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"We Cannot Compromise on Great Principles": Marshall

State Secretary Marshall, in report to nation on Moscow Conference, cites Russian opposition to proposals of Western powers. Accuses Russia of violation of Potsdam Agreement and of using propaganda "appeals to passion and prejudice." Sees disintegration forces at work in Europe and deplores peace delays. Holds Conference has clarified existing differences and cites Stalin's view of possible compromise.

Secretary of State George C. Marshall, in a report to the nation, broadcast over all radio networks on April 28, recounted the difficulties experienced by the Council of Foreign Ministers in their recent conference at Moscow, and, though expressing disappointment regarding the outcome, cautioned against undue pessimism and loss of patience. The text of Secretary Marshall's address follows:

George C. Marshall

Tonight I hope to make clearly understandable the fundamental nature of the issues discussed at the Moscow Conference of Foreign Ministers.

This conference dealt with the very heart of the peace for which we are struggling. It dealt with the vital center of Europe—Germany and Austria—an area of large and skilled population, of great resources and industrial plants, an area which has twice in recent times brought the world to the brink of disaster.

In the Moscow negotiations all the disagreements which were so evident during the conferences regarding the Italian and Balkan treaties came into sharp focus and remained, in effect, unsolved.

Problems which bear directly on the future of our civilization cannot be disposed of by general talk or vague formulae—by what Lincoln called "pernicious abstractions."

They require concrete solutions for definite and extremely complicated questions—questions which have to do with boundaries, with power to prevent military aggression, with people who have bitter memories, with the production and control of things which are essential to the lives of millions of people.

You have been kept well informed by the press and radio of the daily activities of the council,

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Labor Thrives Best Under Private Enterprise

By D. B. ROBERTSON*

President, Brotherhood of Locomotive Firemen and Enginemen

Railway Brotherhood leader attacks government controlled and enforced labor participation in industrial management as smacking of Soviet "pattern," and upholds principle of observing and maintaining distinction between labor and management. Says difficulties have been bred by war controls and calls for return of voluntary labor-management relationship to private industrial processes. Scores hysteria in proposed labor legislation.

The Vetoing Soviets, in seeking world control, are reported to have from 14,000,000 to 20,000,000 actual slave laborers under armed guards within barbed wire enclosures to help develop Russia's vast natural resources. These are *not* only the workers I have described. About three million of them are western European and Japanese prisoners of war. The others are men and women drawn from quotas of the Russian people who have been reported by the Soviet secret police to disagree with the dictatorship.

David B. Robertson

It is almost ridiculous to try to compare the advantages we have in this country under free enterprise with the terrible controls over the Russian worker's life. I say, with all my power of emphasis, that we must continue to make the American system work. Free labor can only survive through freedom of enterprise.

Deeper Holes of Chaos

The peacetime policy of government controlled and enforced labor participation in industrial management which is spreading throughout Europe today smacks too much of the first steps of the

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*Part of an address by Mr. Robertson at 75th Anniversary Transportation Department Conference of the International Y. M. C. A., Cleveland Ohio, April 24, 1947.

The Business Outlook And Consumer Credit

By DR. M. R. NEIFELD*

Vice-President, Beneficial Management Corporation

Reviewing conflicting opinions regarding business outlook, Dr. Neifeld maintains, although trend in 1947 has changed, the shakedown in retailing will not be too upsetting. Says buying generally will absorb production if prices and income are in balance and consumer credit is unhampered. Predicts all restrictions on consumer credit will be removed within year.

A business recession in the United States will begin before the year is out; it will run into 1948. That is the flat prediction in the March 22 issue of one well known weekly newsletter.

M. R. Neifeld

On the same date a rival newsletter stated just as flatly that the current economic situation is too strong to be set back by adverse factors. Capitalism, it went on to say, is showing the collectivist countries what dynamic production can really do.

Between these two extremes you can find all sorts of ideas about the business outlook. Some say that the safety valve in the economic system is already blowing off steam; that the recession is already under way. Some say that it is about to happen. Cer-

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*Address by Dr. Neifeld before the New York Association of Small Loan Companies, Syracuse, N. Y., April 10, 1947.

GENERAL CONTENTS

As We See It

EDITORIAL

"Inflation Is Here"

"Inflation is here." In these words a well known industrialist, once in excellent standing with President Roosevelt and his New Deal associates, describes a situation characterized by high and rising wages and material costs and in which he believes any such campaign as the so-called "Newburyport plan" is hopelessly doomed to failure.

Yes, inflation *is* here—possibly not inflation as conceived of by the popular mind, but inflation in a very real sense. It has been with us for a good long while past, and the procedures in vogue for combating or eliminating it must inevitably prove futile or much worse. They may modify or even eliminate some of the outward manifestations of an internal malady, but not one of them is even designed to attack the root of the evil of which complaint is made. They could even cause a depression, but a depression in these days and times, far from eliminating inflationary conditions as in the past, appears to be one of the very best means of making certain that they will be aggravated.

Of course, it is absurd to suppose that general price reductions in the finished goods branches of industry can continue to make headway so long as costs, particularly labor costs, in manufacture continue to rise. If the limits of such contradictory or opposing movements within the economy have not already been reached, they will be before long. It may be that the public will consent to pay the present high prices, or even higher prices for many of the things it wants, and business will go booming along until some months hence the labor unions demand further increases in wages—at which time it must be decided all over again whether the public has reached the point where it cannot or will not pay the prices asked of it. It could be, on the other hand, that

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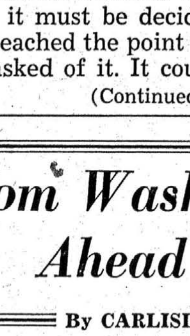
From Washington Ahead of the News

By CARLISLE BARGERON

The most controversial agency in Washington during the war, and the worst, was the OWI. Under the huge tent of Elmer Davis there was collected, perhaps, the greatest hodgepodge of pinks, blues, reds—all the hues of the political rainbow—the country has ever known. And with money to burn, they had a splendid time. The Conservatives in Congress were kept busy holding down their Leftist propaganda but every time one fountain was shut off, another would spring up.



Carlisle Bargeron

A lot of people were crestfallen, of course, when the war came to an end. But nowhere was there more gloom as the crowds in the street went wild with enthusiasm, than among the OWI crowd. It meant the end of their monkeyshines.

Out of the desire of a lot of these fellows, artists and writers, to stay on the government payroll, there grew the agitation for a government sponsored peacetime propaganda to accompany the global leadership we had assumed. We had spent millions for propaganda against the enemy during the war, it was argued, it would be absurd not to spend millions for propaganda in peace. Thus came the Office of International Culture in the State Department, just a little $31 million a year item. It has proven a haven for second rate writers and artists whose salaries together with allowances abroad, run up to $17,000 a year.

Well, it looks as though the OIC is on the way out. It will be the cause of the next outcry against the Republican budget cutters. And the anguish in this instance will know no bounds because the OIC is a baby of the intellectuals. The Republicans will be called stupid, backward, hillbillies, reactionaries and what-not; they will be depicted as utterly lacking in appreciation of the finer things of life.

Indeed, the attack has already started, notwithstanding that the

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Protests Increased Mail Rates

Commerce and Industry Association sees inconsistency in bill to raise postage charges and President's request for reduced prices. Says higher rates may lead to lower postal receipts.

Although President Truman has requested business to reduce prices, the Post Office Department is seeking to increase its mail rates, a procedure which would diminish rather than enlarge its revenue, the Commerce and Industry Association of New York, Inc., points out in reporting its opposition to the Rees Bill "and all other pending legislation now before Congress materially increasing postal rates."

Citing the proposed increase in parcel post rates, the Association's Committee on Postal Affairs, in a report approved by the Executive Committee, pointed out that the effect of such higher rates "would be reflected immediately in the mail order business which largely supplies the 57,000,000 persons in the nation living in the rural areas."

"As it is a practice of mail order houses to sell for a specified price, plus postage, it cannot be disputed that an increase in the parcel post rates would raise the cost to the ultimate consumer in these rural areas of merchandise delivered to them through the parcel post service," the report added, continuing:

"In addition, it is proposed to increase the price of money orders and C. O. D. collection charges so that in the rural areas the farmer would receive a double boost in delivery costs. The rural population is a very substantial buyer of merchandise manufactured in the cities. When the farmer stops buying, mills close down, payrolls decrease and income tax payments dry up. Both the rural and urban population will be adversely affected. Instead of aiding the President's plea to reduce prices, increases in parcel post rates would hinder such a program."

While proponents of the Rees Bill attempt to justify higher rates by claiming a departmental deficit of $148,000,000 in 1946, the Association pointed out that "this sum includes the expense of mailing free governmental and 'franked' mail which is estimated to cost $100,000,000, so that the actual deficit would be but $48,000,000" and observed that "even this deficit could be materially decreased if the Post Office Department reduced its large number of temporary employees employed during the war and effected rigid economies."

With particular reference to the Rees Bill, the Association noted that it "substantially increases all posal rates except the rate on first-class letters and thereby places an additional expense upon the nation's system of distribution and the cost of advertising as well as upon subscribers to magazines, newspapers and periodicals, purchasers of money order and parcel post shipments."

As an example, it was found that while delivery of a New York daily newspaper through the mail in Manhattan and the Bronx now costs one cent, the proposed rates would jump it to four cents. Proportionately increased would be postal charges on magazines, catalogs, postal money orders, parcel post, C. O. D. collections and registered mail.

Additional reasons given by the Association for opposing the projected higher rates were:

"There are millions of advertisements published during the course of the year, recommending that the customer use the mails to purchase merchandise. This advertising increases first-class mail, postal money orders and the parcel post. Where dissemination of newspapers, magazines and periodicals is curbed as a result of exorbitantly high rates as proposed in this bill, the Post Office Department loses the advantage of a substantial part of this advertising and can anticipate reduction in demands for the postal service.

"Reports filed by publishing associations indicate that the present postal rates are so high that other means of distribution are being increasingly used. These publishing associations state that while the circulation of national magazines has materially increased in recent years, circulation through the mails has decreased as the magazines seek to reduce their costs of distribution by using other methods of delivery. Increased postal rates will accelerate this trend.

"Second and third-class mail is carried as an adjunct to first-class mail and is handled after first-class mail is disposed of. To drive second, third and fourth-class mail from the post office to other means of distribution by increased postal rates would not materially reduce the expenses of operation of the Post Office. Substantially all postal employees would continue to be required to handle first-class mail and such second, third and fourth-class mail as remained."

Recalling that it has been the philosophy of the government, with public support, to deliver newspapers, magazines and periodicals at a rate not to produce revenue, the Association asserted that such distribution, by permitting purchase of reading matter at reasonable rates, adds to the education of the public—"essential and necessary for the educational growth of our people."

"This Association believes," the report concluded, "that these postal increases would result in diminishing returns to the Post Office rather than additional revenue—a 'killing of the goose that lays the golden egg.'"

Financial Group to Meet

The semi-annual dinner meeting of the financial markets group of the American Statistical Association will be held in early June in New York City, Leo H. Rich, chairman of the financial markets committee, announced. Several hundred members of the business and financial community are expected to attend.

Problems confronting the group which require discussion were outlined at a committee meeting April 22 in Mr. Rich's offices at One Wall Street. It was specifically asked: (1) has the Federal Reserve Board abdicated its function in the nation's monetary system; (2) what will be the relation of the financial markets to the new World Bank; and (3) what progressive trends are evident in railroads and industry? Speakers have been invited to the June meeting who can answer these questions.

Committee members for 1947 who will handle arrangements for this gathering, in addition to Mr. Rich, include: Robert W. Bachelor, American Bankers Association; Waite S. Brush, Consolidated Edison Company; William W. Cumberland, of Ladenburg, Thalmann & Company; A. T. Falk, Advertising Federation of America; Stacy May, International Basic Economy Corporation; H. V. Roelse, Federal Reserve Bank of New York; Bradford Smith, United States Steel Corporation; Hans D. Wideman, of Carl M. Loeb, Rhoades & Company; and Miss Hellen Slade, President of the New York chapter of the A. S. A.

Hemingway Heads Div. Of Foreign Trade Conv.

W. L. Hemingway, Chairman of the Board of the Mercantile-Commerce Bank & Trust Co. of St. Louis, will serve as Chairman of the St. Louis committee of the 34th National Foreign Trade Convention to be held in St. Louis, October 20, 21 and 22, it was announced on April 21 by the National Foreign Trade Council. In making the announcement Eugene P. Thomas, President of the Council, stated:

W. L. Hemingway

"Holding the 34th National Foreign Trade Convention in St. Louis will serve to emphasize the importance of sound and expanding American foreign commercial relations not only with respect to Mississippi Valley business prospects but to the nation as a whole. The Council is receiving with great pleasure the fullest measure of support from the St. Louis business community during preparations for this annual convention."

Serving as Vice-Chairman of the St. Louis committee are August A. Busch, Jr., President, Anheuser-Busch, Inc.; Arthur G. Drefs, President, McQuay-Norris Mfg. Co.; Clifford W. Gaylord, President, Gaylord Container Corp.; Byron A. Gray, President, International Shoe Co; Frank M. Mayfield, President, Scruggs, Vandervoort & Barney, Inc.; William M. Rand, President, Monsanto Chemical Co., and George C. Smith, President, St. Louis Chamber of Commerce.

The executive committee of the St. Louis committee is composed of Mr. Hemingway as Chairman; John L. Gillis, director, foreign department, Monsanto Chemical Co., Vice-Chairman; H. F. Boettler, Vice-President, First National Bank, Treasurer; W. J. Bramman, President, St. Louis Clearing House Association; Dudley French, Vice-President, Graham Paper Co.; Leo C. Fuller, Chairman of the Board, Stix, Baer & Fuller Co.; Lachlan Macleay, President, Mississippi Valley Association; F. Edward O'Neil, President, Export Managers Club of St. Louis, and Julius S. Schweich, Chairman, Foreign Trade Bureau, St. Louis Chamber of Commerce. Max L. Pilliard, Director of the Foreign Trade Bureau, is Secretary of the St. Louis committee and of the executive committee.

Registration for the convention will be handled through the National Foreign Trade Council, 26 Beaver Street, New York, in accordance with established procedure. The Council will make subsequent announcements as arrangements are completed. Hotel reservation for all delegates to the convention are to be handled exclusively through the Housing Bureau, 34th National Foreign Trade Convention, 910 Syndicate Trust Bldg., St. Louis 1, Mo.

Rep. Norman Dies

The death of Representative Fred Norman (R., Wash.), who was 67 years old, was announced at Washington on April 18, an Associated Press dispatch stated, adding that his death was attributed to a heart attack. Mr. Norman, a merchant of Raymond, Wash., first elected in 1942 to the 78th Congress, was again elected last year for a second term from his State's third district. On April 21 the House adjourned out of respect to Representative Norman's memory.

Treasury Permits Bidders for Treasury Bills To Obtain New Issues on Exchange Basis

Secretary of the Treasury Snyder announced on April 25 that beginning with the issue of Treasury bills to be dated May 1, 1947, and until further notice, "the Treasury will invite tenders for bills in exchange for maturing bills as well as for cash, with equal treatment accorded all tenders, whether the bidders offer to exchange maturing bills or to pay cash for the new bills bid for." "Cash adjustments will be made for differences between the par value of maturing bills accepted in exchange and the issue price of the new bills," said the announcement, which added:

"The bills to be dated May 1 will be in the amount of $1,100,000,000, about $200,000,000 less than the amount maturing on that date.

"The procedure for accepting exchange as well as cash tenders is being adopted to facilitate weekly refunding operations in bills. The bill holdings of the Federal Reserve Banks recently were $15 billion out of a total of $17 billion outstanding. Under existing procedure, the Federal Reserve Banks replace their weekly maturing bill issues, in large part, by purchasing new issues from security dealers, who ordinarily bid for amounts greatly in excess of market needs. This is done solely to facilitate the bill operation, as the dealers charge no commission for this service and obtain only the nominal profit from the transaction which is available to anyone. Under the new procedure the Federal Reserve Banks will be in a position to bid directly on an exchange basis for new issues in amounts not in excess of those required to replace maturing issues of bills originally acquired in the market.

"Any addition to Federal Reserve holdings of bills would be purchased in the open market as at present."

The following explanation in the matter was released at the same time (April 25) by the Federal Open Market Committee:

"The Treasury Department this week revised its Treasury bill offering circular so as to permit bidders for Treasury bills to obtain new Treasury bills by the exchange of an equivalent amount of maturing bills, to the extent that their tenders are accepted. Concurrently the Federal Open Market Committee has authorized the Federal Reserve Banks to place weekly tenders for bills in an amount not exceeding the amount of their weekly maturities. The Federal Reserve Banks will receive the same percentage allotment of bills as will other bidders at the same price. Acquisitions of bills by the Federal Reserve Banks, in this manner, will represent the replacement of bills originally purchased in the market and, like other exchanges of maturing securities for new securities, would not be subject to the limitation contained in subsection (b) of Section 14 of the Federal Reserve Act.

"No new credit will be made available to the Treasury by the Federal Reserve Banks as a result of this change in procedure, nor will new reserve funds be placed at the disposal of the banks of the country. Funds which have already been provided to the market through bill purchases will not be increased by this action.

"These related actions were taken to relieve a situation which has become less and less appropriate, as weekly maturities of bills held by the Federal Reserve Banks have increased, until recently they have ordinarily been more than $1,100 million out of a total weekly maturity of $1,300 million. In the past the market has taken all of each week's offerings of Treasury bills and has promptly sold to the Federal Reserve Banks that portion of the offering which it did not wish to hold. Thus the Federal Reserve Banks indirectly replaced part or all of their Treasury bill maturities. Such a procedure means that the market places tenders for new issues of bills in amounts bearing no relation to market requirements, the excess being taken for the purpose of immediate sale to the Federal Reserve Banks. In these circumstances, a more direct method of replacing maturing bills held by the Federal Reserve Banks has been deemed desirable."

In our issue of April 17 (page 2116) reference was made to the announcement on April 9 by Secretary Snyder that the offering of Treasury bills on April 17 would amount to $1,100,000,000; at the same time it was indicated that the total of bills maturing on that date was $1,300,000,000, so that the amount outstanding would be reduced by $200,000,000.

Grimm Nominated for President N.Y. Chamber

Peter Grimm, Chairman of the Board of William A. White & Sons, has been renominated for President of the Chamber of Commerce of the State of New York, it was announced on April 26 by James G. Blaine, Chairman of the Nominating Committee. Mr. Grimm is now completing his first year as head of the nation's oldest Chamber of Commerce. The election will take place today (May 1) at the 179th annual meeting. William White, President of the Delaware, Lackawanna & Western RR.; George L. Harrison, President of the New York Life Insurance Co., and Harvey D. Gibson, President of the Manufacturers Trust Co., were nominated for Vice-Presidents to serve four years. The Committee renominated Arthur M. Reis, President of Robert Reis & Co., as Chairman of the Executive Committee. Jacob Aronson was named as a new member-at-large of the Committee and H. Donald Campbell and James T. Lee were renominated for similar posts. William J. Graham, Treasurer; William B. Scarborough, Assistant Treasurer, and B. Colwell Davis, Executive Secretary, also were renominated. Robert W. Dowling, President of City Investing Co., was selected by Mr. Blaine's committee to be the first Chairman of the newly-created Committee on City Affairs. Others nominated to serve on the Committee were Richard E. Dougherty, Caswell M. Smith, Clarence L. Law, George McAneny and David L. Tilly.

The following were named for new Chairmen of standing committees: Robert M. Field, Foreign Commerce; Frederick W. Ecker, Taxation; John R. Davies, Arbitration; Charles K. Etherington, Education; Robert L. Hammill, Public Service in the Metropolitan District; Wandell M. Mooney, Public Health and Welfare; and A. V. S. Olcott, Law Reform. Renominated as Chairman: John M. Schiff, Finance and Currency; B. M. Grant, Internal Trade and Improvements; Lynn H. Korndorff, Harbor and Shipping; Theodore M. Riehle, Insurance; Herbert G. Wellington, Admissions. Frederick H. Ecker and William L. DeBost were renominated for members of the Board of Trustees of the Real Estate of the Chamber, and Phineas B. Blanchard for Commissioner for Licensing Sailors' Hotels and Boarding Houses.

Steel Production Continues to Rise—Chances For Early Price Cut Dimmed—Scrap Again Off

"The groundwork was laid this week for a steel output performance that may rival 1944 when an all-time high of 89,600,000 tons of steel was produced," states "The Iron Age," national metalworking paper, in its issue of today (May 1), which further goes on to say:

"The coal mine problem is still in the picture but some sources believe there is a good chance of it being cleaned up by July 1.

"Steel production from Jan. 1 to the middle of this week totaled slightly more than 28,000,000 tons. This rate, if continued for a year, would turn out 30% more steel than in the peacetime year of 1939 and 39% more than in 1929 and only about 2% less than was produced in 1944.

"The steel rate for the country this week is up 1½ points to 96.5% of rated capacity and all signs point to a continuation of this high level for some time. At Pittsburgh steel operations this week are 103% of capacity and at Chicago the rate has climbed to 98%. At Buffalo activity is 102% and at Detroit, 102.5%.

"The steel industry this week got additional help in shouldering the new heavy wage bill when scrap prices at major centers slid off further. Average prices on heavy melting steel were off $2.50 a ton at Pittsburgh, 75¢ a ton at Philadelphia and $2.50 at Chicago. These declines forced The Iron Age scrap composite down to $29.92 a gross ton, off $1.91 a ton from last week's figure of $31.83. This week's scrap composite is $1.08 a ton less than the 1947 low of $31 a ton touched on Jan. 7 during the upward movement of scrap prices.

"As expected, steel earnings for the first quarter of this year showed a substantial increase from fourth quarter figures but they do not reflect the new wage costs which are retroactive to the beginning of the second quarter. First quarter earnings reflected the full effects of base price and extra increases instituted during the latter part of December 1946 and early January 1947. Much of this is expected to be dissipated in the second quarter by high wage costs and some increases in the price of materials used by the steel industry.

"There was nothing in the picture this past week which indicated the probability of a basic cut in steel prices. Most companies do not yet know the full cost of the new wage agreement. Until that time—and it may take a few months—no firm can give consideration to lower steel prices. Customers have been exerting pressure on some steel firms to eliminate the sales price policy of 'price at time of shipment.'

"Keystone Steel & Wire Co. at Peoria, Ill., has notified its customers that second quarter shipments will be priced at no more than current steel quotations. Whether or not larger steel companies will return to the prewar policy of quarterly announcement of steel prices remains to be seen, but they are privately giving consideration to this problem.

"The current flow of steel to consumers has been so heavy in recent weeks that a continuation of this volume of shipments for the next several months will result in peak output of manufactured goods. By June or July many steel users should find almost a normal balance between supply and demand with the exception of some flat-rolled steel items.

"Hard pressed pig iron users can expect a better supply over the next few months. March pig iron output was close to 92% of capacity and April figures equaled or exceeded that figure. Some of this increase in iron output has been used for steelmaking but there has also been a significant increase in the amount of iron going into merchant trade channels. About a week ago at least 80% of pig iron users had no more than 10 to 15 days inventory."

The American Iron and Steel Institute this week announced that telegraphic reports which it had received indicated that the operating rate of steel companies having 93% of the steel capacity of the industry will be 96.4% of capacity for the week beginning April 28, compared with 95.0% one week ago, 95.4% one month ago, and 67.7% one year ago. This represents an increase of 1.4 points or 1.5% over the preceding week. The operating rate for the week beginning April 28 is equivalent to 1,686,900 tons of steel ingots and castings, compared to 1,662,400 tons one week ago, 1,669,400 tons one month ago, and 1,193,100 tons one year ago. This was the seventh consecutive week in which operations have been scheduled above 90%. With the exception of the March 24 week, when the schedule was 97% of capacity, the current schedule is the highest since October, 1944.

"Steel" of Cleveland, in its weekly summary of latest news developments in the metalworking industry, on April 28 stated in part as follows:

"Steel wage settlement appears to have definitely removed the possibility of any immediate reduction in base prices on steel products. The wage increase, which in the case of U. S. Steel subsidiaries, averages out to around 16 cents per hour, will advance steelmaking costs an average of $3.25 per ton of finished steel based on 1946 production of 53,073,421 tons requiring 1,082,250,000 man-hours.

"Increased worker efficiency and volume production may hold down the cost increment but indications are it will take some time before firm price policy can be charted based on performance. As a matter of fact, whether the steelmakers will be able to absorb the wage increase without raising prices remains to be seen, for not only are direct labor costs involved but impact of the wage increase on raw material and equipment costs will be substantial when the wage settlement spreads to suppliers.

