to undermine labor unions and weaken collective bargaining and further demoralize the labor management relations of the country."

Wagner Condemns New Labor Bills

Author of present Labor Law claims selfish interests aim to increase power and wealth at expense of labor. Sees threat to United States social gains.

Addressing the Sheil School of Social Studies in Chicago, where he received the Fourth Annual Pope Leo XIII Award for outstanding contribution to Christian social education on April 17, Senator Robert F. Wagner, author of the Wagner Labor Act, denounced "selfish forces" that have "seized upon this time of confusion to increase their power and wealth at the expense of the laborer." He contended the proposed new legislation by Congress threatened to destroy the social gains of the last few years. "Under the the guise of correcting inequities in existing law, they strike at the very heart of the protections against social and economic injustice that have been so laboriously created over the years," he stated.

"We have only begun our labor to improve the conditions of life of those who toil, to mitigate the effects on them of economic instability, and to remove the causes of civil conflict," Senator Wagner remarked and added:

"Millions of our citizens who stand in the need of the benefits of social security have yet to have them granted. The worker has not yet been adequately protected against the effects of cyclical depressions that in the past proved so devastating to him."

Senator Wagner also attacked communism and totalitarianism as "attempting to achieve social justice by destroying liberty."

The Senator's speech was delivered by his son, Robert F. Wagner, Jr. The Senator was present but said his physician has advised him to avoid the strain of public speaking.

Says Security Search Can Become "Selfish and Softening Thing"

The Rev. Dr. Ralph W. Sockman in his sermon at Christ Church (Methodist) in New York City on April 20, said that the search for security could become "a selfish and softening thing" according to the New York "Times" of April 21, which further indicated Dr. Sockman as saying:

Dr. Sockman called this a "security-conscious" generation and said that war-harassed Europeans craved security more than the democracy and liberty held forth as American ideals. He said that a certain amount of security was necessary to "release creative powers," but that it remained to be determined where security ceased to be a stimulus and became a sedative.

"The great virtues of faith and courage cannot thrive among those who are always playing safe," he said. "Marriages motivated by the desire for security prove unsafe for love. Our religious faith should make us secure enough to be calm, to be courageous, to be creative and to be cooperative."

NYSE Requests Data on Member Relations With Investment Trusts

Department of Member Firms of New York Stock Exchange wants information filed, prior to April 28, relating to connection of a member or member firm associated with any investment trust, either through participating in its organization or management or by offering its securities.

In a letter dated April 15, 1947, addressed to members of the New York Stock Exchange by Frank J. Coyle, Jr., Assistant Director of the Department of Member Firms of the Exchange, information is requested regarding association with any investment trust, either through participation in the organization or management of the trust, or by offering or distributing its securities. The text of Mr. Coyle's letter follows:

To the Members of the New York Stock Exchange:

The Department of Member Firms requests that all member firms and all individual members of the Exchange who are not partners of any member firm notify it whether or not they are at present associated with any investment trust, either through participating in the organization or management of the trust or by offering or distributing its securities.

The association of a member, member firm or any partner or employee thereof should be reported in the following specific cases:

(a) Where a member, partner or employee of the firm is an officer, director, employee or shareholder of an investment trust or affiliated depositor corporation.

(b) Where there is a management or investment advisory contract between the member, the firm or any partner or employee thereof, and an investment trust.

(c) Where a member or member firm has been engaged at any time since Jan. 1, 1947, in the distribution of the securities of an investment trust.

Where a member or member firm or partner or employee thereof is associated with an investment trust in any of the foregoing capacity, the report should include the following:

(a) The name of the investment trust.

(b) The size of the investment trust as indicated by the market valuation of its portfolio as of Dec. 31, 1946, or other recent convenient date.

(c) The name of the individual member, partner or employee.

(d) The nature of the member or member firm's association with the trust.

Where a member or member firm is not associated with an investment trust in any of the foregoing capacities, a report to that effect should be filed with the Department of Member Firms.

Transactions in the securities of an investment trust or the execution or orders for the account of an investment trust by a member or member firm acting solely as a broker or over-the-counter dealer should not be reported, as membership association, unless the member or member firm participates, directly or indirectly, in a sales commission or discount from the issuer or distributor of the securities of the trust.

The Department of Member Firms requests that information in response to this request be submitted to it in writing prior to April 28, 1947.

FRANK J. COYLE, Jr.,
Assistant Director.

Approves Changes in New York State Investment Companies' Act

Gov. Dewey signs Bewley Bill expanding activities of investment companies. May now receive and hold deposits under Banking Department restrictions.

On April 12, Governor Thomas E. Dewey signed the so-called Bewley Bill, which amends part of the State Banking Law relating to investment companies. The bill, as Chap. 776 of the laws of 1947, authorizes in addition to powers already granted investment companies "to engage in the business of receiving deposits; provided, however, that nothing contained in this article shall prevent an investment company from maintaining for the account of others credit balances incidental to, or arising out of, the exercise of its lawful powers, but the banking board shall have power to prescribe, by specific or general regulation, the extent to which, and the conditions upon which, such credit balances may be established, maintained and paid out."

The law in relation to investment companies as it now stands also permits investment companies "to borrow and lend money, with or without real or personal security; as principal or agent, to purchase, discount, acquire, invest in, sell and dispose of bills of exchange, drafts, notes, acceptances and other choses in action and obligations for the payment of money; and, as principal or agent, to purchase, acquire, invest in, service, sell and dispose of, and make loans upon the security of, bonds and mortgages on real property situated in this State or outside this State.

The Act now eliminiates the requirement of an annual examination of investment companies, "unless (a) such investment company has been authorized by the banking board to receive deposits, in accordance with the terms of subdivision three of Section 508 of this chapter, or (b) a bank, trust company or industrial bank, or any two or more of such organizations, shall own an aggregate of 25% or more of the capital stock of such investment company, or (c) such investment company is a corporation which, under the terms of subdivision 6 of this Section, is deemed for the purposes of this Section to be a corporation affiliated with a corporate banking organization."

Appointment of McKenzie

Superintendent of Insurance Robert E. Dineen, President, and Commissioner of Insurance J. Edwin Larson, Chairman of the Executive Committee of the National Association of Insurance Commissioners, jointly announced on April 17, the appointment of Jack McKenzie, Insurance Commissioner of Arkansas, to the vacancy which exists in the subcommittee on Central Office. Commissioner David A. Forbes of Michigan is Chairman of the Subcommittee, of which Commissioner C. F. J. Harrington is a member. Appointment of the Subcommittee was authorized by the Executive Committee at its meeting in Syracuse in September, 1946. The resolutions creating the Subcommittee authorized the Chairman of the Executive Committee and the President jointly to name its members.

Truman Promises Federal Aid to Texas City

A White House statement on April 17 said that President Truman had telegraphed a message of sympathy to the stricken survivors of the Texas City, Texas, disaster and had promised the cooperation of Government agencies in relief activities. The President said that every Governmental agency had been requested to lend all possible aid. Associated Press Washington advices stated. Charles G. Ross, White House press secretary, said that the President had no specific steps in mind, knowing that disaster relief is so well organized that appropriate agencies go into action automatically. National headquarters of the Red Cross reported that there was no shortage of medical supplies at the scene, and that more than 240 nurses had registered for duty. Red Cross funds of $225,000 have been allocated for work on the spot.

War Assets Administration has offered use of all its surplus medical supplies, a dispatch to the New York "Times" stated, and the Army, Navy and Coast Guard are furnishing speedy transportation and other services needed. Experts on burns have been sent to Texas City by the Navy Department from its Medical Research Institute, at Bethesda, Md. Texas Senator W. Lee O'Daniel introduced a resolution in the Senate calling for an investigation of the disaster.

According to a spokesman at the French Embassy, a French commission of inquiry will investigate on the scene the explosion of the French merchant vessel Grandcamp which was the beginning of the series of explosions and fires suffered by the city. The group was reported to include officials of the French Line, and an inspector of the French merchant marine, the French Consul at Houston, Texas, having immediately gone to Texas City.

Retail Prices Continue To Gain in March

There was a further gain in retail prices during March, according to Fairchild Publications' Retail Price Index. Quotations have advanced for 13 consecutive months, reaching a new high since the Index was started in 1931, said the Fairchild report, issued on April 16, which added:

"Prices on April 1 showed a gain of 0.5% above March 1 and were 8.7% above April 1 a year ago. Most of the gain in the 12 months has been recorded since July 1. The Index showed a gain of 7.7% since the middle of 1946.

"Once again each of the major groups advanced during the month, with the largest increase in piece goods in men's apparel. Women's apparel showed practically no change, with smaller increases in home furnishings and infants' wear. Men's apparel, home furnishings and infants' wear showed the greatest gains above a year ago. The same groups also recorded the greatest advances above July 1, 1946.

"An analysis of the individual items comprising the Index shows an increasing number of declines or fractional changes. Declines were recorded by woolen piece goods, women's hosiery, and furs. Infant's underwear showed no change. The greatest increase was recorded by cotton wash goods, sheets and pillowcases, men's and women's shoes, and men's underwear. Retail prices will see their first postwar high within the next 60 to 90 days. Prices will tend lower during the latter half of the year, according to A. W. Zelomek, Economist, under whose supervision the Index is compiled. Despite the advance, retail prices are not reflecting current spot replacement."

The State of Trade

Meetings between steel firms and the steel union which have been taking place at intervals since the middle of January on the wage question and which have proved fruitless up to Saturday of last week were concluded with the announcement that evening by Benjamin F. Fairless, President of the United States Steel Corp. that the company and its five principal steel-producing subsidiaries had reached an agreement with the union on a general wage increase of 12½ cents an hour, or $1 a day, and other employee benefits. An additional 2½ cents an hour to cover the adjustment of wage inequities and differentials, in effect, brings the increase to a 15-cent hourly pay rise.

The agreement reached by Big Steel and the steelworkers union follows closely the pattern of General Motors and the electrical workers settlement which granted these workers a similar hourly increase in pay rates.

One factor in the steel situation which the union was expected to pounce upon, "The Iron Age" stated last week, was the steel earnings report of the United States Steel Corp. for the first quarter of the current year, which is expected to be announced on April 29. These figures, it is understood, will show quite an increase from fourth quarter net income, but steel officials contended that the showing for one quarter was insufficient time on which to base permanently higher rates.

The magazine pointed out that there was fear in some quarters that the steel price structure may not witnstand a severe testing when supply begins to outrun demand late this year. Most steel officials held 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.

President Philip Murray, head of the United Steel Workers of America, (CIO), on Monday evening of the present week commenting upon the wage agreement asserted that the new pact between the steelworkers and the United States Steel Corp. "assures peace in the industry for two years" and furnishes "an answer to Congressional labor baiters" contemplating restrictive labor laws.

As to the steel industry's immediate future, magazine "Steel," in its current review of the steel trade, predicted a promising one with capacity operations through June assured.

Continuing, it stated, return of the coal mines to private ownership, on July 1, will be the next hurdle for the industry unless the transition is made without a new coal strike.

Shortages are being trimmed steadily although the steel demand is still strong. Wire rope and other specialties are turning easier although sheets, strip, pipe and plates are still short.

Scrap prices have been retreating steadily with a drop of $3 a ton in Pittsburgh reported last week and offerings at $35 a ton were "going begging." The magazine said that a stabilized market probably will be set up around $30 a ton.

The American Iron and Steel Institute announced on Monday of this week the operating rate of steel companies having 93% of the steel capacity of the industry will be 95.0% of capacity for the week beginning April 21, 1947, as compared with 94.5% one week ago, 97.0% one month ago and 73.6% one year ago. This represents an increase of 0.5 point or 0.5% from the preceding week.

The week's operating rate is equivalent to 1,652,400 tons of steel ingots and castings compared with 1,653,700 tons one week ago, 1,697,400 tons one month ago and 1,297,100 tons one year ago.

On the stock market front last week a number of unfavorable factors, such as the doubtful outcome of pending wage negotiations in the automotive and steel industries, and the increasing demand for lower prices produced great pressure on prices, which resulted in a break on Monday of two to seven points in trading that involved 1,111 issues out of the total of 1,350 listed. At the close of the week the list registered some evidence of recovery.

On Monday of the current week President Truman called for national unity in support of his program of reducing prices to prevent a depression and of keeping taxes up and continuing rent, credit and export controls until the country is "over the hump" of inflation. He warned business that prompt price cuts not only can prevent a new depression but can set the stage for a peacetime prosperity that should surpass even wartime production.

Secretary of the Treasury John W. Snyder predicted on Tuesday of this week that there will not be a serious economic recession in the next 15 months. Speaking before a Senate committee, he told them he thought industry would cooperate in lowering high prices, but he contended that income tax cuts now would disrupt President Truman's campaign to bring prices down.

Although output in some industries fell slightly in the week, total industrial production remained close to the very high levels of recent weeks. Irregular deliveries of raw materials and shortages of some component parts were the chief obstacles to increased production in many industries. The weather in most sections of the country was favorable to outside operations. Shipments of most finished products continued to increase in both size and regularity and generally order volume was maintained at a very high level.

In the automotive industry production of passenger cars and trucks in the United States and Canada is estimated at 103,148 units by Ward's Automotive Reports, compared with a revised figure for last week of 97,893 units.

In the comparable week last year 56,565 units were produced, while 99,945 were turned out in the corresponding week of 1941.

Included in this week's total were 71,847 cars and 26,036 trucks for U. S. plants and 3,325 cars and 1,940 trucks built in Canada.

The usual post-holiday decline in consumer buying resulted in a moderate decline in retail volume in the week. Reports from most sections of the country indicated that total dollar volume was close to that of a year ago. Shoppers, for the most part, continued to shun high prices and inferior quality goods.

Wholesale volume rose slightly in the week and continued to be moderately above that of the corresponding week a year ago. Markets generally were well attended and new order volume increased slightly over that of the previous week. Buyers were interested mainly in goods which could be delivered immediately or in the near future.

Electric Production—The Edison Electric Institute reports that the output of electricity decreased to 4,619,700,000 kwh. in the week ended April 12, 1947, from 4,693,055,000 kwh. in the preceding week. Output for the week ended April 12, 1947, was 15.1% above

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As We See It

(Continued from first page)

upon the way democracy usually prefers to work. The fact is that for several reasons the public in this country as well as abroad slowly came to change its mind about the social wisdom of permitting the law to remain as it had been. Integration in business organization was steadily proceeding. Concentration of economic power was making even faster headway. It slowly came to be believed that the "balance of strength" between employer and employee had been destroyed, and that the former had reached a position where he could deal unfairly with his individual employees — and was inclined to do so.

The movement to grant compensating special "rights" to the employee was probably not hindered by the fact that there were many, many more employees than there were employers, that each man (and later each woman) on the payrolls had a vote, and that more and more as the years went by there arose among wage earners a growing consciousness of political power and a determination to use it. It, of course, remained for Franklin D. Roosevelt to make the fullest use of the political opportunity thus presented, and to place upon the statute books of the nation legal provisions which hardly a handful of citizens had ever dreamed of a half decade before. These, for the most part, are the "inalienable rights" about which we hear so much nowadays.

From what has been said it is plain that the American people are bound by no "law of the Medes and the Persians which altereth not" in their dealing with this subject of labor unions. It is not even under any constitutional restraints save those of general application. They are in fact wholly free to take what action they deem wise in the premises, and their decision can and should be governed, not by a special consideration for wage earners or labor unions, but by a judgment of what is for the common good. It is hardly likely that they will do anything of the sort, but there is no reason under the sun why they should not revert to the situation as it existed in 1850 or 1800 if, in their judgment, that state of affairs would serve the public interest better than any other. What is under consideration here is not those broad general provisions of our fundamental concepts of human rights, but rather what is best to be done about special privileges which we in our wisdom (or possibly in our unwisdom) have in the past conferred upon one element in the population.

And let it not for a moment be forgotten that these special privileges are by no means only those which have been granted by a politically minded Congress or equally time-serving State Legislatures. Indeed, the most dangerous and generally most undesirable of these special privileges is found in the immunity of strikers and strike leaders from the law enforcing agencies of government—probably likewise not too eager to incur ill will among groups controlling, or reputed to control, large blocks of votes. Indeed it would in some instances not be going too far to say that union lawbreakers, far from feeling the weight of police authority, are actually aided and abetted in their unlawfulness. It is, for example, sometimes very easy (in the name of preventing violence) to forbid possible strike-breakers, or even others with legitimate business in the premises, from crossing or approaching picket lines.

Indeed, it sometimes seems almost futile to undertake sweeping legislative reform having to do with labor matters so long as the ordinary law of the land is daily flouted by these very unions which we would restrain by the withdrawal from them of special statutory privileges. One of the first things a wearied public should demand and get is a situation in which the union member and the union leader are required to observe the ordinary law of the land even as you and I. It is, of course, the public which must attend to this matter if it is to be attended to at all. Public officials rarely act ahead of public opinion, and are not likely to be very effective when they do. On the other hand, public opinion can and should drive the police forces and the courts to their evident duty and enable them to be effective in the discharge of those duties. This is the first task—and by far the most important.

Meanwhile there should be no evasion of the issues now being raised in Washington. There is every reason why we should not be satisfied with proposals for further governmental interference in and control of this situation, and with plans for setting up new machinery to carry us further into a planned economy. There is on the other hand every reason why we should restudy and reappraise this whole notion of special privilege to labor unions. There cannot be the slightest question that we have gone much too far in granting to these organizations privileges and immunities which we should never dream of granting to any others — except the farmer, who also has many votes—and which are daily being abused.

Let it be understood at the same time that there is another aspect — economically speaking the most fundamental aspect of all this — which is beyond the reach of law, law makers, and law enforcement authorities. It should not be beyond public opinion. This is the unwillingness of the workers of this day to be fully productive, and the unwillingness of the unions to permit them to be. This situation lies like a dead hand upon industry, and if it continues there it may spell our end.

Rochester Cost Conference

Celebrating the 25th Anniversary of the founding of Rochester, N. Y., Chapter, National Association of Cost Accountants, a two-day Cost Conference emphasizing the constructive role which industrial accounting is playing in modern business life, and featuring as speakers J. Edward Walters, President of Alfred University, and John H. MacDonald, Vice-President of the National Broadcasting Company, will be held May 2-3 at Hotel Seneca, Rochester, N. Y. Sponsored by eight Upper New York State chapters of the N. A. C. A., the Rochester Conference is the last in a series of four similar conferences held in various sections of the United States during the past year under the auspices of the National Association of Cost Accountants.

Opening day of the Conference will be devoted to a discussion of methods for improving the services rendered by N.A.C.A. both to its members and the public. Directors of participating chapters will confer with the national officers of the Association, with National President William J. Carter of Atlanta, Ga., presiding. An all-day technical session will feature the second day of the Conference, during which there will be five speakers, including besides Messrs. Walters and MacDonald, Allen H. Ottman, Vice-President and Controller, American Hard Rubber Co.; Erwin H. Schell, head, Department of Business and Administrative Engineering, Massachusetts Institute of Technology, and Frank Wallace, Principal, McKinsey and Co.

Cooperating with Rochester Chapter in the Rochester Conference are members of the following Upper New York State chapters: Albany, Binghamton, Buffalo, Jamestown, Mid-Hudson, Syracuse, and Utica.

Hails Catholic Conference

President Truman sent a message on April 12 to the National Council of Catholic Men, the officers and directors, during their annual meeting at the nation's capital, Associated Press advices stated. The President assured the convention: "I have every faith and confidence that the National Council of Catholic Men will remain unwearied in its work to promote peace and mutual understanding among all men." The President of the Council, John W. Babcock of Detroit, said in an address that "international, industrial, social and economic" problems must be solved through recognizing "the fatherhood of God as the source and authority for all human relationships."

SEC Reports on Individuals' Saving in 1946

During the year 1946, individuals saved $15.8 billion in liquid form, according to the quarterly analysis of saving by individuals in the United States made public on March 28 by the Securities and Exchange Commission.* "This," said the Commission, "was less than half the amount saved in 1945 and the lowest since 1941, the latest year prior to our entry into the war. During last year the proportion of income saved returned to pre-war levels, declining considerably from the highs of 1942-1945. This decline reflected increased consumer expenditures, attributable in part to higher prices as well as larger civilian supplies, more than offsetting the increase in incomes after payment of taxes."

The Commission in its report on March 28 continued:

"Cash and deposits and U. S. Government securities have accounted for the greater part of liquid saving in recent years, approximately 80%. As of Dec. 31, 1946, individuals' holdings in these two forms amounted to the extremely large totals of $128 billion and $65 billion, respectively. Of the total of cash and deposits, $26 billion was in the form of currency, $53 billion in time and savings deposits, and $49 billion in checking accounts. Individuals' holdings of U. S. Government securities were mainly concentrated in U. S. savings bonds, amounting to $33 billion in Series A-E bonds and $12 billion in F and G bonds, with other U. S. Government securities accounting for $20 billion.†

"During 1946, individuals' holdings of currency and bank deposits increased by $12.2 billion. Individuals also added $3.5 billion to their equity in Government insurance, $3.2 billion to their equity in private insurance, and $1.1 billion to their investment in savings and loan associations. At the same time, they increased their mortgage indebtedness by $2.9 billion, other consumer indebtedness by $2.4 billion, and reduced their investment in securities other than U. S. Government by $300 million.

"While the composition of saving changed somewhat from the preceding year, currency and bank deposits was still the largest component of individuals' saving. The growth in individuals' cash and deposits during 1946 reflected substantial increases in bank deposits, though considerably less than the record increases of 1945. Individuals added $6.7 billion to their checking accounts and $5.3 billion to their time and savings deposits as contrasted to $7.8 billion and $8.6 billion, respectively, during 1945. On the other hand, currency increased by only $200 million as compared with $3.0 billion in the previous year.

"One of the more significant developments in the composition of individuals' saving was the record growth in consumer indebtedness. Mortgage debt increased by $2.9 billion while consumer debt other than mortgages increased by $2.4 billion, compared with increases of only $200 million and $800 million in 1945. The increase in mortgage debt was equal to about 80% of net purchases of new homes by individuals reflecting to some extent the substantial rise in real estate prices.

"The 1946 increase in individuals' holdings of U. S. savings bonds was considerably less than in the preceding year—$900 million in contrast to $6.9 billion in 1945. The increase last year reflected net purchases of Series F and G bonds amounting to $1.9 billion, partly offset by $1.0 billion of net redemptions of the more widely held Series A-E. Individuals' equity in U. S. Government securities other than savings bonds increased by $500 million, resulting from repayments of bank loans of $900 million less $400 million retirements in excess of market purchases. It should be pointed out that the $600 million of armed forces leave bonds issued in the last quarter of 1946 to discharged veterans has been excluded from saving.

