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## World Economics—Key To Business Stability

By HON. FRED L. CRAWFORD\*  
U. S. Congressman from Michigan

Congressman Crawford maintains we can hardly hope for business stability without resolving issues between Capitalism and Communism. Advocates dealing with Russia on a "get tough" basis, and says procrastination will mean spread of Communism. Attacks buying off communist aggression with American credits, and advocates more stringent money controls. Says world's troubles are caused by economic ideologies and foresees failure of Bretton Woods institutions.

Business stability prospects rest on many elements in what could be called the "factual situation."

From the point of view of world economics, however, we can not very well discuss present prospects without giving prime consideration to our relations with the Soviet Union—and this, in view of the fact that the latter now exercise such a tremendous influence over the fiscal policies of our Federal Gov-



F. L. Crawford

\*An address by Congressman Crawford before the Academy of World Economics, Washington, D. C., May 2, 1947.

ernment. For instance, we have before us this week the proposals calling for \$350,000,000 in the form of relief, and the provisions of which were so wide as to allow the Federal Government to make contracts with foreign governments recognized as being dominated by Russia, said contracts to carry from the United States hundreds of millions of dollars in the form of relief.

While your meetings of today and yesterday have been wisely centered on the credit or monetary angle of stability, the Russian strategy of aloofness has forced this factor, where international relations are concerned, into the realm of ideology rather than of fact. A careful reading of the debates on the floor of the Congress will support this observation. In short, the nationalistic (Continued on page 8)

## Criticizes Proposed ITO Charter

U. S. Associates of International Chamber of Commerce, through Winthrop W. Aldrich, issues critique of proposed Charter of International Trade Organization. Wants a clear statement of long run objectives and basic functions of the organization.

Winthrop W. Aldrich, Chairman of the Chase National Bank and President of the International Chamber of Commerce, released on



W. W. Aldrich

May 2, the text of a detailed critique of the Draft Charter for the proposed International Trade Organization, prepared by the International Chamber of Commerce, which has been presented to the Preparatory Committee of the United Nations, now meeting in Geneva, Switzerland.

While emphasizing the wholehearted support of the business world to the effort to draw up a world Charter for Trade and Employment, the International Chamber suggested numerous changes and modifications in the present draft. Its critique, prepared from studies conducted by business groups in a number of countries, including studies by committees of the United States Associates, was approved by the Executive Committee of the International Chamber meeting last month in Paris.

Assertions that it is up to those countries having state monopolies over foreign trade to suggest means by which they propose to conform to the general commitments of the Charter of the proposed International Trade Organization. (Continued on page 6)

## As We See It

EDITORIAL

### Stalin, Stassen, Truman, et al. v. Free Enterprise

Consider this interchange between Generalissimo Stalin, U.S.S.R. and Republican Presidential candidate Harold Stassen, U. S. A.—

Stalin—Do you expect a crisis?



Joseph Stalin

Stassen—I do not. I believe we can regulate our capitalism and stabilize our production and employment at a high level without any serious crisis. But it is the main problem to avoid a depression in our economic system. With wise policies in government and through learning the lessons of 1929 and the 1930's, we should have a successful, regulated,



Harold E. Stassen

but not a monopolistic, capitalism with which we can avoid economic crisis.

Stalin—The Government must be vested with wide powers to accomplish that. The Government must be strong and adopt broad measures.

Stassen—Yes, and the people must understand the measures of stabilization and support the economic system. It is a new problem, as there has not been a parallel to our high American production in the economic systems of the world.

\* \* \*

Stalin—Magazine analysts and the American press carry open reports to the effect that an economic crisis will break out.

(Continued on page 4)

## A Sound Personnel Policy

By GEN. BREHON SOMERVELL\*  
President, Koppers Company, Inc.

Asserting real battle is now being waged for free enterprise, Gen. Somervell urges business provide stable economic system and show investors, customers, and employees together with vital interest in way great industrial institutions are conducted. Explains plan of Koppers Company in dealing with personnel.

As President of Koppers Company, I consider personnel to be as important, if not more important, than the major divisions of management such as production, sales, engineering and research. None of these important functions can be done well without the willing cooperation of people. There must be, on the part of employees, a high degree of esprit de corps, confidence, in their management and pride in the part they carry on in the business enterprise.



Lt. Gen. Somervell

Spirit, or morale, is that intangible something that grips and holds the hearts of men and spurs them on to feats of extraordinary achievement when working toward a common purpose. Building of morale requires

\*Address by General Somervell before the Personnel Association, Baltimore, Md., April 16, 1947.

more than mere lip service. Day-to-day dealings must reflect the applied philosophy of the business to show that employer and employees can in fact live as partners in an enterprise.