"Government pressure for lower steel prices is expected to continue but it is believed likely such will have little influence in developing industry policy pending clarification of cost position as a result of the wage increase.

"Despite the blow to prospects for an immediate price reduction, however, trade observers continue to predict some easing in the price structure later in the year when demand comes more nearly into balance with supply. Here and there signs already are evident of easier supply conditions in certain products, such as alloys and specialties, but there is little chance of any substantial early easing in such items as flat-rolled sheets and strips, plates, bars and pipe. Expectations are easiness will first show up in the waiving of extra charges as competition for orders accelerates.

"Most sellers of major steel products are expected to open their books for third quarter business within the next two weeks. Indications are there will be less carry-over tonnage at the end of second quarter, especially now that a general steel strike has been averted, with the result consumer quotas may be a little larger next quarter. Whether actual shipments will be larger in such event will depend principally upon what develops with respect to coal mine labor trouble July 1 when the mines are returned to private ownership. Some steel trade leaders view the outlook for labor peace in the mines pessimistically.

"Removal of the strike threat in basic steel assures high steel operations through June. Independent steelmakers are expected to follow U. S. Steel in arriving at terms with their workers. However, working out of settlements with steel fabricating companies which have contracts with the United Steelworkers may run into a snag with most of these firms insisting on settlements at the local plant level and with an eye to the competitive position of the individual company."

Life Ins. Purchases In March Up 2%

Life insurance purchases in the United States in March showed an increase of 2% over purchases in the corresponding month of last year and they were 7% greater than the aggregate reported for February, it was reported recently by the Life Insurance Agency Management Association of Hartford, Conn. Total purchases in March were $1,845,995,000, compared with $1,816,315,000 in March of last year and $1,292,337,000 in March, 1945. Purchases of ordinary life insurance in March were $1,283,-161,000, down 5% from March a year ago, but 47% more than the total in March, 1945. The advices from the Association continued:

"Industrial life insurance purhased in March amounted to $381,-519,000, an increase of 7% over the corresponding month last year and 26% over March, 1945.

"Group life insurance purchases were $181,315,000 in March, an increase of 59% over March a year ago and 54% over the figure for March, 1945. These purchases represent new groups set up and do not include additions of insured personnel under group insurance contracts already in force.

"In the first three months of the year total life insurance purchases were $5,305,963,000, an increase of 13% over the first three months of 1946 and 55% over the corresponding period of 1945. Purchases of ordinary life insurance accounted for $3,698,933,000 of the three months' aggregate, an increase of 6% over last year and 57% over the 1945 total. Industrial life insurance purchases represented $1,060,066,000 of the current year's total, an increase of 13% as compared with last year, while group life insurance purchases amounted to $546,964,000, an increased of 117% as compared with the first three months of last year."

Illinois Bankers Ass'n Convention to Be Held In Chicago May 19-21

The 56th convention of the Illinois Bankers Association will be held at the Palmer House, Chicago, May 19, 20 and 21. Officers for the ensuing year will be elected and action taken upon reports of the activities of the Association, and upon the annual report of the Council of Administration, including the proposed amendments to the Constitution and By-Laws, and the Declaration of Policy to govern the conduct of the Association for the ensuing year. An "Informal Reunion Party" will be held the evening of May 19. The first session of the convention will convene Tuesday morning, May 20, at 10 o'clock and the second session at 2:30 p. m. The annual dinner will be held that evening. The final session will convene on Wednesday morning, May 21, followed by the inaugural luncheon at noon. Barney J. Ghiglieri is President of the Association and Harry C. Hausman is Secretary. The office of the Secretary is at 105 W. Monroe St., Chicago, Ill.

The State of Trade

Events of the past week should pave the way for more peaceful relations between management and labor and greater stability of production in the months ahead. With the recent consummation of four major collective bargaining agreements covering more than 250,000 workers, a repetition of the country-wide disruptive cost-of-living strikes of one year ago appears largely to have been removed.

These agreements follow closely the general pattern established by the United States Steel Corporation, two electrical manufacturers and one car manufacturer in their settlements with CIO unions, leaving the details of the accord reached on Wednesday of this week in the nation-wide telephone dispute involving 340,000 workers and which cast its dark shadow over an otherwise tranquil labor scene to be worked out.

With the return of the soft coal mines to the operators on June 30, next, government possession of the mines will come to an end and unless the miners have a contract with the operators it is felt production of bituminous coal will cease.

On Tuesday, last, the Southern Coal Producers Association declined to participate in any industry-wide bargaining conference with the United Mine Workers (AFL), but offered to negotiate a separate wage contract with the union. In setting forth its position, a spokesman for the Association stated that the other operators "are our friends but it must not be forgotten that they are also our competitors." John L. Lewis, head of the United Mine Workers Union, was displeased by the Association's action, but it was reported, he did not peremptorily rule out separate negotiations.

Of major importance was the General Electric Co. agreement announced on Monday of the current week, which granted to its 125,000 employees a wage increase of 11½ cents an hour with 3½ cents added by the inclusion of six holidays, raising the total to 15 cents an hour. Westinghouse Electric and the electrical division of General Motors had already assented to such an increase.

Other companies included the Chrysler Corp., employing 73,000 workers, which became the second of the "Big Three" auto companies to sign up with the CIO United Auto Workers Union on the 15-cent industrial wage pattern. General Motors came to an agreement with the union in its wage demand for 220,000 workers last Thursday night, while the Ford Motor Company employing 100,000, is the only major auto company that has yet to arrive at an agreement.

In the steel industry, the Jones & Laughlin Steel Corp., large independent producer, announced at Pittsburgh that final agreement had been reached on a new contract with the CIO United Steel Workers. The wage settlement with its 25,000 employees was similar to that negotiated by United States Steel and the union.

The fourth in a series of new agreements was that announced by the American Federation of Hosiery Workers (CIO), which received a 13-cent hourly wage increase for 10,000 hosiery workers throughout the country. This settlement was arrived at in negotiations with the Full Fashioned Hosiery Manufacturers of America, Inc.

It is significant that the general pattern established this year falls about 3½ cents short of the increases for which unions settled industry-wide strikes in 1946 and in arriving at the above agreements there was little or no threat of strikes.

Turning to reports of first-quarter corporate earnings now coming to hand, results are proving very encouraging, since the figures are measuring up to earlier expectations. However, the favorable showing made by the various companies, it is generally felt, represents their peak for the year and as to the question of how they will fare the remainder of 1947, that is problematical, due to the uncertainty of prices, inventories and other related factors. In any event the favorable results attained in the first quarter will serve to strengthen the financial position of these companies against future adverse developments.

In the week just passed total industrial output showed a fractional increase with production in many industries above or close to postwar peaks. Increases in the supplies of raw materials made it possible for a great number of industries to reflect high operating levels for the week, notwithstanding weather that was unfavorable for outside operations.

In the steel and coal industries a considerable improvement in labor conditions occurred and it was noted that employment in general was high.

The textile industry generally operated at a very high level last week. However, the small decline in purchasing by wholesalers has caused some woolen mills in the New England area to curtail production slightly. The cotton spinning industry in March operated at 125.4% of capacity.

The demand for building materials, automobile accessories and hardware remained heavy. Interest in furniture continued at a high level and requests for mahogany bedroom and dining-room sets were numerous though supplies in most localities proved inadequate. Shipments of washing machines, refrigerators and stoves improved moderately and buyer insistence on nationally advertised brands continued.

Consumer buying was spotty in the week and reports from most areas indicate that total retail volume declined slightly from that of the previous week. Dollar volume was about even with the high level of the corresponding week a year ago. Clearance sales continued to attract many shoppers.

A moderate rise in the number of reorders caused total wholesale volume to rise slightly in the week and dollar volume remained moderately above that of a year ago. Shipments of many previously scarce durable goods improved moderately though buyers continued to be hesitant about placing orders for future delivery.

Steel Industry—The steel scrap market last week broke sharply in practically all consuming centers in the country, according to "The Iron Age," national metalworking paper. At Pittsburgh, the major steel center, heavy melting steel scrap prices took one of the biggest nosedives in history. Quotations there early in the week dropped an average of $5.25 a ton. At Philadelphia, heavy melting grades were down $3 a ton. Other declines included 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 50c. a ton at Chicago, but a greater reaction is expected there this week.

"The Iron Age" scrap composite prices, which includes the averages of Pittsburgh, Philadelphia and Chicago heavy melting quotations, declined the past week to

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As We See It

(Continued from first page)

those are right who insist that a critical point has already been reached, and that industry must even now reduce prices or curtail. The truth may lie somewhere between these two extremes.

No Cure for Inflation Here!

The important point is that in none of these cases under present public policy will the situation be improved as respects inflation. In any of these cases the last may well be worse than the first so far as underlying inflationary conditions are concerned, and it is these underlying conditions—not the willfulness of this or that group in the business community — which control. Strangely or not, these rather elementary truths are apparently seldom fully realized or understood even by many who should not be befuddled. The reason may be that current discussions become so entangled with the numerous constantly changing surface developments consequent upon these underlying conditions. But facts are traditionally stubborn things, and so are the "laws" of economics. These latter continue to operate whether they are understood or even recognized or not.

Let us turn to the record. It should be enlightening. It is a commonplace that during the half decade or more immediately preceding the war, large additions were made to the "money supply." It is even more widely understood, perhaps, that this process was raised to the nth power during the war years. It can scarcely be a secret known only to a few that as a consequence the end of the war found the public, including, of course, business enterprises, in the possession of unprecedentedly large amounts of what Washington is so fond of calling purchasing power —i.e., currency and bank deposits. Whether or when these funds would come into the market in large amounts, bid prices up, and distort the inner relationships of prices was from the first but a question of time. The current discussion about "inflation" largely centers around differences of opinion as to whether these funds will or will not be, for a time at least, withheld or withdrawn from the market—not whether there has been any elimination of these "fiat funds" and a consequent elimination of the real inflation in our economic system.

One might suppose, and, indeed, it would appear that many actually do suppose, that this process of pumping inflationary funds into the economic system came to a halt with the end of the war. So much has been said about the elimination or reduction of the working balances of the Treasury by retiring obligations owned by the banks—much of it quite warranted praise of the Administration —that certain other related facts are completely overlooked. Let it be recalled that these "working balances" of the Treasury, or at least that part of them which were in excess of ordinary requirements of the Treasury, were not working balances at all. They were merely idle deposits in the ordinary banks for the account of the Government. The obligations, the retirement of which was effected with these deposits, were held by both ordinary banks and the Federal Reserve banks.

Inflationary Reserve Action

The retirement of these short-dated obligations set off a series of chain reactions in the money market, some of which had no more than transient effect upon the supply of and demand for funds, while others vitally affected the money supply, strictly defined, so that these idle funds of the Treasury are excluded. This is not the place to undertake any detailed analysis of these processes. Suffice it to say that the action of the Federal Reserve authorities in promptly replacing its holdings of retired Treasury obligations made possible, nay encouraged, an expansion in the earning assets of commercial banks which in turn resulted, during 1946, in an increase of some $13 billion in the effective money supply of the nation. Of course, it is hardly more than childish to talk of preventing, or even controlling, "inflation" when underlying changes of this sort are either encouraged or permitted.

Of course, it will be said at once by those who are more inclined to candor than politically-minded Washington, that such a course by the Reserve authorities was necessary to "protect" the rate of interest and thus the position of the Treasury, but no such reply can answer the question suggested by such a reply: Is it conceivable that both the interest rate and the Treasury can be protected in such a manner without virtually throwing up the sponge on the question of inflation? Very little reflection is required to bring one to the inescapable conclusion that inflation control is likely to be effective only if the Treasury is steadily reducing its obligations and taking what steps are necessary to get more and more of them into non-banking hands. Yet whatever debt reduction is occurring, or is expected, was not planned that way and will be more a product of good fortune than good management. It will be relatively small in any event.

Excission of New Deal Essential

If it be asserted, as it is often asserted, that any vigorous effort to get back to a sound money supply situation would almost inevitably bring on retrenchment all round and perhaps a severe depression, a completely adequate reply is available. Let the New Deal and its evil works be expunged from the statute books of the nation and no need of fear of such a depression would exist!

Yes, inflation *is* here—and will remain until sweeping changes are made in public policy.

Philadelphia 1948 Site Republican Convention

The Republican National Committee has selected Philadelphia as the site of the 1948 Republican national convention which will be held during the week of June 20, 1948, Associated Press advices from Kansas City, Mo., stated on April 21. Choice of the convention city ended the Committee's formal business. Although some consideration was given to Chicago as a likely site, it was apparent from the outset, it is said, of the Commitee's deliberations that Philadelphia would be chosen. The Pennsylvania city won on a roll call by almost three to one, 72 to 26, after which the National Committee made the selection unanimous.

Atlantic City, N. J., had also invited the convention, but it was understood that this possibility would only be considered if a deadlock had existed in the choice between Philadelphia and Chicago. A major factor in the Philadelphia victory was the offer by the Philadelphia committee of a contribution of $200,000 and free use of Convention Hall, with a promise that $50,000 more would be raised for entertainment of the delegates and alternates. Another inducement, it is stated, was the guaranty of hotel space for an unlimited period.

SEC Adds New Item To Security Sale Form

The Securities and Exchange Commission on April 10 announced the amendment, effective May 1, 1947, of Form U-6B-2, a certificate of notification prescribed in connection with the issue and sale of certain securities pursuant to Sections 6 (b) and 3 (d) of the Public Utility Holding Company Act of 1935 and Rules U-20 (d) and U-47 thereunder. The amendment adds a new item to the form which calls for a statement of the application of proceeds of the securities specified therein. The text of the Commission's formal action follows:

"The Securities and Exchange Commission, acting pursuant to the Public Utility Holding Company Act of 1935, particularly Section 20 (a) thereof, deeming the following amendment of Form U-6B-2 appropriate to carry out the provisions of the Act, and considering such amendment to be procedural in nature and not to be subject to the requirements of Section 4 (a) (b) (c) of the Administrative Procedure Act, hereby amends Form U-6B-2, effective May 1, 1947, to renumber items numbered 11, 12, 13 and 14 as items numbered 12, 13, 14 and 15, respectively, and to include the following item:

"Application of proceeds of each security."

Issues Charts on Texas Population Growth

Second National Bank of Houston gives data from 1850 to 1940. Shows variations in rate of growth caused by regional industrial developments and decline in soil productivity.

The Second National Bank of Houston, Texas, has issued under the direction of C. M. Malone, Vice-Chairman of its Board of Directors, two interesting maps and a chart showing the population growth of various regions and sections of Texas up to 1940.

The population chart starts with 1850, which was the first census taken in Texas, but the sectional map deals only with the population from 1910 to 1940. However, going back to 1900, it shows a rather interesting development. In 1900 the population of Texas was 3,048,710. At that time Section 1, or South Texas, had only 648,200 population, and Section 4, which is Central Texas, had 1,203,615.

In 1920 Section 1 had a population of 1,194,164, and Section 4 had a population of 1,684,773, but in 1940 Section 1 had 2,133,157, and Section 4 had 1,857,300. In the 40-year period Section 1 had increased from 648,200 to 2,133,157, an increase of 1,484,937. During this period the entire state had increased 3,366,114, so that Section 1 had accounted for almost 50% of the increase in the entire state.

Section 1 is developing into an industrial area all the way from the Rio Grande River to the East Texas line along the coast. It is rich in oil, gas, sulphur and salt, all of which are used in the chemical industry, which is developing very fast in this section of the state. The Dow Chemical Co. at Freeport uses the waters of the Gulf of Mexico to make magnesium. The 1950 census should show a much greater growth in this section of Texas than any other 10-year period.

The decline in population in Central Texas in many of the counties is due to erosion and decline in productivity of the soil, but a great deal of conservation work is now being done throughout the state. Much of this land will be brought back into good production and will probably correct this decline in population in these rural counties.

On Jan. 10, 1901, the first gusher was brought in at Spindletop which was followed by the development of many oil fields throughout the State. The discovery of oil attracted capital, and then other lines of industry saw the opportunity to develop other natural resources. This has transformed Texas into an industrial, as well as agricultural and cattle-raising state.

Agriculture and cattle still are important to this State, and with improvement in farming methods and breeding of fine cattle, the State will always have a very large part of its population in the rural sections.

President by Executive Orders Ends OPA June 1

Executive Orders, wiping out, effective June 1, the OPA and two other major wartime agencies, viz., the Civilian Production Administration and the Office of War Mobilization and Reconversion, were issued on April 23 by President Truman. At the same time he ordered most of the agencies' remaining functions, including rent controls, transferred to other departments on May 4. Associated Press Washington advices April 23, as given in the New York "Journal of Commerce," added:

Along with them goes the Office of Temporary Controls which was set up last December to start the liquidation process.

The orders direct the transfer of these functions:

"1. Rent controls from OPA to the Federal Housing Expediter.

"2. Price control over rice from OPA to the Agriculture Department.

"3. OPA activities relating to claims and overpayments on subsidies and price adjustments, to the Reconstruction Finance Corp.

"4. OPA liquidation activities and OWMR functions relating chiefly to premium payments on copper, lead and zinc production from marginal mines, to the Commerce Department—June 1.

"5. OPA controls over rubber, hard cordage fibers, tin, antimony, cinchona and streptomycin, to the Commerce Department. Commerce extended rubber controls until next March 31, the others until June 30."

Along with the transfer of functions, the Commerce Department will get 1,200 employees from OPA; about 550 from OPA and about 100 from OWMR. The Housing Expediter will get about 6,100 employees from OPA's rent division. Another 125 OPA employees will go to RFC.

The President also directed the Justice Department to take over most pending litigation and enforcement work from the emergency agencies. This includes between 8,000 and 13,000 OPA cases involving alleged overceiling charges on commodities and services decontrolled last November, but not rent control violations.

Congress already had tabbed OTC and its three sub-groups for liquidation by June 30. With his orders today, the President beat that deadline. At the same time he put into effect, probably ahead of a final Congressional vote, one change favored by the Senate Banking Committee. This is a proposal to shift rent controls from OPA to the Housing Expediter.

Both House and Senate Committees are considering legislation to extend rent controls beyond June 30. The House Banking Committee is debating a bill to repeal the Patman Emergency Housing Act, which is administered by the expediter's office, and put rent controls on a local basis.

However, the changes ordered by the President virtually eliminates OPA, as such, from future debate.

Housing Expediter Frank R. Creedon followed up the Executive orders with a statement that rent controls will be administered by his office "effectively and within the spirit and letter of the law."

He said about 6,000 employees to be taken over from OPA will remain in field offices and about 100 in Washington.

Air Mail Abroad

Postmaster Albert Goldman announced on April 10 that mail articles addressed to foreign countries and intended for air dispatch within the United States are being mailed with postage paid of only 5 cents per ounce. The announcement also says:

"The above has reference to mail articles for foreign countries (except Canada and Mexico) which the sender desires to have forwarded by air to the appropriate United States exchange office (such as San Francisco, New Orleans and other ports) and thence by steamer, and the correct postage rate for these articles is 7 cents per ounce or fraction.

"Articles for Canada and Mexico prepaid at the rate of 5 cents per ounce or fraction will be carried by air to and within those countries."

Senate Passes Bill for Greek-Turkish Aid

The bill, carrying out President Truman's proposal for Greek-Turkish aid to the extent of $400,000,000 was passed by the Senate on April 22 by a vote of 67 to 23. Prior to the Senate's final action, arguments for and against the bill were heated, and on the day of its passage two attempts to modify and block the program were defeated, it was noted by Gerald Griffin, in advices April 22 from the Washington bureau of the Baltimore "Sun," from which we also quote the following:

One amendment, acceptable to the bill's supporters, was adopted by a voice vote. Offered by Senator Johnson (D., Col.), it specified that nothing in the measure implied that the United States is bound to support agreements made by American oil companies with foreign governments.

Thus the Senate approved without material changes the momentous program advanced last month by President Truman to strengthen Greece and Turkey against Communist forces.

A heavy majority of both parties supported the bill on final passage. Voting for it were 35 Republicans and 32 Democrats. Voting against it were 15 Republicans and seven Democrats.

Senators Tydings and O'Conor of Maryland, voted for passage, and both voted against the two principal moves to restrict the program.

On of these moves was made by Senator Johnson, who sought to strike from the bill all its authorizations for military aid. It was rejected, 68-22.

The second was made by Senator Robertson (R., Wyo.), who wanted to kill the legislation by a motion to lay it on the table. That was defeated, 67-23.

Although a number of other amendments had been drawn up, including one to remove Turkey from the program, the sponsors of such proposals did not ask for a vote on them.

Senator Vandenberg had previously written into the bill a stipulation that American aid to Greece and Turkey would be withdrawn if the President is officially notified that the United Nations Security Council or General Assembly finds that action taken by the United Nations makes the continuance of American help unnecessary or undesirable.

Also written into the bill was a preamble, sponsored by Senators Vandenberg and Connally (D., Texas), setting forth American support of the United Nations and asserting that the Greek-Turkish program conforms with the principles and purposes of the United Nations Charter.

The bill authorizes the expenditure of $400,000,000, including an immediate advance of up to $100,000,000 by the RFC, to extend economic and military aid to Greece and Turkey. Greece's share is expected to be approximately $250,000,000.

April 21 Secretary of State Marshall in a cablegram from Moscow addressed to Senate President Arthur H. Vandenberg, Republican (Michigan), who had asked for his views, confirmed that he helped and advised President Truman in drafting the program of American intervention in Greece and Turkey and in the decision to go forward with it. The foregoing is from United Press advices from Washington, which also said in part:

At the same time, he [Secretary Marshall] backed to the hilt the opinions voiced by Undersecretary of State Dean Acheson and other top Administration officers who had testified in his absence that this country's security would be imperiled if Greece and Turkey are allowed to collapse into Communism.

"I understand some question has arisen as to my participation in the Greek-Turkish aid program," Secretary Marshall cabled.

"As you know, prior to my departure for Moscow I participated in the formulation of this program and in the decision to go forward with it. When I reached Paris on March 6, the President telegraphed the proposed text of his message of March 12 and I informed the (State) Department that I fully concurred.

"I personally and for the State Department attached the highest order of urgency to immediate passage of the Greek-Turkish aid legislation. In my opinion, the program proposed is indispensable and I am in complete accord with the actions taken by Mr. Acheson for the Department and by the Foreign Relations Committee of the Senate in urging the Congress to pass this legislation."

Senator Vandenberg interrupted the Senate's last full day of debate on the bill to announce the arrival of Secretary Marshall's message, and the Senators listened impassively as it was read by a clerk.

Mr. Vandenberg, Chairman of the Senate Foreign Relations Committee, took the floor on April 22 as the hour for a vote on the measure approached and the futility of opposition was admitted, said the Associated Press Washington accounts as given in the New York "Sun," from which the following is also taken:

Senator Vandenberg said that he rose to "categorically repudiate" the statement he said had been repeated by Senator Johnson (D.,Col.), that the President's policy would lead to war with the Soviets.

"That statement, which has been made repeatedly by the Senator from Colorado, is an invitation to the precise disaster that this bill seeks to prevent," Mr. Vandenberg said, adding: "That is an inflammable statement and it is a grave error. I deny there is any such purpose in the heart of any Senator who today supports the President of the United States."

Senator Hatch (D.-N. M.), declared that "if Turkey goes communistic—do not deceive yourselves—then all that part of the world goes communistic."

"We have not as yet won either (world) war; victory is not ours," Hatch said, adding that the purpose of the aid to Greece and Turkey is "to make our victory secure."

"I have reached the firm conclusion and decision that we are not by-passing the United Nations and that we should proceed," he declared.

Prime Minister King Visits Pres. Truman

Canadian Prime Minister William Lyon Mackenzie King, en route home after a holiday at a Virginia Beach resort, stopped for a three-day visit in Washington and called on President Truman at the White House on April 23, a dispatch from Washington to the New York "Times" stated. Mr. Mackenzie King, it was announced later, renewed his invitation to Mr. Truman to visit Canada this summer, and the President was said to have accepted. The visit will, probably, be made in June. The President expects to go to Princeton University to receive an honorary degree on June 16.

Cotton and Cottonseed Production, 1946

The 1946 cotton crop for the United States amounted to 8,640,000 bales, the smallest since 1895 except for 1921, according to the Crop Reporting Board of the Bureau of Agricultural Economics. This estimate is based on final ginnings as reported by the Bureau of the Census (equivalent 500-pound gross weight bales). The 1945 crop totaled 9,015,000 bales and the 1935-44 average is 12,553 bales. Production in 1921 totaled only 7,945,000 bales compared with the record crop of 18,946,000 bales produced in 1937.