"While the growth in insurance and pension reserves in 1946 was less than in the preceding year, it constituted a much higher proportion of total saving than during the war years and was second only to the increase in individuals' cash and deposits. The $3.2 billion increase in individuals' equity in private insurance was $700 million less than in 1945, while the increase in Government insurance of $3.5 billion was $1.5 billion less than in the preceding year. The rise in the National Service Life Insurance Fund, which accounted for more than half the total increase in Government insurance, was slightly less than in 1945. The increase in Social Security funds, on the other hand, which made up somewhat less than one-third the total, was only half that in the previous year.

"Of the remaining components of individuals' saving during 1946, there was a decline of $300 million in individuals' investment in State and local government securities while their investment in corporate and other securities remained unchanged. A substantial net increase in outstanding stock issues, almost all of which was absorbed by individuals, was entirely offset by large institutional purchases of corporate bonds from individuals.

"During the fourth quarter of 1946, individuals' liquid saving amounted to $3.7 billion,‡ a somewhat lower rate than in the third quarter. Individuals added $2.5 billion to their cash and deposits compared with $3.5 billion in the preceding quarter. Individuals' indebtedness arising from the purchase of consumer goods increased by the comparatively large amount of $1.1 billion,§ while mortgage debt rose by $800 million, continuing the trend of prior quarters. Also during the last three months of 1946 individuals added $600 million to their holdings of U. S. Government securities, $100 million to their investment in State and local government securities, and $200 million to their investment in corporate and other securities. It is interesting to note that the increase in individuals' investment in corporate and other securities took the form of net purchases of new stock issues. While there was almost $1.0 billion net increase in corporate bonds outstanding, this was entirely absorbed by institutions, for the most part through private placements."

*In this analysis individuals' saving includes unincorporated business saving of (certain) types. Corporate and Government saving are not included. The change in individuals' equity in Government insurance is, however, considered as part of individuals' saving.

†Net of loans by banks to individuals (including brokers) for the purchasing or carrying of Government securities. There was $1.5 billion of such debt outstanding as of the end of 1946.

‡This does not reflect the liquidation of inventories of unincorporated business (net of the change in notes and accounts payable). Although the amount of this liquidation is not known, it is believed to have been in the neighborhood of $200 million in the fourth quarter of 1946.

§This does not include the change in consumers' indebtedness to unincorporated business, which is estimated to have increased by $300 million.

Redeem Buenos Aires Bds.

Province of Buenos Aires, Argentine Republic, 4½%-4¾% external readjustment sinking fund dollar bonds of 1935, due Nov. 1, 1975, in the principal amount of $67,900 have drawn by lot for redemption on May 1, 1947 through operation of the sinking fund. Payment at par and accrued interest to the redemption date will be made at the principal trust office of The Chase National Bank of the City of New York or at the head office of The National City Bank of New York.

Steel Output Slightly Increased—Wage Pact Reached—Scrap Declines—Backlogs Reduced

An agreement has been concluded between the five principal steel producing subsidiaries of the United States Steel Corporation and the United Steelworkers of America (CIO) providing a general wage increase of 12½ cents an hour, or $1 a day, and other employee benefits, according to an announcement made on April 20. This will bring the total increase to slightly more than 15 cents an hour. The pact runs from April 1, 1947 to May 1, 1949, with the provision that either party may re-open the subject to upward or downward changes in wage rates during a limited period prior to May 1, 1948.

"The Iron Age," national metalworking paper, in its issue of today (April 24), says:

"The steel scrap market this week broke sharply in practically all consuming centers in the country. At Pittsburgh, the major steel center, heavy melting steel scrap prices took one of the biggest nose dives in history. Quotations there early this week, dropped an average of $5.25 a ton. At Philadelphia heavy melting grades were down $3 a ton. Other declines were: Buffalo, $4 a ton; Birmingham, $3 a ton; New York and Boston $2.50; Cleveland and Youngstown $2 and Detroit $1 a ton. Average prices were off 50¢ a ton at Chicago but a greater reaction is expected there next week.

"'The Iron Age' scrap composite price, which includes the averages of Pittsburgh, Philadelphia and Chicago heavy melting quotations, declined this week to $31.83 a gross ton, a drop of $2.92 from last week's figure of $34.75. The price this week is down 7.84 a ton from the all-time-high reached in the middle of March when the composite was $39.67. The completion of old high priced orders and a general reaction from the ridiculously high quotations of a month ago were the major reasons for the decline. Some sources saw this scrap price drop as an indication of a more normal steel market in the months to come.

"Significant trends in the U. S. Steel-United Steelworkers wage contract, which will be accepted by our other steel companies, included: Emphasis by Mr. Murray on the 2-year time limit; accent on the various social features of the agreement; the fact that the contract was retroactive to April 1 instead of Feb. 15, the date when the original contract expired; and finally the brushing off by the union of the whole portal-to-portal question except where an individual wants to keep it alive.

"Both the union and the company have estimated the cost of the new wage agreement, but its actual effect on steel earnings will not be known for a few months at least. It appears that the cost will be so great that any chance of base price cuts in the steel industry can be termed no more than a mere possibility. But there is every indication that United States Steel Corp. is banking heavily on greater employee morals and efficiency to prevent the necessity for any upward change in current steel prices.

"Steel processors who in years gone by have more or less had to accept the big steel wage contract pattern are going to find the new contract tough going. Already there are deep rumblings as to their inability to pay such a wage bill. However, it is expected that the broad outlines of the U. S. Steel contract will be adhered to and that local issues will be worked out with the union.

"Except for the possibility of labor trouble in the coal mines on July 1, the steel industry is now able to concentrate its full attention on steel production. This week the steel ingot rate is up one-half a point to 95% of rated capacity. This rate may be bettered by at least a point next week. Scrap supplies are easier, pig iron production is increasing and employee productivity is expected to increase as a result of wage agreements.

"Steel firms have already made considerable headway in reducing unwieldly backlogs. Most steel producers broke all previous peacetime production records in the first quarter of this year and the same trend continued into April. Allotments to steel consumers now being mailed indicate a slightly easier steel situation over the next several months. Some sales people believe that deliveries on bars, plates, structurals and even some wire products will be definitely easier going into the third quarter. The sheet supply, however, showed no signs of improvement this week.

"Large users of hot-rolled sheets may be forced to shift to cold-rolled sheets if they are to maintain high production. The increased emphasis on cold-rolled sheet output has cut down the available supply of hot-rolled sheets. One large fabricator of automobile frames was considering this week a switch to cold-rolled material by the fourth quarter if the supply picture on hot-rolled sheets does not change.

"A leading steel producer has taken a poll of general contractors and has found that 53% feel that construction prices have reached the high point and from here on will decline. Straws in the wind indicate a slowing up in consumer demand for some manufactured products."

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 95.0% of capacity for the week beginning April 21, compared with 94.5% one week ago, 97.0% one month ago and 73.6% one year ago. This represents an increase of 0.5 point or 0.5% over the preceding week. The operating rate for the week beginning April 21 is equivalent to 1,662,400 tons of steel ingots and castings, compared to 1,653,-700 tons one week ago, 1,697,400 tons one month ago, and 1,297,100 tons one year ago.

"Steel" of Cleveland, in its summary of latest news developments in the metalworking industry, on April 21 stated in part as follows:

"The immediate future outlook in steel and metalworking is promising. With resumption of normal coal production the mills appear assured of high operations until at least the end of April, and with a steel strike averted continued active production through June seems a certainty. What will happen when the coal mines are returned to private ownership July 1 is problematical since complications threaten in the working out of an agreement between the mine operators and the union.

"Meanwhile, steel demand continues strong, though here and there signs of an easing in pressure are reported. Consumers are adopting a more cautious buying policy with an eye to holding down inventories. Steel salesmen are reported seeking business more aggressively than for a long time past. Inquiry for sheets, strip, plates, pipe and small bars is as strong as ever, but alloys and certain specialties, such as wire rope, are definitely easier. Assuming steel production continues uninterrupted by strikes, expectations are that fair demand-supply balance will be struck in many products within a few months. Sheets, strip, pipe and plates are exceptions in this respect.

"Government pressure for steel price reductions continues but except for adjustment of extra cards by independent producers to conform with recent changes initiated by the Carnegie-Illinois Steel Corp. nothing new pricewise has developed."

More Freight Cars and Locomotives in Service

The Class I railroads on April 1, 1947, had 87,080 new freight cars on order, the Association of American Railroads announced on April 22. This included 26,309 hoppers (including 1,842 covered hoppers), 6,532 gondolas, 1,058 flat, 9,351 refrigerator, 550 stock, 318 miscellaneous freight cars and 42,962 box including 37,793 plain and 5,169 automobile box cars. New freight cars on order on March 1, last, were 75,358, and on April 1, 1946 totaled 40,217. Of the total number of new freight cars on order on April 1, this year, 17,634 are to be built in railroad shops and 69,446 in outside shops.

The Class I railroads also had 640 locomotives on order April 1, this year, which included 52 steam, six electric and 582 Diesel locomotives. On April 1, 1946, they had 494 locomotives on order, which included 82 steam, six electric and 406 Diesel one year ago.

The Class I railroads put 7,249 new freight cars in service in the first three months of this year (of which 3,017 were installed in March). This included 1,814 hoppers including 419 covered hoppers, 773 gondolas, 300 refrigerator, 439 flat, 100 miscellaneous freight cars and 3,823 box cars (latter included 2,702 plain and 1,121 automobile). New freight cars put in service in the first quarter of 1946 totaled 8,006.

They also put 220 new locomotives in service in the first three months of 1947 of which 24 were steam, and 196 were Diesel. New locomotives installed the same period last year totaled 31 of which 20 were steam and eleven were Diesel.

The figures given above include only locomotives and commercial service freight cars installed and on order by Class I railroads and by railroad-owned refrigerator car lines. Locomotives and cars installed or on order by private car lines, shortlines or industrial railroads are not included.

Cotton Export Aid to End

At the annual convention at Myrtle Beach, S. C., of the American Cotton Association it was learned that the Government expects to discontinue all direct aid for promoting the export of cotton, and that the trade itself must bear the major responsibility of developing and maintaining the industry at home and abroad. Federal aid is to cease with the end of the current crop year, July 31, according to E. D. White, Assistant Secretary of Agriculture, who addressed the meeting, Associated Press advices stated on April 11. "For many years," Mr. White said, "business men have been protesting that Government has undertaken too many problems in their fields of operation. . . . We are happy to be able to announce that we are now returning to you a major job—that of selling American goods abroad and regaining the position American cotton once held in world trade."

To the delegates assembled from the Carolinas, Alabama, Georgia, Virginia and Florida he added, "the job will not be easy." The Associated Press added that Mr. White did not refer to the export subsidy of 2 cents a pound which is one of the programs the Government now operates to assist United States cotton in competing with foreign-grown staple.

U. S. Steel Effects Wage Agreement With CIO Union

Provides for Wage Increase of 12½ Cents an Hour

Benjamin F. Fairless, President of the United States Steel Corporation made the following statement on April 20:

"The five principal steel producing subsidiaries of United States Steel Corporation have concluded an agreement with the United Steelworkers of America (CIO), providing a general wage increase of 12½ cents an hour, or $1 a day, and other employee benefits.

"This agreement will directly result in an estimated increase of $75,000,000 a year in the employment costs of United States Steel.

"This does not take into consideration large increases which may well follow in the prices of the many millions of dollars worth of goods and services which we purchase from others. Our past experience has been that a substantial increase in the prices of our purchased goods and services inevitably follows a rise in industrial wage levels. It is impossible now to estimate accurately what these additional costs to United States Steel will prove to be.

"The agreement was negotiated by American Steel and Wire Company, Carnegie-Illinois Steel Corporation, Columbia Steel Company, National Tube Company and Tennessee Coal, Iron and Railroad Company. It runs from April 1, 1947 to May 1, 1949, with the provision that either party may reopen the subject of upward or downward changes in wage rates during a limited period prior to May 1, 1948.

"Other benefits provided under the new agreement include:

"(1) Adjustments were agreed to in the hourly wage scales established in February under the elimination of inequities program in order to set up finally proper differentials in the rates of pay in relation to the varying degrees of skill required.

"(2) Severance pay is provided for employees with certain minimum service when technological change requires abandonment of plants or departments.

"(3) Changes in the vacation plan make employees eligible for one and two weeks' vacation on the anniversary of their first and fifth year of service, with a third week of vacation for employees with 25 years' service.

"(4) Partial elimination of the geographical wage differential in the steel operations of the Tennessee Coal, Iron and Railroad Company at Birmingham, Ala. was made by reducing the differential by 3 cents an hour. At the Duluth, Minn. plant of the American Steel and Wire Company, the existing differential of 2½cents an hour was entirely eliminated.

"(5) The companies have agreed to participate in the establishment of a new plan involving life, accident, health, medical and hospital insurance. The coverage and content of the new plan, its effect on the present United States Steel Group Life Insurance Plan, and other pertinent considerations, are to be the subject of a joint study by qualified personnel from the companies and the Union. This study is to be concluded by Nov. 1, 1947, and when an agreement has been reached on the elements of the new plan, and the methods for its financing and administration, the plan will be adopted and put into effect.

"Essentially the present contract provisions covering maintenance of membership as originally directed by the War Labor Board, are continued. Each employee, for a period of 15 days beginning on a date to be fixed after the signing of the agreement, will have the opportunity to decide voluntarily whether or not he wishes to remain a member of the Union for the duration of the contract. We continue opposed to compulsory or restrictive forms of union membership and in our judgment this matter represents a major problem for national policy determination.

"On the portal-to-portal issue, the Union has agreed that the companies shall not be obligated to pay for travel or walking time spent in preparatory and closing activities during the term of the new agreement. Also, the Union will neither make any new claims nor aid or support any existing or future claims or actions against the companies for portal-to-portal time accruing prior to the termination of the new agreement.

"After application of the benefits of the new agreement, the average straight-time hourly earnings of our steel workers will be about $1.47. This new rate represents an increase of approximately 73% over the comparable rate in January, 1941, when straight-time hourly earnings of such employees were about 85 cents. These figures do not include over-time or vacation pay.

"Last month the average weekly earnings of our steel workers amounted to $52.50. Under the new agreement this average would have been about $58.50. Our present minmium basic labor rate of 96½ cents an hour becomes $1.09 and the top wage scale becomes $2.25 an hour.

"Under this agreement, United States Steel incurs heavy increases in its costs. We sincerely hope that with existing high levels of operations, these increased costs can be absorbed within the limits of present prices for our steel products. We must count heavily on the acceptance by our employees of their obligation to help absorb these new costs by increased effort and improved efficiency. The agreement demonstrates our faith in our employees and we are confident that they in turn will demonstrate anew that we can count on them for full and loyal cooperation in enabling United States Steel to meet its large responsibilities."

In referring to salaried employees not represented by a union, Mr. Fairless said that "adjustments would promptly be made in the compensation of salaried employees of subsidiary companies."

Murray Hails Agreement

CIO President Philip Murray asserted at Pittsburgh on April 21 that the Steelworkers' new pact with the United States Steel Corp. "assures peace in the industry for two years" and furnishes "an answer to Congressional labor baiters" contemplating restrictive labor laws.

Addressing a press conference after the committee meeting, Murray described the past as "an answer to all Congressional labor baiters hell-bent on destruction of labor unions in America."

He expressed hope the new contract with U. S. Steel would serve as a pattern for peaceful settlement of labor-management differences.

MBA Conference in Cleve.

The 34th annual convention of the Mortgage Bankers Association of America and its 8th Exhibit of Building, Industry and Services will be held at Hotel Statler, Cleveland, Oct. 2, 3 and 4, Guy T. O. Hollyday, Baltimore, President, recently announced. Norman R. Lloyd, President of the Allied Mortgages, Inc., Cleveland, and a member of the national organization's Board of Governors, will be head of the local Cleveland committee in charge of arrangements.

Cites Changes in Listing Qualifications

In a letter to New York Stock Exchange members, Mr. Schram states, though there has been no change in fundamental qualifications, "we have lifted our sights in interpreting our standards as to national interest, distribution and size." Says there is no inflexible formula with respect to size of earnings or stockholder distribution as a qualification for listing privilege.

In a letter, dated April 15, 1947, addressed to members and allied members of the New York Stock Exchange, Emil Schram, President of the Exchange, reviews the recent evolution of listing qualifications. Though noting there has been no change in fundamental qualifications, the Exchange, he says, "has lifted its sights in their interpretation as regards national interest, distribution and size."

The text of Mr. Schram's letter follows:

To the Members and Allied Members of the New York Stock Exchange:

In September, 1944, for the information of members and allied members of the Exchange, I outlined in some detail the general qualifications necessary for the listing of securities, the standards of eligibility and the process of listing.

Since then, the Exchange has listed 566 security issues (exclusive of additional amounts of listed issues), including 118 issues of companies which previously had no securities listed. During this same period, the Exchange has deferred action or declined to list a considerable number of companies which indicated a desire to apply for listing, in cases where, for one reason or another, the issuer or the security failed to meet our standards. In most of these cases the prospective applicants were either lacking of sufficient national interest or had not yet developed a position in their industry or a sufficiently-diversified public ownership of their shares to meet the standards established by the Board of Governors.

The cooperation of the members and member firms has been a large and helpful factor in broadening the list of our securities and, also, in explaining the standards of eligibility and the procedure of listing to prospective applicant companies.

Since 1944, along with basic changes in business conditions and increased general price levels, there has been a gradual evolution of the Exchange's standards of eligibility for listing. Changes have been effected in certain listing requirements and in the listing fee schedule.

Fundamental Qualifications

There has been no change in the fundamental qualifications for listing which are summarized immediately below, but we have "lifted our sights," in interpreting our standards as to national interest, distribution and size.

To be eligible for listing a company must be a going concern, having either substantial assets, well-demonstarted earning power or both. The extent of national interest in the company itself, its product and its securities is a most important factor. Companies having only local or regional interest would not meet this test. The standing of the company in its particular field of industry, the extent of the market for its products or its services, its relative stability and position in its industry, and whether or not it is engaged in an expanding industry with prospects for maintaining or improving its position are other basic factors. The size of the company, measured by the amount of its assets and its sales and earnings, are further considerations. And, of course, the issue cannot be one that is closely held by a few people. It must have sufficiently wide distribution to indicate that an adequate orderly auction market in the security can be maintained on the Exchange. The company must, of course, meet the requirements of the Exchange with respect to disclosure of essential information and enter into the listing agreements which are designed to provide current information to the investing public and to conform to the customary technical requirements essential to the orderly conduct of transactions on the Exchange.

Size and Distribution

The Exchange has established no inflexible mathematical formula with respect to required size of earnings or the extent of distribution necessary for listing. It varies with the type of the security, whether it is a bond, a preferred stock or a common stock, and the character of the company itself. In 1944 it was ordinarily expected that a company, to be eligible, should show earnings in excess of $500,000 a year for at least two years prior to its becoming engaged in the war effort. Since V-J Day increasing emphasis is being placed on post-war earnings and, in the absence of special circumstances, demonstrated net earning power under competitive conditions should be nearer $750,000 a year after all charges rather than $500,000.

As to the extent of distribution of a common stock issue, a broad distribution of over 200,000 shares among 1,500 stockholders is the minimum expected for listing under current conditions. This standard applies to common stocks whose market value is within the normal medium-price range; in the case of lower-priced issues a wider distribution is required. The character of the market and the price range of a security prior to its admission to dealings are also taken into consideration, along with the distribution figures. The extent of distribution necessary for preferred stocks and bonds differs considerably from that required of common stocks, primarily that such distribution need not be as widespread.

Listing Fees

The listing fee schedule of the Exchange was revised last year by the elimination of the optional lump sum method of paying for new stock issues and by a reduction of the fee for issues over 2,000,000 shares. At present, the fee schedule calls for a small initial fee and an annual continuing fee for 15 years. The initial fee is ½ of 1 cent per share for the first 2,000,000 shares listed and ¼ of 1 cent per share for shares in excess of 2,000,000. The continuing fee is ¾ of 1/10th of a cent per share for the first 2,000,000 shares and 1/20th of a cent per share for shares in excess of 2,000,000. The minimum initial fee for stocks of companies having no stock already listed is $2,000 and the minimum continuing fee is $200 per stock issue per annum.

Procedure

I believe that members and allied members of the Exchange are familiar with the many advantages of listing which accrue to companies in which there is a substantial public interest and to their security-holders, of which broadened market for the benefit of security-holders, the assistance provided in facilitating new financing, and the wider public recognition of the company's name and product are only a few.

Members and allied members who may desire further information with respect to either eligibility standards of the Exchange, or listing procedure as they may affect a particular company, are invited to confer with the staff of the Department of Stock List. Where there is any question as to the eligibility of a security for listing, I would be most appreciative if you will get in touch with me or with the Department of Stock List before making any representation to the management of a company regarding listing, in order to make the best presentation and to avoid any possible misunderstanding or unnecessary duplication.

For your further information I am enclosing a copy of a pamphlet entitled "Listing on the New York Stock Exchange," which outlines our current listing procedure.

Commemorate Roosevelt Death

The second anniversary of the death of Franklin D. Roosevelt on April 12 was observed with ceremonies at his estate at Hyde Park, N. Y., which was the place of his birth and burial and now serves as a shrine to his memory. A memorial service was broadcast at 4:30 p.m. from the flagstone portico of the mansion, a favorite retreat of the late President, for 15 minutes over three networks. The broadcast included a eulogy delivered from Kansas City, Mo., by President Truman, Associated Press advices stated. There were also brief talks by Mrs. Roosevelt, widow of the late President; Henry Morgenthau, Jr., who served as his Secretary of the Treasury; and Robert E. Sherwood, playwright.

Mr. Truman said in part: "Time will confirm Franklin Roosevelt's outstanding place in history. It is not for me or for any of his contemporaries to attempt to measure his great stature or to estimate the impact of his words and his deeds upon the days of his years. Today, as I think back to my visit to his grave a year ago, it is uppermost in my mind that he was a great humanitarian—that he brought hope and courage to despairing hearts when fear was destroying the faith of the people—and that through the most terrible war in history he remained the symbol of fortitude, justice and humanity.

* * *

"His home and his grave are in the nation's keeping. Let us bow together in a moment of silent tribute to his memory."

Mr. Morgenthau announced a "living memorial" to the late President in the form of a system of international scholarships. Noting this, a special account to the New York "Times" from Hyde Park by C. Brooks Peters, said:

Speaking as President of the Franklin D. Roosevelt Memorial Foundation, "an organization formed to honor the memory of the late President and to aid in the perpetuation of the principles of democracy for which he lived and died," Mr. Morgenthau disclosed that the Foundation would bring students from all over the world to study at American institutions as the famed Rhodes scholarships now take students to Britain.

Mrs. Roosevelt expressed gratification with the foundation plans and said:

"The scholarships which have been suggested for the future will carry out one of the aims very dear to my husband's heart. I am sure that he felt that we needed education in the art of living together, since our studies have been greater in scientific and industrial areas than they have been in the humanities."

Memorial services were also held at Warm Springs, Ga. in the chapel on the grounds of the Warm Springs Foundation for Infantile Paralysis victims, which Mr. Roosevelt established, and where he died two years ago. Basil O'Connor, Chairman of the Executive Committee of the Foundation said in an address that the late President believed "that permanent world peace is possible today, that there is a place in this world for all men to live in dignity and peace and freedom from fear."

New Rule of NYSE on Commodity Accounts

The adoption of amendments to the rule of the New York Stock Exchange affecting minimum capital requirements for members on commodity accounts was announced on April 18 by Edward C. Gray, Director of the Department of Member Firms of the Exchange. In the "Wall Street Journal" of April 22 it was noted "the action is intended to bolster safety factors set up by the Exchange to insure that its members maintain strong financial positions. It also will curb to some extent speculative activities in commodities." In the same paper it was stated:

> The new regulation stems from the extensive speculation in cotton contracts last year. It calls for an increase in the amount of capital a firm must have when it engages in various types of commodity transactions. The increase in requirements varies from modest to substantial, according to the type of account and type of transactions.
>
> One of the major changes occurs in capital requirements figured in connection with commodity positions carried for the account of the firm or its general partners. In this instance the capital requirement is increased to the equivalent of 30% of the market value of all "long" and "short" future commodity contracts. The previous rate was 5%."

The amendments and explanations are set out as follows in the April 18 circular issued by the Exchange:

"The 'Debit Items' appearing on pages E-236, 237 and 238 of the Directory and Guide are revised, effective June 1, 1947, as follows:

"(1) Add a new paragraph under Debit 'Debit Items' to read as follows: Total of credit lines granted on open commodity contracts in bona fide 'trade' accounts less equity in each account not in excess of the credit line granted. (Exclude from this amount and deficit in such an account which is not in excess of the credit line and which is comprehended in other 'Debit Items' and 'Credit Items.'

"(2) Change the sixth paragraph under 'Debit Items' to read as follows: 30% of the market value of all 'long' and all 'short' future commodity contracts (other than those contracts representing spreads or straddles in the same commodity and those contracts offsetting or hedging any spot commodity positions) carried for the firm and its general partners.

"(3) Change the seventh paragraph under 'Debit Items' to read as follows: ½ of 1% of the market values of the total 'long' or total 'short' future contracts in each commodity, whichever is greater, carried for customers, including bona fide 'trade' accounts.

"(4) Change sub-paragraphs (1) and (2) under 'Cash required to provide margin equal to'; to read as follows: (1) 10% of the market value of all 'long' and all 'short' future commodity contracts (other than those contracts representing spreads or straddles in the same commodity and those contracts offsetting spot commodity positions) in each customer's future commodity account, exclusive of bona fide 'trade' accounts; (2) 1% of the market value of all 'long' and all 'short' future commodity contracts (other than those contracts representing spreads or straddles in the same commodity and those contracts offsetting spot commodity positions) in each customer's bona fide 'trade' accounts.

"The revision designated (1) above is a new requirement and deals with the extension of credit. For example, credit may be extended to 'trade' accounts which deal in New York cotton contracts in an amount equal to $5 per bale not to exceed a total of $10,000. For the purpose of this requirement the credit extension is limited to the open contracts actually carried for such customer.

"Any equity in a 'trade' account would be deducted from the credit extension to determine the amount required under this 'Debit Item' but such deduction would be limited to the amount of the credit extension.

"Any deficit in a 'trade' account would also be deducted from the credit extension to determine the amount required under this 'Debit Item' provided that the deficit has been deducted in computing 'Net Capital' because such deficit has been included in other 'Debit Item' and 'Credit Items.' The deduction from the credit extension would be limited to the amount of the credit extension.

"The total of the amounts so determined for each 'trade' account would be the total required under this 'Debit Item.'

"In the revision designated (2), the requirement of 5% is increased to 30% and the words 'in the same contract market' are deleted. This deletion allows, for example, a contract in New Orleans or Chicago cotton to be considered as a spread or straddle of a contract in New York cotton. A contract in Winnipeg grain can be considered as a spread or straddle of a contract in the same grain in the Chicago market.

"In the revision designated (3), the requirement of 1/10th of 1% is increased to ½ of 1%.

"The revision designated (4), sub-paragraph (1), increases the present percentage from 5% to 10%. This sub-paragraph and also sub-paragraph (2), have been changed to delete the words 'in the same contract market.' These deletions have the same effect as the deletion under the revision designated (2)."

Air Trade Forum by Board of Trade

An effort to get the kinks out of our Foreign Trade Air Commerce Problems will take place at the Air Forum Town Meeting today, April 24, at the Pennsylvania Hotel, John F. Budd, Chairman Aviation Section—New York Board of Trade, announced on April 8. The Aviation Section is sponsoring the Forum. The meeting will bring together representatives of Airlines, Air Clearance Groups, Freight Forwarders, and Service Organizations to discuss problems relating to air commerce. A question and answer period will be preceded by short informative remarks. Arthur Cofod, Jr., of A. F. Cofod and Co. Ltd., freight forwarders, will address the meeting on the "Techniques of Air Freight Forwarding"; Joseph Gamburg, of the Air Clearance Association, Inc., will speak on "Clearing Through the Customs"; Eric Rath, Airloads Service Co. will discuss "Terminal Handling of Air Shipments"; and a representative of the Airlines will speak on "Foreign Problems in Air Commerce."

Crocker Delegated to Congress of Int'l C. of C.

William W. Crocker, President of Crocker First National Bank of San Francisco, Calif. has been named a member of the American delegation to attend the first post-war Congress of the International Chamber of Commerce, to be held at Montreux, Switzerland, the first week in June. The Congress, which will discuss international trade, world business and other related matters, will be attended by businessmen from all parts of the world. Philip Reed, Chairman of the Board of General Electric Co., is Chairman of the American delegation which is scheduled to sail from New York on the Queen Elizabeth, May 24.

House Passes Labor Bill: Senate Still to Act

After Republican members had successfully turned down all attempts to put through weakening amendments, the House on April 17 passed by sweeping vote of 308 to 107 the omnibus labor bill which is designed to place a curb on strikes, according to Associated Press Washington advices. The vote is conceded to be sufficient to assure overriding of a possible Presidential veto, but there is some doubt as to whether enough votes could be counted on in the Senate to put through the measure so decisively. A two-thirds vote is required in both chambers in order to override a veto.

Implication that the President would veto the House bill as it stands came from Representative Emmanuel Celler (D.-N. Y.) after he had visited President Truman. Representative Helen G. Douglas (D.-N. Y.) predicted that the Supreme Court would declare the bill unconstitutional, but her views did not affect the final vote.

The following, according to advices to the "Wall Street Journal" from its Washington bureau are the major provisions of the House measure, a document of 66 pages, as it was sent to the Senate:

1. A Ban on Industry-Wide Bargaining. No single union can require competing employers to bargain with it for a common work contract, or threaten to strike against two companies simultaneously. This would not prevent company-wide bargaining between a single union and a large corporation, or holding company. An exception is made for unions representing less than 100 employees in each competing firm, if all of the plants affected are within a 50-mile radius.

2. A Ban on the Closed Shop. An employer could not refuse to hire non-union workers and no union could strike to obtain a closed shop agreement. The union shop is sanctioned by providing that an employer may agree with the union that all new employees shall be required to join the organization within 30 days. However, the union may not obtain this concession by threatening to strike, and it must be approved by a majority of the workers in a secret ballot.

3. Anti-Trust Penalties for Certain Union Conspiracies. The Clayton Act would be invoked against unions which engage in any combination or conspiracy designed to fix prices, allocate customers, restrict production or otherwise interfere with interstate commerce.

4. Equal Responsibilities for Observance of Work Contracts. Unions violating a work contract could be sued and their members could be denied the protection of the Labor Relations Board.

5. Permission for Employers to Hire Permanent Replacements for any workers who strike, to discuss problems with their employees and settle any grievances not covered by a collective bargaining agreement.

6. A Long List of Unfair Labor Practices on the part of employees, including "featherbedding," jurisdictional and sit-down strikes, boycotting and mass-picketing. A company injured by such activities could seek court injunctions and sue. The union members could lose the protection of the Labor Relations Board.

7. A Hard and Fast Definition of Collective Bargaining. Over a month before the expiration of a work contract, company and union would have to listen to each other's proposals and meet at least five times together. If no agreement were reached, a strike could only be called after the union members had voted by secret ballot to reject the employer's last offer of settlement.

8. Seventy-five day Federal Injunction against strikes endangering national public interest and welfare: The Attorney General would be authorized to obtain such injunctions and a detailed procedure for mediation and voluntary arbitration is set forth. If a majority of the workers by secret ballot rejected the employer's last offer of settlement at the end of this period, the injunction would be lifted and the strike could begin. Presumably, a second injunction could be obtained if the strike again threatened public interest.

9. A Ban on Employer Contributions to so-called health and welfare funds where the union has any degree of control over the fund. Like the Wagner Act, the bill also prohibits the employer from otherwise directly or indirectly encouraging or discouraging membership in a labor organization. Unlike the Wagner Act, it prohibits the employer from collecting union dues, (the so-called checkoff) unless written permission of the individual employee is received.

10. Reorganization of the Federal Conciliation and Labor Relations Agencies. A new director of conciliation would be appointed, who would be independent of the Labor Department. A new administrator of labor relations would be appointed whose task would be to investigate complaints, prosecute them, and if necessary seek court orders. A new three-man labor-management relations board would replace the present N.L.R.B. The task would be purely judicial, to hear charges brought by the administrator and issue orders against violators. Any decision of the administrator or board would be subject to appeal to the courts.

Some observers believe that the House measure will be rejected by the Senate Labor Committee and will not reach the Senate floor. However, it is expected that its major provisions may be introduced as amendments into the Senate's own bill. At present, the Senate legislation is less drastic than its House counterpart, and is considered less distasteful to organized labor, although it is thoroughly opposed.

The present Senate measure, as reported by the Committee, advices to the "Wall Street Journal" from its Washington bureau state, would:

1. Prohibit the closed shop, but permit the milder union shop if 50% of a voting unit's employees approve it by secret ballot. However, existing closed shop contracts with foremen would be valid until their expiration dates.

2. Deny foremen collective bargaining rights under the Wagner Act.

3. Increase membership on the National Labor Relations Board from three to seven, and in a limited way separate the Board's prosecution and judicial functions.

4. Provide a set of unfair labor practices for unions. These would include jurisdictional strikes, secondary boycotts, and the refusal to bargain collectively.

5. Bar N.L.R.B. from certifying a union including professional employees, unless a majority of such workers vote in favor of certification, and require the Board to give greater consideration to craft and independent unions.

6. Permit an employer, and in some cases an individual employee, to petition N.L.R.B. for an election to determine the proper bargaining union. The Board would have wide discretion in deciding whether to call an election and in no case could it do so where a valid election had been held during the preceding year.

7. Set up a new mediation service, which would absorb the Labor Department's Conciliation Service. This agency's job would be to encourage collective bargaining, attempt to settle labor-management disputes and, as a last resort, recommend arbitration.

8. Require both employers and unions to give 60 days notice before the expiration of a contract, if either seeks changes in the existing contract. Upon failure to do so, the existing contract would automatically be extended 60 days from the date of notice.

9. Subject unions, as well as employers, to breach of contract suits in the Federal courts.

10. Require unions to register with the Labor Department and make regular financial reports.

11. Create a joint House-Senate committee to study labor-management problems and report to Congress by next Feb. 15.

12. Authorize the Attorney General to seek — and the courts to issue — injunctions to halt strikes or lockouts in basic industries for 80 days while efforts are being made to settle the disputes. At the end of this time, the President would report to Congress and make whatever recommendations he sees fit, unless the dispute has been settled.

Senate committee approval on April 17 was by a vote of 11 to 2, with Democratic Senators James E. Murray of Montana and Claude Pepper of Florida voting against the measure.

Earlier Congressional action on the proposed labor legislation was reported in the "Chronicle" April 17, p. 2114.

Now Palestine Mtge. & Savings Bank

The Palestine Economic Corporation in New York has announced that the name of the Palestine Mortgage and Credit Bank, Ltd., one of its wholly owned subsidiaries, has been changed to Palestine Mortgage and Savings Bank, Ltd., as more accurately descriptive of its present-day services. Total savings on deposit, it is stated, amount to more than $250,000, and an advertising campaign is now under way in Palestine to encourage the opening of new savings accounts. The announcement also says:

"One of the principal activities of the Palestine Mortgage and Savings Bank, Ltd., is the erection and financing of group and standardized low-cost homes for middle and lower income families. It has constructed and financed approximately 1,200 homes, 500 in urban and suburban areas and 700 in rural towns and villages. Although the costs of materials and labor have increased steadily in the past few years, building activities have been accelerated greatly in a desperate effort to overcome the acute housing shortage, the Bank reports. A new method of joint ownership of houses has developed in Palestine, under which promoters erect houses of 10 to 12 apartments and sell each apartment to an individual. The Bank has extended its financial assistance to this type of building construction by granting mortgages on such apartments.

From Washington Ahead of the News

(Continued from first page)

partment estimates, is already well under way. Interior Secretary Krug, who is being dubbed the boy wonder of the Administration because of his recent experiences, coupled with his Vice-Presidential ambitions, fired the opening gun with an expression of fear that reclamation projects would be retarded. There is no doubt that they will.

It so happens that last August, Mr. Truman made a dramatic announcement that all but the emergency phases of the government's $1,600 million building and construction program must be held up in order to remove the inflationary pressures, to bring our financial house in order and to facilitate reconversion. The government grabbing of materials sorely needed by industry, he rightfully reasoned, not only made these scarce materials higher, but retarded industry's reconversion. On the eve of the Congressional elections last year he released additional funds for reclamation projects but still held new construction to $110 million for each of the fiscal years '46 and '47.

Now, however, all of these ambitious construction programs by the government have been thrown back into the estimates for '48. Certainly all of the conditions which Mr. Truman mentioned in August still obtain. The House Appropriations Committee is trying to keep them out. There will be an awful fight on the reclamation cuts, however. Reclamation projects are political capital for Western congressmen. It will be quite a test of the House Republican leadership.

The committee's investigators who are going back of the Bureau of the Budget and making a thorough examination of the bureaucratic structure are turning up some highly revealing stuff.

You have the impression, undoubtedly, that the Veterans' Administration hospitals are crowded with men suffering from wounds or ailments incurred in the war and that thousands of others are waiting for beds and for that reason we are rushing through a billion dollar hospital program. The fact is that more than 70% of those in the hospitals are non-service connected cases. They are patients simply taking advantage of the free service given to those who have served in any of our many wars. A man died recently in a VA hospital with an estate of $500,000. Of those for whom the new hospitals are being built 99% are in the non-service connected category.

The doctors who were buttonholing everybody they could a few months against socialized medicine, have apparently been resting easier recently in the belief that it is a dead issue. But Senator Pepper has bills pending which would make veterans' dependents eligible for the free service. In a few years about two-thirds of the population would be entitled to this free service.

The Army and Navy have about the same number of spare beds that are provided in the VA building program. But Medical Administrator Hawley of VA has a beautiful dream of "integrated medical centers." He won't use the spare Army and Navy facilities. Also, notwithstanding that the preponderance of VA patients are people taking advantage of the free service, at VA hospitals are equipped with recreational centers, bowling alleys, theatres, etc., facilities to which the service connected cases would undoubtedly be entitled.

In many instances, because of these frills, VA hospitals cost more than twice as much as civilian hospitals. The House Appropriations Committee would like to do something about this situation. It undoubtedly will if it can get some public support.

Lilienthal and Aides Confirmed for Atom Control

The nomination, sent by President Truman on Jan. 15 to the Senate, of David E. Lilienthal to be Chairman of the United States Atomic Energy Commission finally received confirmation on April 9, after months of bitter debate, by a vote of 50 to 31, according to Associated Press Washington advices. The Commission has vast, unprecedented authority over atomic power for peace or war. The Senate also confirmed by voice votes the other four Commission nominees and the Commission's General Manager, Carroll Wilson.

Besides Mr. Lilienthal, former Chairman of the Tennessee Valley Authority, the Commission, which has already been serving by interim appointment, will consist of Lewis L. Strauss, former New York banker and a former Rear Admiral; William W. Waymack, former editor of the Des Moines "Register and Tribune"; Dr. Robert F. Bacher, former Cornell University physicist and atomic bomb pioneer; and Sumner T. Pike, of Maine, former member of the Securities and Exchange Commission.

Mr. Wilson, the Commission's General Manager, was Assistant to Dr. Vannevar Bush in the Office of Scientific Research and Development during the war. He is to receive a salary of $15,000 a year.

Mr. Lilienthal will receive $17,500 a year, the other four commissioners each $15,000.

It has already been considered that these men may be the most important appointees ever named by a President. They will, it was noted in Associated Press Washington advices April 9:

1. Own in the name of the United States all this country's atomic production plants and fissionable materials.

2. Control virtually all U. S. research and development in atomic energy—medical, industrial and scientific, including atomic weapons.

3. Have the power to force any American to stand trial for his life if he discloses atomic energy information the Commission thinks should be kept secret.

Actually, the President of the United States will be referee in some of the Commission acts. Also, Congress will rule finally when the Commission decides that some atomic power is ready to be given American industry. Congress also holds the purse strings.

Shortly before Mr. Lilienthal's name as Chairman of the Atomic Energy Commission was sent to the Senate by President Truman on Jan. 15, Gordon R. Clapp was nominated by the President to succeed Mr. Lilienthal as a Director of the Tennessee Valley Authority. By a vote of seven to five the Senate Public Works Committee on Feb. 28 rejected Mr. Clapp's nomination, and on March 3 it was reported to the Senate adversely; on three occasions later, viz.: March 5, 12 and 14, the Senate passed over the nomination.

Financing Corporations

(Continued from first page)

tury it was not essential for a business to maintain a separate department for the preparation of Government reports. Treasurers of corporations were not confronted on one hand with the problem of retaining sufficient sums in the business to assure a continuity of operations, and on the other, with the distribution of most of the earnings to avoid a penalty for the accumulation of unwarranted surpluses. Perhaps even more important is the task of convincing workers, as our good friends at Warner & Swasey so aptly put it—"If you want a bigger piece, make a bigger pie."

End "Less Work—More Pay" Philosophy

The philosophy of more pay for less work must be overcome if we are ever again to enjoy a prolonged period of prosperity. While at the moment there have been signs of moderate progress in overcoming the practice of that bad philosophy, there are also signals pointing to another spiral of price increases that will take us farther and farther away from stable economy. This is seen in the recent upward trend in commodity prices, resulting in increased living costs, plus above-average profits shown by a few industries during the past year. With no immediate prospect of a substantial reduction in living costs, it is reasonable to expect a demand for increased wages and this demand will be met at least in part, but if prices are to be reduced, industry must take advantage of the most modern manufacturing methods available and we must have an improved contribution from every class of worker.

The year of 1946 seemed to be one of trial and error. Much time and production was lost through strikes, earnings were spotty, and the continuation of Government controls created bottlenecks that caused inventories to hit new peaks. If there was one thing conclusively proven it was that most businesses required far more working funds than had been anticipated. Where needed, these funds had been made available through the use of short term bank loans, term loans from banks, insurance companies, the sale of debentures, preferred and common stock and perhaps other methods, such as accounts receivable financing and warehousing arrangements. Banks have not only undertaken, but I believe pretty well succeeded, in taking care of the short and medium term credit requirements of industries. In many instances a group of banks have worked together to supply these requirements. Perhaps it may be of interest to some of you to know that Cleveland banks working together can take care of industries whose total financial requirements are as much as five or six million dollars, without approaching their legal lending limits. In 1900 there was not a single bank in Cleveland with total deposits of as much as $10 millions; and now everyone knows that item stands well over $2 billions. Loans, as another item in Cleveland banks, increased from $350 to $579 millions in the six year period ending Dec. 31, 1946. Of this amount $80 million or 15% of the increase has taken place during the past year—our first full year of world peace in 16 years. Particular attention has been focused on commercial loans to small business; and some banks have established separate departments for this type of business.

Short Term Loans or a Pick-Up For the Short Pull

Let's look for a moment at Short Term Loans and lines of credit.

In normal times, many a business has seasonal requirements for additional capital that can be properly supplied by a short-term bank loan. In such cases it would be poor economy to arrange for long term financing or additional invested capital, as the funds could not be profitably employed throughout the year. Borrowings of this character are generally made under what is commonly referred to as lines of credit. The establishment of the line of credit is usually a prerequisite to the making of the first loan. Here are some of the mechanics of arranging lines of credit:

1. At the outset, a personal interview is had between the borrower, and a lending officer of the bank, often in company with a member of the bank's credit department. Sometimes this conference is held in the prospective borrower's office, because records are more readily available, the borrower has an opportunity to explain his operation more fully, and the banker has a chance to see how the borrower "keeps house."

2. In normal times, at least three years' balance sheets and operating statements are obtained so that trends can be observed. This particular period of today makes it important that information be secured covering the operation prior to the war.

3. Commercial reporting agencies are called upon to supply information of a general scope.

4. The bank compares the operating results of the borrower with information in its files on operations of other customers in the same business.

5. If the borrowers had a relationship with another bank, a check with that bank may be made.

Facts the banks must have on file include: something about the borrower's lease, if the operation is carried on in a rented property; principal customers and suppliers; backlog of orders; outstanding purchase commitments; adequacy of its records and cost system; insurance coverage; and other miscellaneous data. All of this properly recorded gives the bank an instant size-up, and of course makes for a sound permanent relationship. With the amount of the credit established, the borrowing operation is a simple one. An unsecured note is presented, the discount deducted, and the net proceeds credited to the customer's commercial bank account.