In ginning the 1946 cotton crop, an estimated total of 3,513,000 tons of cottonseed, a major source of vegetable oil, was separated from the lint. This harvested production of cottonseed is 151,000 tons or 4.1% less than ginned in 1945 and 1,727,000 tons or 33.0% less than ten-year average ginnings.

The value of the 1946 crop of lint cotton, calculated at the season average price of cotton sold before April 1 is $1,409,711,000, the highest since 1925. The indicated value of the 1946 crop exceeds that of the previous year by $394,888,000 and the ten-year average by $573,492,000 despite the fact that production in 1946 was 3,913,000 bales below average. The average of 32.6 cents per pound received for cotton sold before April 1 is 10.1 cents per pound above the average for the 1945 season and 19.0 cents above the ten-year average. This upswing in price more than offsets the drop in production and accounts for the relatively high value of the 1946 crop.

Value of seed produced, computed at $252,632,000 brings the 1946 combined value of seed and lint to $1,662,343,000, also the highest since 1925, compared with $1,201,978,000 in 1945 and the ten-year average of $1,012,095,000. After OPA controls were lifted, cottonseed prices jumped to around $100 per ton in many areas. However, the indicated season average price was $72 per ton compared with $51.10 for the previous crop, because considerable quantities of seed were sold before controls were lifted.

Cotton acreage in cultivation on July 1, 1946 is estimated at 18,190,000 acres, 3.6% more than in 1945. This is the first increase in acreage since 1942. With only a slight increase in 1946 plantings the acreage remains nearly 7,500,000 acres less than the ten-year average. The price of cotton was comparatively favorable at planting time, but the increase in acreage was limited by unfavorable weather, a scarcity of viable planting seed, and the generally uncertain prospects for supplies of labor, machinery, repair parts, and fertilizer.

Abandonment of acreage in cultivation on July 1, 1946 amounted to 3.2%, leaving 17,615,000 acres harvested. With the exception of 1945, this is the smallest harvested acreage since 1884 and compares with 17,059,000 acres in 1945 and the ten-year average of 24,890,000 acres. Bad weather and severe weevil damage caused heavy abandonment of acreage in Mississippi and Louisiana and above-average abandonment in Texas, Oklahoma, Missouri and Alabama.

The small cotton crop produced in 1946 was due primarily to the small acreage and unfavorable weather during the growing and fruiting seasons. In New Mexico, Arizona and California, however, weather was generally favorable and the yield per acre was above average. In Oklahoma, Arkansas, and central and eastern Texas severe drought following a prolonged wet season caused considerable damage. In Louisiana and the states east of the Mississippi River, excessive rainfall during July increased boll weevil infestation. With cool weather and ample rainfall during the rest of the fruiting period, weevil damage developed rapidly and sharply reduced production prospects. Weevil damage for the Cotton Belt States averaged 13% and except for 1941 was higher than any year since 1932. Although weather during the harvesting season was generally favorable, the crop was late in some areas and less than the average percentage of the crop was ginned to Dec. 1. Practically all of the 1946 crop was finally harvested. This contrasted with the 1944 and 1945 crops when considerable cotton remained unharvested and was plowed under in the following spring, especially in the Central Cotton Belt.

American Egyptian cotton, grown only in Arizona, New Mexico, and Texas, amounted to 2,500 bales in 1946, compared with 4,100 bales in 1945, 8,800 bales in 1944, and 60,900 bales in 1943. Production of Sea Island cotton in 1946 was negligible.

Of the 124,000 bales of cotton placed under Government loan through March 1947, only 57,000 had not been redeemed. The value of this unredeemed loan cotton and cotton still in producers' hands on April 1, 1947 is included in the total value of the crop at the season average price.

Heaviest Budget Cuts By House for Inter. Dept.

The House on April 25 passed by a vote of 307 to 30 the bill providing for appropriations for the Interior Department for the fiscal year starting July 1, 1948, totaling $161,413,513—some $134,006,907, or about 45% less than President Truman asked. As sent to the House floor on April 21 the bill called for operating funds of $156,538,513. Regarding the House action, Associated Press advices from Washington April 25 said:

The Republicans successfully fought off all amendments to boost the funds—except five of their own. In vain, Democratic leaders cried that slashes in reclamation and power projects would "crucify" the West and Northwest. Republicans replied that there are enough funds for all worthwhile projects and that the country demands economy.

The net increases approved by the House before sending the bill to the Senate after nine hours of tempestuous debate amounted to $4,875,000 over Appropriations Committee recommendations. There was only one cut. An allotment of $450,000 for an anthracite laboratory at Schuylkill Haven, Pa., was knocked out after a fight over where it should be located.

The Appropriations Committee had cut the bill 47% below budget estimates before sending it to the floor last week.

Democrats, who had hoped to pick up enough Republican votes to override the committee's 47% slash, offered dozens of amendments, but got nowhere. Many GOP votes they had hoped to corral apparently were weaned away by amendments accepted by the committee.

These amendments added $2,000,000 for the Colorado-Big Thompson reclamation project in Colorado, $1,000,000 for the Anderson Ranch Dam project in Idaho, $2,000,000 for the Columbia basin project in Washington State, $175,000 for the Glendo project in Wyoming, and $150,000 for the Bureau of Fisheries.

Tending to offset these boosts was elimination of the $450,000 anthracite laboratory fund on motion of Representative Keating (R.,N. Y.), by a nose count of 134 to 118. The committee leadership opposed Keating's motion.

As to the Committee action, Associated Press accounts from Washington April 21 reported in part:

More than half of the entire reduction in the bill was applied to the Reclamation Bureau, which had asked for $145,952,200 and was given $62,717,600 by the Committee. The Associated Press advices stated that the following were funds approved for other major bureaus:

"Bonneville power administration, $6,907,800, a cut of $13,370,000 below budget requests.

"Indian affairs bureau, $33,122,133, a cut of $11,387,387.

"Bureau of mines, $10,983,875, down $4,250,845.

"Fish and wild life service, $5,960,320, a cut of $4,377,980.

"National park service, $10,304,655, down $4,250,845.

"Geological survey, $9,113,230, a cut of $8,991,670."

Secretary of the Interior, J. A. Krug, expressed strong misgivings if the Committee's cut proposals are approved by the House. He was indicated to have stated:

"The amount requested for the work of the department in the President's budget was $295,420,420. That figure was reached only after months of pruning and successive reductions; it represented the bare minimum of essential expenditures and made the greatest contribution toward a balanced budget and debt reduction which was possible without wasting the resources of the nation. The committee has reduced this amount by $138,881,907, down to $156,538,513."

N. Y. Community Trust Receipts in 1946

Receipt by The New York Community Trust of $579,720 in 1946, compared with $447,472 in 1945, was revealed by the Trust's annual report, issued on April 23. The report covers the administration of 76 memorial funds valued at $17,543,536, now constituting the Community Trust. The advices in the matter also state:

"Six new funds aggregating $321,958 were created within the Trust last year and 15 previously existing funds were enlarged by $257,762. Among the newly established funds are the R. H. Macy Corporate Trust Fund of $250.000: Margaret M. Hitchcock Fund, $15,300; Philip Isles Fund, $14,943; and Frederick L. Ehrman Fund, $14,343. Enlargements of previously established funds brought $98,502 into the Allan S. Lehman Fund and $50,000, from a corporate founder, to the Community Relief Fund. Philanthropic outpayments were $580,059 in 1946 and $567,349 in 1945. Last year, as in all but two of the 23 years of the Trust's distributions, allocations exceeded those of any prior annual period. Cumulative grants made since 1924 are now $5,761,920.

"The report estimates that charitable organizations of all types in the United States will receive $2,750,000,000 in 1947 and that the value of their property is in the neighborhood of $15,000,000,000, of which about one-eighth is held by foundations, that will pay out approximately $75,000,000 during the year. Quoting Dr. Harlow Shapley of Harvard that 'civilization is endangered by strong physics and weak sociology,' the report outlines the accumulation of $75,000,000 of assets by 76 community foundations in the past three decades and contends that 'if civilization itself is not purchasable, even so small a factor as the Community Trust can buy *some of it*'."

"Sixteen banks and trust companies in Manhattan, Brooklyn and Westchester are trustees of funds of The New York Community Trust. Winthrop W. Aldrich heads its trustees' committee and Thomas M. Debevoise its distribution committee.

Agricultural Department General Crop Report As of April 1

The Department of Agriculture at Washington on April 10 issued its crop report as of April 1, 1946, which we give in part below:

Slow progress in farm work and in vegetative growth was made during March in the eastern two-thirds of the country. Consequently, the season is now considered backward in varying degree in all but the West. There it varies from normal or early in the Mountain States to well advanced in the Pacific Northwest. Meadows and pastures were slow to start, the latter furnishing but little new feed yet. The late spring has caused a heavy drain on feeds. Hay and roughage are nearly exhausted in some localities, but feed grains are in ample supply. Winter grains were "greening" as far north as South Dakota and the southern Lake region. While they have made little growth yet, they appear to have withstood the winter well with little loss of acreage. Production prospects for winter wheat exceed even the record forecast last December. Seeding of spring grains has been delayed by cold weather and wet fields, so that possibly the full intended acreage of oats may not be reached. Tree fruits were mostly dormant, except that peaches are blooming weeks late in Georgia and peaches and apricots are blooming early in the West, particularly the Pacific Northwest.

Snow and rains the last week of March in much of the country capped the delaying effect of weather throughout the month. Temperatures averaged below normal for March practically everywhere except in the Far West. Precipitation averaged below normal also, except in the Southeast and Gulf coastal areas and in a central area embracing most of Kansas, Missouri and some adjacent areas. Though rainfall was short in quantity, intermittent light rains and ample subsoil moisture kept fields wet and unworkable. On April 1 snow still covered much of the Northeast, the Appalachian region of Virginia and West Virginia, most of Michigan and northern parts of Wisconsin and Minnesota. Water from melting snow was mostly absorbed by the soil with light run-off. Floods in southern Michigan, on the Yellowstone in Montana and other scattered small sections will delay spring work. Frost was leaving the ground slowly in northern areas, though it was out in most sections of Iowa. An area centering in Arizona, extending into Western New Mexico, southern California and part of the Great Basin remained very dry. Irrigation water supplies are short there, but are reported ample in northern areas. Farm work went ahead rapidly in the southern Great Plains at the end of March. During the first week of April it rained or snowed in practically all of the country except the extreme Southwest. The warmer temperatures were helpful. Much of the delay in farm activities could be overcome however if the remainder of April is generally favorable. It is likely that some shift from spring planting intentions will occur especially in areas where it is already becoming late for spring seeding, as in Missouri and Kansas. Some of the acreage intended for spring grains, especially oats, will be planted to row crops.

Grass and winter grains have made slow progress. Pasture condition on April 1, at 79%, is lower than in any of the preceding 5 years, though higher than in most of the 12 years prior to 1942. Lowest condition is reported in the South where pastures normally are capable of carrying livestock at this date. This year normal pastures are available only in Texas. Prospects are good, the low condition being largely due to the slow growth of grass. The late spring has increased feed and roughage needs of livestock, so that supplies of hay are running low, but are expected to last until grass is ready. Meadows have suffered little winter damage, but are slow to start new growth. Western ranges have developed early and promise abundant early feed, except east of the Rockies and in the dry Southwest. Livestock have wintered well.

Changes in winter wheat prospects are partly offsetting between areas. The current estimate of 973 million bushels is 26½ millions more than forecast last December. Improvement in the Great Plains, especially in Kansas, Oklahoma and Texas, in several western States, and in most South Atlantic States more than offset declines in East North Central States. Winter killing is reported relatively light on the whole. The good condition of rye, equal to a year ago and 9 points above average, is rather uniform over the country. Reports on oats and barley in the South, where most of the acreage is fall-sown, are less favorable than usual, reflecting both freeze damage and slow development because of the cold, wet spring. Nitrogen fertilizer, needed for top dressing, is reported far below demand. This lack is expected to be reflected in lower yields than in recent years.

Milk production during March nearly equalled the record set in March 1945, despite fewer cows milked. Production per cow set a new high record for March, for while the weather was not particularly favorable and pastures contributed little feed, the well-culled herds were given good care and fed liberally. Egg production was below that of March 1946 in all parts of the country. The rate of lay was slightly below last March, but well above average, while the number of layers on farms is 6% less than last year. Prices of both eggs and chickens were the highest for March 15 since 1920, but the cost of the farm poultry ration was also the highest in 24 years of record.

Prospects were favorable on April 1 for all fruit and nut crops. The season is later than usual in the East and Midwest, which should reduce the danger of late spring frost damage in these sections. In the Pacific Coast States, fruit is further advanced than usual; however, frost damage is less likely in that section than east of the Rockies. Another large peach crop appears probable this season, with favorable prospects for the 10 Southern early peach States. The season, however, in the early States is about 4 weeks later than last year and about 2 weeks later than usual. Apple trees are in good condition and fruit buds plentiful. An average-sized crop can be expected unless reduced by late spring frosts. Florida citrus crops were severely damaged by a freeze early in February. However, the outlook is good for the 1947-48 crops in all producing States. Unfavorable weather delayed planting of early potatoes in the South. Development of the crop to Auril 1 was about two weeks later than usual. Condition of the California crop, however, is very favorable. Tonnage of spring vegetables 18% below that of 1946, but 9% above average is indicated on the basis of partial information now available. Summer vegetables also may be in smaller quantity than last season.

Livestock and poultry have been fed liberal quantities of grain. Heavy movement of grains to markets, for processing and export, has further increased disappearance of grains from farms. Nevertheless, from the near-record tonnage of feed grains on farms last fall a relatively large quantity remains, with both corn and oats stocks near the record for April 1. Because of reduced numbers of livestock, the current supply per animal unit exceeds that of any other April, except in 1939. Disappearance from farms of nearly 32 million tons since Jan. 1, 1947, exceeds that for the same period in most recent years.

Wheat stocks on April 1 are the smallest since 1938. Wheat has moved from farms since harvest at a rate never before equalled, with a total of 1,057 million bushels moved by April 1. Soybean stocks on farms also are at the lowest level for April 1 in the 5 years of record, but the supply is adequate for seed needs, if properly distributed.

Winter Wheat

The 1947 winter wheat production is forecast at 973,047,000 bushels on the basis of April 1 reported condition of the crop, an appraisal of fall and winter moisture conditions and other factors affecting abandonment and yields per acre. This production would be about 99 million bushels larger than the record 1946 crop and about 319 million bushels larger than the 1936-45 average. The indicated yield per seeded acre is 17.2 bushels compared with 16.7 bushels in 1946 and the ten year average of 13.9. Loss of acreage has been small thus far and present conditions indicate an unusually low abandonment. From April 1 reports abandonment (and diversion) is estimated at 4.9% of the seeded acreage which would be only about one-third of average.

Winter wheat was seeded under favorable conditions and ample supplies of soil moisture in the fall of 1946 resulted in generally satisfactory germination and excellent fall growth. Cold winter weather has prevented excessive early plant development thus improving yield prospects. In the Great Plains excessive growth was checked by relatively dry weather which prevailed during most of the winter when wheat was dormant. Good sub-soil moisture conditions and delayed plant growth have favored the development of a good root system. Moisture conditions are favorable in Texas and Oklahoma and most of the acreage losses thus far have been due to damage by soil blowing in a few sandy sections. The Kansas crop is developing favorably and moisture conditions are satisfactory. Root development is good and little abandonment is apparent at this time. Progress of the Nebraska crop is favorable and indicated acreage losses are small.

In the Northeastern States snow provided adequate protection during the winter and abandonment apparently is light. In the North Central States plants were frozen back where not protected by snow, and some damage has occurred from alternate freezing and thawing. Some wind damage occurred in Minnesota and South Dakota but wheat plants are vigorous and healthy and moisture conditions are favorable. In the Pacific Northwest some abandonment has occurred from winter kill and although moisture is short in local areas, present conditions are satisfactory.

Wheat Stocks on Farms

Stocks of wheat on farms April 1, 1947 are estimated at 139,855,000 bushels. This is substantially smaller than the 198,481,000 bushels on farms April 1 a year ago, and the 1936-45 average stocks of 186,066,000 bushels. These stocks are only 44% of the all time record stocks of over 321 million bushels of April 1942. Present stocks are 12.1% of the 1946 production compared with 17.9% of the 1945 crop on farms April 1 a year ago. Only in Texas, Colorado and Washington of the main wheat producing States were farm stocks of wheat on April 1 larger than a year ago.

The movement from farms of 226,400,000 bushels between January 1 and April 1 this year is the largest of record for that period. High prices and demands for relief purposes encouraged heavy marketings. Favorable weather for moving wheat from farms aided this heavy movement, Railroads were able to supply enough cars to move the grain from most elevators, although the truck movement was heavy in some areas.

The movement from farms was heaviest in the central and northern Great Plains States. Of the 226 million bushels farm disappearance in the United States, 124 million bushels moved from farms in the four States of North Dakota, South Dakota, Nebraska, and Kansas. The heavy movement of wheat from the southern Great Plains States occurred before January 1, 1947.

Rye

Rye was planted under generally favorable conditions in the fall of 1946. Growth and development of the crop was satisfactory in the fall and early winter due to good moisture conditions, but cold weather after mid-December retarded plant growth. However, the crop has progressed satisfactorily and no unusual losses were apparent by April 1. Soil blowing has caused some loss of acreage where snow covering provided inadequate protection in local areas, mainly in Minnesota, North Dakota, South Dakota and Nebraska.

The April 1 condition of rye, 88% of normal, is the same as on April 1, 1946, 9 points above the ten year average, but 4 points below the high December 1 condition of 92.

Rye Stocks

The supply of rye on farms as of April 1, 1947—1.7 million bushels—is the smallest for this date during the 8 years of record and is only about half the 3.0 million bushels on April 1, 1946, the previous low record. Price increases have encouraged farmers to reduce stocks. In the important producing States of Minnesota, North Dakota, South Dakota, and Nebraska about 7% of last year's production was on farms on April 1, compared with almost 8% a year earlier. Although the supplies now held are unusually low, the disappearance since January 1, slightly less than 2⅓ million bushels, was about 1¼ million bushels below disappearance during the same months in 1946. This may be attributed to the low January 1 stocks.

Corn Stocks on Farms

In spite of a record large disappearance of corn from farms since January 1, the 1,295 million bushels still on farms on April 1 were second only to the all-time high of 1,357 million bushels in 1943. April 1, 1946 stocks were 1,033 million bushels. The 1936-45 average is 1,098 million bushels.

Marketing livestock at lighter weights, smaller numbers of hogs in some areas and a mild winter all lowered feed requirements. The January 1-April 1 disappearance would have been even larger than the 871 million bushels had the supply of railroad cars and trucks been adequate to meet the demands. In the same quarter last year the disappearance was 826 million bushels. The average is 668 million.

In the North Central States April 1 stocks on farms were 1,052 million bushels or 81% of the United States total. April 1, 1946 stocks of 783 million bushels in this region accounted for 76% of the national total. The average of 859 million bushels represents 78% of the total for the country. For the most part cribbed corn is in good condition but some of the corn that was cribbed with a high moisture content has spoiled. Farm stocks of corn in all regions other than the North Central are lower than a year ago.

Oat Stocks on Farms

Oat stocks on farms April 1 are estimated at 537 million bushels. This total is 34 million bushels, approximately 6% below the record stocks of 571 million bushels on farms April 1, 1946, but 27% above the 10-year average of 422 million bushels.

Disappearance of oats from January 1 to April 1 was the second largest of record, totaling 362 million bushels. This compares with 405 million bushels during the same period last year and average disappearance of 292 million bushels. Feeding rates were about normal with livestock numbers smaller. In some sections of the heavy producing areas, shipments were slow because of car shortages and heavy movement of wheat and corn. In Nebraska blocked roads delayed the movement from farms. About 309 million bushels, 58% of the oat stocks, are in the heavy-producing States of Illinois, Wisconsin, Minnesota, Iowa, and South Dakota. For the North Central States oat stocks were 8% below the record on farms April 1, 1946. The only regions reporting larger current stocks than April a year ago were the North Atlantic States, 31% larger, and the Western States, 5% larger.

Barley Stocks

Stocks of barley on farms April 1, 1947 are estimated at 66,818,000 bushels—the lowest since the estimates began in 1940. Current stocks are about 4 million bushels less than a year ago and almost 37 million bushels less than the 1940-45 April 1 average. Stocks on farms in Minnesota, North Dakota, South Dakota, Nebraska and Montana make up nearly 66% of the total in the United States. These five states produced about half of the Nation's barley last year.

Farm disappearance between January 1, 1947 and April 1, 1947 amounted to about 43 million bushels. This disappearance is considerably smaller than the 55 million bushels for the same period in 1946.

NYSE Short Interest Increased to April 15

The New York Stock Exchange reported on April 18, that the short interest as of the close of business on the April 15, 1947, settlement date, as compiled from information obtained by the New York Stock Exchange from its members and member firms, was 1,018,631 shares, compared with 1,015,331 shares on March 14, 1947, both totals excluding short positions carried in the odd-lot accounts of all odd-lot dealers. As of the April 15, 1947, settlement date, the total short interest in all odd-lot dealers' accounts was 53,866 shares, compared with 70,111 shares on March 14, 1947. The report added: Of the 1,348 individual stock issues listed on the Exchange on April 15, 1947, there were 55 issues in which a short interest of 5,000 or more shares existed, or in which a change in the short position of 2,000 or more shares occurred during the month.

The following table compiled by us shows the amount of short interest during the past year:

1946—	
Mar. 15	1,015,772
Apr. 15	994,375
May 15	1,022,399
June 15	867,891
July 15	849,698
Aug. 15	732,649
Sept. 13	627,964
Oct. 15	757,215
Nov. 15	927,002
Dec. 13	893,178
1947—	
Jan. 15	798,081
Feb. 14	1,046,797
Mar. 14	1,015,331
Apr. 15	1,018,631

The Business Outlook And Consumer Credit

(Continued from first page)

tainly the recession has been well publicized.

This difference of opinion among the experts is due to difference in emphasis. You can be alarmed by the unfavorable factors or encouraged by the constructive developments. Reciting all the negative factors in the business situation that make for recession and listing all the positive factors that make for satisfactory business, is like taking a "look-up" report from an "outside" man in the small loan business. And then like a small loan application you have to pass judgment on the factors. You need the operator's skill to spot the important indicators and to reject those that do not mean much at the time. One economist has found a remarkably accurate reflector of economic conditions in the price of dead cats used in biology laboratories. Times must be good. The cost of dead cats for laboratory work is up from $3 each to $6.

I wish it were all so simple and easy as that, but at best business trends are difficult to forecast. They are like pregnancies. The underlying forces have been at work a long time before they show up in the figures. The ideal forecast is like the sales talk of the jeweler who could truthfully say about the watch he was selling, "Even if it stops it will always be right twice a day."

Business Trend Has Changed

You do not have to be an economist to recognize that the business trend of 1947 is different from that of 1946. The buying fury of 1946 has slowed down. The pace slackened first in consumer luxury lines such as furs and jewelry and the slow-up moved to books, magazines, entertainment, toilet articles, and textiles, especially in women's apparel.

Consumer resistance compels retail sellers to put their establishments in order: to cut down advance orders and to unload war-time models by price mark downs. Normal competition in style, in quality, and in price is on the way back in soft goods.

There are other fever spots in the business picture. One such spot is in commercial inventories. The end of the war started a race to rebuild business inventories for peace time use. Hurry-up rebuilding of depleted inventories makes more jobs than just replacing built-up inventories. As the pipe lines to wholesaler and retailer fill up, employment may fall off. And, too, haste makes waste, and lopsided inventories at high prices. Now the air is full of talk about sluggish inventories and the need for prices to come down. Twice within recent days the President of the United States has warned that prices are too high. Nothing could be more disastrous to high employment than to have liquidation of over-priced inventories start in all lines of business at the same time.

Producers are concerned; some of them have already acted. Price markdowns have been announced by a number of the major automobile companies and by other manufacturers. These markdowns have come while production of these manufacturers is high and while demand for their goods is unsatisfied. This development is good. More of the same is needed. It gives the economy a chance to absorb adjustments in the soft goods lines while demand for goods in other fields holds up employment and payrolls. A sort of rotating adjustment is underway.

Readjustment in retailing will reduce employment in the production of shortlived goods. But the cycle of decline and recovery in soft goods is a short one. Major depressions never start in the soft goods industries. The shake down in retailing, in my opinion, will not be too upsetting.