Many borrowers find it desirable to share with the bank month-to-month balance sheets and operating statements as well as estimated cash projections and operating budgets. This keeps the bank's credit file complete and tends to lead to a cementing of the relationship.

Most banks require the customer to clear the line, that is, pay off the note, at least once each year. This demonstrates that the proceeds of the loan are used for peak requirements rather than semi-permanent capital. Inability to clear the line indicates a need for longer term financing; or perhaps a conference should be had with a view to calling in the customer's investment banker to study the matter of additional invested or permanent capital, as against proposed temporary working capital funds.

Large and prosperous businesses often arrange for lines of credit with several banks. This is sound practice as it improves the standing of the business, and makes it more independent of any one bank. However, banks joining in such participations should have a definite understanding among themselves and the borrower as to total borrowings, which comes first in repayment, how much, etc.

The owner of a small business, however, will do well to direct all of his energy toward strengthening its credit at one bank. Let me emphasize this — **of all the functions performed by a commercial bank, none is more important than supplying short term loans to business.**

Granting Term Loans for the Longer Pull

A term loan is a business credit having final maturity in excess of one year. It may or may not be secured; it is usually payable in monthly, quarterly, semi-annual or annual instalments, and is subject to a formal agreement between the borrower and the lender. These loans are not cure-alls, do not properly adapt themselves to every business, and the making of such loans for the expansion of businesses that do not have a satisfactory earning record or unusually good earning prospects may bring disaster to both the borrower and the lender.

Term loans commenced to take a place in banking following the banking holiday of 1933. Prior to that, on the other hand, it was not unusual for 90-day notes to be renewed time after time without principal reduction and presumably this practice amounts to term loans. Demand loans were granted with no maturity and these loans were permitted to run for long periods. In other cases, a borrower would demonstrate ability to clear bank debt once each year by liquidating inventory or temporarily failing to discount trade payables. A few weeks later the business would expand by the use of the same bank credit. Had the banker refused to re-establish the credit after the brief clean-up, the need for long term credit would have been apparent.

Another rapidly disappearing practice is the one of rotating borrowings from one bank to another. When the bank that happens to be out of the picture decides not to restore the credit, both the lending bank and the borrower may be faced with an undesirable situation. The term loan with regular amortization is a very decided improvement over that type of lending. These loans, carefully selected, and properly administered, follow a pattern not unlike the modern Home Loan which provides for regular monthly reductions.

Numerous factors have contributed to the popular demand for term loans by borrowers and the gradual acceptance of these credits by bankers. Some businessmen, especially those whose business had received serious shocks in the early 1930's, are not only reluctant but unwilling to borrow funds that they cannot reasonably expect to repay at maturity.

Banks embarking on a term-loan lending program must be properly equipped to make an exhaustive study of their prospective borrowers' affairs. There are many important factors to be appraised. Among them are: (1) character of management, (2) long range prospects, (3) ability to repay from earnings, (4) financial condition, (5) adequacy of records, including proper cost system.

There is no substitute for honest, resourceful and well - balanced management with capacity to cope with adversity. Continuation of efficient management throughout the period of the credit must be assured. If the operation is large, the lender should know that there is a secondary group possessed with executive ability available in key spots throughout the organization. If the company is small, and its continued success depends upon one or two individuals, their lives should be insured and the policies pledged as a part of the collateral security to the credit.

The lender should be assured that the borrower's product has good public acceptance, and that such acceptance has a likelihood of continuing for the period of the loan. The position the borrower enjoys in the industry in which it operates, and the standing of the industry itself should receive careful attention. Borrower's facilities should be studied. Availability of materials and labor should be assured. The borrower's policy with respect to advertising and selling, public relations, treatment of customers, servicing of accounts, labor relations, and competition—these are all-over important factors.

As a matter of policy, and to provide maximum protection, many term loans are secured by a real estate mortgage on land and buildings, and a chattel mortgage on machinery and equipment. Lenders that lean heavily on the appraised value of the collateral, ignoring past earning records and future earning prospects, are treading on dangerous ground.

A term loan transaction usually originates as the result of special circumstances, and the loan agreement must be drawn to fit the particular case. It is not feasible to draw a standard agreement that will adapt itself to every application. The agreement should be a simple one and contain a minimum of clearly stated conditions. If the business is subject to peaks and valleys, a recapture clause requiring the borrower to use a substantial percentage of earnings as debt reduction may be incorporated in the agreement. As most of you know a recapture clause is a provision in the loan agreement that requires the borrower to pay a certain percentage of the profits if this percentage exceeds the scheduled payment. The payments in excess of the minimum payments are always applied on the latest maturity. The recapture clause becomes less essential in an industry whose earnings are stable and not subject to wide fluctuations.

It is out of the question to establish standard ratios that will apply to the many industries that are entitled to bank credit. The lender must always be assured that working capital is adequate to support a satisfactory volume of business, and that the borrower's net worth is ample to protect the lender against loss in either good times or bad.

Term loans require closer administration than short term credits. A check list is usually prepared by the bank of the important covenants, so that monthly statements can be analyzed with dispatch, and any unusual trends brought to the attention of the administration officer. The officer administering the loan confers frequently with the borrower so as to keep abreast with the situation.

Industrial Loans From Life Insurance Companies

While there is nothing new about the making of industrial loans by insurance companies, the abundance of funds, scarcity of corporate bonds and the low yield on government securities perhaps have brought about a more active solicitation of such loans.

The pattern for these loans follows closely the terms and conditions of a bank term loan. Banks are often invited to participate with the insurance companies in making these loans, and sometimes take the early maturities. At least some companies charge a penalty for payments in excess of the regular maturities, which are often waived by banks, and require the employment of independent counsel for the preparation of the necessary agreements essential to the closing of the loan.

The benefits to corporations, as a rule, in considering loans from insurance companies are not lower interest rates, less restrictive terms and conditions, but longer maturities than commercial banks believe are satisfactory investments for their funds. There are situations where loans of this character fit into a corporation's program. I am thinking of companies with an unusually stable record of earnings or prospects for earnings, or companies with substantial amounts of working capital.

However, it seems to me there are few manufacturing concerns that can look into the future for long periods of years, and it is often unsound for an industrial concern to project its operations too far in the future. If the projection indicates that 15 years will be required to retire a term loan, it may be much better to arrange for invested capital for a portion of the expansion program—thus adding to net worth rather than assuming heavy debt position.

The average company that arranges for financing on a basis that requires that most of the earnings over a long period of years be set aside for debt retirement, should keep its situation under constant review so that at the opportune time at least a portion of the debt may be replaced by permanent capital.

Industrial Loans by Government Agencies

Let us not confuse direct or indirect loans to industry by government agencies with the Federal Housing Administration or the outstanding performance of the Federal Reserve Bank when authorized to guarantee loans for the Army, Navy and Maritime Commission during World War II. The Federal Housing Administration does not lend money, it guarantees home mortgages that conform with its standards. While it later developed that almost every loan guaranteed by the Federal Reserve Bank to aid in the all-out war effort could have been made without the guaranty, many of the credits were entirely disproportionate with the borrower's own net worth or working capital.

With banks actively competing for every sound business loan both large and small and having ample funds available to meet the requirements of business, it does not seem to me that government agencies should continue to make or guarantee loans to industry. I think such loans are unsound for the borrower.

Not often but on rare occasions our bank makes a business loan that is guaranteed in part by a government agency; presumably other banks do likewise. The guaranty is obtained because there is something wrong with the application. The ratios may be out of line; the business may not be properly seasoned, management perhaps does not entirely stand the test; the product may not have proper public acceptance or there may be a variety of other reasons why the application does not come up to the proper lending standard. The loans are most always secured and the security, plus the guarantee protects the bank against more than a nominal loss. Nevertheless, the making of these loans actually assists the borrower in stretching his own capital farther than good business judgment warrants.

Invested Capital

Nothing, with the possible exception of able, aggressive management, is as important to perpetuate a business as an ample capital. In fact, able management and adequate capital go hand-in-hand. Loans of one kind or another augment capital, but these loans are not a complete or satisfactory substitute.

A close working arrangement with an investment banker may provide real benefits not only to large corporations, but, in these times of high inheritance taxes, to moderate seized businesses whose stocks are closely held. To make my point clear, think of the X.Y.Z. Corporation. This company was entirely owned by three generations in the same family,—all living. By conservative management and plowing most of the earnings back into the business, a sound net worth of slightly in excess of two million dollars had been accumulated. The product had good public acceptance, earnings were satisfactory and both immediate and long term prospects were excellent. Capable counsel and experienced investment bankers developed a plan for the sale of one-half of the business for a little under the total book net worth. An additional block of stock was sold to improve net worth and working capital. As a result the family's interest, which was reduced below 40% of the total outstanding number of shares, was more properly diversified; funds were made available for future inheritance taxes; a market value is determinable for estate tax purposes and the net worth of the company has been substantially increased. An evidence that the public has received good value, is the fact that the security constantly has sold above the offering price during a very unsettled period.

The necessary amount or type of invested capital in relation to sales varies widely with industries, investment in fixed assets, turn-over of accounts receivable and inventory, etc. If there is one single point I want to make clear it is that it is better to have too much rather than too little invested capital in a business.

Summary

Since the turn of the century, the national income has increased sixteen times and the national debt has multiplied two hundred fold. This debt must be serviced and reduced. In each worker's gross pay is a sum for Uncle Sam. A portion of each invoice paid and each receivable created goes for taxes. While there may be some shifting of bank deposits from bank to bank, and from district to district, the total should remain at around present levels for any foreseeable period. Loans are constantly hitting new peaks, but there is still ample credit available for sound loans, both large and small. The swollen supply of money has reduced the buying power of dollars so that more and more funds are required to produce and finance a given number of units. An improved flow of materials may permit a reduction in inventories, thus improving the quick position of corporations.

I am sure you treasurers will agree that these are days when worth to debt, current and quick ratios are to be watched if undue risks are to be avoided. However, this is no time for hysteria. Let us not talk ourselves into a depression.

The State of Trade

(Continued from page 3)

that for the corresponding weekly period one year ago.

Consolidated Edison Co. of New York reports system output of 196,300,000 kwh. in the week ended April 13, 1947, compared with 183,600,000 kwh. for the corresponding week of 1946, or an increase of 6.9%. Local distribution of electricity amounted to 184,900,000 kwh. compared with 177,600,000 kwh. for the corresponding week of last year, an increase of 4.1%.

Railroad Freight Loadings—Car loadings of revenue freight for the week ended April 12, 1947, totaled 758,166 cars, the Association of American Railroads announced. This was an increase of 43,007 cars, or 6% above the preceding week, and 108,868 cars or 16.8% 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 88,847 cars or 10.5% is shown.

Paper and Paperboard Production — Paper production in the United States for the week ended April 12 was 102.4% of mill capacity, against 106.1% (revised figure) in the preceding week and 103.6% in the like 1946 week, according to the American Paper & Pulp Association. This does not include mills producing newsprint exclusively. Paperboard output for the same week was 96%, compared with 102% in the preceding week and 101% in the corresponding week a year ago.

March Building Permit Values Rise—Building permit values in 215 cities rose 40.7% to $235,063,263 during March, from $167,099,572 in February, according to the latest compilation by Dun & Bradstreet, Inc. Although the aggregate for the month was the largest since April of last year, it represented a drop of 44.7% from the $425,236,543 for March a year ago, when permit volume reached the highest level since April 1929.

In New York City, permit values for March totaled $61,422,127, more than double the February figure, and a gain of 45.0% over March, last year. Filing of plans for several large housing projects in Brooklyn and Queens helped to swell the month's level.

Business Failures Increase—Commercial and industrial failures in the week ending April 17 rose to 68, reports Dun & Bradstreet, Inc. Up from 59 in the previous week; concerns failing were over four times as numerous as in the comparable week of last year when only 16 occurred. For more than a half year now, failures have exceeded those in the corresponding weeks of the previous year. Since the middle of January, this year, concerns failing have outnumbered not only the totals in the comparable weeks of 1946 but those of 1945 and 1944 as well.

The rise from last week was apparent among both large and small failures. Large failures, however, were over three times as numerous as small failures. Fifty-three concerns failed with liabilities of $5,000 or more. This represented an increase from the 49 large failures reported a week ago and compared with 12 in the same week of 1946. Small failures involving losses under $5,000 totaled 15, increasing from 10 last week. Only four concerns failed in this size group a year ago.

Manufacturing, where concerns failing aggregated 32, had the largest number of failures this week. Over five times as many manufacturers failed as in 1946's comparable week. Retailing had the second highest number, with 32 concerns going out with loss to creditors. Increasing from 13 in the preceding week, these retail failures exceeded those reported a year ago four-to-one. In other industry and trade groups failures remained at a low level, running no higher than five.

The New England, Middle Atlantic, and Pacific States accounted for 46 of the week's 68 failures. Fifteen concerns failed in each of the first two regions; 16 failed in the Pacific States.

Canadian failures numbered 4, as compared with 6 in the previous week and 1 in the corresponding week of 1946.

Wholesale Food Price Index Drops Further—For the sixth consecutive week, wholesale food prices generally decreased from the record peak of March 4. The wholesale food price index of Dun & Bradstreet, Inc. declined to $6.24 on April 15 from $6.41 in the previous week. A year ago the index was $4.20.

The four commodities rising in price during the week were flour, oats, barley, and eggs. The 15 items with lower prices were wheat, rye, hams, bellies, lard, butter, cheese, coffee, cottonseed oil, cocoa, potatoes, steers, hogs, lambs and beef. 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., dropped sharply on Monday of last week as the result of weakness in grains, livestock, and cotton. The index closed at 258.33 on April 15, as against 262.43 on April 8, and compared with 189.09 on the like date a year ago.

Grain markets were nervous and prices fluctuated over a wide range during the week. Cash wheat and the nearby delivery showed strength early in the period but declined sharply in late dealings. May wheat sold sharply lower on heavy liquidation resulting from weakness in cash markets. The reaction was attributed largely to slow demand from domestic sources and lagging export inquiries for flour following the recent issuance of April, May and June allocations. A preliminary estimate by the Department of Agriculture places this year's winter wheat crop at 973,000,000 bushels, or about 100,000,000 bushels more than was harvested in 1946. Corn displayed independent strength at times but the market became unsettled on the government report of huge reserves still on farms. Flour business, both domestic and foreign, continued slow. Domestic demand for lard was only fair and the price undertone was decidedly weaker. Hog values declined under ample supplies. Ham prices were lowered due to poor Easter demand. Steers and lambs also moved downward as receipts increased. Coffee and cocoa trended lower, reflecting current price uncertainties.

Cotton prices moved steadily downward last week with the New York spot quotation showing a net decline of 81 points for the week. Trading in spot markets fell to the lowest level in many months, largely attributed to the slackening of demand from mills. Another factor was the report that to the effect that Federal aid for promoting the export of cotton would be discounted with the end of the current crop year. The decline in mill demand reflected fears of a reduction in mill consumption during the coming season. Activity in textile markets continued comparatively quiet. While distant deliveries remained firm, limited offerings of spot goods were made at less than the former extremely high levels. Sales of cotton registered under the government export program totaled 1,200 bales in the week ended April 5, as compared with 18,200 in the previous week and 950 bales two weeks ago. Crop reports indicated a further delay in planting preparations due to wet soil conditions in the southern portions of the belt.

Buying of domestic wools continued at a slow pace in the Boston market last week as traders held off due to uncertainties in the price situation. Prices in foreign primary markets continued firm with offerings scarce. Wool tops developed some easiness as a result of resistance to current high asking prices.

Retail and Wholesale Trade—Retail volume dropped moderately the past week, reflecting chiefly the usual post-Easter lull in consumer purchasing. Buying was spotty and reports indicated wide fluctuations in dollar volume in some areas. Total dollar volume remained close to that of the corresponding week a year ago, Dun & Bradstreet, Inc., reports in its weekly review of trade. Response to the numerous clearance sales held during the week was moderate with continued resistance to high prices reported.

Apparel volume dropped moderately last week. Clearance sales of women's spring dresses, coats and suits attracted many shoppers. Interest in summer suits and sportswear increased slightly but consumer resistance to high prices and inferior quality goods was reported to be very strong. The demand for footwear and millinery fell sharply from the high levels of recent weeks. The supply of men's suits and furnishings continued to improve.

Heavy consumer buying maintained retail food volume at the high levels of recent weeks. High prices and increased supplies of meats and other provisions kept total dollar volume moderately above that of a year ago. Interest in canned foods was moderate with luncheon meat, tuna fish and salmon among the most frequently requested items. Meat and poultry were plentiful and stocks of fresh fruit and vegetables were adequate.

The demand for household electrical appliances continued at the high levels of previous weeks. The supply of radios, toasters and vacuum cleaners improved moderately and consumers continued to insist on well-known brands. The demand for building materials, paints and hardware remained heavy. Interest in sporting goods increased noticeably with requests numerous for such items as baseball equipment and fishing and camping supplies.

Retail volume for the country in the period ending on Wednesday of last week was estimated to be from 1 to 5% above that of the corresponding week a year ago. Regional estimates exceeded those of a year ago by the following percentages: New England 1 to 5, East 4 to 8, Northwest 6 to 10, and Pacific Coast 3 to 7. The Southwest ranged from 2% above to 2% below that of a year ago, and the Middle West and South from 1% below to 3% above that of the 1946 week.

There was a slight rise in wholesale volume in the week as total volume rose moderately above that of a year ago. The number of buyers registered in wholesale centers increased substantially from that of the previous week. Deliveries in most lines continued to improve. Buyers continued to be very price-conscious and considerable resistance to high prices on goods for future delivery was reported.

Department store sales on a country-wide basis, as taken from the Federal Reserve Board's index for the week ended April 12, 1947, decreased by 6% below the same period of last year. This compared with an increase of 17% in the preceding week. For the four weeks ended April 12, 1947, sales increased by 9% and for the year to date by 12%.

On a comparative basis retail trade here in New York reflected an improved position last week. Numerous stores enjoyed fair increases over the similar week of 1946 with the city-wide average for department stores, according to estimates, revealing a slight advance as compared with a decline of 4% in the weekly period ending April 12.

No marked increase in activity over that of previously slow weeks was noted in the wholesale garment markets, though reorders on fast-moving numbers came to hand.

Cotton piece goods buyers, it is reported, are placing orders for later in the year and are pressing for a more advantageous price. As for rayon goods buyers for third-quarter deliveries, they have been asked to accept allotments on better quality goods. In the hosiery field reports state some lines for May and June deliveries will show price reductions.

As for durable goods, demand held at unusually high levels and prices continue strong, with some increases and few declines.

Wholesale food prices were off slightly on the average in keeping with a similar drop in primary market prices.

According to the Federal Reserve Board's index, department store sales in New York City for the weekly period to April 12, 1947, decreased 5% below the same period last year. This compared with an increase of 8% (revised figure) in the preceding week. For the four weeks ended April 12, 1947, sales rose 6% and for the year to date increased 11%.

U. S. Extends Limited Indonesia Recognition

The State Department has informed the Netherlands Government that the United States has decided to extend "de facto recognition" to the Indonesian Republic in Java, Sumatra and Madoera, and has requested authorities at The Hague to notify Indonesian officials to that effect, Associated Press Washington advices of April 17 stated. It has been emphasized, however, that the United States will continue to recognize the Netherland's sovereignty in the field of foreign and economic relations. The present American recognition parallels a like move by the Dutch Government. A similar step is said to be planned by the British Government.

The United States does not intend to exchange diplomats with the Indonesian Republic, but will continue to be represented by Consul General Walter Foote at Batavia, Government officials stated, according to the Associated Press, which added:

"These officials said the United States has acted in accordance with the Linggajati agreement signed by Dutch and Indonesian officials March 25. This ended hostilities between the Indonesians and the Dutch and set up a federative United States of Indonesia sponsored by the Netherlands."

Pulitzer Stamp Issued

The press and journalism in general was honored on April 10, when the Joseph Pulitzer Commemorative Stamp was issued for the first time at the New York Post Office. This new stamp has for its central design a portrait of Joseph Pulitzer in an oval to the right. To the left of the portrait is a picture of the Statue of Liberty, superimposed on which is the famous quotation of Mr. Pulitzer, "Our republic and its press will rise or fall together."

Mr. Goldman also announced the holding of special commemorative ceremonies April 10, on the 100th anniversary of the birth of the late publisher, at Low Memorial Library, Columbia University. Many prominent educators, journalists and official representatives of city and national government were in attendance, including Mayor O'Dwyer; Robert P. Patterson, Secretary of War; Joseph J. Lawler, Third Assistant Postmaster General; Dr. Frank D. Fackenthal, Acting President, Columbia University; and Dr. Carl W. Ackerman, Dean of the School of Journalism, Columbia University, who addressed the guests.

Governor Dewey Defends His Legislative Program

(Continued from first page)

chaotic condition. In one city of this State the mere threat of a political strike by an irresponsible leader of a group of transit employees caused a whole city government to surrender an announced public policy. In another city, the sanitation workers went on strike and in another it was the water supply employees. In still another city, many school teachers went on strike and finally the public schools were closed.

The long-range damage is the same in every category of public service. In most public employment the results would be immediate and calamitous. Just think for a minute what would happen if the police of a great city were to go on strike. Human life would be worth very little and nobody's possessions would be his own for very long. Think what would happen if the firemen of any city went on strike! One little fire in any portion of the city would almost inevitably spread to the utter destruction of the city.

It would make this week's terrible catastrophe in Texas seem like nothing by comparison.

Effect of Strikes

Think for a minute what would happen if the employees of just one of our state mental hospitals went on strike. Five thousand mentally ill people would suddenly be left helpless. In the disturbed wards there would be hundreds of deaths by the violence of patients. Starvation would quickly set in and the weak, the aged, and the infirm would die like flies. They would lie there helpless, locked in a mental hospital, abandoned by the very people whose life work it is to care for them, to heal them and to restore them to health and society.

We have never seen a catastrophe in peace-time which would be equalled by the result of complete strike in any one of the countless branches of the public service. As a people, we are so dependent on one another today that when any one of us stops working, it does injury to someone else. But, if any branch of government stops functioning it does grave injury to a whole people. And that applies to all government.

Take, for example, the Department of Public Health. Normally it is quietly engaged in the vital but routine tasks of assuring the purity of your water supply, proper public sanitation, and the thousand and one other things that prevent the spread of disease. But only a couple of weeks ago a man came to this country from Mexico. He shortly became gravely ill of smallpox and died. Too many of our people have neglected the standard protection of being vaccinated periodically and there was sudden need for smallpox vaccinations, not for the usual thousands, but for millions, overnight.

If our State Department or any City Department of Public Health had been interrupted by so much as one day, there would have been very few vaccinations for smallpox. But they were on the job. The protection that nobody thinks about except in times of sudden crisis was there; it was ready, and from New York City to Buffalo we have probably had the greatest mass vaccination in history.

Responsibility of Government

But all this is only part of the story. Government provides many essential, daily services ranging from health and police and fire protection, from courts of justice to prisons, from highways to water supply. These are all part of the work of government which must go on uninterruptedly every hour of the day and night for the protection of the lives, the welfare, the health and safety of all its people. But most of all, government exists to protect their liberties.

Some people opposed this public strike law because by some process of reasoning they thought it was an opening wedge to injure the freedom of the members of unions to strike. Nothing could be more mistaken. There is no parallel whatsoever between the rights of employees in private industry and those who work for government. The very right of private employees to strike depends upon the protection of government. The right to work depends on the protection of government. Every freedom we cherish, every liberty we enjoy in this nation exists solely because it is guaranteed by the Constitution and protected day and night by government which functions without interruption. The paralysis of any portion of government could quickly lead to the paralysis of all government and then of all society. That is anarchy and in anarchy liberty is futile and a useless thing.

When this bill was being debated on the floor of the Assembly the representative of a minority party bitterly opposed it. During his speech he was asked the question: "Do you believe that public employees have a right to strike against the government?" He refused to answer and went on with the debate. Six times he was asked that question and six times he refused to answer.

Subsidized Opposition

But the cat was really let out of the bag by the members of one of those train loads of people in that monotonous procession of so-called marches on Albany. Of course, you know, those marches weren't marches at all. They were very comfortable rides, each of them paid for by somebody to the tune of $6,000 per trip for train fares alone. But that's another story. When the Condon-Wadlin bill was coming up for a vote in the legislature one of these groups accosted a member of the Assembly and threatened him with defeat if he should vote for the bill. First he argued with them and finally he asked: "Do you believe the Army and the Navy have a right to strike?" They answered, "Yes, of course."

The advocates of that philosophy are now at work all over the world. Every weak government is game for the Communists, who inspire to weaken it and then use its weakness to destroy it and put a dictatorship in its place. One of their most useful devices is the strike which paralyzes government, for when government stops functioning then their small, well-disciplined minority can take it over. The fate of nation after nation, all over the world, still hangs in the balance. There cannot, there will not and there must not be any such paralysis of government in our State or Nation.

It is true that dire threats of political reprisals have been made by reason of my sponsorship of this bill and for my signature which enacted it into law. I am not concerned with them. No man should take an oath of office to support the Constitution in which he believes if he is willing to betray it for political purposes or to allow the institution of free government to be undermined or destroyed by its enemies.

Protection of Human Liberty

I believe very deeply that the protection of human liberty under God by constitutional government under law as we have developed it in this country is the finest flower of the mind of man. Our country is one of the few nations on earth where every one of us is still free to choose his own mode of life, to think, to speak, to worship as he will. We still have the unique privilege in this country of electing at regular intervals those who will represent us in government and we have the priceless privilege of knowing that if we don't like them we can put them out of office on a given date in the comparatively near future.

Too much blood of American youth over too many years has been paid for these precious rights to allow them to be destroyed by any group however plausible they may appear. So long as I am Governor of the State of New York constitutional government and the liberties of our people will be preserved.

No, it has always been clear and now it is clearer, that none of us who enter public service—and we all do it voluntarily of our own free will—has any right to interrupt the public service. Our government is not an end in itself. It exists to serve all the people. It belongs to all of us. We cannot strike against ourselves.

Rights of Employees Preserved

The rights of public employees are also scrupulously protected under the Condon-Wadlin law. It carefully preserves their rights to present their views, complaints and grievances not only to their superiors, but to the Legislature, to the public and by their own ballots on election day. Moreover, we created in the State Government two years ago a Personnel Council for the very purpose of correcting individual grievances, in addition to the opportunities which exist before the Civil Service Commission and even in the courts.

By the use of these methods public employees have gained a remarkable position in our State and public employment is very attractive indeed. As a result, we have in the State Government one of the finest bodies of public servants to be found anywhere. During the war years when they could have won higher pay in war industries, they stuck to their jobs. Short-handed—in many cases extremely short-handed, they maintained every essential service and they did so loyally and well.

Their views are respected in the formation of policies by the Administration and by the Legislature and their fine service has been rewarded substantially. Four years ago the average pay of the 50,000 state employees was just under $1,700 a year. Today the average pay in this State is $2,450 a year. That is an increase of 44% in the last four years.

A recent study of our whole salary structure indicates that your State Government pay scales compare favorably with those in private enterprise, job for job. In addition, in periods of depression, State employment remains stable. There is little or no fear of the loss of a job or of substantial cuts in pay. Moreover, the State contributes very liberally—some $8 million a year—to the pension system for State employees, a month's vacation with pay, as well as paid sick leave.

The public service has certain very definite obligations. It requires honesty, and uninterrupted devotion to the welfare of all the people. In exchange, the public service is well rewarded with secure, well paid employment which our people will, I am sure, continue to make attractive and happy.

Government Must Meet Challenge

As I have said, the business of government is to assure the freedom, security and opportunity of our people. In times of crisis it must rise to the challenge and meet it effectively. But all the time, in crisis or out, it must steadily serve in advancing these great objectives. So, while meeting the larger challenges of our time, we have also pressed steadily forward in meeting the day to day needs of the people.

Perhaps no State service is closer to the needs of employees generally than workmen's compensation. This service provides the continuing protection of workers who may be injured or fall victim to occupational diseases. We found the service in pretty bad shape four years ago. One of our first problems was to stamp out the ring of racketeers who were preying upon injured employees. There were also a good many problems of law and medicine which had prevented full service to one group or another for years.

One of these had to do with silicosis, which attacks miners, foundry workers, anyone exposed to the hazard of inhaling certain kinds of rock dust. Silicosis is an insidious disease, difficult to diagnose or to define in the terms necessary for the legal payment of damages.

Health Protection

After long, intensive study, the Chairman of the Workmen's Compensation Board presented a proposed solution to the representatives of both labor and the industries in which silicosis occurs. They examined all the research, debated the results and finally reached agreement on a new formula. It is unique in the nation. The result was enacted into law and New York has again led the nation by providing full compensation to those totally disabled from dust diseases and to their families in case of death. Now we are pressing forward with new research to evaluate partial disability in this difficult and important field.

I'm sure you have heard about the men who call themselves "sand hogs." They go down under compressed air to dig tunnels and must be brought out very gradually. If they come out too suddenly, they get the "bends," suffering attacks of extreme pain and physcial distortion resulting from the escape of nitrogen absorbed in the blood stream. But when the attack passes, something else may have happened and that is not so easily detected. A number of bone, blood and lung changes sometimes occur, but they do not become apparent until a long time later when it's too late to get compensation. The same problem of delayed symptoms has long existed concerning the effect of radio-activity, which probably will become a much more frequent industrial hazard now that we have atomic energy to deal with.

So the same study and conference system has been applied to this difficult subject and I have just had the happy privilege of approving a new law by which from now on men and women who work under these hazards of slow-starting diseases, will at last receive workmen's compensation.

Volume of Laws Enacted

Altogether the Legislature passed 1,237 bills this year. I have just completed the heavy task of acting on each of them: 908 were approved; 329 vetoed. Every one of those acts had to do in some respect with our liberty, our security and our opportunity. For example, there was a very important bill to allow for the use of modern mortality tables for life insurance; another authorized the Public Service Commission to require railroads to fence in their rights-of-way to protect the lives of children. We have continued our progressive fight against mastitis among dairy cattle, and our research to increase production in all fields of agriculture. New steps were taken this year by programs to reimburse the owners of farm animals dying from rabies and to fight a new insect which is endangering our potato crops.

Tax Returns Simplified

The lessons learned from three hotel fires in Atlanta, Chicago and Dubuque were embodied in bills making broad advances in State-wide fire protection.

We made further progress this year in relieving our people of the unpleasant details in filling out their income tax returns. The Legislature has approved for next year a new, simplified tax return for the smaller taxpayer whose income is from salaries and wages. Believe it or not, this tax return is the size of a postcard. Instead of making a long laborious list of contributions and other deductions, you make a flat deduction from your income and fill in the amount of tax. It will not reduce the State's revenue much but it will greatly reduce the burden on the income taxpayer.

Park Facilities

The recreational facilities of our State—our parks, our forest preserves, our lakes and streams—will soon be providing summer health and relaxation for many millions of our people. This year the Conservation Department has the largest sum ever made available for conservation work in our State. As soon as conditions permit us to go ahead, our conservation plant will be improved and our breeding program of fish and game will go forward as never before. We still have much to do in this field, in fighting pollution in our waters, in the erosion of our land, in building up our forests. It is imperative that in the years ahead we attend more vigorously and more completely to our natural resources.

A problem affecting more than 10,000 of our young people in New York is that of the spastic or victim of cerebral palsy.

This is a peculiarly tragic handicap, which usually causes a partial paralysis in children at birth. Because of a lack of muscular coordination and speech handicap they are often wrongly thought to be mentally deficient. But many can, with care, be trained and reared to useful, happy and productive lives.

After long study by a Legislative Committee, we tackled this problem this year, breaking new ground of government action. With an appropriation of $150,000 the State will help finance a great project of research, patient care and training of nurses and other specialists at the University of Rochester.

In the meantime cerebral palsy patients are being given treatment throughout the State and I look for the development of brighter futures in this vital field of human need.

Rent Control Continued

The cost of living is giving all of us deep concern and your State Government is rigidly avoiding any step which would contribute to the dangerous spiral in which we now find ourselves. We are neither bidding up the cost of materials nor using manpower or materials so vitally needed in housing. Fundamentally, of course, the cost of living is a matter of national and international economics, beyond the scope and power of any one state. On one point, however, your State could act affirmatively and it has done so. You will remember that last year we enacted an emergency rent control law which became effective the moment Federal control ended. That was the reason why New York, alone among all the States, was able to protect its people from runaway rents when Federal control lapsed.

We have again enacted the State laws controlling home rentals as well as commercial rents. If Federal ceilings are again lifted, New York State will be ready to step in and protect the security of the homes of our people.

Provision for Wage Increases

I have already discussed how we have acted to preserve liberty by the uninterrupted service of government and some of the steps we have taken to advance the security of our people. Advancement of opportunity is a third great objective of goverment. Last Wednesday, in the first part of this report, I told you about our newly revised schedules heavily increasing teachers' pay, increasing state aid for education from $100 million to $152 million and setting new and better standards for the education of the children of our State. Several years of substantial, increasing pay rises for State employees and other new services also cost money, very large sums of money. Before anyone can be generous he has to have the money and this is the same with business, government and individuals. How are we going to pay for these advances and at the same time advance the opportunity of our people and of their children? I do believe that we have done both.

The ability of the State to take these progressive steps depends, of course, on the taxes it collects from a prosperous people. The prosperity of the employee depends upon the prosperity of the employer. This is true not only in a free nation of private business and trade but even more so in socialist nations. If everybody works for a bankrupt government, everybody shares its hunger, its rags and its tatters. That is the fate of millions of people in countries overseas today where private employers have been driven to the wall, and sterile, nonproductive government has taken over.

State Finances Excellent

I am happy to be able to say that the State of New York is in the best financial condition of many decades and its commerce is flourishing. The business enterprises of New York State are what we all live on, every unit of government and its employees; as well as all the millions of wage earners in business and industry. That is why one of the best things in this legislative session was that we were able to continue for this year the 50% cut in income taxes and continue business taxes down at the normal rates to which they were reduced last year.

In the past, New York had the reputation everywhere of being a state of high taxes. Year after year, under previous administrations, new taxes had been piled on the backs of trade and industry. Business after business had moved out of the State, steadily increasing the army of unemployed. New enterprises looked elsewhere for more hospitable homes. That meant less jobs, less security, less money for our people and our State.

Since the war your new State Department of Commerce has put men out in the field, constantly trying to persuade business men to expand their enterprises in New York. Today we are reaping the harvest of the policies your State government has pursued. One of the greatest obstacles had been removed, because business taxes in New York have at last gone down instead of going up.

New Corporations Set Record

Last year new corporations were formed in New York State, totaling 37,599 compared with the previous all-time record of 26,817 back in 1928. In the past year as a result of our special campaign for small business, the astonishing number of 100,000 new businesses were started in this State, opening up hundreds of thousands of new jobs for the people.

Labor Assured of Square Deal

There are many reasons for this gratifying situation. One is the great body of skilled, intelligent workers in New York State. Another reason is the fixed policy of your State government for a maximum of free, collective bargaining and a minimum of interference in negotiations between management and our great body of mature, responsible labor unions. Labor knows that it gets a square deal in New York. And now, industry knows that New York State' tax policy has been revised so as not to kill the business goose that lays the golden egg, but to encourage production for the benefit of all the people.

In terms of jobs—good jobs, these facts present a very happy picture. Today, we have employed in this State half a million more people than were employed in 1939. And while workers are putting in a shorter week than during the war their average net weekly earnings are actually higher than the wartime peak.

The simple fact is that by every test, your State government has actively served to advance the freedom, the security and the opportunity of all our people. This is not the work of any one man or of several men. It is the work of a great body of unselfish people working for you to the best of their high abilities. It is the result of team-work and high idealism devoted to the welfare of all our people of every group and of every occupation. It is the result of countless acts—both administrative and legislative, in all their infinite variety, but all with a common, unifying purpose. All of them—whether designed to preserve the continuity of public service, to protect our workers from industrial ills, or to maintain the prosperity of our people—all are the means by which your State has made great advances in maintaining the liberty, the security, and the opportunity of its people. Let us continue advancing together, in unity and in devotion under God, to the principles of the great, free Republic which have made these achievements possible.

The National Fertilizer Association Commodity Price Index Still Declining

The weekly wholesale commodity price index compiled by The National Fertilizer Association and made public on April 21, declined to 198.0 for the week ended April 19, 1947 from 199.5 in the preceding week. The index is now lower than at any time since the week ended March 1, 1947, when it was 197.8. A month ago the index stood at 199.3 and a year ago at 145.9, all based on the 1935-1939 average as 100. The association's report went on to say:

During the week four of the composite groups in the index declined while one advanced; the other six remained at the level of the preceding week. Quotations were higher for corn meal, beans, and pork, but the index for the foods group declined because of lower prices for butter, cheese, flour, coffee, most meats, corn oil, and tallow. Price rises for cotton, corn, eggs, steers, and poultry were more than offset by price declines for wheat, milk, and most livestock, with the result that the farm products index declined. A reduction in the price of anthracite coal was responsible for the decline in the fuels index. Lower prices for linseed meal, bran, middlings, and hides caused the miscellaneous commodities index to decline, despite higher quotations for leather. The price of steel scrap fell, but the rise in the price of brass sheets caused the metals index to rise.

During the week 33 price series in the index declined and 15 advanced; in the preceding week 27 declined and 16 advanced; in the second preceding week 26 declined and 15 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. 19, 1947	Preceding Week Apr. 12, 1947	Month Ago Mar. 22, 1947	Year Ago Apr. 20, 1946
25.3	Foods	220.6	222.6	223.6	144.3
	Fats and Oils	298.6	317.8	328.3	147.4
	Cottonseed Oil	433.1	433.1	427.4	163.1
23.0	Farm Products	245.1	247.6	249.8	175.7
	Cotton	330.4	327.8	332.7	264.2
	Grains	257.9	258.3	245.2	173.9
	Livestock	231.1	235.6	242.5	162.2
17.3	Fuels	169.8	170.3	164.9	131.7
10.8	Miscellaneous Commodities	158.3	158.6	163.6	133.9
8.2	Textiles	216.5	216.5	210.5	167.1
7.1	Metals	148.4	148.3	147.9	117.2
6.1	Building Materials	203.4	203.4	203.4	167.8
1.3	Chemicals and Drugs	158.4	158.4	154.5	127.5
.3	Fertilizer Materials	127.6	127.6	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	198.0	199.5	199.3	145.9

*Indexes on 1926-28 base were: April 19, 1947, 154.2; April 12, 1947, 155.4; and April 20, 1946, 113.7.

Moody's Bond Prices and Bond Yield Averages

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

MOODY'S BOND PRICES
(Based on Average Yields)

1947 Daily Averages	U. S. Govt. Bonds	Avge. Corporate*	Corporate by Earnings* Aaa	Aa	A	Baa	Corporate by Groups* R. R.	P. U.	Indus.
Apr. 22	121.80	117.40	122.50	120.43	117.00	110.15	112.56	118.80	120.84
21	121.80	117.40	122.50	120.43	117.00	110.15	112.56	118.80	120.84
19	a	117.40	122.50	120.43	117.00	110.15	112.56	118.80	120.84
18	121.80	117.40	122.50	120.43	116.80	110.15	112.37	118.80	121.04
17	121.77	117.40	122.50	120.43	116.80	110.15	112.37	118.80	120.84
16	121.80	117.40	122.50	120.43	116.80	110.15	112.37	118.80	121.04
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	116.80	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	117.20	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	121.04
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	120.84
14	122.20	117.40	122.09	120.02	117.20	110.88	113.12	118.40	121.04
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	121.77	116.80	121.04	119.61	116.80	110.15	112.37	117.80	120.02
1 Year Ago Apr. 22, 1946	124.99	119.61	123.99	121.88	119.20	113.89	117.20	120.02	121.67
2 Years Ago Apr. 21, 1945	122.44	115.04	120.84	118.60	115.04	106.56	111.81	114.27	119.20

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

1947 Daily Averages	U. S. Govt. Bonds	Avge. Corporate rate*	Corporate by Earnings* Aaa	Aa	A	Baa	Corporate by Groups* R. R.	P. U.	Indus.
Apr. 22	1.56	2.78	2.53	2.63	2.80	3.16	3.03	2.71	2.61
21	1.56	2.78	2.53	2.63	2.80	3.16	3.03	2.71	2.61
19	a	2.78	2.53	2.63	2.80	3.16	3.03	2.71	2.61
18	1.56	2.78	2.53	2.63	2.81	3.16	3.04	2.71	2.60
17	1.56	2.78	2.53	2.63	2.81	3.16	3.04	2.71	2.61
16	1.56	2.78	2.53	2.63	2.81	3.16	3.04	2.71	2.60
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. 22, 1946	1.41	2.67	2.46	2.56	2.69	2.96	2.79	2.65	2.57
2 Years Ago Apr. 21, 1945	1.63	2.90	2.61	2.72	2.90	3.36	3.07	2.94	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 19, 1947, 16.9% Ahead of That for Same Week Last Year

The Edison Electric Institute, in its currently weekly report, estimates that the amount of electrical energy distributed by the electric light and power industry for the week ended April 19, 1947, was 4,660,320,000 kwh., an increase of 16.9% over the corresponding week last year when electric output amounted to 3,987,145,000 kwh. The current figure also compares with 4,619,700,000 kwh. produced in the week ended April 12, 1947, which was 15.1% higher than the 4,014,652,000 kwh. produced in the week ended April 13, 1946. The largest increases were reported by the Rocky Mountain and Pacific Coast groups which showed increases of 22.2% and 21.7% respectively, over the same week in 1946.

PERCENTAGE INCREASE OVER SAME WEEK LAST YEAR

Major Geographical Division—	Week Ended— Apr. 19	Apr. 12	Apr. 5	Mar. 29	Mar. 22
New England	10.3	6.9	8.9	13.1	11.5
Middle Atlantic	10.2	6.4	10.8	13.6	11.8
Central Industrial	18.1	16.9	21.1	24.4	23.0
West Central	18.1	15.5	18.2	16.3	16.3
Southern States	18.4	16.3	18.0	17.0	21.4
Rocky Mountain	22.2	20.0	12.2	13.6	9.1
Pacific Coast	21.7	23.1	24.7	19.6	19.9
Total United States	16.9	15.1	17.7	18.5	18.5

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	4,660,320	3,987,145	+16.9	4,411,325	1,454,505	1,699,822
Apr. 26		3,976,750		4,415,889	1,429,032	1,588,434

May 11 Mother's Day

Mother's Day this year will fall on May 11 by proclamation of President Truman on April 12. In Associated Press advices from Washington on that day it was stated:

Mr. Truman called on both Government officials and the public to display the flag that day to show the "reverent esteem in which we hold the mothers of our country."

The announcement was issued while Mr. Truman was visiting his mother in Missouri.

The President said that he was issuing the proclamation in conformity with a public resolution of the 63rd Congress which provides that the second Sunday in May be designated Mother's Day.

Moody's Daily Commodity Index

Tuesday, April 15	410.5
Wednesday, April 16	414.2
Thursday, April 17	411.7
Friday, April 18	408.7
Saturday, April 19	409.4
Monday, April 21	411.1
Tuesday, April 22	404.6
Two weeks ago, April 8	415.5
Month ago, March 22	423.6
Year ago, April 22, 1946	273.2
1946 High Dec. 24	380.6
Low Jan. 2	264.1
1947 High March 26	431.8
Low Jan. 20	371.5

Weekly Coal and Coke Production Statistics

The total production of soft coal in the week ended April 12, 1947, as estimated by the United States Bureau of Mines, was 7,050,000 net tons, an increase of 3,060,000 tons over the preceding week. Output in the corresponding week of 1946 was 716,000 tons. During the current year to April 12, 1947, production of bituminous coal and lignite approximated 173,462,000 tons, an increase of 6.3% over the 163,184,000 tons produced in the corresponding period of last year. The average weekly rate in March, 1947, was 12,790,000 tons.

Output of Pennsylvania anthracite during the week ended April 12, 1947, as estimated by the Bureau of Mines, was 975,000 net tons, an increase of 171,000 tons, or 21.3%, over the preceding week. When compared with the production in the corresponding week of 1946 there was a decrease of 364,000 tons, or 27.2%. The calendar year to date shows a decrease of 9.8% when compared with the corresponding period of 1946.