The warning against high prices is generally directed against manufactured goods. Yet, with the exception of building materials, the most vigorous advances in prices have been in the basic products that originate on the farm or that are processed from such basic raw materials: farm products, foods, hides and leather products. These are the goods that have pushed the cost of living index up so high in the last 7 or 8 months. These are the goods which take so much of the consumer's dollar. Prices of farm products are high for a number of reasons. One of the reasons is heavy government purchases of grains for export. Another is the large bonus per bushel paid by government to get quickly the grain it wanted. The government, which is so concerned about high prices, is itself one of the chief causes for high prices.

Prices of farm products are expected to soften after the harvests. The cost of living will stay high above pre-war, but the pinch on the consumer pocketbook should ease somewhat in the latter half of the year. Furniture prices and food prices should move back towards pre-war relation to other prices. A drop in food prices and some income tax relief should take the pressure off take-home pay, boost real purchasing power and so support trade and stability.

Buying Will Absorb Production

Buying generally will absorb production—provided costs, prices and incomes are kept in balance. Wages are costs. Any increase in wages which is not justified by increase in productivity pushes costs into higher prices and adds to the inflationary spiral in which wages and prices dizzily chase each other. The great enigma, the $64 question of 1947, is labor-management relations.

Last year labor and management got along like those other famous relatives—mother-in-law and son-in-law. Is a second round of wage strikes about to start? Will labor start another merry-go-round chase of wages and prices? What we need more than anything else is production. Will industry get a breathing spell free from strikes and interruptions? Will management get a chance to boost unit output and reduce unit costs? Will it have the sense to pass the savings along in lower prices to benefit the whole public?

All the physical and financial factors are present for a good year. There is widespread need for goods at home and abroad. Most of the shackles have been taken off building supplies; construction should do better than in 1946. There is plenty of money and liquid assets to handle any business expansion. Producers of durable goods for business and for consumers are booked way ahead. They are trying to speed up deliveries and are expanding production. All of these things make jobs. Your guess is as good as mine whether good sense and mutual compromise will govern between labor and management. If they do, I predict a good 1947.

Business leaders are optimistic about the volume of production for the year. "Fortune Magazine" asked leading executives how business in 1947 would compare with business for 1946. Twenty-two per cent expected an upturn, and 23% looked for no appreciable change. That makes 45% who thought 1947 would do as well as or better than 1946; 54% looked for a downturn. Of these 54% who looked for a downturn, 49% forecast a moderate downturn and only 5% a sharp downturn. The more rotating adjustment we put behind us, the smaller becomes the chance of downturn — moderate or sharp.

The question asked by "Fortune Magazine" was for business in general. When the manufacturing executives were asked about the backlog of orders in their own businesses, 84% reported stable or increasing backlogs against 16% whose backlogs were running off. For their own business, which they knew intimately, they were optimistic in a better than 5 to 1 ratio. For each one of these business executives who thinks prices will go up on manufactured goods, two say there will either be a decrease or no appreciable change. They count on increased volume to keep prices of finished goods down even in the face of higher costs for labor and raw materials.

So I expect that, with some gagging and choking, there will be mutual adjustments. Spotty situations will be staggered; workers in some lines will be losing jobs while other lines are expanding. On the whole—1947 should do well enough.

Role of Consumer Credit

Now as to consumer credit. Since the fighting ended consumer credit has come up fast. From September, 1945 through December, 1946 it came back $4 billion or 70%. About 4 million automobiles, the CIO and John L. Lewis willing, are scheduled for production in 1947. You cannot sell that many automobiles without a generous used of credit. The total of all forms of consumer credit at the end of December was only $100 million below the 1941 peak of $9.9 billion. It will whizz by.

Single payment loans and service credits have already passed their 1941 peaks, and charge accounts are at an all time high of $3 billion. But sales finance credit is still down under. Automobile paper stands at $0.5 billion, which is about one-fourth of the 1941 figure. In particular consumer instalment loans have recovered rapidly. The banks lead in this field. Since the war end they have gain $500 million in direct consumer loans and another $400 million in purchased instalment paper. Small loan companies in the same time gained $228 million or about 60%. Both have passed the 1941 peak.

Consumer credit is still low in relation to consumer take-home pay. Pre-war consumer credit outstanding varied with consumer take-home pay from 8% in years of low business to 11% in years of good business. Although 1943 was a year of high consumer take-home pay, consumer credit did not follow the peace time pattern. Industry was concentrating on goods for war use. Consumer credit was down to 4% of consumer disposable income. It is still low in relation to consumer take home pay. At the beginning of 1947, it stood under 7% of annual take-home pay.

In 1946 disposable income or individual take-home pay was $145 billion. Take 10% of that as a fair ratio for all forms of consumer credit, and you have a potential outstanding of $14.5 billion of consumer credit against a present outstanding of $9.8 billion. I have seen estimates that range from $12 billion to $15 billion for 1947, and as much as $25 billion by 1950. You can make your own predictions as to whether the pre-war ratio will ever be re-established—and how soon and how much.

A Word About Consumer Credit and the Recession

An average of 5 million workers were unemployed in 1941. The retail price level was about 50% lower than that of today. That was the year consumer credit reached a pre-war high. Only a few of the most pessimistic expect that the recession which has been so coy about showing itself would give us the unemployment of 1941 and none expects the price level of that year. Most of those who read the signs of recession expect it to be moderate in its effect and length. In either case, demand for consumer credit should not be affected too much.

In that best seller "The Egg and I" by Betty MacDonald, Mrs. Kettle complains, "Look, just look what them crooks in Washington has did. They put them fancy laws on time payments so Paw can't get a manure spreader."

Many other voices have been raised in protest against the policy on consumer credit followed by the estimable gentlemen in Washington so unfavorably characterized by Mrs. Kettle.

These other voices agree with Mrs. Kettle that restrictions on consumer credit are harmful to the economy and should be removed. Canada has already done so.

So far President Truman has shown himself reluctant to kill off Regulation W. The Federal Reserve Board continues to be on record for extension of the power to control consumer credit into peacetime. Nevertheless, the crystal ball, with the help of the Republican Party, anticipates the demise of Regulation W and funeral services for that unlamented sometime in 1947.

So there, within the span of a few minutes, is a hasty sketch of the business outlook and consumer credit for 1947 as I see it! But don't hold me to it!

Fire Prevention Conference Called

Fifteen hundred public officials and representatives of a large number of important business, civic, service, women's and farm organizations will meet in Washington, D. C. on May 6, 7 and 8, to attend a national conference on fire prevention called by President Truman to develop a practical program for a country-wide drive against the fire menace. Under the chairmanship of Major General Philip B. Fleming, Federal Works Administrator, the Conference will bring together Federal, state and municipal authorities and experts in all phases of fire prevention and protection. President Truman will address the opening session on Tuesday morning, May 6.

Six committees have been making preliminary studies of the underlying causes for the present excessive loss of life and property by fire and of ways and means for reducing them. Their findings will form the basis for recommendations of the Conference. Working under the general supervision of W. E. Reynolds, Commissioner of Public Buildings, Federal Works Agency and Chairman of the Conference Coordinating Committee, these committees have been functioning for the past three months. John C. Knox, United States District Judge, Second District of New York heads a committee on Laws and Law Enforcement which has explored the question of State laws that will provide minimum standards of regulation for fire safety and facilitate the adoption of municipal ordinances that will augment these minimum standards. A committee on Fire Prevention Education under the Chairmanship of Dr. Harry Byrd, President of the University of Maryland has been making a survey of instructional facilities on fire safety in elementary and secondary schools, colleges and universities. Chairmen of other committees are: Major General William J. Donovan, former director of the Office of Strategic Services; Alfred C. Fuller, President of the Fuller Brush Company, Hartford, Conn.; Woodward H. Brenton, banker and manufacturer of Des Moines, Iowa, and W. Walter Williams, business and civic leader of Seattle, Washington.

General Fleming said: "We have laid a solid ground work for the Conference by appointing committees of experts to study specific phases of the problem and based on the gratifying results which followed the President's Conference on Highway Safety a year ago, we are confident that we will succeed in drafting a program that will assist in overcoming the fire menace."

Extra Army Payroll Funds Refused

A War Department request for $24,737,000 for Army officers' and enlisted men's payrolls was refused by the Senate Appropriations Committee on April 21, according to Associated Press Washington advices, which added that Chairman, Senator Styles Bridges (R.-N. H.), expressed it as the committee's opinion that the Army should cut other expenditures in order to meet payrolls with funds already appropriated. The War Department has stated that the money, requested as an addition to pay funds already voted for the fiscal year ending July 1, is needed because cuts in the size of the Army have not been possible as quickly as expected. In other actions, according to the same advices, the committee:

"Gave the Navy about $1,000,000 more in pay funds to prevent many civilian employees being furloughed without salary;

"Approved $6,000,000 for the school-lunch program;

"Approved a House decision to pay Goodwin B. Watson $101, William E. Dodd, Jr., $59 and Robert Morss Lovett $1,996 in judgments for pay due them after they were cut off the payroll by act of Congress;

"Reduced from $9,064,000 (approved by the House) to $6,459,000 funds to be made available to the states for unemployment compensation administration;

"Allowed an additional $400,000 for sanitation work in the Canal Zone."

Would Specify Marines' Duties in Merger

Unless the duties of the Marine Corps are specifically outlined, pending legislation to unify the armed forces could reduce the corps "to a role of military impotence," according to the views of General A. A. Vandegrift expressed to the Senate Armed Services Committee. The General outlined the following as two defects in the proposed bill in his testimony to the Committee on April 22, Associated Press Washington advices stated:

1. "The bill affirms the existence of the Marine Corps without expressly outlining its duties";

2. "It completely excludes the Marine Corps from participation in the joint bodies and agencies which the bill would establish."

The only way in which continued existence of the Marine Corps can be assured, General Vandegrift went on to say, is by "a plain and unmistakable legislative statement of exactly what Congress expects the marines to do." Army and Navy officials have already told the Committee that definitions of the specific duties of the individual service branches were not necessary. General Vandegrift proposed that various defense and planning agencies be tied together under a civilian executive to be named by the President "for better coordination of the several services."

"We Cannot Compromise on Great Principles": Marshall

(Continued from first page)

and much of what I have to say may seem repetitious. But the extremely complicated nature of the three major issues we considered makes it appear desirable for me to report in some detail the problems as I saw them in my meetings at the conference table.

There was a reasonable possibility, we had hoped a probability, of completing in Moscow a peace treaty for Austria and a four-power pact to bind together our four governments to guarantee the demilitarization of Germany. As for the German peace treaty and related but more current German problems, we had hoped to reach agreement on a directive for the guidance of our deputies in their work preparatory to the next conference.

Fundamental Problems

In a statement such as this it is not practicable to discuss the numerous issues which continued in disagreement at the conference. It will suffice, I think, to call attention to the fundamental problems whose solution would probably lead to the quick adjustment of many other differences.

It is important to the understanding of the conference that the complex character of the problems should be understood, together with their immediate effect on the people of Europe in the coming months. To cite a single example, more coal is most urgently needed throughout Europe for factories, for utilities, for railroads, and for the people in their homes. More coal for Allied countries cannot be mined and delivered until the damaged mines, mine machinery, railroad communications and like facilities are rehabilitated. This rehabilitation, however, depends on more steel, and more steel depends in turn on more coal for steel making. Therefore, and this is the point to be kept in mind, while the necessary rehabilitation is in progress, less coal would be available in the immediate future for the neighboring Allied states.

But less coal means less employment for labor, and a consequent delay in the production of goods for export to bring money for the purchase of food and necessities. Therefore, the delay necessary to permit rehabilitation of the mines so vitally affects France that the settlement of this matter has become for her a critical issue. All neighboring states and Great Britain and the Soviet Union are directly affected in various ways since coal is required for German production of goods for export sufficient to enable her to buy the necessary imports of foods, et cetera, for much of which the United States is now providing the funds.

Moreover, in the background of this coal issue which is directly related to steel production, is the important consideration of the build-up of heavy industry in Germany, which could later again become a threat to the peace of the world. I cite this single example to illustrate the complications which are involved in these negotiations.

Negotiations Regarding Germany

The Allied control council in Berlin presented a detailed report of the many problems concerned with the political, military, economic and financial situation under the present military government of Germany. In connection with these matters, the ministers considered the form and scope of the provisional political organization for Germany, and the procedure to be followed in the preparation of the German peace treaty.

The German negotiations involved not only the security of Europe and the world, but the prosperity of all of Europe. While our mission was to consider the terms of a treaty to operate over a long term of years, we were faced with immediate issues which vitally concerned the impoverished and suffering people of Europe who are crying for help, for coal, for food and for most of the necessities of life, and the majority of whom are bitterly disposed toward the Germany that brought about this disastrous situation. The issues also vitally concern the people of Britain and the United States who cannot continue to pour out hundreds of millions of dollars for Germany because current measures were not being taken to terminate expeditiously the necessity for such appropriations.

The critical and fundamental German problems to which I shall confine myself are: (a) the limits to the powers of the central government; (b) the character of the economic system and its relation to all of Europe; (c) the character and extent of reparations; (d) the boundaries for the German state; and (e) the manner in which all Allied states at war with Germany are represented in the drafting and confirmation of the treaty.

All the members of the council of foreign ministers are in apparent agreement as to the establishment of a German state on a self-supporting, democratic basis, with limitations imposed to prevent the reestablishment of military power.

This issue of the degree of centralization of the further German state is of greatest importance. Excessive concentration of power is peculiarly dangerous in a country like Germany which has no strong traditions regarding the rights of the individual and the rights of the community to control the exercise of governmental power. The Soviet Union appears to favor a strong central government. The United States and United Kingdom are opposed to such a government, because they think it could be too readily converted to the domination of a regime similar to the Nazis. They favor a central government of carefully limited powers, all other powers being reserved to the states, or laender as they are called in Germany. The French are willing to agree only to very limited responsibilities for the central government. They fear a repetition of the seizure of power over the whole of Germany carried out by the Hitler regime in 1933.

Under ordinary circumstances there are always strong and differing points of view regarding the character of a governmental reorganization. In this case there are great and justifiable fears regarding the resurrection of German military power and concern over expressed or concealed desires for quite other reasons.

Regarding the character of the German economic system and its relation to all of Europe, the disagreements are even more serious and difficult of adjustment. German economy at the present time is crippled by the fact that there is no unity of action, and the rehabilitation of Germany to the point where she is self-supporting demands immediate decision.

German Economic Unity

There is a declared agreement in the desire for economic unity in Germany, but when it comes to the actual terms to regulate such unity there are wide and critical differences. One of the most serious difficulties encountered in the effort to secure economic unity has been the fact that the Soviet-occupied zone has operated practically without regard to the other zones and has made few if any reports of what has been occurring in that zone. There has been little or no disposition to proceed on a basis of reciprocity and there has been a refusal to disclose the availability of foodstuffs, and the degree of character of reparations taken out of this zone.

This unwillingness of the Soviet authorities to cooperate in establishing a balanced economy for Germany as agreed upon at Potsdam has been the most serious check on the development of a self-supporting Germany, and a Germany capable of providing coal and other necessities for the neighboring states who have always been dependent on Germany for these items. After long and futile efforts to secure a working accord in this matter, the British and American zones were combined for the improvement of the economic situation, meaning the free movement of excess supplies or produce available in one zone to another where there is a shortage. Our continuing invitation to the French and Soviets to join in the arrangement still exists. This merger is bitterly attacked by the Soviet authorities as a breach of the Potsdam agreement and as a first step toward the dismemberment of Germany, ignoring the plain fact that their refusal to carry out that agreement was the sole cause of the merger. It is difficult to regard their attacks as anything but propaganda designed to divert attention from the Soviet failure to implement the economic unity agreed upon at Potsdam. Certainly some progress toward economic unity in Germany is better than none.

The Ruhr and Reparations

The character of the control over the Ruhr industrial center, the greatest concentration of coal and of heavy industries in Europe, continues a matter of debate. It cannot be decided merely for the purpose of reaching an agreement. Vitally important considerations and future consequences are involved.

The question of reparations is of critical importance as it affects almost every other question under discussion. This issue naturally makes a tremendous appeal to the people of the allied states who suffered the terrors of German military occupation and the destruction of their cities and villages.

The results of the Versailles treaty of 1919 regarding payment of reparations on a basis of dollars, and the difficulties encountered by the Reparations Commission appointed after Yalta in agreeing upon the dollar evaluation of reparations in kind convinced President Truman and his advisers considering the question at Potsdam that some other basis for determining reparations should be adopted if endless friction and bitterness were to be avoided in future years. They succeeded in getting agreement to the principle of reparations to be rendered out of capital assets—that is, the transfer of German plants, machinery, et cetera, to the allied powers concerned.

It developed at the Moscow conference that the Soviet officials flatly disagreed with President Truman's and Mr. Byrnes's understanding of the written terms of this agreement. The British have much the same view of this matter as the United States.

We believe that no reparations from current production were contemplated by the Potsdam agreement. The Soviets strongly oppose this view. They hold that the previous discussions and agreements at Yalta authorize the taking of billions of dollars in reparations out of current production. This would mean that a substantial portion of the daily production of German factories would be levied on for reparations payments, which in turn would mean that the recovery of Germany sufficiently to be self-supporting would be long delayed. It would also mean that the plan and the hope of our Government, that Germany's economic recovery by the end of three years would permit the termination of American appropriations for the support of the German inhabitants of our zone, could not be realized.

The issue is one of great complications, for which agreement must be found in order to administer Germany as an economic whole as the four powers claim that they wish to do.

There is, however, general agreement among the Allies that the matter of the factories and equipment to be removed from Germany as reparations should be re-examined. They recognize the fact that a too drastic reduction in Germany's industrial set-up will not only make it difficult for Germany to become self-supporting, but will retard the economic recovery of Europe. The United States has indicated that it would be willing to study the possibility of a limited amount of reparations from current production to compensate for plants, previously scheduled to be removed as reparations to various allied countries, which it now appears should be left in Germany; it being understood that deliveries from current production are not to increase the financial burden of the occupying powers or to retard the repayment to them of the advances they have made to keep the German economy from collapsing. The Soviet Government has made no response to this suggestion.

The Question of Boundaries

The issue regarding boundaries to be established for Germany presents a serious disagreement and another example of complete disagreement as to the meaning of the pronouncement on this subject by the heads of the three powers. In the rapid advance of the Soviet armies in the final phase of the war, millions of Germans in eastern Germany fled to the Oder River. The Soviet armies, prior to Potsdam, had placed Poles in charge of this area largely evacuated by the German population. That was the situation that confronted President Truman at Potsdam. Under the existing circumstances, the President accepted the situation for the time being with the agreed three-power statement, "the heads of government reaffirm their opinion that the final delimitation of the western frontier of Poland should await the peace settlement."

The Soviet foreign minister now states that a final agreement on the frontier between Germany and Poland was reached at Potsdam and the expression I have just quoted merely referred to the formal confirmation of the already agreed upon frontier at the peace settlement, thus leaving only technical delimitation to be considered.

The United States Government recognized the commitment made at Yalta to give fair compensation to Poland in the west for the territory east of the Curzon line incorporated into the Soviet Union. But the perpetuation of the present temporary line between Germany and Poland would deprive Germany of territory which before the war provided more than a fifth of the foodstuffs on which the German population depended. It is clear that in any event Germany will be obliged to support, within much restricted boundaries, not only her pre-war population but a considerable number of Germans from Eastern Europe. To a certain extent this situation is unavoidable, but we must not agree to its aggravation. We do not want Poland to be left with less resources than she had before the war. She is entitled to more, but it will not help Poland to give her frontiers which will probably create difficulties for her in the future. Wherever the frontiers are drawn, they should not constitute barriers to trade and commerce upon which the well-being of Europe is dependent. We must look toward a future where a democratic Poland and a democratic Germany will be good neighbors.

There is disagreement regarding the manner in which the Allied powers at war with Germany are to participate in the drafting and confirmation of the German peace treaty. There are 51 states involved. Of these, in addition to the four principal Allied powers, 18 were directly engaged in the fighting, some, of course, to a much greater extent than others. It is the position of the United States that all Allied states at war with Germany should be given an opportunity to participate to some degree in the drafting and in the making of the peace treaty, but we recognize that there would be very practical difficulties if not impossibilities in attempting to draft a treaty with 51 nations participating equally at all stages. Therefore, the United States government has endeavored to secure agreement on a method which involves two different procedures depending on whether or not the state concerned actually participated in the fighting. But all would have an opportunity to present their views and rebut other views, and all would sit in the peace conference to adopt a treaty.

It is difficult to get the agreement of the countries that have suffered the horrors of German occupation and were involved in heavy losses in hard fighting to accept participation in the determination of the treaty terms by countries who suffered no losses in men or material and were remote from the fighting. The United States, however, regards it as imperative that all the states who were at war with Germany should have some voice in the settlement imposed on Germany.

The proposal for the four power pact was advanced by the United States government a year ago. It was our hope that the prompt acceptance of this simple pact, insuring in advance of the detailed German peace settlement that the United States would actively cooperate to prevent the rearmament of Germany, would eliminate fears as to the future and would facilitate the making of a peace suitable to Europe's present and future needs. It was our hope that such a commitment by the United States would relieve the fear of the other Europeans powers that the United States would repeat its actions following the first world war, insisting on various terms for the peace settlement and then withdrawing from a position of any responsibility for their enforcement. It was thought that the compact of the four powers to guarantee the continued demilitarization of Germany would reassure the world that we were in complete accord in our intention to secure the peace of Europe.

However, the Soviet government met our proposition with a series of amendments which would have completely changed the character of the pact, making it in effect a complicated peace treaty, and including in the amendments most of the points regarding the German problem concerning which there was, as I have pointed out, serious disagreement. I was forced to the conclusion by this procedure that the Soviet government either did not desire such a pact or was following a course calculated to delay any immediate prospect of its adoption. Whether or not an agreement can finally be reached remains to be seen, but the United States, I think, should adhere to its present position and insist that the pact be kept simple and confined to its one basic purpose — to keep Germany incapable of waging war.

Failure to Negotiate Austrian Treaty

The negotiations regarding the Austrian treaty resulted in agreement on all but a few points, but these were basic and of fundamental importance. The Soviet Union favors and the other governments oppose the payment of reparations and the cession of Carinthia to Yugoslavia.

But the Soviet government attached much more importance to its demand that the German assets in Austria which are to be hers by the terms of the Potsdam agreement should include those assets which the other three powers consider to have been taken from Austria and the citizens of the United Nations by force or duress by Hitler and his Nazi government following the taking over of Austria by military force in March, 1938. The Soviet government refused to consider the word duress, which in the opinion of the other three powers would be the critical basis for determining what property, that is, business, factories, land, forests, et cetra, was truly German property and not the result of seizures by terroristic procedure, intimidation, fake business acquisition, and so forth. The Soviet Union also refused to consider any process of mediation to settle the disputes that are bound to arise in such circumstances, nor would they clearly agree to have such property as they receive as German assets subject to Austrian law in the same manner as other foreign investments are subject to Austrian law.

The acceptance of the Soviet position would mean that such a large portion of Austrian economy would be removed from her legal control that Austrian chances of surviving as an independent self-supporting state would be dubious. She would in effect be but a puppet state.

A Compromise Solution Unavailing

All efforts to find a compromise solution were unavailing. The United States, in my opinion, could not commit itself to a treaty which involved such manifest injustices and, what is equally important, would create an Austria so weak and hopeless as to be the source of great danger in the future. In the final session of the conference it was agreed to appoint a commission to meet in Vienna, May 12 to reconsider our disagreements and to have a committee of experts examine into the question of the German assets in Austria. Certainly prompt action on the Austrian treaty is necessary to fulfill our commitment to recognize Austria as a free and independent state and to relieve her from the burdens of occupation.

Complicated as these issues are there runs through them a pattern as to the character and control of central Europe to be established. The Foreign Ministers agreed that their task was to lay the foundations of a central government for Germany, to bring about the economic unity of Germany essential for its own existence as well as for European recovery, to establish workable boundaries and to set up a guaranteed control through a four-power treaty. Austria was to be promptly relieved of occupation burdens and treated as a liberated and independent country.

Agreement was made impossible at Moscow because, in our view, the Soviet Union insisted upon proposals which would have established in Germany a centralized government, adapted to the seizure of absolute contral of a country which would be doomed economically through inadequate area and excessive population, and would be mortgaged to turn over a large part of its production as reparations, principally to the Soviet Union. In another form the same mortgage upon Austria was claimed by the Soviet delegation.

Such a plan, in the opinion of the United States delegation, not only involved indefinite American subsidy, but could result only in a deteriorating economic life in Germany and Europe and the inevitable emergence of dictatorship and strife.