The Bureau also reported that the estimated production of beehive coke in the United States for the week ended April 12, 1947 showed an increase of 2,500 tons when compared with the output for the week ended April 5, 1947; and was 43,200 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. 12, 1947	‡Apr. 5, 1947	Apr. 13, 1946	*Apr. 12, 1947	Apr. 13, 1946
Bituminous coal & lignite—					
Total, including mine fuel	7,050,000	3,990,000	716,000	173,462,000	163,184,000
Daily average	1,175,000	†798,000	119,000	2,015,000	1,874,000

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

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

	Week Ended			Calendar Year to Date		
	‡Apr. 12, 1947	§Apr. 5, 1947	Apr. 13, 1946	Apr. 12, 1947	Apr. 13, 1946	Apr. 17, 1937
Penn. Anthracite—						
*Total incl. coll. fuel	975,000	804,000	1,339,000	15,931,000	17,662,000	16,526,000
†Commercial produc.	937,000	773,000	1,287,000	15,317,000	16,982,000	15,700,000
Beehive Coke—						
¶United States total	49,800	47,300	6,600	1,668,500	1,206,800	1,086,800

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

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

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

	Week Ended		
State—	Apr. 5, 1947	Mar. 29, 1947	Apr. 6, 1946
Alabama	130,000	409,000	30,000
Alaska	6,000	7,000	6,000
Arkansas	8,000	27,000	10,000
Colorado	34,000	135,000	6,000
Georgia and North Carolina	1,000	1,000	1,000
Illinois	325,000	1,362,000	302,000
Indiana	126,000	553,000	48,000
Iowa	20,000	40,000	15,000
Kansas and Missouri	65,000	123,000	43,000
Kentucky—Eastern	256,000	1,152,000	53,000
Kentucky—Western	343,000	450,000	56,000
Maryland	9,000	41,000	2,000
Michigan	*	2,000	1,000
Montana (bituminous and lignite)	40,000	58,000	48,000
New Mexico	7,000	29,000	1,000
North and South Dakota (lignite)	40,000	48,000	26,000
Ohio	287,000	750,000	86,000
Oklahoma	40,000	48,000	25,000
Pennsylvania (bituminous)	1,105,000	2,762,000	58,000
Tennessee	58,000	139,000	8,000
Texas (bituminous and lignite)	2,000	2,000	1,000
Utah	37,000	146,000	4,000
Virginia	84,000	373,000	12,000
Washington	13,000	19,000	1,000
†West Virginia—Southern	362,000	2,265,000	22,000
‡West Virginia—Northern	552,000	1,046,000	65,000
Wyoming	40,000	155,000	8,000
§Other Western States	*	1,000	*
Total bituminous and lignite	3,990,000	12,150,000	938,000

†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 Backs Suspension of Copper Tariff – Platinum Rises

"E. & M. J. Metal and Mineral Markets," in its issue of April 17, stated:

"The Senate Finance Committee on April 10 gave its approval to the Patterson bill that would suspend temporarily the duty on copper. Western Senators met on April 15 to name a 'strategy' commitee to decide on action on the measure when it is presented on the floor of the upper chamber. Waiving of the duty on copper products other than copper sulphate, and the duration of the suspension, are questions expected to result in heated discussion. Foreign prices for copper again showed a wide spread. Domestic copper was unchanged. Lead continues to sell in good volume. Refined platinum advanced $5 per ounce on improved buying for industrial purposes. Silver was unchanged." The publication further went on to say in part as follows:

Copper

Prices paid during the last week for foreign copper again covered a wide range, from 22.75¢ to 23.80¢, f.a.s. New York equivalent, and fairly large tonnages were disposed of to European buyers. However, as the week ended, most transactions were closed near the top level. The British Ministry of Supply purchased copper on the basis of 23.75¢ from Empire producers.

Domestic quotations named by producers continued unchanged at 21½¢, Connecticut Valley.

The Senate Finance Committee, by a vote of 7 to 6, supported the House-approved bill which would suspend the 4¢ import tax on copper until March 31, 1949. The measure now moves to the Senate, possibly before the end of the current week. Whether further efforts will be made in the Senate to reduce the period of suspension is not known. After Senate approval, the measure goes back into committee and then to the House. Final passage of the bill may not occur until late this month, the industry now believes.

Lead

Most operators feel certain that the supply situation in lead will continue to improve, and, judging by the behavior of consumers, the market is gradually reverting to more orderly buying. Demand has not slackened and producers at present find a ready market for all the metal available.

St. Joseph Lead Co. is blowing in a second furnace at Herculaneum, which should enable it to lift its output by approximately 3,000 tons a month. Plans call for this expanded program to continue for at least three months.

Sales of lead for the week amounted to 8,585 tons.

Zinc

Conditions surrounding the domestic zinc market were unchanged last week. In foreign zinc, however, somewhat lower prices were named. On a deal involving Prime Western for shipment to India, 10.625¢. Gulf Ports was paid, which compares with 10⅞¢ asked a week ago.

F. H. Brownell, head of Federal Mining & Smelting Co., told stockholders that in his opinion the Premium Price Plan would not be renewed when the law expires on June 30, 1947. The company's operations in the Tri-State district, where zinc is the principal product, would undoubtedly cease with the lapse of the subsidy program, he said.

Platinum

Effective April 14, leading sellers advanced the price of refined platinum $5 an ounce troy to $63 on wholesale lots and $66 on sales to consumers.

The firmer situation in platinum was brought about by an increased demand for the metal from industrial consumers and reduced offerings from so-called outside sources. The jewelry trade has been buying moderately.

Tungsten

Demand for tungsten ore abroad and here has increased appreciably in recent weeks, and offerings from most producing areas have diminished. Recent transactions in domestic ore of good quality were closed at $25 per unit of WO3, but as the week ended it was doubtful whether additional supplies could be picked up for less than $26.50. Agents representing operators in Hong Kong have been asking the equivalent of $18.75 to $19.75 per short ton unit, which plus duty would place that market even higher than the domestic basis. Other foreign ores were quotable at $27 to $28 per short ton unit, duty paid.

Tin

The first meeting of the tin study group in which important producing and consuming countries are represented opened in Brussels on April 15. It is believed that a broad plan for international regulation of the industry will be discussed.

There were no changes in the price situation. The market for "Grade A" tin continued at 80¢ per pound, with forward quotations nominally as follows:

	April	May	June
April 10	80.000	80.000	80.000
April 11	80.000	80.000	80.000
April 12	80.000	80.000	80.000
April 14	80.000	80.000	80.000
April 15	80.000	80.000	80.000
April 16	80.000	80.000	80.000

Chinese, or 99% tin, 79.125¢.

Quicksilver

The market for quicksilver was inactive and the price situation remained unsettled. Sellers continued to quote $86 to $89 on spot metal, with nearby material available at $85 and perhaps a little less. Some domestic producers have been more inclined to sell, showing disappointment over the supply outlook. Earlier in the year it was generally held that foreign producers would do nothing to disturb the price structure here and that as soon as business volume expands the market would strengthen. Business has improved in quicksilver derivatives, yet supplies of metal are still pressing on the market.

Silver

Demand for silver was sufficient to maintain prices on an even basis throughout the week. The New York Official quotation continued at 76¢ an ounce. Advices from Bombay to the effect that trading in forward metal has been resumed was viewed as a wholly local development. Indian authorities have withdrawn ceiling prices established on March 10 when a squeeze in supplies threatened to get out of hand.

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 10	21.225	22.800	80.000	15.000	14.800	10.500
April 11	21.225	23.050	80.000	15.000	14.800	10.500
April 12	21.225	22.850	80.000	15.000	14.800	10.500
April 14	21.225	22.750	80.000	15.000	14.800	10.500
April 15	21.225	23.675	80.000	15.000	14.800	10.500
April 16	21.225	23.675	80.000	15.000	14.800	10.500
Average	21.225	23.133	80.000	15.000	14.800	10.500

Average prices for calendar week ended April 12 are: Domestic copper, f.o.b. refinery, 21.225c.; export copper, f.o.b. refinery 22.925c.; Straits tin, 80.000c.; New York lead, 15.000c.; St. Louis lead, 14.800c.; St. Louis zinc, 10.500c.; and silver, 76.000c.

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.

Our export quotation for copper reflects prices obtained in the open market and is based on sales in the foreign market reduced to the f.o.b. refinery equivalent, Atlantic seaboard. On f.a.s. transactions we deduct 0.075c. for lighterage, etc., to arrive at the f.o.b. refinery quotation.

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

Quotations for lead reflect prices obtained for common lead only. The differtntial on sales in the Chicago district is 10 points under New York.

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.

Silver, Gold, and Sterling Exchange

April	Sterling Exchange "Checks"	Silver New York	Silver London	Gold London	April	Sterling Exchange "Checks"	Silver New York	Silver London	Gold London
10	4.02½	76	45½d.	172s 3d	14	4.02½	76	45½d	172s 3d
11	4.02½	76	45½d.	172s 3d	15	4.02½	76	45½d.	172s rd
12	Not Quoted				16	4.02½	76	46d.	172s 3d

Average silver, 76.000c.; Sterling Exchange, 402.500c.

New York silver quotations are as reported by Handy & Harman and are in cents per troy ounce .999 fine. They are determined by Handy & Harman on the basis of market prices for bar silver in amounts of 50,000 oz. or more, for nearby delivery, New York; they are quoted in cents and one-eighth cent fractions, and are usually about one-quarter cent below the market, this deduction being an allowance for delivery, carrying, and marketing. In addition to foreign silver, the quotations also apply to domestic and Treasury silver if such silver enters into the New York market.

The Treasury's purchase price of newly mined domestic silver was established at 90.5c. per troy ounce, 1000 fine, effective on July 1, 1946, under an amendment to the Silver Purchase Act of July 6, 1939.

London silver quotations are in pence per troy ounce, basis .999 fine.

London gold quotations are per troy ounce, basis 1000 fine.

Sterling quotations represent the demand market in the forenoon. For premium on cables see Foreign Exchange.

Decline in Loans by Savs. Loan Assns. Seen

The early months of 1947 are seeing evidences in some home lending institutions that the average amount borrowed per family is declining. This is pointed out by the United States Savings and Loan League's Committee on Management which has month by month studies of 47 representative savings and loan associations scattered geographically from New York to Arizona from which to draw conclusions. The committee's announcement concerning this issued on April 12, added:

"The composite figure for these associations shows that the average loan dropped from $6,176 (a new high for this group of institutions) last October to $4,026 in February, latest month for which data were available.

"Two factors are influencing the downward direction of loan size today," comments the Committee. "One of these is the leveling off of prices on existing properties, a circumstance more marked in some localities than in others. Another is the fact that, outside of veterans loans where there is a special reason for continued policy of 100% lending if the veteran desires it, many associations are now looking for larger down payments on the part of borrowers." It is further stated:

"The Associations in whose average loan the downward trend from last October has been noticeable had a wide range of size from $22,000,000 down to half a million dollars in assets. They included geographically every section of the country except the Pacific Coast and New England. The largest drop experienced by an association was from an average loan of $10,000 in October (this one operates in a metropolitan area) to $6,447 by February."

Construction Contracts Set Record in First Quarter

Investment commitments for construction in the 37 states east of the Rocky Mountains have just set a record high first-quarter total of $1,310,580,000, it was revealed today by F. W. Dodge Corp. on April 14, a fact-finding organization for the construction industry, on the basis of a tabulation of contracts awarded during the first three months of this year.

The corporation attributes the record to the high volume of residential contract letting, the first quarter's total amounting to $748,691,000 against the previous high of $707,366,000 established in the first quarter of 1928. During the first quarter of last year, residential contracts totaled $467,035,000 and called for the construction of 67,115 dwelling units. The statistics show that 96,167 dwelling units are provided for under the contracts let in the first quarter of this year.

Non-residential building contracts dropped substantially. In the first quarter of last year a non-residential building volume of $716,910,000 was reported to set a peacetime first-quarter record as compared to $535,473,000 in the first three months of this year. It was pointed out that non-residential construction this year has been controlled by federal limitations that were not in effect during the first quarter of last year. These limitations account for part of the non-residential building decline so far this year, a spokesman for the corporation said.

Buildings to be used for manufacturing purposes constituted the most active classification of non-residential construction, the first quarter's total aggregating $242,495,000 as compared to $316,031,000 in the first three months of last year.

Trading on New York Exchanges

The Securities and Exchange Commission made public on April 16 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 29, 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 29 (in round-lot transactions) totaled 1,699,030 shares, which amount was 18.14% of the total transactions on the Exchange of 4,684,600 shares. This compares with member trading during the week ended March 22 of 1,327,810 shares, or 17.10% of the total trading of 3,904,600 shares.

On the New York Curb Exchange, member trading during the week ended March 29 amounted to 336,320 shares, or 16.02% of the total volume on that Exchange of 1,049,600 shares. During the week ended March 22 trading for the account of Curb members of 336,800 shares was 16.62% of the total trading of 1,013,435.

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

WEEK ENDED MARCH 29, 1947

	Total for Week	†%
A. Total Round-Lot Sales:		
Short sales	230,580	
‡Other sales	4,454,020	
Total sales	4,684,600	
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	480,300	
Short sales	101,910	
‡Other sales	420,000	
Total sales	522,210	10.70
2. Other transactions initiated on the floor—		
Total purchases	144,990	
Short sales	19,050	
‡Other sales	125,370	
Total sales	144,420	3.09
3. Other transactions initiated off the floor—		
Total purchases	175,810	
Short sales	33,330	
‡Other sales	197,970	
Total sales	231,300	4.35
4. Total—		
Total purchases	801,100	
Short sales	154,290	
‡Other sales	743,640	
Total sales	897,930	18.14

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

WEEK ENDED MARCH 29, 1947

	Total for Week	†%
A. Total Round-Lot Sales:		
Short sales	23,500	
‡Other sales	1,026,100	
Total sales	1,049,600	
B. Round-Lot Transactions for Account of Members:		
1. Transactions of specialists in stocks in which they are registered—		
Total purchases	88,750	
Short sales	7,025	
‡Other sales	109,670	
Total sales	116,695	9.79
2. Other transactions initiated on the floor—		
Total purchases	19,110	
Short sales	2,480	
‡Other sales	23,320	
Total sales	25,800	2.14
3. Other transactions initiated off the floor—		
Total purchases	51,305	
Short sales	6,200	
‡Other sales	28,460	
Total sales	34,660	4.09
4. Total—		
Total purchases	159,165	
Short sales	15,705	
‡Other sales	161,450	
Total sales	177,155	16.02
C. Odd-Lot transactions for Account of Specialists—		
Customers' short sales	0	
§Customers' other sales	59,420	
Total purchases	59,420	
Total sales	51,450	

*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."

Wholesale Prices Dropped 0.4% in Week Ended April 12, Labor Department Reports*

Average primary market prices decreased 0.5% during the week ended April 12, 1947, according to the Bureau of Labor Statistics, U. S. Department of Labor. Stating on April 17 that during the week under review, Agricultural prices continue to decline, the Bureau said that "at 148.1% of the 1926 average, its index of commodity prices in primary markets was slightly below the level of four weeks ago and 35.5% above last year." The Bureau's advices continued:

"Farm Products and Foods—Prices of farm products declined 0.6% as a group. Grain quotations were down slightly, with decreases for wheat, barley and oats and a fractional increase for corn. Light receipts caused small advances for most livestock. Egg prices dropped early in the week with reduced demand following Easter, but recovered later. Average prices of fruits and vegetables declined fractionally. Spot quotations for raw cotton decreased 4.5% reflecting reduced mill buying. Prices of Spanish peanuts and flaxseed were lower. On the average farm products were 2.2% below mid-March and 33.3% above the corresponding week a year ago.

"Average prices of foods decreased 0.9% with declines in all sub-groups, and particularly cereal products and meats. Weak demand for flour, resulting from uncertain prices of grains, caused substantial decreases for wheat and rye flour. Earlier increases in grain costs were reflected in higher prices of breakfast cereals. Prices of most meats declined because of adequate supplies and a slackening of demand. Prices of dairy products were down fractionally. Among other foods, higher prices were reported for peanut butter and baking powder, reflecting increased costs, and for cocoa beans which continued scare. Continued resistance caused further substantial declines for animal and vegetable fats and oils and for pepper. As a group foods were 2.1% lower than four weeks earlier and 48.3% above a year ago.

"Other Commodities—The decline of 0.2% in the group index for commodities other than farm products and foods was due chiefly to substantially lower prices for cattle feed. Prices of bran and middlings were down 17 to 18%. Cottonseed and soybean meal also were lower. Further advances were reported for crude rubber, box board and soap. Quotations for calf and kip skins moved downward, reflecting consumer resistance to high prices of footwear. Medium and finer count cotton yarns increased in price, while heavier count yarns, cotton rope and twine declined. The price of tin rose more than 14% following settlement of a new purchase agreement with Bolivia at 9 cents a pound higher. Passenger car prices were reduced slightly. Prices for coke, bituminous coal and petroleum products increased slightly. Substantial price increases to meet higher production costs occurred for some paint materials, including butyl-acetate, bone black and chrome pigments, but turpentine prices declined. Prices of silica brick and lavatories also were higher."

CHANGES IN WHOLESALE PRICES BY COMMODITY GROUPS FOR WEEK ENDED APRIL 12, 1947

(1926=100)

Commodity Groups—	4-12 1947	4-5 1947	3-29 1947	3-15 1947	4-13 1946	Percent change to April 12, 1947 from— 4-5 1947	3-15 1947	4-13 1946
All commodities	148.1	148.8	149.4	148.3	109.3	— 0.5	— 0.1	+35.5
Farm products	180.1	181.2	183.8	184.2	135.1	— 0.6	— 2.2	+33.3
Foods	163.0	164.4	166.5	166.5	109.9	— 0.9	— 2.1	+48.3
Hides and leather products	173.8	174.3	174.2	175.7	120.3	— 0.3	— 1.1	+44.5
Textile products	139.6	139.3	138.7	138.3	105.0	+ 0.2	+ 0.9	+33.0
Fuel and lighting materials	104.0	103.9	103.5	98.8	86.5	+ 0.1	+ 5.3	+20.2
Metals and metal products	140.3	140.3	140.3	140.2	108.2	0	+ 0.1	+29.7
Building materials	177.9	177.8	177.0	175.3	124.0	+ 0.1	+ 1.5	+43.5
Chemicals and allied products	134.5	134.5	132.8	131.7	96.1	0	+ 2.1	+40.0
Housefurnishings goods	126.7	126.7	126.6	126.1	108.7	0	+ 0.5	+16.6
Miscellaneous commodities	114.3	115.7	114.9	113.0	95.4	— 1.2	+ 1.2	+19.8
Special Groups—								
Raw materials	163.4	164.0	165.5	164.1	122.8	— 0.4	— 0.4	+33.1
Semi-manufactured articles	146.2	145.6	145.1	145.0	100.8	+ 0.4	+ 0.8	+45.0
Manufactured products	142.0	142.8	143.3	142.1	104.8	— 0.6	— 0.1	+35.5
All commodities other than Farm products	141.2	141.7	141.9	140.5	103.7	— 0.4	+ 0.5	+36.2
All commodities other than Farm products and foods	132.1	132.3	131.9	130.0	102.8	— 0.2	+ 1.6	+28.5

PERCENTAGE CHANGES IN SUBGROUP INDEXES FROM APRIL 5, 1947 TO APRIL 12, 1947

Increases

Chemicals	1.6	Cement	0.3
Livestock ad poultry	1.2	Plumbing and heating	0.3
Rubber	1.2	Bituminous coal	0.1
Nonferrous metals	1.1	Coke	0.1
Cotton goods	0.6	Drugs and pharmaceuticals	0.1
Brick and tile	0.4	Paper and pulp	0.1
Petroleum and products	0.1		

Decreases

Cattle feed	14.2	Fertilizer materials	0.7
Oils and fats	2.9	Other foods	0.7
Other farm products	2.1	Other textile products	0.5
Cereal products	1.9	Fruits and vegetables	0.4
Hides and skins	1.6	Grains	0.3
Meats	1.1	Motor vehicles	0.3
Dairy products	0.1		

*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.

Civil Engineering Construction Totals $110,091,000 for Week

Civil engineering construction volume in continental United States totals $110,091,000 for the week ending April 17, 1947, as reported by "Engineering News-Record." This volume is 12% below the previous week, 29% below the corresponding week of last year, and 4% above the previous four-week moving average. The report issued on April 17, continued as follows:

Private construction this week, $68,872,000, is 60% greater than last week, but 34% below the week last year. Public construction, $41,219,000, is 50% below last week, and 17% less than the week last year. State and municipal construction, $28,846,000, 52% below last week, is 10% below the 1946 week. Federal construction, $12,373,000, is 44% below last week, and 30% below the week last year.

Total engineering construction for the 16-week period of 1947 records a cumulative total of $1,553,927,000, which is 12% above the total for a like period of 1946. On a cumulative basis, private construction in 1947 totals $965,797,000, which is 5% above that for 1946. Public construction, $588,130,000, is 26% greater than the cumulative total for the corresponding period of 1946, whereas state and municipal construction, $445,302,000 to date, is 42% above 1946. Federal construction, $142,828,000, dropped 6% below the 16-week total of 1946.

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

	April 17, '47	April 10, '47	April 18, '46
Total U. S. Construction	$110,091,000	$125,198,000	$154,743,000
Private Construction	68,872,000	42,973,000	104,944,000
Public Construction	41,219,000	82,225,000	49,799,000
State and Municipal	28,846,000	60,139,000	32,077,000
Federal	12,373,000	22,086,000	17,722,000

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

New Capital

New capital for construction purposes this week totals $17,894,000 and is made up of state and municipal bond sales. New capital for construction purposes for the 16-week period of 1947 totals $493,655,000, 16% greater than the $423,908,000 reported for the corresponding period of 1946.

Notice to Holders of Japanese Dollar Bonds

J. P. Morgan & Co. Inc. on April 17 advised holders of one or more of five issues of Japanese Dollar Bonds to file claims promptly with the Office of Alien Property, Department of Justice, against funds provided for service payments on these bonds. The bond issues referred to by J. P. Morgan & Co. Inc. in a special letter to holders of such bonds, were Imperial Japanese Government External Loan of 1924, 6½% Bonds, due Feb. 1, 1954; Imperial Japanese Government External Loan of 1930, 5½% Bonds, due May 1, 1965; City of Yokohama 6% Bonds, due Dec. 1, 1961; City of Tokyo 5½% Bonds, due Oct. 1, 1961; and Taiwan Electric Power Company, Ltd., 5½% Bonds, due July 1, 1971. The advices to the holders of the bonds by Morgan & Co. Inc., said:

"As you doubtless know, the bonds of these issues are payable by their terms at the New York Agency of Yokohama Specie Bank, Ltd. After the outbreak of war between Japan and the United States in 1941, the New York State Superintendent of Banks took possession of the assets of that institution, including balances of funds deposited with it for service payments on the bonds. Subsequently, the Alien Property Custodian vested these funds, and later, in 1946, took them over and now holds them. We understand that bondholders may file claims against these funds on Notice of Claim Form APC-1C, copies of which may be obtained, upon application, from the Office of Alien Property, Department of Justice, Washington 25, D. C.