Freedom of information for which our government stands inevitably involves appeals to public opinion. But at Moscow propaganda appeals to passion and prejudice appeared to take the place of appeals to reason and understanding. Charges were made by the Soviet delegation and interpretation given the Potsdam and other agreements, which varied completely from the facts as understood or as factually known by the American delegation.

There was naturally much uncertainly regarding the real intention or motives of the various proposals submitted or of the objections taken to the proposals. This is inevitable in any international negotiation.

However, despite the disagreements referred to and the difficulties encountered, possibly greater progress towards final settlement was made than is realized.

The critical differences were for the first time brought into the light and now stand clearly defined so that future negotiations can start with a knowledge of exactly what the issues are that must be settled. The deputies now understand the precise views of each government on the various issues discussed. With that they can possibly resolve some differences and surely can further clarify the problems by a studied presentation of the state of agreement and disagreement. That is the best that can be hoped for in the next few months. It marks some progress, however painfully slow. These issues are matters of vast importance to the lives of the people of Europe and to the future course of world history. We must not compromise on great principles in order to achieve agreement for agreement's sake. Also, we must sincerely try to understand the point of view of those with whom we differ.

Stalin Statement

In this connection, I think it proper to refer to a portion of a statement made to me by Generalissimo Stalin. He said with reference to the conference, that these were only the first skirmishes and brushes of reconnaissance forces on this question. Differences had occurred in the past on other questions, and as a rule, after people had exhausted themselves in dispute they then recognized the necessity of compromise. It was possible that no great success would be achieved at this session, but he thought that compromises were possible on all the main questions, including demilitarization, political structure of Germany, reparations and economic unity. It was necessary to have patience and not become pessimistic.

I sincerely hope that the Generalissimo is correct in the view he expressed and that it implies a greater spirit of co-operation by the Soviet delegation in future conferences. But we cannot ignore the factor of time involved here. The recovery of Europe has been far slower than had been expected. Disintegrating forces are becoming evident. The patient is sinking while the doctors deliberate. So I believe that action cannot await compromise through exhaustion. New issues arise daily. Whatever action is possible to meet these pressing problems must be taken without delay.

Finally, I should comment on one aspect of the matter which is of transcendent importance to all our people. While I did not have the benefit, as did Mr. Byrnes, of the presence of the two leading members of the Senate Foreign Relation Committee, I did have the invaluable assistant of Mr. Dulles, a distinguished representative of the Republican party as well as a recognized specialist in foreign relations and in the process of international negotiations and treaty-making. As a matter of fact, the bi-partisan character of the American attitude in the present conduct of foreign affairs was clearly indicated by the strong and successful leadership displayed in the Senate during the period of this conference by Senators Vandenberg and Connally in the debate over a development of our foreign policy of momentous importance to the American people. The fact that there was such evident unity of purpose in Washington was of incalculable assistance to me in Moscow.

The state of the world today and the position of the United States make mandatory, in my opinion, a unity of action on the part of the American people. It is for that reason that I have gone into such lengthy detail in reporting my views on the conference.

ABA Reaffirms Stand Against Govt. Loan Guaranties

The position which the American Bankers Association has maintained in opposition to the guaranteeing of loans was reaffirmed by the Executive Council of the Association at the closing session in April of its spring meeting at French Lick, Indiana, in a resolution which it adopted dealing with this subject, stating that it "continues to oppose further extension of governmental or semi-governmental lending or guaranty of loans."

The ABA first spoke on this subject at its convention in 1943 in anticipation of the end of the war and the end of the need for special wartime credit devices, and repeated its position at its convention last September. Reaffirming the stand of the Association on this question, the ABA Executive Council meeting adopted the following resolution:

"During the emergencies of the depression and the war, a number of new methods were employed to finance business, including direct lending by the government and government guaranties of loans. With the coming of peace and a return to more normal conditions, these special financing methods need reconsideration because they present several serious dangers.

"Loans and loan guranties by governmental and semi-governmental agencies are in reality subsidies favoring certain groups of borrowers. They impose a further burden on the taxpayers at a time when the government's budget must be drastically reduced, and they encourage unsound and inflationary lending.

"In the interest of the national economy, this Association continues to oppose further extension of governmental or semi-governmental lending or guaranty of loans and favors a drastic reduction of the government's wartime and emergency powers.

"The country's banking system and other private credit agencies have the resources, the knowhow, and the will to supply to business, large and small, the credit it requires and should have."

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. 29	121.74	117.40	122.50	120.43	117.00	110.34	112.56	118.80	121.25
28	121.70	117.40	122.50	120.43	117.00	110.34	112.56	118.80	121.04
26	a	117.40	122.50	120.43	117.00	110.34	112.56	118.80	121.04
25	121.74	117.40	122.50	120.63	117.00	110.34	112.56	118.80	121.25
24	121.74	117.40	122.50	120.63	117.00	110.34	112.56	118.80	121.25
23	121.80	117.40	122.50	120.43	117.00	110.15	112.56	118.80	121.04
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	117.40	122.50	120.43	116.80	110.15	112.37	118.80	121.25
9	122.20	117.40	122.50	120.43	116.80	110.15	112.37	118.80	121.04
8	122.20	117.40	122.50	120.43	116.80	110.15	112.37	118.60	121.04
7	122,20	117.40	122.50	120.43	116.80	110.15	112.37	118.60	121.04
5	a	117.40	122.50	120.43	116.80	110.15	112.56	118.60	121.04
4	Market	Closed							
3	122.17	117.40	122.50	120.43	116.80	110.15	112.56	118.60	121.04
2	122.17	117.40	122.50	120.43	117.00	110.15	112.56	118.60	121.04
1	122.11	117.40	122.50	120.43	117.00	110.15	112.56	118.60	121.04
Mar. 28	122.27	117.40	122.50	120.43	117.20	110.34	112.75	118.60	121.04
21	122.24	117.20	122.29	120.22	117.00	110.15	112.56	118.40	121.04
14	122.27	117.20	122.09	120.02	117.00	110.34	112.75	118.20	120.84
7	122.17	117.20	122.09	120.02	117.00	110.52	112.75	118.40	120.84
Feb. 28	122.20	117.20	122.09	120.02	117.00	110.52	112.75	118.40	120.84
21	122.14	117.40	122.09	120.22	111.20	110.70	112.93	118.40	121.04
14	122.20	117.40	122.09	120.02	117.20	110.88	113.12	118.40	120.84
7	122.20	117.60	122.09	120.22	117.20	111.07	113.31	118.60	120.84
Jan. 31	122.08	117.40	121.88	120.22	117.40	110.88	113.31	118.80	120.63
24	122.39	117.60	121.88	120.43	117.40	110.88	113.31	118.80	120.63
17	122.24	117.40	121.88	120.22	117.40	110.70	113.12	118.60	120.84
10	122.17	117.20	121.67	119.82	117.20	110.52	113.12	118.40	120.43
3	122.14	116.80	121.25	119.61	116.80	110.15	112.75	118.00	120.02
High 1947	122.39	117.60	122.50	120.63	117.40	111.07	113.31	118.80	121.25
Low 1947	121.70	116.80	121.04	119.61	116.80	110.15	112.37	117.80	120.02
1 Year Ago									
Apr. 29, 1946	124.39	119.00	123.34	121.46	118.60	113.12	116.41	119.61	121.04
2 Years Ago									
Apr. 28, 1945	122.38	115.24	120.84	118.40	115.24	106.92	112.19	114.27	119.20

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

1947 Daily Averages	U. S. Govt. Bonds	Avge. Corporate*	Corporate by Earnings* Aaa	Aa	A	Baa	Corporate by Groups* R. R.	P. U.	Indus.
Apr. 29	1.56	2.78	2.53	2.63	2.80	3.15	3.03	2.71	2.59
28	1.57	2.78	2.53	2.63	2.80	3.15	3.03	2.71	2.60
26	a	2.78	2.53	2.63	2.80	3.15	3.03	2.71	2.60
25	1.56	2.78	2.53	2.62	2.80	3.15	3.03	2.71	2.59
24	1.56	2.78	2.53	2.62	2.80	3.15	3.03	2.71	2.59
23	1.56	2.78	2.53	2.63	2.80	3.16	3.03	2.71	2.60
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	2.63	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	2.62	2.78	3.11	2.99	2.71	2.59
1 Year Ago									
Apr. 29, 1946	1.45	2.70	2.49	2.58	2.72	3.00	2.83	2.67	2.60
2 Years Ago									
Apr. 28, 1945	1.63	2.89	2.61	2.73	2.89	3.34	3.05	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.

Grede Elected Director Chicago Reserve Bank

The election of William J. Grede as Class B Director of the Federal Reserve Bank of Chicago was announced April 22 by Clarence W. Avery, Chairman of the board. He was chosen to fill the unexpired term of Clarence W. Avery who resigned as Class B Director March 6 to accept an appointment as Class C Directors, Chairman of the board, and Federal Reserve Agent. Mr. Grede's term will expire Dec. 31, 1949. The Reserve Bank in its announcement noted that Class B Directors are elected by the member banks and, at the time of their election, must be actively engaged in commerce, agriculture, or some other industrial pursuit. They may not be a director, officer or employee of any bank.

Mr. Grede is President of Grede Foundries, Inc., Milwaukee, Wis. He is a director of L. J. Mueller Furnace Co., Milwaukee, Wis.; Moe Bros. Manufacturing Co., Fort Atkinson, Wis.; and the Nye Tool & Machine Co. of Chicago.

Moody's Daily Commodity Index

Tuesday, April 22	404.6
Wednesday, April 23	405.3
Thursday, April 24	402.1
Friday, April 25	401.2
Saturday, April 26	403.1
Monday, April 28	398.7
Tuesday, April 29	396.6
Two weeks ago, April 15	410.5
Month ago, Mar. 29	424.2
Year ago, April 29, 1946	273.5
1946 High Dec. 24	380.6
Low Jan. 2	264.7
1947 High March 26	431.8
Low Jan. 20	371.5

Labor Thrives Best Under Private Enterprise

(Continued from first page)

Soviet "pattern." The participation of Russian trade-union representatives was given short shrift as a factor in any free determination of wages and working conditions. The Soviet bosses planned it that way.

Labor Participation in Management

Thus we see the primary approach of the Soviet type of control is through the imposition, by government mandate, of labor participation in management. Laws compelling participation are already in operation in Czechoslovakia, France, Austria, Italy, Finland, Poland and Hungary, and are being discussed in Belgium, Denmark and the Netherlands. It is now only a voluntary procedure in Great Britain, Norway and Sweden.

The movement has reached an important stage in France where legislation was enacted on Feb. 22, 1945. This law required all private commercial and industrial enterprises in continental France, employing more than 100 workers to establish works' or "plant workers'" committees. These consist of the employer or his representative and from two to eight workers representing foremen or engineers and employees separately. The employee members are selected by secret ballot from the most representative labor organizations. These committees have broad authority and are intended to govern the enterprises. 4,035 works' committees were created by early 1946, out of a possible total of 5,067. Smaller firms may also be brought into the plan later according to the law of 1945. The principles of labor participation were applied permanently on a nationwide scale in industries taken over by the government, where the State is the Capitalist.

The Communists' attack on free labor—to shackle the workers—had its counterpart in Fascism and Nazism. Its ugly head today in various forms appears in places within our own hemisphere. Five representatives of the American Federation of Labor and four representatives of the Railway Labor Executive Association visited Argentina in January and February of this year, as guests of that government. They discovered that the General Confederation of Labor of Argentina was a mere political arm of the Peronistas, that the government "intervenors" dictate the affairs of the many unions. They found that a license system gives the Government a weapon to stifle any union, and that police power and strike-breaking are used to suppress collective union action. We certainly do not want this kind of labor "representation" in this country.

If the people want to lose their freedom they should do so with their eyes wide open, with knowledge of the absolute truth, with the full facts before them. They should not be rocked asleep in the seductive arms of political, economic and social illusions.

Socialism is Communism in embryo. This is one of the means by which eventual world control is intended to be brought about under Russian Communism. European countries outside of the Soviet orbit, or those which have not as yet been absorbed into the Soviet system of control, are indulging in a variety of alluring socialistic expedients and experiments, some of which manifestly are sanctioned by Moscow—particularly those plans or schemes which are unworkable. This reasoning may seem strange, but it is very clever and very effective. A society which tries Socialism and then gets into even deeper insolvency than the war has already brought, is easy prey for the Soviet carrion bird which silently waits to dive on a weakened economy.

It is this particular bit of revolutionary Russian tactics which American Communists are using today. It is a thing we must watch very closely because the reasoning behind it is a little obscure. But it can be very dangerous to the entire American labor movement.

Here is the way it can work: Let us take a mythical American labor leader—a man who is known to have definite communistic beliefs. The question of restrictive labor legislation comes up. Certain labor-hating legislators and industrialists try to gain support for severe measures to weaken American labor unions. This Communist labor leader fights the measure—or at least seems to. But in reality he is working for it, trying to get it passed. Why? Because he knows that the measure is so stringent, so restrictive, that it would threaten the very backbone of the labor movement. And he knows that if it is passed, it will bring about industrial warfare because American labor will fight back; it simply will not allow itself to be wiped out. He knows that out of this strife chaos can come, and he knows that out of chaos can come communism. Of course, certain legislators and industrialists do not realize that they are being exploited and that in seeking severe controls of law over labor they play directly into the hands of totalitarians.

We must examine with uncompromising suspicion all procedures concerning labor-management relations which are instituted in foreign countries. We must inquire into the natural evolution of policies established before we can consider their possible application to American procedure.

William Green, President of the AFL, once clearly defined the course of free labor participation in management:

"The line of distinction between the rights of labor and of management must be scrupulously observed. The philosophy which some have advanced that labor should join with management in the actual management of property could not and cannot be accepted. It is contrary to American tradition and our free enterprise system."

On this same question, what Samuel Gompers said years ago still holds today:

"The only real effect is to . . . make wage earners dependent upon a political agency to carry industrial problems into politics."

We have in our country power-grabbing and ambitious leaders and groups who watch opportunities to develop laws and policies designed to eventually enslave the ranks of labor. They have their adherents and "fellow travelers." Whether they follow the communist line or the fascist line, there is little difference. They are horses of the same color. Their object is the same—the enslavement of the worker. All of such people must be watched with eternal vigilance, for that is the price of liberty.

Hysteria in Proposed Labor Legislation

The wave of proposed labor legislation now before the Congress has in it a large measure of hysteria and highly inflammable material. If unfair, hasty and ill-considered legislation is passed, it is certain to develop into a critical injury to the right of labor and management to bargain fully. Such a course logically can lead us directly into the arms of totalitarianism. I earnestly appeal to legislators to consider the character and quality of the fuel they may be manufacturing. This highly volatile mixture may ignite itself, should free collective bargaining in private industry become increasingly difficult—or impossible—to achieve under new laws.

The freedom and sanctity of the contractual relationship between management and labor is too priceless to violate by government coercion and compulsion. And if sound principles of a free economy are compromised, it does not take long before complete government regimentation prohibits dissenting voices from making themselves heard, and people are told not only what to do, when to do it and how much they shall earn, but also what they shall read and think.

The qualities which are of most value to humanity cannot be either developed or brought to the surface except in a competitive society where struggles, trials and tribulations are the order of the day. It is in that fire that the pure gold is segregated from the dross. That is nature's way, but not that of the professor or that of the power grasping politician. I am for the free competitive system, as against any deadening regimented system which would bring the dictator-gangster into control of our lives.

Difficulties Bred by War Controls

Many of our serious national difficulties and emergencies during the past six or more years arose out of the imposition of war controls, and the utter disregard by the Federal Government in suitably maintaining the integrity of established and sound legal procedures governing disputes between management and labor. To continue any of the wartime controls or to impose executive dictation through labor legislation is not sound national labor policy designed for peaceful industrial relations. It is national political folly.

We must return the control of the labor-management relationship to private industrial processes. Government under our system has no proper function in coercing or unduly influencing either side of the labor-management relationship. It should, of course, provide efficient and effective machinery for our use in industry in the settlement or determination of disputes in the public interest. It should promote and encourage the greatest measure of concerted action and collective bargaining on a fair and equitable basis between the various parties.

Many persons have been misled by the dramatic aspects of government intervention in labor disputes. During World War II, the Government sought to solve labor disputes through directive orders which were issued by the War Labor Board. When one or both sides in the dispute ignored the directive order, the White House ordered seizure of the struck plant. In this manner, production was restored and with the resumption of production, much of the general public believed that the strike had been solved. Such was not the case. After seizing the plant, the Government continued its efforts to adjust the difference between employees and employer. In most instances a basis for agreement was found. But not always.

As a result of the failure to establish that agreement between labor and private management, the strike situation was renewed when the Government quit operating the plant. It then became necessary for management and labor to reach their own agreement. Thus, instead of promoting orderly settlement of disputes, the Government merely projects into the future the ultimate day of accounting when it adopts a policy of operating struck plants. It seems wise to ask at this point whether government isn't plowing the field and sowing the seed of socialism when it operates a private enterprise, especially when many persons are led to believe that all is serene under government control?

I have endeavored to point out in my statements to you this evening how insidiously the poison of dictatorship moves within the body politic. I have given you factual examples of the process of the virus in Europe. This country can be just as vulnerable if, by legislation, we weaken our capacity to maintain private enterprise.

Railroad management and labor, by concerted action, in 1926 were able to secure the enactment of the Railway Labor Act even in the midst of the unfair and sometimes vicious attacks of industrial management on trade unionism which labor had experienced all through the 1920's. The Act was formulated at the very height of the rapid development of industry-sponsored and financed company unionism designed to destroy the American Federation of Labor and some of the railroad unions. Yet it was possible in the heat of that strife and bitterness for railroad management and labor to secure the enactment of the Railway Labor Act which, with its amendments, assures and safeguards effective free enterprise procedures in the labor-management relationship. If satisfactory legislation could be enacted then, it can be enacted today, within the atmosphere of our present tension.

On the whole, *outside of the war period*, the Railway Labor Act has been satisfactory to contractual parties, and has not disturbed the public interest. It has, however, required increased skillfulness of both parties in the handling of negotiations.

Legislative Reaction to Industrial Labor Action

Consideration of the labor-management relationship to the American economy in the current era is of most serious importance. These considerations require cool reason and sound judgment by the public and its legislators if we are to avoid distress or even disaster.

Many in the Congress, without first having exhausted their resources to insure an enduring peace in our industrial life, have set out to impose legislation that would destroy the ability of labor and management to deal satisfactorily with each other within a free economy.

At this critical point in the prevailing situation both at home and abroad, this problem must have the most cautious scrutiny, without hasty action, if we are to have a sensible and constructive answer.

I pray that sound judgment and lack of hysteria will prevail.

Anderson Urges Food Abundance

Secretary of Agriculture Clinton P. Anderson, at a hearing on April 21 of the House Agriculture Committee, which is considering legislation to replace the wartime price support program, indicated that he held little hope of material cuts in retail food prices in the near future, and proposed that any future program be based on "organized, sustained and realistic abundance." He said that "floors under consumption" as well as under farm prices are needed, and urged that there be no return to the prewar production control, method, Washington A. P. advices April 21 stated. The present Government price support program is due to expire at the end of 1948, and Mr. Anderson recommended that it be replaced by a system under which the Government would boost the food-buying power of the poor in bad times, rather than pay farmers to produce less. He did not estimate the cost of a food allotment plan, but Agriculture Department studies have indicated that the outlay would reach a possible $1,500,000,000 a year in depression times, in addition to perhaps $600,000,000 for a lunch program in all schools.

The Committee's Chairman, Representative Clifford R. Hope (R.-Kan.) was reported to have said that he could go along with Mr. Anderson's proposals providing details can be worked out satisfactorily. He explained, however, that the Committee has no intention of writing a new farm bill this session. The Committee will hold several weeks of hearings to get the views of all interested persons and groups for study in preparation for legislative action next year.

On the subject of international trade, the Secretary of Agriculture, according to the same advices, presented the following views, according to the Associated Press:

"It seems inevitable that we will continue to need regular and sizable foreign markets for cotton, wheat, tobacco, lard, rice and certain fruits and vegetables. . . . We need the benefits of an international organization to reduce trade barriers and to provide a world clearing house for commodity agreements which preserve the principle of international economic collaboration without running contrary to domestic policy.

"Mr. Anderson also said agriculture's parity formula needs overhauling. (Many Government farm programs are tied to a 'parity' price. Government aids begin when prices fall below parity. Generally speaking, parity is a price at which a commodity has the same purchasing power that it had in some past period. Thus the parity price fluctuates with prices of industrial products the farmer buys.)"

Sees World Food Crisis

Herbert Hoover, who made a survey of Europe's food production prospects for President Truman, stated at an informal news conference on April 18, according to Associated Press Washington advices, that he had indorsed House legislation to supply $350,000,000 in relief to European countries at a closed session of the Senate Foreign Relations Committee, and expressed fears of greater world food problems next year. The former President said that a serious crisis might be in store primarily because of the destruction of Europe's fertilizer manufacturing plants by the war's victors. The most important thing is, according to the opinion he expressed, to get the productive capacity of Europe built up again immediately. "All Europe is gasping for fertilizer," he said. Mr. Hoover stated that "all the Allies" had dismantled in Germany plants which could have been used for making munitions, and those were the plants which could produce phosphorous and nitrogen for fertilizers. The Associated Press reported him as saying:

"If we are going to take that line," he declared, "we might as well conclude that the American taxpayer is going to pay the food bill for Europe from now on.

"At the present time," Mr. Hoover said, "that 90% of the world's exports of foods comes from the United States, Canada, Argentina and Australia, which have about 9% of the total population.

"Today the whole world depends on exported food," he said. "The first thing the world needs today is a restoration of its productivity."

The State of Trade

(Continued from page 3)

$31.83 a gross ton, a drop of $2.92 from the previous week's figure of $34.75. The price last week was 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 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, the magazine points out, 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 U. S. Steel Corp. is banking heavily on greater employee morale 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, "The Iron Age" adds.

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.

Steel firms have already made considerable headway in reducing unwieldy 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.

The American Iron and Steel Institute announced on Monday of this week the operating rate of steel companies having 93% of the steel capacity of the industry will be 96.4% of capacity for the week beginning April 28, 1947, as compared with 95.0% one week ago, 95.4% one month ago and 67.7% one year ago. This represents an increase of 1.4 points or 1.5% from the preceding week.

The week's operating rate is equivalent to 1,686,900 tons of steel ingots and castings compared with 1,662,400 tons one week ago, 1,669,400 tons one month ago and 1,193,100 tons one year ago.

Electric Production Up—The Edison Electric Institute reports that the output of electricity increased to 4,660,320,000 kwh. in the week ended April 19, 1947, from 4,619,700,000 kwh. in the preceding week. Output for the week ended April 19, 1947, was 16.9% above that for the corresponding weekly period one year ago.

Consolidated Edison Co. of New York reports system output of 201,900,000 kwh. in the week ended April 20, 1947, compared with 177,500,000 kwh. for the corresponding week of 1946, or an increase of 13.7%. Local distribution of electricity amounted to 189,300,000 kwh. compared with 170,600,000 kwh. for the corresponding week of last year, an increase of 10.9%.

Railroad Freight Loadings Rise—Car loadings of revenue freight for the week ended April 19, 1947, totaled 865,846 cars, the Association of American Railroads announced. This was an increase of 107,680 cars, or 14.2% above the preceding week, and 215,003 cars, or 33.0% above the corresponding week for 1946. Compared with the similar period of 1945, an increase of 1,146 cars, or 0.1%, is shown.

Paper and Paperboard Production Higher—Paper production in the United States for the week ended April 19 was 104.4% of mill capacity, against 100.7% (revised figure) in the preceding week and 102.5% in the like 1946 week, according to the American Paper & Pulp Association. This does not include mills producing newsprint exclusively. Paperboard output for the same week was 102%, compared with 96% in the preceding week and 101% in the corresponding week a year ago.

February Business Incorporations Decline from 1946 Level—Following the usual seasonal trend, the number of new business (stock) incorporations in the United States declined quite sharply to 9,097 in February, from 12,102 during January, a drop of 3,005, or 24.8%. Charterings in February were below the level of a year ago for the second successive month, the total comparing with 10,554 in February, 1946, a decrease of 1,457, or 13.8%. Forty-two out of the 48 States had fewer charters issued in February than in January.

During the first two months of this year, 21,199 stock companies were chartered throughout the country, representing a drop of 2,361, or 10.0%, below the comparative 1946 period with 23,560.

Business Failures Continue High—Little change occurred in commercial and industrial failures in the week ending April 24, Dun & Bradstreet, Inc. reports. Totaling 66, concerns failing were two short of the number registered in the previous week, but continued to be about four times as numerous as in the comparable week of 1946. Failures in the week just ended were higher than those in the same week of any of the preceding four years.

Large failures with liabilities of $5,000 or more outnumbered small failures by more than 5-to-1. Concerns failing in the large size group rose from 53 a week ago to 56 this week, over 4½ times as many as in 1946's comparable week. Small failures involving liabilities under $5,000 declined from 15 last week to 10 in the week just ended, but remained twice as numerous as a year ago.

Retailing, with 24 failures, and manufacturing, with 22, accounted for over two-thirds of the week's total. In neither of these groups were failures as numerous as last week, but compared with the same week a year ago, twice as many manufacturers failed this week and six times as many retailers. Contrary to the slight over-all fluctuation this week, a sharp rise occurred in failures in wholesale trade and commercial service, with concerns failing in these lines doubling the number reported a week ago. In construction, failures remained at a very low level.

Over one-third of the week's total failures were concentrated in the East North Central States. Twenty-four concerns failed in this region which had the sharpest rise in failures not only from the previous week when only five occurred in this area but also from the corresponding week of last year when there were only three. The Middle Atlantic States with 17 and the Pacific States with 13 were the only other regions where failures rose above 10 this week. No failures were reported in three areas: the East South Central, West South Central, and Mountain States. In the same week a year ago no more than four concerns failed in any area.

Canadian failures numbered four, the same as in the preceding week and in the comparable week of 1946.

Food Price Index Lowest in Six Months—Off another 18 cents in the latest week, the Dun & Bradstreet wholesale food price index for April 22 registered $6.06. The cumulative drop since March 4 when the index reached its all-time high of $6.77, amounts to 71 cents, or 10.5%. It also marks the lowest level reached since the $5.40 figure recorded on Oct. 8, 1946, just prior to the lifting of controls from many major food items. The current index, however, is considerably higher than the $4.19 for the corresponding date a year ago.

Advances during the week occurred in wheat, rye, barley, hams, beans, eggs, beef and steers. These were more than balanced by declines in flour, corn, oats, bellies, lard, butter, cheese, coffee, cottonseed oil, cocoa, potatoes, hogs and lambs. The index represents the sum total of the price per pound of 31 foods in general use.

Daily Wholesale Commodity Price Index Today—The wholesale price level appeared steadier last week, as evidenced by the narrow movements of the daily wholesale commodity price index, compiled by Dun & Bradstreet, Inc. The index closed at 257.74 on April 22, as against 258.33 a week earlier. At this time a year ago it stood at 189.48.

Grain markets were again unsettled and prices during the week continued to fluctuate uncertainly. Cash wheat finished higher but futures were under pressure due to a check in government buying and a drying up of domestic demand for flour. Country offerings of corn in the cash market were heavy. Prices moved eratically and weakened at the close largely due to the absence of government buying.

Prospects for the new Winter wheat crop appeared brighter as the result of favorable weather in the West and Southwest, but the outlook for the European wheat crop was said to be unfavorable. Cocoa prices receded in light trading as demand from manufacturers remained low. Warehouse stocks of cocoa beans were reported at a new low for the year at 84,323 bags as compared with 241,292 a year ago. Coffee prices fluctuated over a wide range, with Santos 4s showing a net drop of one cent per pound. With receipts large, hog prices continued to work downward, reaching the lowest levels since late last January. Lard dropped another 2½ cents per pound as the result of reduced export allocations, combined with slow domestic demand.

Cotton prices turned upward in the past week following the downward trend of the preceding two weeks. Both futures and spot markets were stronger, the latter showing a net advance of 193 points for the week. Early in the period, prices were depressed by reports of a slowing down in textile markets and expectations of a decrease in export trade during the coming season. In late dealings buying was stimulated by reports of continued heavy domestic mill consumption and reports of further delay in soil preparation and seeding in the South due to heavy rains. Mill consumption of cotton as reported by the Census Bureau totaled 875,124 bales during March, as compared with 840,463 in February, and 804,290 during March of last year. Consumption on a daily average basis last month was estimated at 41,000 bales. This was slightly below the February rate, but about 9% higher than in March a year earlier. Trading in cotton gray goods was somewhat broader but some spot sales were reported at prices well below recent high levels.

With the cessation of buying of domestic wools by the Commodity Credit Corporation at midnight, April 15, trading in domestic wools in the Boston market continued very slow. Australian wool auctions were reopened last week with prices showing an upward trend. Reports from the West indicated a later than normal shearing season due to rains and cold weather.

Retail and Wholesale Trade—Total retail volume declined slightly in the week, but dollar volume held about even with the high level of the corresponding week a year ago. Reports indicated wide fluctuations in sales volume in some areas. Increased resistance to high prices, labor difficulties, and unfavorable weather were among the many factors affecting consumer purchasing this week, Dun & Bradstreet, Inc. reported in its current survey of trade.

Interest in women's apparel declined slightly last week with clearance sales of dresses and topcoats prevalent. Bridal and formal wear departments were crowded. The demand for women's Spring and Summer suits, hats and gloves continued strong, but considerable price resistance was reported. Requests for men's athletic shirts, hose and other items of sports apparel were more frequent than they were in previous weeks.

Retail grocery volume remained at a high level the past week and was moderately above that of the corresponding week a year ago. The price of butter dropped slightly in most areas. The demand for canned goods generally was moderate, though many localities reported shortages of canned tuna fish and salmon. Meat and poultry were plentiful and prices remained firm. Fresh fruits and vegetables were available in ample quantities.

Consumer interest in fishing equipment, golf clubs and other sporting goods continued to increase. The demand for electrical appliances continued strong and in many sections of the country large quantities of unknown brand radios were available at considerably reduced prices. Automobile supplies, building materials, paint and hardware remained among the items most heavily in demand.

Retail volume for the country as a whole for the week ending Wednesday last, was estimated to be from 2% below to 2% above that of the corresponding week a year ago. Regional estimates compared with those of a year ago as follows: New England and South 3 to 7% above a year ago, Pacific Coast 4 to 8% above, East and Southwest from 3% below to 1% above, Middle West 2 to 6% below, Northwest 1 to 5% below.

Activity in wholesale centers increased slightly last week with total volume moderately above that of a year ago. Reorder volume rose noticeably, reflecting chiefly the reduction of retail inventories by recent clearance and markdown sales. Buyers gave considerable attention to deliveries of previous commitments. Uncertain price conditions continued to restrict ordering of merchandise to be delivered in the third and fourth quarters.

Department store sales on a country-wide basis, as taken from the Federal Reserve Board's index for the week ended April 19, 1947, decreased by 6% below the same period of last year. This compared with a decrease of 6% in the preceding week. For the four weeks ended April 19, 1947, sales increased by 3% and for the year to date by 10%.

Retail trade in New York reacted sharply the past week following volume declines of the two preceding weeks. Department store volume, according to estimates, was close to 15% above that of the similar week of 1946, with advances for some stores ranging upwards to 30%. It is believed the month of April as a whole will show a slight increase.

In the durable goods line, lowered prices and increased supplies prevailed. Machinery continued in strong demand, with increased ordering of equipment for export buyers.

Garment markets continued inactive, with few purchases for Spring fill-ins, while primary rayon markets remained strong on third-quarter deliveries.

In wholesale food lines, prices continued to follow reductions in primary markets and moved lower on a number of basic consumer items.

According to the Federal Reserve Board's index, department store sales in New York City for the weekly period to April 19, 1947, decreased 3% below the same period last year. This compared with a decrease of 5% in the preceding week. For the four weeks ended April 19, 1947, sales rose 2% and for the year to date increased 10%.

Debit Balances on N. Y. S. E. in March

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

Total of customers' net debit balances of $576,096,707 on March 31, against $572,917,994 on Feb. 28. These figures include all securities, commodity and other accounts. Do not include debit balances in accounts held for other firms which are members of national securities exchanges, or "own" accounts of reporting firms, or accounts of general partners of those firms. The Exchange's announcement of April 14 added:

Credit extended to customers on U. S. Government obligations was $64,684,677 on March 31, against $66,060,671 on Feb. 28. (This amount is included in the net debit balance total.)

Cash on hand and in banks in the United States amounted to $410,873,423 on March 31, compared with $407,825,494 on Feb. 28.

Total of customers' free credit balances was shown as $677,170,349 March 31, against $681,134,347 on Feb. 28, 1947. These figures include free credit balances in regulated commodity accounts. Do not include free credit balances held for other firms which are members of national securities exchanges, or free credit balances held for the accounts of reporting firms or of general partners of those firms.

Truman Visits Mother

On April 12, the day on which he completed two years in the White House, President Truman flew to Grand View, Mo., for a visit to his mother and a few close friends and relatives. His only official observance of the anniversary was a three-minute radio address in which he paid tribute to his predecessor, Franklin D. Roosevelt. The President said, according to an Associated Press dispatch, that his health is as excellent as it was when he took office two years ago. Although he will be 63 years old on May 8, his physician, Brig. Gen. Wallace Graham, has said that he has the energy of the average man twenty years younger. The President spent the night at a hotel in Kansas City, where a few close friends were invited to dine with him. He paid another visit to his mothe in Grand View the following day, before flying back to Washington.

Wholesale Prices Declined 0.6% in Week Ended April 19, Labor Department Reports*

Continuing declines for agricultural commodities caused a decrease of 0.6% in average primary market prices during the week ended April 19, 1947, according to the Bureau of Labor Statistics, U. S. Department of Labor. The Bureau in indicating this on April 24, stated that its index of commodity prices in primary markets dropped to 147.2% of the 1926 average, 1.5% below the peak level of three weeks ago and 34.3% higher than the corresponding week of last year. In its report for the week ended April 19 the Bureau added:

"**Farm Products and Foods** — Largely reflecting resistance to recent high prices and increased supplies, average market prices of farm products decreased 2.6% during the week. Livestock and poultry quotations dropped to the lowest level since early February. Hog quotations were down 9% and steers 6%. Grain quotations decreased fractionally. Contrary to the normal seasonal movement, egg prices advanced, reflecting retarded production as well as heavy demand which has reduced storage stocks to an unusually low level. Prices of fruits and vegetables were lower with larger supplies. Quotations for foreign wool increased. As a group farm products were 4.8% below the mid-March peak and 29.5% above a year ago.

"Food prices declined 0.5% with lower prices in all subgroups except cereal products. Sharp increases in production brought lower prices of butter and cheese. Prices of meats were generally lower. Quotations for flour were up substantially, because of earlier price increases for grains, despite reduced buying by mills. Prices of animal and vegetable fats and oils and pepper continued to decline with generally reduced demand and larger supplies. As a group foods were nearly 5% below early March and 46.9% above last year.

"**All Commodities** — Average prices of all commodities other than farm products and foods rose 0.2% during the week but there were declines for some important commodities. Higher costs caused increases for some chemicals and certain metal products, including babbitt metal, solder and gray iron castings. However, scrap steel prices declined substantially as collections improved and demand weakened with improved inventories. Chemicals and allied products decreased 1.5% as a group as reduced demand, coupled with resistance to previous high prices, caused declines for a number of fats and oils and fatty acids. Larger supplies resulted in lower prices for organic fertilizer materials.

"Lumber prices continued to advance on the average, but prices of lower grades of southern pine declined, particularly on the eastern seaboard. Further increases were reported for paint materials. Increased costs of sulphate pulp caused substantially higher prices for wrapping paper, and boxboard continued to advance. Crude rubber prices were lower and prices of gasoline, which had been advancing recently declined somewhat. Soap prices continued to advance. Cattle feed again declined. Lack of demand by tanners was reflected in substantially lower prices for calfskins and prices of print cloth dropped nearly 10%."

CHANGES IN WHOLESALE PRICES BY COMMODITY GROUPS *
FOR WEEK ENDED APRIL 19, 1947
(1926=100)

Commodity Groups—	4-19 1947	4-12 1947	4-5 1947	3-22 1947	4-20 1946	Percent change to April 19, 1947 from— 4-12 1947	3-22 1947	4-20 1946
All commodities	147.2	148.1	146.8	149.0	109.6	— 0.6	— 1.2	+34.3
Farm products	175.4	180.1	181.2	182.9	135.4	— 2.6	— 4.1	+29.5
Foods	162.2	163.0	164.4	166.2	110.4	— 0.5	— 2.4	+46.9
Hides and leather products	172.5	173.8	174.3	174.9	120.3	— 0.7	— 1.4	+43.4
Textile products	138.8	139.6	139.3	138.7	105.2	— 0.6	+ 0.1	+31.9
Fuel and lighting materials	104.1	104.0	103.9	101.7	86.6	+ 0.1	+ 2.4	+20.2
Metals and metal products	140.9	140.3	140.3	140.3	109.0	+ 0.4	+ 0.4	+29.3
Building materials	178.4	177.9	177.8	176.7	126.0	+ 0.3	+ 1.0	+41.6
Chemicals and allied products	132.5	134.5	134.5	133.0	96.1	— 1.5	— 0.4	+37.9
Housefurnishings goods	128.1	126.7	126.7	126.6	108.7	+ 1.1	+ 1.2	+17.8
Miscellaneous commodities	115.6	114.3	115.7	114.6	95.4	+ 1.1	+ 0.9	+21.2
Special Groups—								
Raw materials	160.3	163.4	164.0	164.3	123.0	— 1.9	— 2.4	+30.3
Semi-manufactured articles	146.0	146.2	145.6	145.1	100.8	— 0.1	+ 0.6	+44.8
Manufactured products	142.1	142.0	142.8	143.1	105.1	+ 0.1	— 0.7	+35.2
All commodities other than Farm products	141.1	141.2	141.7	141.6	103.9	— 0.1	— 0.4	+35.8
All commodities other than Farm products and foods	132.4	132.1	132.3	131.3	103.1	+ 0.2	+ 0.8	+28.4

PERCENTAGE CHANGES IN SUBGROUP INDEXES FROM
APRIL 12, 1947 TO APRIL 19, 1947

Increases

Other miscellaneous	2.1	Nonferrous metals	0.4
Paper and pulp	1.9	Brick and tile	0.3
Cereal products	1.7	Agricultural implements	0.2
Furnishings	1.3	Paint and paint materials	0.2
Furniture	0.8	Bituminous coal	0.1
Iron and steel	0.7	Cement	0.1
Lumber	0.5	Drugs and pharmaceuticals	0.1

Decreases

Livestock and poultry	6.7	Dairy products	0.9
Oils and fats	5.8	Meats	0.9
Hides and skins	4.3	Fertilizer materials	0.7
Cattle feed	2.4	Other foods	0.7
Cotton goods	1.5	Grains	0.6
Crude rubber	1.0	Chemicals	0.3
Fruits and vegetables	1.0	Other textile products	0.3
Petroleum and products	0.3		

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

Civil Engineering Construction Totals $88,420,000 for Week

Civil engineering construction volume in continental United States totals $88,420,000 for the week ending April 24, 1947, as reported by "Engineering News-Record." This volume is 20% below the previous week, 33% below the corresponding week of last year, and 17% below the previous four-week moving average. The report, issued on April 24, went on to say:

Private construction this week, $42,401,000, is 38% less than last week, and 49% below the week last year. Public construction, $46,019,000, is 12% above last week, but 3% less than the week last year. State and municipal construction, $35,372,000, 23% above last week, is 32% above the 1946 week. Federal construction, $10,647,000, is 14% below last week, and 40% below the week last year.

Total engineering construction for the 17-week period of 1947 records a cumulative total of $1,642,347,000, which is 8% above the total for a like period of 1946. On a cumulative basis, private construction in 1947 totals $1,008,198,000, which is 0.6% above that for 1946. Public construction, $634,149,000, is 23% greater than the cumulative total for the corresponding period of 1946, whereas state and municipal construction, $480,674,000 to date, is 41% above 1946. Federal construction, $153,475,000 dropped 11% below the 17-week total of 1946.

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

	Apr. 24, 1947	Apr. 17, 1947	Apr. 25, 1946
Total U. S. Construction	$88,420,000	$110,091,000	$131,594,000
Private Construction	42,401,000	68,872,000	83,937,000
Public Construction	46,019,000	41,219,000	47,657,000
State and Municipal	35,372,000	28,846,000	26,882,000
Federal	10,647,000	12,373,000	20,775,000

In the classified construction groups, waterworks, bridges, earthwork and drainage, highways and unclassified construction 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 $44,489,000 and is made up of $24,489,000 in state and municipal bond sales and $20,000,000 in corporate securities. New capital for construction purposes for the 17-week period of 1947 totals $538,144,000, 22% greater than the $439,959,000 reported for the corresponding period of 1946.

The National Fertilizer Association Wholesale Commodity Price Index Declines

The weekly wholesale commodity price index compiled by The National Fertilizer Association and made public on April 28 declined to 196.7 for the week ended April 26, 1947 from 198.0 in the preceding week. This is the fourth consecutive week in which the index has declined and it is now lower than at any time since the week ended Feb. 22, 1947. A month ago the index stood at 200.5 and a year ago at 145.7, all based on the 1935-1939 average as 100. The Association's report added:

During the week eight of the composite groups in the index declined while one advanced; the other two remained at the level of the preceding week. Lower prices for butter, cheese, flour, cocoa, coffee, veal and pork caused the foods index to fall, although higher prices were listed for bananas, oranges, beans, ham, and beef. Quotations for cotton, calves, lambs, and hay rose, but the lower prices for grains, hogs, poultry, and eggs caused the farm products index to decline. Lower quotations for hides, calfskins, rubber, and feeds were responsible for the fall in the miscellaneous commodities index. The decline in the metals index was due to a price reduction for steel scrap. The fertilizer materials index and the farm machinery index declined. The indexes for building materials and for chemicals and drugs dropped, while the index for the textiles group rose.

During the week 35 price series in the index declined and 11 advanced; in the preceding week 33 declined and 15 advanced; in the second preceding week 27 declined and 16 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. 26, 1947	Preceding Week Apr. 19, 1947	Month Ago Mar. 29, 1947	Year Ago Apr. 27, 1946
25.3	Foods	218.5	220.6	222.7	144.3
	Fats and Oils	286.8	298.6	321.4	147.4
	Cottonseed Oil	433.1	433.1	433.1	163.1
23.0	Farm Products	242.5	245.1	251.0	175.2
	Cotton	336.1	330.4	339.5	263.6
	Grains	249.9	257.9	254.0	174.0
	Livestock	228.1	231.1	240.1	161.6
17.3	Fuels	169.8	169.8	168.8	130.8
10.8	Miscellaneous Commodities	157.8	158.3	163.3	134.5
8.2	Textiles	217.3	216.5	217.9	167.0
7.1	Metals	148.1	148.4	147.9	117.9
6.1	Building Materials	203.2	203.4	203.4	167.8
1.3	Chemicals and Drugs	157.1	158.4	154.5	127.5
.3	Fertilizer Materials	127.5	127.6	128.0	116.4
.3	Fertilizers	134.5	134.5r	133.7	119.8
.3	Farm Machinery	125.5	126.3	126.3	105.8
100.0	All groups combined	196.7	198.0	200.5	145.7

*Indexes on 1926-28 base were: April 26, 1947, 153.2; April 19, 1947, 154.2; and April 27, 1946, 113.5. r revised.

Denmark's King Dies

King Christian X of Denmark died on April 20, at the age of 76, after 15 days' illness brought about by a heart attack on Easter, an Associated Press dispatch from Copenhagen stated. His son, 48-year-old Crown Prince Frederick, automatically succeeded him. From the press accounts we also quote:

"A great through of sorrowful Danes, expecting their beloved King's death at any moment, had gathered in the square in front of the castle to await news of the king, who chose to remain with his people during five years of Nazi occupation. Premier Kristensen appeared on the castle balcony and announced the King's death."

King Christian was the elder brother of King Haakon VII of Norway, who is 75. He was a nephew of the late Queen Alexandra, wife of King Edward VII of England. With few exceptions, the late king was said to have always worked well together with his subjects, and never better than during the difficult days of the Nazi occupation. Said the Associated Press:

"The spearhead of the people's resistance was the king, and in every way he set them examples of behavior. Knowing that Denmark was helpless against the force of the Wehrmacht, he and his government accepted the occupation on April 9, 1940, 'under protest,' but in the following years the king five times refused to form a new Danish cabinet to help the Nazis put down Danish sabotage and resistance."

President Truman sent a formal expression of sympathy to the widow of King Christian, and to his son, now King Frederick IX. In part the President said:

"All Americans will share my feeling of sympathy with the people of Denmark in the loss of their beloved sovereign."

Arnold Would Curtail I. T. U. Practices

Thurman Arnold, former Assistant Attorney General, who is now engaged in private law practice, testifying before a Senate Small Business subcommittee, on April 17, accused the International Typographical Union of policies and methods which work against small newspapers and tend to eliminate jobs, according to Associated Press Washington advices. The former head of the Justice Department's Anti-Trust Division made it clear that he regarded the issue primarily as a problem of small business, "the victim of organized coercion which destroys its efficiency and deprives it of a fair chance to compete against larger industrial organizations." The issue has "nothing to do with any practice on the part of labor unions which concern their legitimate objectives," he went on to say:

Mr. Arnold was counsel for the St. Petersburg (Fla.) "Times" last February, when the National Labor Relations Board threw out an unfair labor practice charge by the ITU against the newspaper. Mr. Arnold recommended that the following practices be specified as unlawful, it was stated in special advices April 17 from Washington to the New York "Times," according to the Associated Press:

"1. Economic restraints or economic coercion of any kind by a labor organization designed to prevent use of cheaper material, improved equipment or more efficient methods.

"2. Restraint of trade or organized coercion of any character by any labor union to compel the hiring of useless and unnecessary labor.

"3. Restraint of trade or organized coercion of any character by labor unions to compel or induce or aid in fixing prices for any commodity or service except wages."

Mr. Arnold further suggested that these recommendations be accomplished "by making the anti-trust laws apply to such practices, although, of course, appropriate legislation could be effected by a new law."

Mtge. Clinic Announced By MBA at Kansas City

How mortgage lenders, bankers, builders and real estate men may act more effectively to speed up construction of rental housing to help relieve the housing shortage will be one of the principal subjects to be reviewed at the third 1947 Mortgage Clinic sponsored by the Mortgage Bankers Association of America at Hotel President, Kansas City, Mo., May 8 and 9. Preceding the two-day conference, members of the Board of Governors and Regional Vice-Presidents of the Association from all over the country will convene for their regular Spring meeting, the first time the group has met in Kansas City. The Clinic and Board meeting will be in charge of Guy T. O. Hollyday, Baltimore, Association President, and John C. Thompson, Newark, N. J., Vice-President and Chairman of the Executive Committee. Byron T. Shutz, President of Herbert V. Jones & Co., at Kansas City, and a former President of the Association, is in charge of arrangements for the meeting and Clinic. Also up for discussion are the progress of the GI home loan program, coperative housing, reducing costs through new construction methods and other building problems. With about a third of present FHA insurance commitments consisting of rental housing units, the present drive for more of this type of construction is believed to be well under way. The Kansas City meeting, it is hoped, will further stimulate the effort.

Daily Average Crude Oil Production for Week Ended April 19, 1947 Slightly Off From 1946

The American Petroleum Institute estimates that the daily average gross crude oil production for the week ended April 19, 1947 was 4,912,100 barrels, a decrease of 850 barrels per day from the preceding week. It was, however, an increase of 225,800 barrels per day over the corresponding week of 1946, and exceeded by 62,100 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 19, 1947 averaged 4,902,050 barrels. The Institute's statement adds:

Reports received from refining companies indicate that the industry as a whole ran to stills on a Bureau of Mines basis approximately 4,709,000 barrels of crude oil daily and produced 13,966,000 barrels of gasoline; 2,007,000 barrels of kerosene; 5,263,000 barrels of distillatte fuel, and 7,961,000 barrels of residual fuel oil during the week ended April 19, 1947; and had in storage at the end of the week; 105,592,000 barrels of finished and unfinshed gasoline; 9,308,000 barrels of kerosene; 31,470,000 barrels of distillate fuel, and 42,749,000 barrels of residual fuel oil.