"If you still hold any of these bonds and wish to file claim in the manner described above, we would point out that the Attorney General published under the date of Feb. 25, 1947, Bar Order No. 1 fixing June 1, 1947, as the date after which the filing of claims against vested alien property shall be barred. Accordingly, bondholders who desire to file claims should do so promptly."

NYSE Odd-Lot Trading

The Securities and Exchange Commission made public on April 16 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 April 5, 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 April 5, 1947

	Total For Week
Odd-Lot Sales by Dealers— (Customers' purchases)	
Number of orders	17,003
Number of shares	476,908
Dollar value	$19,547,292
Odd-Lot Purchases by Dealers— (Customers' sales)	
Number of Orders:	
Customers' short sales	279
*Customers' other sales	16,124
Customers' total sales	16,403
Number of Shares:	
Customers' short sales	10,308
*Customers other sales	425,476
Customers' total sales	435,784
Dollar value	$16,574,643
Round-Lot Sales by Dealers—	
Number of Shares:	
Short sales	0
†Other sales	123,650
Total sales	123,650
Round-Lot Purchases by Dealers—	
Number of shares	172,420

*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."

Latest Summary of Copper Statistics

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

SUMMARY OF COPPER STATISTICS REPORTED BY MEMBERS OF THE COPPER INSTITUTE

(In Tons of 2,000 Pounds)

U. S. Duty Free Copper	Production *Crude	Production Refined	Deliveries to Customers †Domestic	Deliveries to Customers Export	‡Refined Stocks End of Period	Stock Increase (+) or Decreases (—) §Blister	Stock Increase (+) or Decreases (—) Refined
Year 1939	836,074	818,289	814,407	134,152	159,485	+17,785	—130,270
Year 1940	992,293	1,033,710	1,001,886	48,537	142,772	—41,417	— 16,713
Year 1941	1,016,996	1,065,667	1,545,541	307	75,564	—48,671	— 67,208
Year 1942	1,152,344	1,135,708	1,635.236	----	65,309	+16,636	— 10,255
Year 1943	1,194,699	1,206,871	1,643,677	----	52,121	—12,172	— 13,188
Year 1944	1,056,180	1,098,788	1,636,295	----	66,780	—42,608	+ 14,659
Year 1945	841,667	843.113	1,517,842	----	76,512	— 1,446	+ 9,732
Year 1946	651,260	604,071	1,260,921	909	80,832	+47,189	+ 4,320
3 Mos., 1947	¶236,987	245,866	385,016	----	69,727	— 8,879	— 11,105
Jan., 1946	58,178	69,008	115,601	----	72,799	—10,830	— 3,713
Feb., 1946	41,667	49,923	86,089	909	74,339	— 8,256	+ 1,540
Mar., 1946	41,832	20,139	58,590	----	70,249	+21,693	— 4,090
Apr., 1946	23,280	18,989	75,756	----	65,448	+10,291	— 4,801
May, 1946	31,897	20,551	93,647	----	75,754	+11,346	+ 10,306
June, 1946	32,785	23,870	95,267	----	79,145	+ 8,915	+ 3,391
July, 1946	56,906	43,606	97,527	----	101,183	+13,300	+ 22,038
Aug., 1946	64,462	59,591	118,381	----	94,669	+ 4,871	— 6,514
Sept., 1946	69,748	67,803	113,158	----	98,619	+ 1,945	+ 3,950
Oct., 1946	72,807	77,947	136,481	----	91,161	— 5,140	— 7,458
Nov., 1946	73,024	75,066	129,206	----	90,896	— 2,042	— 265
Dec., 1946	78,674	77,578	141,218	----	80,832	+ 1,096	— 10,064
Jan., 1947	78,256	80,144	143,692	----	76,680	— 1,888	— 4,152
Feb., 1947	74,461	77,591	117,734	----	74,645	— 3,130	— 2,035
Mar., 1947	84,270	88,131	123,590	----	69,727	— 3,861	— 4,918

*Mine or smelter production or shipments, and custom intake including scrap.

†Beginning March, 1941, includes deliveries of duty paid foreign copper for domestic consumption.

‡At refineries on consignment and in exchange warehouses, but not including consumers' stocks at their plants or warehouses.

§Computed by difference between mine and refined production.

¶Includes 215,599 tons of primary metal and 21,388 tons of secondary metal.

NOTE—Statistics for the month of February, 1947, have been revised.

New Capital Issues in Great Britain

The following statistics have been compiled by the Midland Bank Limited. These compilations of issues of new capital, which are subject to revision, **exclude** all borrowings by the British Government; shares issued to vendors; allotments arising from the capitalization of reserve funds and undivided profits; sales of already issued securities which add nothing to the capital resources of the company whose securities have been offered; and issues in replacement of securities previously held in the United Kingdom. The figures are based upon the prices of issue.

Comparative figures are given below.

SUMMARY TABLES OF NEW CAPITAL ISSUES IN THE UNITED KINGDOM

(Compiled by the Midland Bank Limited)

(£000 omitted)

Month	1938	1939	1940-44*	1945	1946	1947
January	7,465	13,858	1,927	100	5,666	14,186
February	19,248	8,132	1,314	1,654	4,618	15,834
March	6,392	2,897	2,874	118	7,237	14,486
	33,105	24,887	6,115	1,872	17,521	44,506
April	5,114	1,789	1,871	2,701	12,636	------
May	27,323	6,611	1,550	1,608	7,133	------
June	8,509	23,858	1,458	753	9,264	------
July	15,188	2,800	5,046	661	31,461	------
August	2,184	5,177	1,369	2,446	8,968	------
September	1,649	64	3,476	1,343	13,278	------
October	2,628	68	1,702	2,099	6,098	------
November	12,802	869	916	3,382	9,063	------
December	9,596	171	2,962	3,603	15,348	------
Year	118,098	66,294	26,465	20,468	130,770	------

*Five years' totals

(£000 omitted)

	U.K.	Overseas	Total	1945—Continued	U.K.	Overseas	Total
1938—				4th qtr.	8,704	379	9,083
1st qtr.	26,672	6,433	33,105	1946—			
2nd qtr.	29,467	11,479	40,946	1st qtr.	14,353	3,169	17,521
3rd qtr.	14,576	4,444	19,021	2nd qtr.	25,509	3,524	29,033
4th qtr.	22,031	2,995	25,026	3rd qtr.	44,561	9,146	53,707
1945—				4th qtr.	27,238	3,270	30,508
1st qtr.	1,822	50	1,872	1947—			
2nd qtr.	3,449	1,613	5,062	1st qtr.	36,198	8,308	44,506
3rd qtr.	2,986	1,465	4,451				

Non-Farm Real Estate Financing in February

The February volume of non-farm real estate financing in the nation declined to $770,000,000 from the January figure of $847,000,000, the Federal Home Loan Bank Administration reported on April 12. The advices from the FHLBA added:

"Partly seasonal and due to the shorter month, this decrease of 9% also reflects a continued slow-down in the rising home mortgage activity of war and postwar years—a trend which became noticeable early last autumn. The compilations are confined to mortgages of $20,000 or less recorded throughout the nation. The dollar total for February this year was one-fourth more than in February, 1946. However, the volume last September was double that of the same month a year previously.

"Commercial banks and insurance companies recorded a larger share of the total volume of real estate loans in February than in February, 1946, commercial banks increasing their percentage from 23% to 27% and insurance companies from 4% to 6%. Savings and loan associations recorded 31% of the total volume as compared with 35% in February a year ago."

Following are the estimated number and amount of mortgage recordings for February, by type of lender, together with their relative participation in the total of the month's financing:

	Number	Amount	% of Amount
Savings and loan associations	54,383	$235,096,000	30
Insurance companies	7,718	46,608,000	6
Banks and trust companies	43,325	211,091,000	27
Mutual savings banks	6,557	35,155,000	5
Individuals	43,224	143,880,000	19
Miscellaneous lending institutions	19,767	98,265,000	13
Total	174,974	$770,095,000	100

Daily Average Crude Oil Production for Week Ended April 12, 1947 Increased 21,350 Barrels

The American Petroleum Institute estimates that the daily average gross crude oil production for the week ended April 12, 1947 was 4,912,950 barrels, an increase of 21,350 barrels per day over the preceding week and a gain of 221,550 barrels per day over the corresponding week of 1946. The current figure also exceeded by 62,950 barrels the daily average figure of 4,850,000 barrels estimated by the United States Bureau of Mines as the requirement for the month of April, 1947. Daily output for the four weeks ended April 12, 1947 averaged 4,882,800 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 4,667,000 barrels of crude oil daily and produced 14,090,000 barrels of gasoline; 2,011,000 barrels of kerosine; 5,499,000 barrels of distillate fuel, and 8,232,000 barrels of residual fuel oil during the week ended April 12, 1947; and had in storage at the end of the week 106,221,000 barrels of finished and unfinished gasoline; 9,236,000 barrels of kerosine; 32,019,000 barrels of distillate fuel, and 42,946,000 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. 12, 1947	Change from Previous Week	4 Weeks Ended Apr. 12, 1947	Week Ended Apr. 13, 1946
**New York-Penna.	43,200		48,800	+ 2,200	47,050	49,850
Florida	----		600	+ 450	250	100
**West Virginia	8,000		7,800	+ 100	7,500	8,250
**Ohio—Southeast	8,000		6,250	— 300	6,400	5,750
Ohio—Other			2,750	+ 450	2,450	2,250
Indiana	18,000		18,500	+ 200	18,250	21,500
Illinois	210,000		186,100	+ 1,800	186,950	211,950
Kentucky	29,000		25,400	— 1,850	26,800	30,600
Michigan	47,000		43,850	+ 800	43,050	49,250
Nebraska	700		†600	— 50	650	750
Kansas	275,000	275,000	†269,800	— 6,650	273,800	259,150
Oklahoma	380,000	378,125	†378,900	— 350	374,100	379,400
Texas—						
District I			20,750	+ 100	20,600	----
District II			158,000	+ 50	157,950	----
District III			480,600	— 2,850	484,650	----
District IV			241,950	— 50	242,000	----
District V			38,050	— 100	38,200	----
East Texas			335,000	+ 9,450	321,650	----
Other Dist. VI			111,500	+ 200	111,200	----
District VII-B			37,000	+ 250	36,650	----
District VII-C			36,300	+ 600	35,450	----
District VIII			485,950	+ 5,250	478,500	----
District IX			136,200	+ 2,650	132,450	----
District X			84,850	+ 50	84,750	----
Total Texas	2,120,000	‡2,186,125	2,166,150	+15,600	2,144,050	2,054,600
North Louisiana			95,350	+ 400	95,300	85,200
Coastal Louisiana			313,450	+ 850	312,250	286,800
Total Louisiana	410,000	447,000	408,800	+ 1,250	407,550	372,000
Arkansas	79,000	82,693	73,650	+ 350	73,700	77,900
Mississippi	84,000		87,000	+ 700	86,650	55,050
Alabama	2,100		900	— 400	1,050	1,100
New Mexico—So. East	102,000	112,000	102,600	— 550	103,400	95,300
New Mexico—Other			500	—	500	500
Wyoming	106,000		114,800	+ 6,450	112,300	113,400
Montana	24,000		23,050	+ 1,850	22,200	20,050
Colorado	38,000		35,150	— 1,700	37,150	25,200
California	860,000	§843,200	911,000	+ 1,000	907,000	857,500
Total United States	4,850,000		4,912,950	+21,350	4,882,800	4,691,400
**Pennsylvania Grade (included above)			62,850	+ 2,000	60,950	63,850

*These are Bureau of Mines calculations of the requirements of domestic crude oil based upon certain premises outlined in its detailed forecasts. They include the condensate that is moved in crude pipelines. The A. P. I. figures are crude oil only. As requirements may be supplied either from stocks or from new production, contemplated withdrawals from crude oil inventories must be deducted, as pointed out by the Bureau, from its estimated requirements to determine the amount of new crude to be produced.

†Oklahoma, Kansas, Nebraska figures are for week ended 7:00 a.m. April 10, 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 OIL, WEEK ENDED APRIL 12, 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	799	95.2	1,778	22,580	4,033	8,954	6,274
Appalachian—								
District No. 1	76.3	87	60.8	238	2,682	187	306	234
District No. 2	84.7	66	106.5	148	1,050	39	67	100
Ind., Ill., Ky.	87.4	732	84.1	2,431	22,679	1,129	2,467	1,823
Okla., Kans., Mo.	78.3	390	83.2	1,370	10,711	333	1,197	897
Inland Texas	59.8	231	70.0	1,080	4,370	185	301	701
Texas Gulf Coast	89.2	1,015	82.8	3,275	14,927	1,440	5,472	5,250
Louisiana Gulf Coast	97.4	369	115.0	1,069	5,681	678	1,857	1,514
No. La. & Arkansas	55.9	64	50.8	172	1,936	293	406	118
Rocky Mountain—								
New Mexico	19.0	11	84.6	39	83	16	36	54
Other Rocky Mt.	70.9	122	73.9	350	3,049	51	479	629
California	85.5	781	78.6	2,140	16,473	852	10,477	25,352
Total U. S.—B. of M. basis April 12, 1947	85.8	4,667	84.0	14,090	*106,221	9,236	32,019	42,946
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
U. S. B. of M. basis April 13, 1946	---	4,630	----	13,051	†102,118	10,177	31,202	37,767

*Includes unfinished gasoline stocks of 8,667,000 barrels. †Includes unfinished gasoline stocks of 9,020,000 barrels. ‡Stocks at refineries, at bulk terminals, in transit and in pipe lines. §In addition, there were produced 2,011,000 barrels of kerosine, 5,499,000 barrels of gas oil and distillate fuel oil and 8,232,000 barrels of residual fuel oil during the week ended April 12, 1947, as compared with 2,138,000 barrels, 5,653,000 barrels and 8,206,000 barrels, respectively, in the preceding week and 1,910,000 barrels, 5,380,000 barrels and 8,407,000 barrels, respectively, in the week ended April 13, 1946.

Meeting in New York to Organize Nation-Wide Office Standards Project

Representatives of 40 organizations interested in the development of standards for supplies, equipment and procedures used in offices throughout the country will meet at the Waldorf Astoria in New York City on May 6 to organize a nation-wide office standards project, Cyril Ainsworth, Technical Director of the American Standards Association announced on April 7. The project for standards in the office field, which is expected to touch more individual companies than any other ever undertaken by the American Standards Association, will concern "everyone in almost every phase of office operations or products," Mr. Ainsworth said. The groups invited to participate in the program represent a cross section of those who make, sell and utilize office equipment and supplies. The Canadian and Mexican standard bodies also have been invited to send representatives with the aim of furthering coordination of the office standards of the three countries.

The ASA committee in charge of the office standards project will be under the Chairmanship of Robert E. Shull, Socony Vacuum Oil Company, representing the National Office Management Association; James J. Murphy of the American Telephone and Telegraph Company, representing the Telephone Group is Vice-Chairman; C. E. Hilton of the American Standards Association is secretary. The sponsor for the project is the National Office Management Association.

The following organizations have been asked to appoint representatives to the Sectional Committee: Association of American Railroads, American Bankers Association, Business Forms Institute, U. S. Bureau of the Budget, Controllers Institute of America, Life Office Management Association, National Association of Purchasing Agents, National Stationers Association, Office Equipment Manufacturers Institute, Society for the Advancement of Management, Telephone Group, United Business Education Association, and Wholesale Stationers Association.

Representatives of 26 additional organizations have been asked to serve on subcommittees dealing with various aspects of the office standards program.

Results of Treasury Bill Offering

The Secretary of the Treasury announced on April 21 that the tenders for $1,100,000,000 or thereabout of 91-day Treasury bills to be dated April 24 and to mature July 24, which were offered on April 18 were opened at the Federal Reserve banks on April 21.

Total applied for $1,665,272,000.

Total accepted $1,100,390,000 (includes $17,557,000 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.

(65% of the amount bid for at the low price was accepted.)

There was a maturity of similar issue of bills on April 24 in the amount of $1,316,103,000.

Revenue Freight Car Loadings During Week Ended April 12, 1947 Increased 43,007 Cars

Loading of revenue freight for the week ended April 12, 1947 totaled 758,166 cars, the Association of American Railroads announced on April 17. This was an increase of 108,868 cars or 16.8% above the corresponding week in 1946, both of which weeks included coal mine labor difficulties, but a decrease of 88,847 cars or 10.5% below the same week in 1945.

Loading of revenue freight for the week of April 12 increased 43,007 cars or 6% above the preceding week.

Miscellaneous freight loading totaled 377,425 cars a decrease of 7,528 cars below the preceding week, but an increase of 3,862 cars above the corresponding week in 1946.

Loading of merchandise less than carload freight totaled 125,734 cars, a decrease of 1,107 cars below the preceding week, and a decrease of 4,554 cars below the corresponding week in 1946.

Coal loading amounted to 112,151 cars, an increase of 47,321 cars above the preceding week, and an increase of 80,590 cars above the corresponding week in 1946.

Grain and grain products loading totaled 45,732 cars, a decrease of 3,457 cars below the preceding week but an increase of 10,433 cars above the corresponding week in 1946. In the Western Districts alone, grain and grain products loading for the week of April 12 totaled 31,434 cars, a decrease of 2,017 cars below the preceding week but an increase of 8,402 cars above the corresponding week in 1946.

Livestock loading amounted to 11,925 cars, a decrease of 814 cars below the preceding week and a decrease of 5,630 cars below the corresponding week in 1946. In the Western Districts alone loading of livestock for the week of April 12 totaled 9,049 cars, a decrease of 743 cars below the preceding week, and a decrease of 4,537 cars below the corresponding week in 1946.

Forest products loading totaled 45,178 cars, a decrease of 2,216 cars below the preceding week but an increase of 1,478 cars above the corresponding week in 1946.

Ore loading amounted to 27,198 cars, an increase of 9,463 cars above the preceding week and an increase of 17,366 cars above the corresponding week in 1946.

Coke loading amounted to 12,823 cars, an increase of 1,345 cars above the preceding week and an increase of 5,323 cars above the corresponding week in 1946.

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

	1947	1946	1945
Four Weeks of January	3,168,397	2,883,863	3,003,655
Four Weeks of February	3,179,198	2,866,876	3,052,487
Five Weeks of March	4,170,420	3,982,240	4,022,088
Week of April 5	715,159	643,644	765,672
Week of April 12	758,166	649,298	847,013
Total	11,991,340	11,025,921	11,690,915

The following table is a summary of the freight carloadings for the separate railroads and systems for the week ended April 12, 1947. During this period 71 roads reported gains over the week ended April 13, 1946.