DAILY AVERAGE CRUDE OIL PRODUCTION (FIGURES IN BARRELS)

	*B. of M. Calculated Requirements April	State Allowables Begin. Apr. 1	Actual Production Week Ended Apr. 19, 1947	Change from Previous Week	4 Weeks Ended Apr. 19, 1947	Week Ended Apr. 20, 1946
**New York-Penna	49,200		47,600	— 1,200	47,400	49,150
Florida	----		600	----	400	100
**West Virginia	8,000		8,200	+ 400	7,850	7,650
**Ohio—Southeast	8,000		6,400	+ 150	6,450	5,500
Ohio—Other			2,600	— 150	2,500	2,450
Indiana	18,000		18,150	— 350	18,300	18,700
Illinois	210,000		184,550	— 1,550	184,800	207,600
Kentucky	29,000		24,650	— 750	26,150	31,100
Michigan	47,000		42,150	— 1,700	43,050	44,350
Nebraska	700		†600	----	600	750
Kansas	275,000	275,000	†278,450	+ 8,650	275,300	262,400
Oklahoma	380,000	378,125	†376,900	— 2,000	378,550	378,750
Texas—						
District I			20,750	----	20,700	----
District II			158,000	----	157,950	----
District III			480,600	----	482,050	----
District IV			241,950	----	241,950	----
District V			38,050	----	38,100	----
East Texas			335,000	----	330,300	----
Other Dist. VI			111,500	----	111,400	----
District VII-B			37,000	----	36,900	----
District VII-C			36,300	----	36,000	----
District VIII			485,950	----	483,300	----
District IX			136,200	----	134,900	----
District X			84,850	----	84,800	----
Total Texas	2,120,000	‡2,186,125	2,166,150	----	2,158,350	2,054,600
North Louisiana			96,200	+ 850	95,350	85,950
Coastal Louisiana			313,450	----	313,050	286,800
Total Louisiana	410,000	447,000	409,650	+ 850	408,400	372,750
Arkansas	79,000	82,693	73,950	+ 300	73,550	77,500
Mississippi	84,000		85,400	— 1,600	86,250	55,700
Alabama	2,100		400	— 500	1,000	1,100
New Mexico—So. East	102,000	112,000	102,600	----	102,800	95,300
New Mexico—Other			500	----	500	500
Wyoming	106,000		115,000	+ 200	111,600	114,250
Montana	24,000		21,900	— 1,150	21,850	20,050
Colorado	38,000		38,200	+ 3,050	36,750	26,350
California	860,000	§843,200	907,500	— 3,500	909,650	859,700
Total United States	4,850,000		4,912,100	— 850	4,902,050	4,686,300
**Pennsylvania Grade (included above)			62,200	— 650	61,700	62,300

*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 17, 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 19, 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	855	101.9	1,794	22,334	4,196	8,785	6,266
Appalachian—								
District No. 1	76.3	92	64.3	263	2,637	178	332	233
District No. 2	84.7	65	104.8	212	1,101	41	69	76
Ind., Ill., Ky.	87.4	711	81.7	2,421	22,322	1,160	2,452	1,775
Okla., Kans., Mo.	78.3	369	78.7	1,272	10,386	315	1,164	901
Inland Texas	59.8	219	66.4	1,010	4,326	215	289	709
Texas Gulf Coast	89.2	1,009	82.3	3,006	14,923	1,390	5,355	5,117
Louisiana Gulf Coast	97.4	385	119.9	1,128	5,794	646	1,839	1,422
No. La. & Arkansas	55.9	60	47.6	162	2,056	216	427	108
Rocky Mountain—								
New Mexico	19.0	11	84.6	36	80	16	35	57
Other Rocky Mt.	70.9	126	76.4	390	3,046	57	493	626
California	85.5	807	81.2	2,272	16,587	878	10,230	25,459
Total U. S.—B. of M. basis Apr. 19, 1947	85.8	4,709	84.7	13,966	*105,592	9,308	31,470	42,749
Total U. S.—B. of M. basis Apr. 12, 1947	85.8	4,667	84.0	14,090	106,221	9,236	32,019	42,946
U. S. B. of M. basis Apr. 20, 1946		4,781		13,784	†100,672	11,065	31,384	37,017

*Includes unfinished gasoline stocks of 8,831,000 barrels. †Includes unfinished gasoline stocks of 9,040,000 barrels. ‡Stocks at refineries, at bulk terminals, in transit and in pipe lines. §In addition, there were produced 2,007,000 barrels of kerosine, 5,263,000 barrels of gas oil and distillate fuel oil and 7,961,000 barrels of residual fuel oil in the week ended April 19, 1947, as compared with 2,011,000 barrels, 5,499,000 barrels and 8,232,000 barrels, respectively, in the preceding week and 2,130,000 barrels, 5,324,000 barrels and 9,048,000 barrels, respectively, in the week ended April 20, 1946.

Weekly Coal and Coke Production Statistics

Production of soft coal increased sharply in the week ended April 19, 1947, to 12,600,000 net tons, an increase of 5,485,000 tons over the preceding week and a gain of 11,827,000 tons over the corresponding week of 1946, according to the United States Bureau of Mines. During the current year to April 19, 1947, production of bituminous coal and lignite approximated 187,027,000 net tons, an increase of 14.1% over the 163,957,000 tons produced in the corresponding period of last year.

Output of Pennsylvania anthracite for the week ended April 19, 1947, as estimated by the Bureau of Mines, was 1,044,000 tons, a gain of 69,000 tons, or 7.1%, over the preceding week. When compared with the corresponding week of 1946, there was a decrease of 56,000 tons, or 5.1%. The calendar year to date shows a decrease of 9.5% 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 19, 1947, showed an increase of 58,700 tons when compared with the output for the week ended April 12, 1947; and was 118,600 tons more than for the corresponding week of 1946.

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

Bituminous coal & lignite—	Week Ended Apr. 19, 1947	Week Ended *Apr. 12, 1947	Week Ended Apr. 20, 1946	Jan. 1 to date †Apr. 19, 1947	Jan. 1 to date Apr. 20, 1946
Total, including mine fuel	12,600,000	7,115,000	773,000	187,027,000	163,957,000
Daily average	2,100,000	1,186,000	129,000	2,031,000	1,761,000

*Revised. †Subject to current adjustment.

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

Penn. Anthracite—	Week Ended ‡Apr. 19, 1947	Week Ended §Apr. 12, 1947	Week Ended Apr. 20, 1946	Calendar Year to Date Apr. 19, 1947	Calendar Year to Date Apr. 20, 1946	Calendar Year to Date Apr. 24, 1937
*Total incl. coll. fuel	1,044,000	975,000	1,100,000	16,975,000	18,762,000	18,141,000
†Commercial produc.	1,004,000	937,000	1,058,000	16,321,000	18,040,000	17,234,000
Beehive Coke—						
¶United States total	122,500	63,800	3,900	1,805,000	1,210,700	1,167,300

*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 scurces or of final annual returns from the operators.)

State—	Week Ended Apr. 12, 1947	Week Ended Apr. 5, 1947	Week Ended Apr. 13, 1946
Alabama	136,000	130,000	26,000
Alaska	6,000	6,000	6,000
Arkansas	13,000	8,000	10,000
Colorado	53,000	34,000	3,000
Georgia and North Carolina	1,000	1,000	*
Illinois	651,000	325,000	229,000
Indiana	353,000	126,000	32,000
Iowa	28,000	20,000	12,000
Kansas and Missouri	103,000	65,000	40,000
Kentucky—Eastern	284,000	256,000	35,000
Kentucky—Western	363,000	343,000	6,000
Maryland	37,000	9,000	2,000
Michigan	*	*	*
Montana (bituminous and lignite)	44,000	40,000	26,000
New Mexico	21,000	7,000	1,000
North and South Dakota (lignite)	20,000	40,000	26,000
Ohio	624,000	287,000	56,000
Oklahoma	49,000	40,000	26,000
Pennsylvania (bituminous)	1,731,000	1,105,000	60,000
Tennessee	43,000	58,000	8,000
Texas (bituminous and lignite)	3,000	2,000	1,000
Utah	108,000	37,000	3,000
Virginia	180,000	84,000	4,000
Washington	14,000	13,000	1,000
†West Virginia—Southern	825,000	362,000	48,000
‡West Virginia—Northern	1,275,000	552,000	50,000
Wyoming	150,000	40,000	5,000
§Other Western States	*	*	*
Total bituminous and lignite	7,115,00	3,990,000	716,000

†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.

Electric Output for Week Ended April 26, 1947, 17.4% Ahead of That for Same Week Last Year

The Edison Electric Institute, in its current weekly report, estimates that the amount of electrical energy distributed by the electric light and power industry for the week ended April 26, 1947, was 4,667,997,000 kwh., an increase of 17.4% over the corresponding week last year when electric output amounted to 3,976,750,000 kwh. The current figure also compares with 4,660,320,000 kwh. produced in the week ended April 19, 1947, which was 16.9% higher than the 3,987,145,000 kwh. produced in the week ended April 20, 1946. The largest increases were reported by the Rocky Mountain and Pacific Coast groups which showed increases of 25.2% and 20.2% respectively, over the same week in 1946.

PERCENTAGE INCREASE OVER SAME WEEK LAST YEAR

Major Geographical Division—	Week Ended Apr. 26	Apr. 19	Apr. 12	Apr. 5	Mar. 29
New England	9.5	10.3	6.9	8.9	13.1
Middle Atlantic	10.8	10.2	6.4	10.8	13.6
Central Industrial	19.1	18.1	16.9	21.1	24.4
West Central	19.4	18.1	15.5	18.2	16.3
Southern States	19.0	18.4	16.3	18.0	17.0
Rocky Mountain	25.2	22.2	20.0	12.2	13.6
Pacific Coast	20.2	21.7	23.1	24.7	19.6
Total United States	17.4	16.9	15.1	17.7	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	4,667,997	3,976,750	+17.4	4,415,889	1,429,032	1,588,434

Profits of National Banks in 1946

Comptroller of the Currency Preston Delano announced on April 19 that the National Banks in the United States and possessions reported net profits after income taxes of $495,000,000 for the year ended Dec. 31, 1946, an increase of nearly $5,000,000 over the year 1945. Net operating earnings, before income taxes, said Comptroller Delano, were $622,000,000. He further reported:

Adding to the net operating earnings, profits on securities sold of $111,000,000 and recoveries on loans and securities, etc., previously charged off of $104,000,000, and deducting therefrom losses and charge-offs of $156,000,000 and taxes on net income of $186,000,000, the net profits before dividends for the year 1946 amounted to the $495,000,000 mentioned above, which at an annual rate amounts to 9.61% of capital funds.

The principal items of operating earnings for 1946 were $702,000,000 from interest on U. S. Government obligations and $102,000,000 interest and dividends on other securities, a total of $804,000,000, which was an increase of $60,000,000 over the figures for 1945; and interest and discount on loans of $507,000,000, an increase of $133,000,000. The principal operating expenses were $452,000,000 for salaries and wages of officers and employees and fees paid to directors, an increase of $80,000,000 over 1945; and $145,000,000 expended in the form of interest on time and savings deposits, an increase of $20,000,000. Gross earnings of $1,574,000,000 were reported for 1946. This represents an increase of $224,000,000 over the gross earnings for 1945. Operating expenses were $952,000,000, as against $817,000,000 in 1945.

Profits on securities sold during 1946 aggregating $111,000,000 were $31,000,000 less than in the preceding year, and losses and depreciation on securities in 1946 totaling $75,000,000 were the same as in the year before. Losses charged off on loans and discounts of $45,000,000 were $15,000,000 more than in 1945. Taxes on net income, Federal and State, in the year 1946 totaling $186,000,000 exceeded the amount of such taxes paid in the preceding year by $15,000,000.

Cash dividends declared on common and preferred stock in 1946 totaled $170,000,000 in comparison with $156,000,000 in 1945. The annual rate of cash dividends was 3.30% of capital funds. The cash dividends to stockholders in 1946 were 34.38% of the net profits available for the year. The remaining 65.62% of net profits, or $325,000,000, was retained by the banks in their capital funds.

On Dec. 31, 1946, there were 5,013 national banks in operation as compared to 5,023 at the end of 1945.

U. S. Savs. Loan League To Convene Sept. 15

The 55th annual convention of the United States Savings and Loan League will be held in San Francisco the week of Sept. 15-22, according to an announcement by Walter W. McAllister, San Antonio, Tex., President of the League. The League has met twice before in California in its more than half century of operation, in San Francisco in 1915, and in Los Angeles in 1937. California is the fourth ranking state in the union in the total assets of savings and loan associations, Mr. McAllister pointed out.

Trading on New York Exchanges

The Securities and Exchange Commission made public on April 23 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 April 5, 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 April 5 (in round-lot transactions) totaled 1,190,991 shares, which amount was 17.63% of the total transactions on the Exchange of 3,377,450 shares. This compares with member trading during the week ended March 29 of 1,699,030 shares, or 18.14% of the total trading of 4,684,600 shares.

On the New York Curb Exchange, member trading during the week ended April 5 amounted to 272,790 shares, or 16.83% of the total volume on that Exchange of 810,460 shares. During the week ended March 29 trading for the account of Curb members of 336,320 shares was 16.02% of the total trading of 1,049,600.

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

WEEK ENDED APRIL 5, 1947

	Total for Week	†%
A. Total Round-Lot Sales:		
Short sales	132,710	
‡Other sales	3,244,740	
Total sales	3,377,450	
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	362,260	
Short sales	54,910	
‡Other sales	280,700	
Total sales	335,610	10.33
2. Other transactions initiated on the floor—		
Total purchases	101,590	
Short sales	12,250	
‡Other sales	116,750	
Total sales	129,000	3.41
3. Other transactions initiated off the floor—		
Total purchases	111,125	
Short sales	16,110	
‡Other sales	135,296	
Total sales	151,406	3.89
4. Total—		
Total purchases	574,975	
Short sales	83,270	
‡Other sales	532,746	
Total sales	616,016	17.63

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

WEEK ENDED APRIL 5, 1947

	Total for Week	†%
A. Total Round-Lot Sales:		
Short sales	12,105	
‡Other sales	798,355	
Total sales	810,460	
B. Round-Lot Transactions for Account of Members:		
1. Transactions of specialists in stocks in which they are registered—		
Total purchases	71,515	
Short sales	4,155	
‡Other sales	74,050	
Total sales	78,205	9.24
2. Other transactions initiated on the floor—		
Total purchases	11,400	
Short sales	1,200	
‡Other sales	9,800	
Total sales	11,000	1.38
3. Other transactions initiated off the floor—		
Total purchases	70,800	
Short sales	5,925	
‡Other sales	23,945	
Total sales	29,870	6.21
4. Total—		
Total purchases	153,715	
Short sales	11,280	
‡Other sales	107,795	
Total sales	119,075	16.83
C. Odd-Lot transactions for Account of Specialists—		
Customers' short sales	0	
§Customers' other sales	46,587	
Total purchases	46,587	
Total sales	38,954	

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

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

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

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

Non-Ferrous Metals—Bill Suspending Copper Tariff Signed—Lead Active—Silver Declines

"E. & M. J. Metal and Mineral Markets," in its issue of April 24, stated: "Pending receipt of word from Washington that President Truman has signed the legislation that would suspend the 4c. import duty on copper for two years, the domestic market quieted down considerably, with few copper producers taking on new business. [This legislation was signed on April 29—Ed.] Roger W. Straus, who was elected Chairman of the Board of the American Smelting & Refining Company, succeeding Francis H. Brownell, who asked that he be relieved because of age, expressed the opinion to stockholders that metal prices have reached their peak and that the next movement will be downward. This statement attracted wide interest, and is expected to make consumers more cautious. During the last week silver declined three-eighths of a cent."

The publication further went on to say in part as follows:

Copper

Trading in domestic copper almost ceased after it became known that the copper tariff issue has been settled. As soon as the measure becomes law, it was felt that some price action to bring the domestic and the foreign quotations more in line would take place. Opinion on what is likely to occur was decidedly mixed as the week ended. Many in the trade view the top prices paid in the foreign market as too high under present conditions. The domestic quotation held at 21½¢, Valley, throughout the week, with most of the foreign transactions closed at 23.75¢, f.a.s. equivalent.

Fabricators consumed 117,981 tons of copper in March, which compares with 118,663 tons (revised) in February. Stocks of refined copper in the hands of fabricators at the end of March amounted to 396,580 tons, against 392,376 tons a month previous.

The House, on April 22, passed and sent to the President the legislation suspending the 4¢ tariff on copper until March 31, 1949. The Senate's amendment exempting copper sulphate from tariff action was accepted by the House without debate. [President Truman signed this legislation on April 29.—Ed.]

Lead

Demand for lead was active throughout the week, sales for the period amounting to 16,203 tons. Unless general business activity should fall away, producers look for a ready market for some time to come for all of the lead available from foreign and domestic sources. Quotations were firmly maintained at 15¢, New York, and 14.80¢, St. Louis.

The industry is counting on obtaining at least 8,000 tons of lead for next month from the government's holdings. The reserves in the hands of OMR are shrinking and the program of supplying lead from the stockpile is expected to come to an end in a month or two.

Zinc

The zinc industry is awaiting word from Washington on how allocations from the government's holdings will be handled for next month and thereafter. The Department of Commerce is expected to take over this task. However, delay in announcing the plan may retard the movement of zinc next month from OMR stocks. The price situation here was unchanged last week, with demand for Prime Western and Special High Grade continuing at a high level. The export quotation for Prime Western continued at around 10⅝c, Gulf ports

Consumption of slab zinc in January and December, by industry groups, according to the Bureau of Mines, in tons:

	Jan., 1947	Dec., 1946
Galvanizers	31,340	27,151
Zinc-base alloys	23,207	20,110
Brass mills	15,401	13,904
Ingot makers, etc.	911	745
Rolling mills	8,450	8,299
Oxide plants, etc.	2,460	2,277
Totals	31,769	72,430

Tin

Consumers of tin were relieved on learning that the smelter at Texas City suffered slight damage from the explosion that virtually wrecked that city on April 16. The smelter is situated about 10 miles out from the zone of destruction. Rail service was interrupted and the operating schedule curtailed for several days.

At the conclusion of the meeting of the Tin Study Group, at Brussels, it was announced that estimates on production have been revised downward, owing to lack of equipment, fuel, and labor shortages in the Far East. Mine output of tin for the world for 1947 is estimated at 117,000 long tons, against 141,000 tons announced previously.

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

	Apirl	May	June
April 17	80.000	80.000	80.000
April 18	80.000	80.000	80.000
April 19	80.000	80.000	80.000
April 21	80.000	80.000	80.000
April 22	80.000	80.000	80.000
April 23	80.000	80.000	80.000

Chinese, or 99% tin, 79.125c.

Antimony

Increased domestic production, careful distribution of the remaining reserves in the hands of the government, and maximum recovery from scrap, are suggested ways of reducing an anticipated deficit in the 1947 antimony supply, Washington officials hold. The National Resources Commission estimated China's 1947 output of antimony at 5,000 tons, which compares with prewar output of 14,000 tons a year.

The British Ministry of Supply has raised the price of 99% antimony to £180 per long ton, delivered to consumers in the United Kingdom. The new price is £30 higher than the previous quotation and more or less conforms with the world price.

Quicksilver

Sellers experienced a quiet week in quicksilver and report that the price situation remains about unchanged. Spot metal was available at $86 to $88 per flask, with nearby metal at $85 and possibly less where round lots were concerned.

Silver

The New York Official quotation for silver declined three-eighths of a cent on April 18, establishing the market at 75⅝c an ounce. Offerings and demand were about in balance throughout most of the week.

Refineries operating in the United States produced 7,596,000 oz. of silver in February, of which 3,713,000 oz. was recovered from domestic sources and 3,883,000 oz. from foreign material.

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

	Electrolytic Copper Dom. Refy.	Electrolytic Copper Exp. Refy.	Straits Tin, New York	Lead New York	Lead St. Louis	Zinc St. Louis
April 17	21.225	23.675	80.000	15.000	14.800	10.500
April 18	21.225	23.675	80.000	15.000	14.800	10.500
April 19	21.225	23.675	80.000	15.000	14.800	10.500
April 21	21.225	23.675	80.000	15.000	14.800	10.500
April 22	21.225	23.575	80.000	15.000	14.800	10.500
April 23	21.225	23.575	80.000	15.000	14.800	10.500
Average	21.225	23.642	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 23.521c.; Straits tin, 80.000c.; New York lead, 15.000c.; St. Louis lead, 14.800c.; St. Louis zinc, 10.500c.; and silver, 75.925c.

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

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

NYSE Odd-Lot Trading

The Securities and Exchange Commission made public on April 23 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 12, 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 12, 1947

	Total For Week
Odd-Lot Sales by Dealers— (Customers' purchases)	
Number of orders	25,338
Number of shares	722,126
Dollar value	$28,021,223
Odd-Lot Purchases by Dealers— (Customers' sales)	
Number of Orders:	
Customers' short sales	500
*Customers' other sales	20,793
Customers' total sales	21,293
Number of Shares:	
Customers' short sales	18,637
*Customers' other sales	578,245
Customers' total sales	596,882
Dollar value	$22,096,014
Round-Lot Sales by Dealers—	
Number of Shares:	
Short sales	0
†Other sales	168,970
Total sales	168,970
Round-Lot Purchases by Dealers—	
Number of shares	268,390

*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."

New Members Elected to CED Board of Trustees

Election of four new members to the Board of Trustees of the Committee for Economic Development was announced on April 18, by Paul G. Hoffman, President of the Studebaker Corp. and CED Chairman, following a regular meeting of the Board at the Waldorf-Astoria Hotel. Mr. Hoffman also stated that the CED Research and Policy Committee would release a policy statement in June at Washington, D. C., on the special problems of small business. Newly elected members of the CED Board of Trustees are: Henry P. Bristol, New York, President, Bristol-Meyers Co.; S. Sloan Colt, New York, President, Bankers Trust Co., New York; John M. Hancock, New York partner, Lehman Brothers, and former member, United States Delegation to the United Nations Atomic Energy Commission; Francis T. Spaulding, Albany, N. Y., Commissioner of Education of the State of New York, and former dean, Graduate School of Education, Harvard University.

Rubber Margin on Commodity Exchange

Required original margin on trading in crude rubber futures which will resume on Commodity Exchange, Inc., today, May 1, after five years' suspension due to the war, has been set at $900 per contract, the Exchange's Board of Governors announced on April 25. The announcement said:

"The minimum margin required on 'hedge' purchases or sales is $600 per contract and for 'straddles' $200 per contract. The Exchange's crude rubber futures contract, as revised for the resumption of trading, will represent 10 long tons, or 22,400 pounds.

"Last recorded futures transaction on Commodity Exchange prior to shut-down of trading when the government assumed control of the commodity, was Dec. 13, 1941, six days after Pearl Harbor, when March delivery sold at 22.50 cents per pound."

Revenue Freight Car Loadings During Week Ended April 19, 1947, Increased 107,680 Cars

Loading of revenue freight for the week ended April 19, 1947, totaled 865,846 cars, the Association of American Railroads announced on April 24. This was an increase of 215,003 cars or 33% above the corresponding week in 1946, and an increase of 1,146 cars or 0.1% above the same week in 1945.

Loading of revenue freight for the week of April 19 increased 107,680 cars of 14.2% above the preceding week.

Miscellaneous freight loading totaled 383,442 cars, an increase of 6,017 cars above the preceding week, and an increase of 7,727 cars above the corresponding week in 1946.

Loading of merchandise less than carload freight totaled 126,456 cars, an increase of 722 cars above the preceding week, but a decrease of 1,511 cars below the corresponding week in 1946.

Coal loading amounted to 185,733 cars, an increase of 73,582 cars above the preceding week, and an increase of 156,024 cars above the corresponding week in 1946, which included coal mine strike.

Grain and grain products loading totaled 48,436 cars, an increase of 2,704 cars above the preceding week, and an increase of 14,040 cars above the corresponding week in 1946. In the Western Districts alone, grain and grain products loading for the week of April 19 totaled 33,584 cars, an increase of 2,150 cars above the preceding week, and an increase of 12,006 cars above the corresponding week in 1946.

Livestock loading amounted to 14,039 cars, an increase of 2,114 cars above the preceding week, but a decrease of 4,579 cars below the corresponding week in 1946. In the Western Districts alone loading of livestock for the week of April 19 totaled 11,060 cars, an increase of 2,011 cars above the preceding week, but a decrease of 4,013 cars below the corresponding week in 1946.

Forest products loading totaled 43,100 cars, a decrease of 2,078 cars below the preceding week, and a decrease of 1,986 cars below the corresponding week in 1946.

Ore loading amounted to 50,503 cars, an increase of 23,305 cars above the preceding week, and an increase of 38,234 cars above the corresponding week in 1946.

Coke loading amounted to 14,137 cars, an increase of 1,314 cars above the preceding week. and an increase of 7,054 cars above the corresponding week in 1946.

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

	1947	1946	1945
Four Weeks of January	3,168,397	2,883,863	3,003,655
Four Weeks of February	3,179,198	2,866,876	3,052,487
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
Week of April 19	865,846	650,843	864,700
Total	12,857,186	11,676,764	12,555,615

The following table is a summary of the freight carloadings for the separate railroads and systems for the week ended April 19, 1947. During this period 77 roads reported gains over the week ended April 20, 1946.

REVENUE FREIGHT LOADED AND RECEIVED FROM CONNECTIONS (NUMBER OF CARS) WEEK ENDED APRIL 19

Railroads	Total Revenues Freight Loaded 1947	1946	1945	Total Loads Received from Connections 1947	1946
Eastern District—					
Ann Arbor	295	347	252	1,597	1,415
Bangor & Aroostook	3,321	2,594	2,203	407	429
Boston & Maine	6,956	7,196	7,252	13,513	12,537
Chicago, Indianapolis & Louisville	1,500	1,077	1,129	2,271	1,713
Central Indiana	19	28	28	26	34
Central Vermont	978	1,187	1,177	2,283	2,025
Delaware & Hudson	5,682	5,054	5,055	11,084	9,314
Delaware, Lackawanna & Western	7,956	8,095	7,823	9,509	8,094
Detroit & Mackinac	413	401	232	307	211
Detroit, Toledo & Ironton	2,812	2,308	1,700	1,355	1,012
Detroit & Toledo Shore Line	347	360	447	2,566	1,692
Erie	13,102	12,311	13,573	15,281	11,916
Grand Trunk Western	4,598	4,389	4,245	7,187	6,255
Lehigh & Hudson River	213	230	156	2,400	2,062
Lehigh & New England	1,974	2,355	2,006	1,491	902
Lehigh Valley	8,288	7,675	8,487	8,224	7,088
Maine Central	2,964	2,518	2,442	4,710	3,928
Monongahela	9,000	167	5,867	253	254
Montour	2,763	23	2,608	24	24
New York Central Lines	52,354	43,521	52,017	49,415	34,702
N. Y., N. H. & Hartford	10,146	10,226	11,052	15,219	14,695
New York Ontario & Western	920	1,016	981	2,536	2,373
New York, Chicago & St. Louis	6,873	6,292	6,605	13,523	11,532
N. Y., Susquehanna & Western	457	464	391	1,358	1,424
Pittsburgh & Lake Erie	6,426	7,174	8,389	9,959	2,788
Pere Marquette	7,046	6,099	5,355	6,843	5,749
Pittsburg & Shawmut	1,237	116	819	22	18
Pittsburg, Shawmut & Northern	¶	125	248	¶	132
Pittsburgh & West Virginia	844	207	1,062	2,381	1,829
Rutland	388	451	375	1,226	1,119
Wabash	6,480	6,229	6,837	11,195	10,038
Wheeling & Lake Erie	5,885	2,784	6,283	4,261	2,992
Total	172,147	143,019	167,226	202,426	160,296
Allegheny District—					
Akron, Canton & Youngstown	699	661	781	1,228	1,056
Baltimore & Ohio	46,952	25,764	46,227	22,500	21,114
Bessemer & Lake Erie	3,336	758	6,174	1,694	716
Cambria & Indiana	1,432	7	1,672	13	10
Central RR. of New Jersey	7,055	6,544	6,775	17,706	13,352
Cornwall	488	434	489	63	34
Cumberland & Pennsylvania	297	22	166	9	9
Ligonier Valley	132	0	96	10	9
Long Island	1,323	1,602	1,882	4,267	5,298
Penn-Reading Seashore Lines	1,766	1,826	2,001	1,815	2,120
Pennsylvania System	86,583	60,382	90,031	58,529	43,641
Reading Co.	15,779	14,237	16,069	25,212	17,471
Union (Pittsburgh)	19,297	9,958	16,701	5,299	1,373
Western Maryland	4,552	2,170	3,975	11,613	7,511
Total	189,691	124,365	193,039	149,958	113,714
Pocahontas District—					
Chesapeake & Ohio	34,064	8,420	28,624	13,050	8,645
Norfolk & Western	21,849	6,743	21,238	6,690	5,447
Virginian	4,918	614	4,377	1,785	1,306
Total	60,831	15,777	54,239	21,525	15,398

Railroads	Total Revenues Freight Loaded 1947	1946	1945	Total Loads Received from Connections 1947	1946
Southern District—					
Alabama, Tennessee & Northern	409	438	441	220	198
Atl. & W. P.—W. RR. of Ala.	935	935	825	1,923	1,852
Atlantic Coast Line	13,860	16,228	14,956	9,116	10,326
Central of Georgia	3,850	4,479	3,939	4,038	4,462
Charleston & Western Carolina	426	515	496	1,604	1,306
Clinchfield	1,950	715	1,775	3,423	2,182
Columbus & Greenville	267	413	242	250	281
Durham & Southern	105	116	130	638	343
Florida East Coast	2,638	4,423	2,538	1,455	1,649
Gainesville Midland	93	91	58	80	125
Georgia	1,083	1,399	1,248	1,798	2,016
Georgia & Florida	323	481	438	763	763
Gulf Mobile & Ohio	4,327	4,061	4,940	3,752	3,263
Illinois Central System	26,237	21,141	29,784	14,256	13,045
Louisville & Nashville	28,261	14,611	25,509	9,645	10,336
Macon, Dublin & Savannah	203	260	225	950	1,175
Mississippi Central	310	391	402	320	376
Nashville, Chattanooga & St. L.	3,627	3,274	3,733	4,044	3,906
Norfolk Southern	1,089	1,257	1,103	1,499	1,333
Piedmont Northern	397	402	410	1,440	1,124
Richmond, Fred. & Potomac	468	519	531	8,256	10,655
Seaboard Air Line	11,757	13,381	11,783	7,720	8,175
Southern System	26,692	24,521	25,708	22,576	20,867
Tennessee Central	819	541	761	910	530
Winston-Salem Southbound	133	127	154	854	880
Total	130,259	114,719	132,129	101,530	101,168
Northwestern District					
Chicago & North Western	18,664	16,265	19,037	12,734	12,201
Chicago Great Western	2,510	2,292	2,978	3,238	3,068
Chicago, Milw., St. P. & Pac.	22,329	19,236	20,167	9,803	8,709
Chicago, St. Paul, Minn. & Omaha	3,424	3,255	3,463	4,059	4,085
Duluth, Missabe & Iron Range	18,565	3,621	19,201	350	209
Duluth, South Shore & Atlantic	471	641	800	665	494
Elgin, Joliet & Eastern	8,658	6,722	9,225	10,705	6,723
Ft. Dodge, Des Moines & South	589	503	434	167	107
Great Northern	19,987	9,469	18,702	6,389	4,596
Green Bay & Western	435	424	412	858	996
Lake Superior & Ishpeming	1,562	216	2,403	49	63
Minneapolis & St. Louis	2,175	1,589	2,073	2,688	2,471
Minn., St. Paul & S. S. M.	7,035	4,601	6,532	3,691	3,445
Northern Pacific	11,658	8,299	9,686	5,078	4,485
Spokane International	139	136	235	530	399
Spokane, Portland & Seattle	2,669	2,148	2,497	2,785	2,206
Total	120,870	79,417	117,845	63,789	54,257
Central Western District—					
Atch. Top. & Santa Fe System	24,082	22,987	24,238	11,490	10,756
Alton	3,199	2,793	3,950	3,048	2,800
Bingham & Garfield	522	41	426	82	3
Chicago, Burlington & Quincy	20,676	15,893	19,439	11,046	9,514
Chicago & Illinois Midland	3,250	209	3,223	747	762
Chicago, Rock Island & Pacific	13,161	11,951	12,551	12,506	12,090
Chicago & Eastern Illinois	2,808	2,099	2,908	3,514	3,071
Colorado & Southern	567	640	789	1,709	1,620
Denver & Rio Grande Western	3,413	1,420	3,723	4,844	3,844
Denver & Salt Lake	*	*	*	*	*
Fort Worth & Denver City	962	1,045	905	1,497	1,544
Illinois Terminal	2,084	1,950	2,472	1,692	1,351
Missouri-Illinois	1,289	1,541	926	539	513
Nevada Northern	1,555	1,501	1,372	131	61
North Western Pacific	993	564	743	597	539
Peoria & Pekin Union	10	7	19	0	0
Southern Pacific (Pacific)	30,610	31,550	31,090	10,139	9,799
Toledo, Peoria & Western	84	0	301	186	0
Union Pacific System	16,545	12,442	15,978	13,729	11,616
Utah	775	0	543	2	1
Western Pacific	1,517	2,011	1,875	3,469	2,624
Total	128,102	110,644	127,471	80,967	72,508
Southwestern District—					
Burlington-Rock Island	279	308	414	890	341
Gulf Coast Lines	6,225	6,803	7,064	2,612	2,437
International-Great Northern	2,315	2,682	3,131	4,557	5,380
†K. O. & G.-M. V.-O. C.-A.-A.	1,072	1,267	860	2,347	1,493
Kansas City Southern	3,032	2,959	5,297	3,500	3,007
Louisiana & Arkansas	2,528	2,386	3,668	2,038	2,456
Litchfield & Madison	458	405	300	1,503	1,024
Missouri & Arkansas	§	210	89	§	364
Missouri-Kansas-Texas Lines	5,206	5,343	6,301	4,333	4,450
Missouri Pacific	16,871	14,391	16,329	15,832	15,912
Quanah Acme & Pacific	97	129	84	283	207
St. Louis-San Francisco	9,060	8,076	8,503	7,734	7,140
St. Louis-Southwestern	2,564	2,783	3,712	5,208	5,007
Texas & New Orleans	9,832	9,832	11,287	6,354	5,702
Texas & Pacific	4,344	5,185	5,607	6,899	7,355
Wichita Falls & Southern	42	93	68	51	47
Weatherford M. W. & N. W.	21	50	34	6	18
Total	63,946	62,902	72,751	64,141	62,340

*Included in Denver & Rio Grande Western RR.
†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
Apr. 19	170,806	177,478	560,739	102	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.

Income Payments to Individuals in Feb.

Income payments to individuals in February were substantially unchanged from January's peak level, the Department of Commerce said on April 10. The Department's index of income payments, which makes allowance for seasonal influences, declined fractionally to 262.9 in February from 263.6 in January (1935-39=100), the advices said. This, the Department stated, was the result of a drop in farm income. Non-agricultural income payments, which comprise almost 90% of all income payments, showed a modest increase as wages and salary payments rose slightly, according to the Department, which further reported:

"Income payments to individuals include wages and salaries, the net income of proprietors (both farm and non-farm), dividends and interest, net rents received by landlords, and other types of individual incomes. The decline in farm income during February resulted from a greater-than-seasonal fall in farm marketings and occurred despite generally higher prices for farm products. Factory payrolls, the dominant element in the rise of total wage and salary payments during the preceding 12 months, remained at the January level, almost 15% above the 1946 average.

"Income payments in both January and February were equivalent to an annual rate of about \$177 billions, 7% above the full-year record total of \$165 billions in 1946.

Cotton Spinning for March

The Bureau of the Census announced on April 21, that according to preliminary figure 23,807,720 cotton system spindles were in place in the United States on March 31, 1947, of which 21,953,050 were consuming cotton the last working day of the month, compared with 21,954,340 in February, 1947, and 21,413,108 in March, 1946. The aggregate number of active cotton spindle hours reported for the month was 10,029,510,440, an average of 421 per spindle in place, compared with 9,590,439,779, an average of 402 per spindle in place for February, 1947, and 9,132,654,958, an averaged of 383 per spindle in place for March 1946. Based on an activity of 80 hours per week, cotton consuming spindles in the United States were operated during March at 125.4% capacity. The per cent on the same activity basis was 125.6 for February, 1947, and 114.1 for March, 1946.

Weekly Lumber Shipments 6.3% in Excess of Output

According to the National Lumber Manufacturers Association, lumber shipments of 422 mills reporting to the National Lumber Trade Barometer were 6.3% above production for the week ending April 19 1947. In the same week new orders of these mills were 10.6% below production. Unfilled order files of the reporting mills amounted to 77% of stocks. For reporting softwood mills, unfilled orders are equivalent to 27 days' production at the current rate, and gross stocks are equivalent to 33 days' production.

For the year-to-date, shipments of reporting identical mills were 10.0% above production; orders were 14.9% above production.

Compared to the average corresponding week of 1935-39, production of reporting mills was 12.0% above; shipments were 15.2% above; orders were 2.5% below. Compared to the corresponding week in 1946, production of reporting mills was 3.4% above; shipments were 6.7% above; and new orders were 12.1% below.

Items About Banks, Trust Companies

Kolbjorn S. Brekke, loan and securities clerk at the Chase National Bank's 73d Street branch in New York, won first award in the bank's annual Cannon Price examination on general banking subjects, it was announced at the 37th annual meeting of the Chase Bank Club, a social organization of Chase National Bank employees, held on April 25 at the Hotel Astor. Nine other winners in the order of their awards were: H. F. Tooke, John B. Dunlap, Winfield F. Hanrahan, Frank C. Schell, Jr., Robert J. Pollock, Morris Miller, Adam C. Heck, Walter F. Harrje and Charles H. Warfield, Jr. John B. Dunlap and Frank C. Schell, Jr., also won special prizes for veterans of World War II who had the highest grades. This contest, revived after a lapse of four years because of the war, had been held each year since 1925, awards being made from a trust fund established by the late Henry W. Cannon, former Chase President. New officers of the Chase Bank Club elected for the 1947-48 term were announced as follows: President, Albert J. Angell; Vice-President, Charles W. Rellinger; Second Vice-President, William J. Gray; Treasurer, John J. Skehan, and Secretary, Margaret Weiss.

The National City Bank of New York announces that it will soon offer complete banking services in the Philippines' second port—Cebu. The bank points out that the Manila branch has been operating in the Philippines since 1902, and now, in order to facilitate American-Philippine business, Cebu branch is being opened. The bank also says:

The growing importance of the port of Cebu is attracting more and more business activity. Staffs of the Cebu and Manila branches will continue to utilize their 45 years of experience in the Islands to stimulate the revival of foreign trade.

An authorization certificate for the China Safe Deposit Co. at 198 Worth Street, New York, was issued by the New York State Banking Department on April 9. The capital is $100,000 and surplus $20,000.

The Fulton Savings Bank of Kings County, Brooklyn, has just celebrated its 80th anniversary, according to an announcement by Paul W. Connelly, President. The bank's main office is at 375 Fulton Street, the same site the bank occupied when it opened in 1867. A branch office at Flatbush and Caton Avenues was opened in 1931. During its 80 years of service the bank has paid to depositors more than $31,000,000 in interest dividends. Present resources exceed $66,000,000.

The North Shore Bank Trust Company of Oyster Bay, New York, received approval on April 22 from the New York State Banking Department to increase its capital stock from $100,300, consisting of 18,650 shares of preferred stock of the par value of $2 each and 7,875 shares of common stock of the par value of $8 each, to $125,000, consisting of 15,625 shares of common stock of the par value of $8 each.

The New York State Banking Department on April 16 approved a certificate of increase of the capital stock of the Bank of Waterford, of Waterford, N. Y., from $110,250, consisting of 7,960 shares of preferred stock "A" of the par value of $6.25 each, 4,000 shares of preferred stock "B" of the par value of $8.87½ each and 4,000 shares of common stock of the par value of $6.25 each, to $135,000, consisting of 600 shares of preferred stock of the par value of $100 each and 12,000 shares of common stock of the par value of $6.25 each.

The First National Bank of Nutley, N. J., increased its capital, effective April 11, from $50,000 to $100,000 by the sale of $50,000 of new stock, it is announced by the Office of the Comptroller of the Currency.

George F. Taylor, former Special Deputy Secretary of Banking in Pennsylvania, has been elected to the board of directors of the Commonwealth Trust Company of Pittsburgh, Pa. Mr. Taylor has been President and Director of the Chartiers Bank, McKees Rocks, Pa., since 1944, prior to which he was President and Director of the St. Clair Deposit Bank of Pittsburgh. He is also a partner in the law firm of Alter, Wright and Barron, of Pittsburgh, and Special Counsel for the Pennsylvania Bankers Association's sub-committee which is drafting legislation on accounts receivable financing.

An increase in the capital of the Mercantile National Bank of Miami Beach, Fla., from $100,000 to $1,000,000 by a stock dividend of $900,000 became effective on April 14, according to a bulletin from the Office of the Comptroller of the Currency.

The American State Bank, of Milwaukee, which plans to move to new downtown quarters announced on April 19, an almost wholly revised set of officers following a board of directors meeting, it is learned from the Milwaukee "Journal," of April 20, from which we also quote the following:

Advanced to the Presidency of the institution was E. A. Reddeman, who joined the staff in 1935 as a Vice-President. William George Bruce, who helped organize the bank in 1931, and has been its President since 1934, was placed in the newly created post of Chairman of the board and H. W. Zummach, who has been a Vice-President, was named to the new office of Board Vice-Chairman.

A. W. Bickler, Cashier of the bank since its organization, was advanced to Vice-President, and George J. Graebner was re-elected a Vice-President. John Butcher, Assistant Cashier, was promoted to Cashier and William E. Wierdsma and Lewis J. Prentice were made Assistant Cashiers. Mr. Wierdsma was associated with the First Wisconsin National Bank for 23 years, most recently as Assistant Manager of the credit department. W. P. Schwessinger, at one time with the old Second Ward Savings Bank and for the last four years with the Federal Reserve Bank of Chicago, was appointed Auditor. Mr. Reddeman became the Third Vice-President in the 16-year-old history of the bank. He is a past President of the Wisconsin Bankers' Association.

"Organized with capital stock of $200,000 and surplus of $50,000, American State now has capital stock of $500,000 and surplus and undivided profits of $496,504, according to the 1947 Wisconsin Bank Directory."

Sir George B. Morton, OBE, MC, has joined the board of directors of the National Bank of India Limited, it was announced on April 15.

From Washington Ahead of the News

(Continued from first page)

appropriations bill providing for the OIC has not yet been reported out of committee. The intellectuals, however, have passed out the word that the OIC appropriation has already been knocked out in committee on a point of order, there being no legislative authority for it, and they have planted protesting editorials with sympathetic editors.

But I should hate to be in the shoes of Congressmen Stefan, of Nebraska, Chairman of the appropriations sub-committee, and Walt Horan of Washington, next to him on the committee, the two of whom are responsible for OIC's fate, when the bill is reported. It will be charged that they are provincial minded Westerners with no realization that we are now living in One World. We are scattering billions to the four corners of the globe, it will be argued, yet these men are so penny pinching as not to be willing to spend $31 million a year to have the peoples of other lands understand us. When there is such a great need for understanding among all peoples with a view to preventing World War III, which will be waged with atomic bombs and germs, why these narrow minded fellows come along and remove the support for the worthy efforts of OIC. It is just another example of why we should abolish Congress and have the government run by efficiency experts.

The facts happen to be that Messrs. Stefan and Horan are two of the ablest members of Congress and they have served on the Appropriations Committee for many years. They are quite well informed about government and affairs, and they have traveled pretty much all over the world.

But in their long consideration of OIC's usefulness, here is what they found. Americans are traveling all over the world. American business men are operating all over the world. American missionaries have long carried the torch of civilization in the remote areas. American goods are sold all over the world. American movies are shown and American music is played all over the world. Americans support some 400 institutions of learning all over the world. In addition, we are now giving away or "lending" billions all over the world. In the light of all this, the puny efforts of an OIC or any government-inspired propaganda program constitute not a drop in the bucket. When it comes to spreading our culture, the business men, the missionaries, the travelers, the dollars, our Fords, Chevrolets, movies, washing machines are doing it. But Americans abroad are notoriously arrogant and the movies depict us as a nation of gangsters and Indians, it is argued. If this is the case, there is nothing a government inspired propaganda can do to offset it. The program is overwhelmed from the start.

The amazing thing, though, is that the OIC has done nothing to try to offset this picture. Instead, in an effort apparently to be scrupulously fair, to keep propaganda out of its program, it has complemented the picture which we are frequently told the world has for us. For example, in their radio program, they carry stuff from the representative newspapers—the "Herald-Trib.," "PM," the Chicago "Sun," the labor press. The perennial controversy, the labor-management strife, the dire predictions of the next depression, as they are dealt with in the respective papers, are broadcast impartially to other lands. The hyperbole of our headlines, such as "Nation Paralyzed by Telephone Strike," is served as a daily fare. Our Senatorial debates, the attacks upon Truman's foreign policy, charges of imperialism is dished up in a manner of saying "We are ashamed of nothing."

Coincident with Henry Wallace's arrival in Europe on his crusade against Truman's foreign policy, there was broadcast a review of the latest book on him which depicted him as a man well worth listening to.

The point is not that the program should have been used to abuse Henry, not that there should be a censorship on exported news, or that it should be colored, but why should the taxpayers support such stuff? Certainly an uninformed foreigner reading our daily press, must think we are nuts. But nobody wants to deny him this reading. Why should the taxpayers pay to get it to him?

Where is the promotion value, for example, of the OIC's circulating a book by a Left winger, Shirley Graham, on the life of Paul Robeson, an avowed Commy. "Paul Robeson, Citizen of the World," it is called. Let anybody read the book that wants to. Why should you and I pay for it for them to read? Or Eugene O'Neill's, "The Ice Man Cometh"? The contention of the intellectuals is that this shows the intellectuals of other countries what we are doing in the way of literature. Why not let the intellectuals of the other countries buy the books? Anyway, you get the impression that all of those intellectuals are over here.

Looking Five Years Ahead

By ROGER W. BABSON

Mr. Babson sees at least two years more of fair business, and possibly five years, but sooner or later commodity, real estate and stock prices will be lower than at present. Speaks of Communist uprising and urges migration to interior cities. Says safest investments should include land, chemical, mining and food companies

I hope I am wrong; but the following is a brief summary of my vision for the next five or more years whatever Russia may do. This, moreover, is based upon 40 years of forecasting experience and the expenditure of millions of dollars on business research.

Roger W. Babson

(1) I am reasonably sure of at least two more years of fair business. If the U. S. adopts the right international policy, this can be extended to five years or more. Certainly, the agricultural sections out here are happy and see no reason for any business depression.

(2) My manufacturing friends are very much upset by labor's demands and believe that "sooner or later" we will witness a Great Depression with millions of unemployed. Commodity, real estate and stock prices will be very much lower than at present, they claim.

(3) When visiting Washington, I find a belief that unless Russia collapses in the meantime there will then be a communistic uprising in the U. S. If our Federal Government is not then taken over by the Communists, through democratic procedure, certain state and city governments certainly will be. Yes, Washington is very jittery, and President Truman is scared blue.

(4) If these Congressmen are right, a panic of tremendous proportions could take place with people leaving the big cities and seeking refuge in the self-sustaining sections of the Central West. I refer to areas with their own food, fuel and housing supplies and which are not dependent on railroad transportation.

(5) If that time comes, or when the danger is fully evident, it will be too late to prepare for it. You cannot take out fire insurance on your house when it is burning! Yet, today there are several ways to prepare yourself and family both against communistic uprisings from within and Russian bombs from without.

Both of these factors would dangerously affect industry in and around many large cities. The first "hedge" would be to migrate with your families to some small interior city in the Central Area of the United States. If you don't care to take so definite a step now you can at least now make a start by re-arranging your investments. In the light of this situation there are three classifications of investments to be considered. These are **Safest Investments, Bomb Targets** and **Semi-Protected Investments.**

Safest Investments should include those companies whose assets or sources of materials are decentralized, or underground or indestructible. Among these are certain **Land, Chemical** and **Mining** companies most of whose assets are well scattered, well buried or obtained from the sea. Also, companies processing or packing food products whose assets are in or near **Agricultural Areas.** Some **Lumber** and **Sea Food** companies should be included in this group.

Bomb Targets should include most heavy industries such as **Steels, Locomotives, Automobiles** and **Machinery.** Other companies whose principal income is derived from **Food Distribution** in large cities would be vulnerable. **Utilities,** including transportation, gas and electricity, **Electrical Equipment Manufacturers,** large **Department Stores, Drug Companies** and **Restaurant Chains** would all be open to attack.

Semi-Protected Investments are those based upon somewhat scattered assets with at least the greater portion in "safe" areas. I have in mind such industries as the **Container Companies,** certain **Meat Packing Companies, Oil Companies, Chain Store Systems, Communication Companies,** and finally **Publishing Companies** whose good will and reputation are in the same category as trademarks and cannot be "bombed" out.

Conclusion

When I am in New York City with my banking friends, I am inclined to be bullish. When in manufacturing centers with those plagued by severe labor troubles, I become bearish. When, however, I am out here at the very center of the U. S., viewing our great virgin areas of grain, forests, minerals and happy people, I am neither bearish nor bullish. I, however, do advise my readers now to get and keep out of debt. Hope for the best, but prepare for the worst.