REVENUE FREIGHT LOADED AND RECEIVED FROM CONNECTIONS (NUMBER OF CARS) WEEK ENDED APRIL 12

Railroads	Total Revenues Freight Loaded			Total Loads Received from Connections	
	1947	1946	1945	1947	1946
Eastern District—					
Ann Arbor	330	389	256	1,372	1,309
Bangor & Aroostook	3,906	3,014	2,836	468	409
Boston & Maine	7,268	7,707	7,208	13,378	12,913
Chicago, Indianapolis & Louisville	1,303	960	1,233	2,210	1,688
Central Indiana	21	38	25	20	33
Central Vermont	931	1,210	1,091	2,200	1,904
Delaware & Hudson	5,286	4,934	5,089	10,325	9,682
Delaware, Lackawanna & Western	7,705	8,048	7,917	6,907	8,446
Detroit & Mackinac	360	377	248	274	220
Detroit, Toledo & Ironton	2,533	2,214	1,834	1,184	868
Detroit & Toledo Shore Line	471	320	461	2,126	2,684
Erie	12,199	12,293	12,694	13,565	11,690
Grand Trunk Western	4,327	4,261	4,282	7,806	6,531
Lehigh & Hudson River	231	219	185	1,987	2,337
Lehigh & New England	2,225	2,573	1,672	1,038	985
Lehigh Valley	8,020	9,193	8,645	7,632	7,002
Maine Central	2,800	2,657	2,569	5,211	4,260
Monongahela	6,055	173	5,396	216	263
Montour	1,236	19	2,012	18	36
New York Central Lines	49,471	43,111	51,178	39,239	34,549
N. Y., N. H. & Hartford	9,987	10,512	10,968	14,902	14,392
New York Ontario & Western	920	1,049	1,063	2,118	3,072
New York, Chicago & St. Louis	6,825	6,144	6,995	11,867	11,327
N. Y., Susquehanna & Western	429	475	451	1,337	1,486
Pittsburgh & Lake Erie	5,312	5,775	7,484	7,380	3,044
Pere Marquette	6,622	5,775	5,144	6,463	5,617
Pittsburg & Shawmut	1,034	142	849	27	36
Pittsburg, Shawmut & Northern	¶	144	262	¶	145
Pittsburgh & West Virginia	591	222	943	2,327	2,008
Rutland	419	449	340	1,297	1,050
Wabash	6,066	5,562	6,607	10,755	9,420
Wheeling & Lake Erie	5,292	2,648	5,904	3,837	3,165
Total	160,234	142,607	163,846	179,486	162,571
Allegheny District—					
Akron, Canton & Youngstown	670	639	813	1,129	955
Baltimore & Ohio	46,738	25,993	45,390	21,055	20,113
Bessemer & Lake Erie	2,248	756	5,838	1,432	768
Cambria & Indiana	984	4	1,263	11	7
Central RR. of New Jersey	6,452	7,044	6,604	16,605	13,826
Cornwall	494	452	535	48	43
Cumberland & Pennsylvania	341	25	163	8	21
Ligonier Valley	105	0	90	27	7
Long Island	1,210	1,609	1,865	3,985	4,878
Penn-Reading Seashore Lines	1,800	1,941	2,008	1,763	2,041
Pennsylvania System	75,293	62,652	84,391	48,022	43,260
Reading Co.	15,509	15,507	15,894	21,851	17,259
Union (Pittsburgh)	18,692	9,983	14,914	4,647	1,727
Western Maryland	4,160	2,642	4,021	9,995	7,910
Total	174,696	129,247	183,789	130,578	112,815
Pocahontas District—					
Chesapeake & Ohio	13,993	8,076	27,658	9,948	8,465
Norfolk & Western	13,720	6,835	21,193	5,889	5,544
Virginian	2,153	891	4,421	1,496	1,150
Total	29,866	15,802	53,272	17,333	15,159
Southern District—					
Alabama, Tennessee & Northern	391	441	450	226	182
Atl. & W. P.—W. RR. of Ala.	856	980	925	1,913	1,991
Atlantic Coast Line	15,434	16,577	14,927	9,064	10,119
Central of Georgia	4,212	4,484	4,099	4,100	4,661
Charleston & Western Carolina	477	494	494	1,346	1,441
Clinchfield	1,164	595	1,629	2,711	2,135
Columbus & Greenville	304	412	229	241	243
Durham & Southern	74	97	109	393	299
Florida East Coast	2,634	4,129	2,263	1,529	1,676
Gainesville Midland	96	77	53	99	97
Georgia	1,140	1,468	1,112	1,942	2,060
Georgia & Florida	411	433	452	732	913
Gulf Mobile & Ohio	4,059	4,606	4,752	3,423	3,912
Illinois Central System	23,439	20,197	29,803	13,133	13,135
Louisville & Nashville	18,968	13,898	23,216	10,270	10,226
Macon, Dublin & Savannah	238	252	211	957	1,209
Mississippi Central	289	350	450	392	274
Nashville, Chattanooga & St. L.	3,450	3,296	3,634	3,944	3,687
Norfolk Southern	1,169	1,256	1,197	1,361	1,395
Piedmont Northern	341	432	473	1,320	1,187
Richmond, Fred. & Potomac	462	477	492	8,450	10,340
Seaboard Air Line	12,616	13,109	11,868	8,085	8,128
Southern System	25,802	24,387	25,711	21,412	20,648
Tennessee Central	657	527	705	707	491
Winston-Salem Southbound	103	131	138	762	763
Total	118,986	113,105	129,397	98,512	101,312
Northwestern District					
Chicago & North Western	18,201	15,788	19,014	12,646	12,200
Chicago Great Western	2,479	2,600	2,934	3,034	2,712
Chicago, Milw., St. P. & Pac.	20,824	19,378	19,806	10,028	8,252
Chicago, St. Paul, Minn. & Omaha	3,456	3,429	3,384	3,988	3,942
Duluth, Missabe & Iron Range	4,136	1,004	21,036	343	213
Duluth, South Shore & Atlantic	545	568	784	590	607
Elgin, Joliet & Eastern	8,529	6,915	9,169	7,616	6,716
Ft. Dodge, Des Moines & South	503	473	412	147	83
Great Northern	13,751	9,987	18,164	5,181	4,372
Green Bay & Western	411	445	427	835	826
Lake Superior & Ishpeming	1,196	198	2,077	69	44
Minneapolis & St. Louis	2,082	1,686	2,095	2,882	2,324
Minn., St. Paul & S. S. M.	5,463	4,678	5,466	4,256	3,410
Northern Pacific	9,738	8,522	9,020	4,910	4,630
Spokane International	187	116	169	572	484
Spokane, Portland & Seattle	2,467	1,935	2,475	2,960	2,076
Total	93,968	77,722	116,492	60,057	52,891
Central Western District—					
Atch. Top. & Santa Fe System	23,520	22,801	25,910	10,605	9,832
Alton	3,077	2,595	3,927	3,139	2,633
Bingham & Garfield	591	2	357	75	6
Chicago, Burlington & Quincy	18,235	15,378	19,262	11,025	9,709
Chicago & Illinois Midland	515	309	3,254	740	820
Chicago, Rock Island & Pacific	12,195	12,240	12,908	12,459	11,217
Chicago & Eastern Illinois	2,105	2,056	2,409	2,944	2,701
Colorado & Southern	562	626	519	1,585	1,422
Denver & Rio Grande Western	3,080	1,325	3,214	4,259	3,647
Denver & Salt Lake	327	141	442	43	82
Fort Worth & Denver City	1,222	1,032	932	1,446	1,483
Illinois Terminal	2,295	2,209	2,541	1,438	1,346
Missouri-Illinois	1,205	1,179	1,081	513	505
Nevada Northern	1,565	1,477	1,359	81	31
North Western Pacific	891	555	726	541	473
Peoria & Pekin Union	4	8	5	0	0
Southern Pacific (Pacific)	29,638	29,640	29,314	10,174	10,402
Toledo, Peoria & Western	84	0	283	186	0
Union Pacific System	15,520	13,206	16,576	12,260	10,482
Utah	570	0	553	5	1
Western Pacific	1,477	1,918	1,950	3,294	2,772
Total	118,678	108,697	127,522	76,812	69,564
Southwestern District—					
Burlington-Rock Island	287	308	337	859	412
Gulf Coast Lines	6,106	6,825	7,023	2,795	2,669
International-Great Northern	2,349	2,502	2,860	4,720	4,555
‡K. O. & G.-M. V.-O. C.-A.-A.	1,153	1,233	1,229	2,357	1,649
Kansas City Southern	2,777	2,974	4,961	3,259	3,338
Louisiana & Arkansas	2,434	2,590	3,057	2,662	2,547
Litchfield & Madison	484	376	269	1,313	1,126
Missouri & Arkansas	§	260	118	§	345
Missouri-Kansas-Texas Lines	5,260	5,475	7,161	4,339	4,296
Missouri Pacific	15,501	14,101	16,240	17,047	14,978
Quanah Acme & Pacific	115	128	115	239	189
St. Louis-San Francisco	8,745	8,043	8,502	7,407	6,901
St. Louis-Southwestern	2,565	2,696	3,970	5,386	4,777
Texas & New Orleans	9,508	9,387	11,524	6,332	5,705
Texas & Pacific	4,353	5,114	5,218	7,940	7,321
Wichita Falls & Southern	79	84	76	51	48
Weatherford M. W. & N. W.	22	22	35	13	21
Total	61,738	62,118	72,695	66,719	60,877

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

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	178,043	580,026	102	94
Jan. 18	173,851	178,556	577,269	103	97
Jan. 25	155,432	173,720	557,140	101	98
Feb. 1	204,033	179,347	579,562	102	99
Feb. 8	202,189	181,017	599,009	104	99
Feb. 15	169,624	178,458	589,544	102	100
Feb. 22	147,458	177,282	565,571	103	100
Mar. 1	192,670	181,709	574,356	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
Apr. 12	139,487	165,902	569,809	96	101

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

March Freight Traffic Handled Increased 5%

The volume of freight traffic handled by Class I railroads in March, 1947, measured in ton-miles of revenue freight, increased about 5% above the corresponding month of last year, the Association of American Railroads announced on April 22. March traffic amounted to 55,000,000,000 ton-miles, according to estimates based on reports just received by the Association from Class I carriers.

The March freight traffic this year was more than twice that of the same month in 1939.

The following table summarizes preliminary ton-mile statistics for the first quarter of 1947 and 1946 (000 omitted):

	1947	1946	% Inc.
Mo. of Jan.	53,294,374	48,225,789	10.5
Mo. of Feb.	*48,250,000	45,089,938	7.0
Mo. of Mar.	†55,000,000	52,392,340	5.0

*Revised. †Preliminary estimate.

Weekly Lumber Shipments 3.6% in Excess of Output

According to the National Lumber Manufacturers Association, lumber shipments of 392 mills reporting to the National Lumber Trade Barometer were 3.6% above production for the week ending April 12, 1947. In the same week new orders of these mills were 6.8% above production. Unfilled order files of the reporting mills amounted to 78% of stocks. For reporting softwood mills, unfilled orders are equivalent to 28 days' production at the current rate, and gross stocks are equivalent to 34 days' production.

For the year-to-date, shipments of reporting identical mills were 10.4% above production; orders were 16.9% above production.

Compared to the average corresponding week of 1935-39, production of reporting mills was 12.9% above; shipments were 10.9% above; orders were 16.6% above. Compared to the corresponding week in 1946, production of reporting mills was 5.5% above; shipments were 6.9% above; and new orders were 8.0% above.

Wool Import 'Fee' Proposed

The House Agriculture Committee on April 12 voted to empower the Secretary of Agriculture to impose a "fee" on imported wool and wool products in order to protect wool producers in this country from foreign competition, Associated Press Washington advices stated. The proposed fee, which could be up to 50% of the value of the imported product, would be collected by customs officials at the point of entry. The proposal was an amendment to a Senate-approved measure, said Associated Press advices from Washington April 12, these advices adding:

"The committee agreed with the Senate on limiting the Commodity Credit Corporation's support program for wool to Dec. 31, 1948. It provided, however, that the support price for wool should be at the same level as in 1946, in contrast to a Senate provision which would have allowed the CCC to exceed that price.

"The House measure eliminates Senate provisions directing the Secretary of Agriculture to establish a price for wool comparable to those of other basic agricultural commodities. The House Committee's bill would authorize the CCC to sell wool in its possession without regard to present restrictions, which would permit the sale of government-owned wool below parity. This authority was requested by Secretary Clinton P. Anderson."

Items About Banks, Trust Companies

Guaranty Trust Company of New York announces the appointment of Benson Blake and Louis B. Palmer as Assistant Treasurers in the banking department's New England District; of James H. Mouler as Assistant Treasurer, Fifth Avenue Office foreign department, and of Henry C. Marshall as Assistant Trust Officer, Fifth Avenue Office trust department.

Reginald Roome, President of the Excelsior Savings Bank of New York, announces the appointment of two women in the organization as officers. Miss Margaret M. Reilly has been appointed assistant to the President, and Miss Marie J. Darcy has been appointed Personnel Officer. Both of these women have been with Excelsior Savings Bank for a number of years.

DeCoursey Fales, President of The Bank for Savings in the City of New York announces that Theodore T. Scudder was elected a trustee of the bank at the April meeting of the board. Mr. Scudder is a member of the firm of Scudder, Stevens & Clark, investment counsel.

The Hamburg Savings Bank of Brooklyn, N. Y., has arranged to provide Blue Cross hospitalization and medical coverage for its 80 employees and their family dependents through Associated Hospital Service—New York's Blue Cross Plan and United Medical Service, it was announced on April 15 by Herman Papsdorf, President. The bank will pay the entire cost of both services. Benefits become effective April 26.

The election of Fred W. Sherman as a member of the board of trustees of the National Savings Bank of Albany, N. Y., and the election of Frank L. Carl as Auditor, was announced on April 15 by President Harry W. Albright, it is learned from the Albany "Times Union," which states that Mr. Sherman is President and director of Adirondack Foundries and Steel, Inc., and Adirondack Iron Company, Inc., of Watervliet. The paper indicated adds that he is also a director of the Albany Chamber of Commerce; Chairman, Albany Policyholder's Advisory Council, State Insurance Fund; director, Dominion Foundries and Steel, Ltd., Hamilton, Ont., and a member of the Steel Founders' Society of America, American Foundrymen's Association, Army Ordnance Association, National Association of Manufacturers and Railway Business Association.

G. Frederick Zeller, Vice-President of G. F. Zeller's Sons, leather tanners, was elected a trustee of the Western Savings Bank of Buffalo, N. Y., on April 9, it was stated in the Buffalo "Evening News" of that date.

George R. Clark, West Valley, Green Road, Flourtown, Pa., has been elected a Vice-President of the Corn Exchange National Bank and Trust Company, Philadelphia, effective May 1. He has been with the bank since 1934, coming there direct from Harvard College. During the war he was released by the bank to serve in the office of Scientific Research and Development in Washington. Mr. Clark is a member of the Board of Directors of the Children's Hospital of Philadelphia and the Seaman's Church Institute. He also holds membership in the National Academy of Sciences. He is in charge of the Consumer Credit Department of the bank.

The North Arlington National Bank of North Arlington, N. J., recently (April 1) increased its capital from $75,000 to $100,000 by the sale of $25,000 of new stock, the Office of the Comptroller of the Currency announced.

Announcement of the election of Joseph P. Martin as an Assistant Cashier of the National Marine Bank of Baltimore, Md., was made on April 10 by George W. Reed, President, it is learned from the Baltimore "Sun," which states that Mr. Martin previously served for four years in the credit department of the Baltimore branch of the Federal Reserve Bank of Richmond.

Charles M. Miller was elected a Vice-President of the Provident Savings Bank of Baltimore, Md., according to an announcement on April 17 by F. W. Wrightson, President, following the annual meeting of directors. This was made known by J. S. Armstrong, Financial Editor of Baltimore "Sun" of April 18, Mr. Armstrong's advices continuing in part:

Mr. Miller became associated with the Provident on Feb. 1, 1946, in the position of Assistant to the President. Previously he served in the Air Sea Rescue Squadron, Air Service Command, in the Caribbean area. For many years before the war, Mr. Miller represented in Baltimore the investment banking House of Auchincloss, Parker & Redpath.

At the same meeting, Gerard W. Kirby was made an Assistant Vice-President. Mr. Kirby, who was promoted from the position of Assistant Treasurer, has been connected with the Provident since 1923.

Likewise at this meeting, Joseph F. Lynch was elected an Assistant Treasurer. Mr. Lynch became associated with the Provident in 1944 and has been in charge of its consumer credit department.

Addison H. Reese, newly elected President of the County Trust Company of Maryland, has also just been elected to serve as a director of the company and Chairman of its Executive Committee, it was reported in the Baltimore "Sun" of April 11 by its Financial Editor, J. S. Armstrong. A previous item bearing on Mr. Reese's connection with the County Trust Co. appeared in our issue of April 3, page 1856.

Norman R. Dutson has been elevated from Vice-President and Cashier to Executive Vice-President by the board of Security National Bank of St. Louis an item in the St. Louis "Globe Democrat" of April 12 stated. The same advices said that William P. Lardner has been promoted from Assistant Cashier to Cashier, and William C. Dowd has been appointed Assistant Cashier.

Incident to its 90th anniversary this year, the Mercantile-Commerce Bank & Trust Company of St. Louis has issued a booklet tracing its history, in which it is stated that the period covered "witnessed almost the entire development of the territory west of the Mississippi River, and saw St. Louis grow to a great industrial center." The Mercantile-Commerce Bank & Trust Co. had its inception in 1857 as the St. Louis Building and Savings Association. From the booklet we quote in part the following:

"On Nov. 3, 1868, the stockholders voted to change the name of the Association to the Bank of Commerce, to become effective on Jan. 1, 1869. Twenty years later the directors submitted a proposition to the shareholders to take advantage of the National Banking Act and convert the Bank of Commerce into a national bank. This was almost unanimously voted, and on Dec. 16, 1889, the National Bank of Commerce in St. Louis opened for business with a capital of $500,000, surplus $1,000,000, and undivided profits of $1,500,000.

"The growing business of the institution and the rapid development of the great southwest area tributary to St. Louis made it advisable to further increase the capital of the institution. In July 1899 the capital was $5,000,000 with surplus and undivided profits amounting to more than an additional $3,000,000. In 1902, the capital was increased to $7,000,000 and in 1907 to $10,000,000, at which figure it remained until the time of the merger with the Mercantile Trust Company.

"On Nov. 6, 1899 the other ancestor, the Mercantile Trust Company was organized by Festus J. Wade, its first and long time President. . . . It was established with a capital of $750,000 and a surplus of $800,000, with the stocks being offered at $220 per share. In 1902 its combined capital and surplus was $9,500,000 making it one of the largest financial institutions in the country. The total resources of the Mercantile Trust Company increased to almost $75,000,000 by 1927, at the time of Mr. Wade's death. He was succeeded as President by George W. Wilson, the first Treasurer of the Trust Company. Mr. Wilson was made Chairman of the board of the consolidated banks in 1929 and in January, 1933 was elected Chairman of the Executive Committee.

"When the National Bank of Commerce in St. Louis and the Mercantile Trust Company merged in 1929, the new institution had a capital of $10,000,000, surplus of $5,000,000, undivided profits of $2,500,000, and total resources of $144,690,251."

Noting the further development the booklet states that "facilities have been extended, connections have become world-wide, assets have increased from some $22,000 in 1857, until today the total resources of the bank exceed $360,000,000."

From the Memphis (Tenn.) "Commercial Appeal" of April 9 it is learned that the capital stock of the Commerce Title Guaranty Co. on April 15 was to be distributed to stockholders of the old Bank of Commerce & Trust Co. on on the basis of one share for each three shares of Bank of Commerce & Trust Co. stock held. A market is expected to be maintained among local security dealers for Commerce Title Guaranty stock, said the paper from which we quote, its further advices stating:

The Bank of Commerce & Trust Co. liquidation has been completed, except for a small amount of assets to be represented by certificates of interest, and its charter is being surrendered. Officials of the Commerce Title Guaranty Co. expect that this stock will be placed on a $4 annual dividend basis about next September."

The issuance on April 8 of a charter for the Southwest National Bank of El Paso, Tex., was announced on April 14 by the Office of the Comptroller of the Currency. The bank's capital consists of $400,000 of common stock. W. E. Casteel and Paul L. Key are President and Cashier respectively of the primary organization.

At a meeting of California Bank's board of directors on April 8, the following promotions were made: Kenneth E. McClure, Public Relations Department, was appointed Assistant Vice-President with R. J. Kruse, J. C. Steelman, Jr., and N. H. Thomas, all of Main Office, appointed Assistant Cashiers. William E. Palmer was appointed Assistant Manager and assigned to Beverly Hills Office. Robert S. Black, promoted to Assistant Manager in March, was assigned to Sunset and Alvarado Office. Appointment of Michael Donnelly to Manager of the Advertising and Publicity Department was announced March 20 by Frank L. King, President. Mr. Donnelly joined the bank staff in January, 1927, and for the past ten year has been Assistant Advertising Manager in charge of publicity. He is a member of the Los Angeles Advertising Club and is Publicity Chairman of Group 5, California Banker's Ass'n. California Trust Company's new trust business in 1946 was the highest in 15 years, Frank H. Schmidt, Executive Vice-President, stated in a recent report to President King. California Trust Company is owned by California Bank.

Rod Maclean, director of the advertising and banks and bankers departments of the Union Bank & Trust Co. of Los Angeles, Cal., was appointed Assistant Cashier on April 10, it was stated in the Los Angeles "Times" of April 11.

James Muir, General Manager of The Royal Bank of Canada, has been made a director of the bank. Mr. Muir has been General Manager of the bank since 1945.

New Comic Book on Thrift Issued by ABA

The enjoyment that children receive from reading comic books is being utilized by the American Bankers Association to teach constructive lessons about thrift and banking services, according to John B. Mack, Jr., Deputy Manager of the Association in charge of its Advertising Department. Mr. Mack announced on April 8 publication of a new comic book entitled, "Peter Penny and His Magic Dollar," which will be available to banks for distribution to their customers.

"It's an effort to use a new medium to convey banking's story to children and adults," said Mr. Mack, who added, "grown-ups read comics too."

The new publication which is printed in full color portrays the adventures of a small boy, "Bob," assigned to write a school composition on the subject of banking. His chore is made easier by the assistance of "Peter Penny" and his flying dollar. Together they visit the plant where Bob's dad works and see how a loan at the local bank supplies funds to make it possible for more people in their town to have jobs. They then go on a tour of the nation and see how banks help keep trains, airplanes and ships in service. They also zoom back a few centuries to learn the important part that banks and money played in the discovery and development of the United States. A note of adventure is inserted in the story by showing how banks contributed to national security during World War II and even helped track down foreign agents through money-clues.

"Peter Penny" demonstrates that banks provide more mortgage-money than any other lending agency; that millions of American families are building financial security through bank accounts; that banks make millions of loans to people for emergencies; to repair homes and buy equipment; that bank credit helps farmers produce more and better food; and that millions of veterans look to banks for help with their money problems.

The Advertising Department of the ABA is planning to make available to banks from time to time, similar comic books and other publications to stimulate interest among children in the subject of thrift and sound personal money-management.

Says Private Int'l Investing Prospects Are Enormous

(Continued from first page)

reconstruction, re-stocking, and for new development of all types. The most vital political and economic interests of the United States, and of all other peace-seeking democracies, require that this investment take place. There can be no prosperity or peace for us in the world when millions of people in other nations are always on the verge of starvation. The necessary tremendous increases in productivity, income and standards of living abroad can be accomplished in any reasonable length of time only with the help of large volumes of foreign investment, to get the process started. Foreign investment requires international political stability, but such stability itself cannot be maintained without foreign investment.

"Nearly $15 billion of long and short-term foreign loans have already been made since the end of the war, mostly by governments. It is estimated that as much as 30 to 35 billions more of foreign investment will be required in the next eight to ten years, in addition to relief operations and political advances not made on payment terms; and that these sums can be repaid; 20 to 25 billions will probably come from the United States, the largest part probably from private investors. The lessons of our experience from 1919 to 1939, however, must be studied carefully and applied to this new foreign investment program. Foreign investment should be timed to offset rather than intensify business-cycle fluctuations at home and abroad; transfer provisions must be made flexible; and in private operations, equity investments should be undertaken rather than bond flotations where they are appropriate. The American Government should play an important advisory role, and in particular must watch over the broad political implications of private foreign investment.

"Finally," concluded Dr. Angell, "if we propose to invest abroad on commercial terms and expect to get repaid, we must behave like reasonable creditors. In particular, we must adopt liberal rather than restrictive tariff and other commercial policies, since foreign debtors can ultimately repay us, net, only in goods and services. Without prosperity and peace abroad, there can be no sure prosperity and peace within our own frontiers."

Whitmore Director of Comm. & Indust. Ass'n

Carl Whitmore, President of the New York Telephone Co., has been elected a Director of the Commerce and Industry Association of New York, it was announced on April 16, by Colonel Allan M. Pope, President of the Association, following a meeting of the Board. Mr. Whitmore came to New York in 1927 as General Manager of Installation for the New York Telephone Co. and by progressive steps was elevated to the Presidency of his organization in 1944. His telephone industry career began in his native California in 1911. He served also in Portland, Ore., Chicago and upstate New York. Mr. Whitmore was National Campaign Director for the United Service Organizations in the Fall of 1946 and Chairman of New York City's National War Fund Drive, 1945-46. He is a trustee of Brooklyn Hospital and the United Hospital Fund of New York; a director of the Brooklyn Bureau of Charities; Brooklyn Savings Bank; Holmes Electric Protective Co., and the Empire City Subway Co. of which he is also President.