This nation is going through some trying times. It has reached the point where a very real battle is being waged as to whether we shall continue under our present system of free enterprise or whether another system will take its place. Representatives of management, gentlemen, are on trial. You and I must prove that we can conduct our businesses so as to provide a stable economic system that is satisfactory to the American people as a whole. We must recognize, and we must show, that investors, customers and employees alike have a vital interest in the way the great industrial institutions of America are conducted.

Now, just having a philosophy of business and actually putting one to work on a day-to-day basis are two very different things. You undoubtedly have heard members (Continued on page 7)

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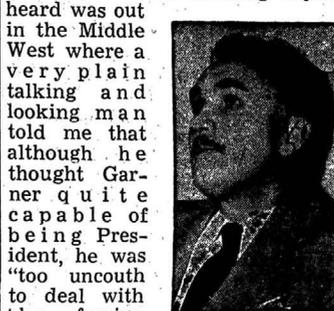
\*These items appeared in our issue of Monday, May 5, on pages indicated.

## From Washington Ahead of the News

By CARLISLE BARGERON

Jack Garner had not the slightest hope of becoming President when in 1940 he permitted some friends to launch a campaign for him. It was his conviction that the Third Term was atrocious to American traditions and he was willing to do what he could to make harder the going for Roosevelt.

But the most striking objection to Garner's candidacy which I



Carlisle Bargeron

heard was out in the Middle West where a very plain talking and looking man told me that although he thought Garner quite capable of being President, he was "too uncouth to deal with the foreign diploma ts." This was from a man who was an "isolationist," in a then "isolationist" section of the country. It reflected the innate snobbishness of the Americans. We prate about our democracy with the small as well as the capital D, it is not unusual

for an unlettered workingman to razz an Englishman for "kowtowing to the King and Queen," but, by and large, we have a secret admiration for the trappings of royalty and, notwithstanding the tremendous propaganda that has been waged to create class hatred, we still bow, figuratively, if not literally, to aristocracy.

Roosevelt's great hold over the masses was that he was an aristocrat—an aristocrat who was "doing something" for the proletariat, of course, but mainly because he was an aristocrat. You remember the campaigns in his behalf in 1940 and 1944, that it was necessary to reelect him because he could "talk to" Churchill and Stalin.

The disgusting thing is that this feeling is not confined to the uneducated. It is prevalent among (Continued on page 6)

# Man and Machinery

"Over the long run the efficiency of the individual worker is a minor element in the productivity of the labor force. The most energetic and skillful shoemaker, working long hours with the hand tools of a century ago, could not remotely approach the productivity of today's semi-skilled operative, working with the aid of automatic power-driven machinery.

"Whether we increase output per man hour during the next decade by 18% or by some other percentage—or not at all—will not be determined by 'projecting past trends.' It will be determined, as it has been in the past, by a multitude of actions and decisions on the part of individuals—inventors, industrial managers, entrepreneurs, investors, workers and consumers. It is this collective decision, conditioned by their hopes and fears, expressed in the halls of government as well as in the market place, that will determine whether we will continue to multiply the fruits of the power age.

"What has happened in reality has been not only a vast increase in the amount and variety of goods available to the population and a marked advance in labor productivity, but also a steady expansion in the number and proportion of the population in gainful occupations and a progressive shortening of the work-week."—J. Frederic Dewhurst.

But how much more could have been achieved if the labor force had always been willing to get the most out of the power-driven machinery!

## Truman Killed Moscow Parley: Wallace

Former Vice President says conference was shattered, when President announced his \$400 million anti-Soviet crusade.

In an address at Cleveland, Ohio, on May 2, before a gathering sponsored jointly by a local committee and the "New Republic,"

Henry A. Wallace renewed his attacks, made in England and France, on "the Truman Doctrine," and ascribed the failure of the Four Powers Conference at Moscow to the announced \$400 million "anti-Soviet Crusade." In his address the former Vice President and Cabinet member defended his speeches made during his recent European tour and accused "commentators and headline mongers" of making distortions of his views. He charged "a fine time was had by all in the



Henry A. Wallace

offices of editors, commentators and headline mongers. They went to work with scissors and paste and produced a fearsome looking character."

Mr. Wallace acknowledged that agreement on peace terms was urgent, and accused both Secretary of State Marshall and John Foster Dulles of having a "defeatist" attitude.

"On the urgency of the problem we all agree," Mr. Wallace said, "but I believe that Senator Vandenberg and Mr. Dulles are exploiting this emergency for the wrong ends."

Mr. Wallace concluded that "any attempt to force Europe to join an American armed camp—and that is the logical next step of the Truman doctrine—will result in catastrophe, violence and bloodshed in Europe."

## Russian Lend-Lease Talks Start

Following Russia's agreement in mid-April to United States proposals for discussion of settlement of the \$11,000,000 account for supplies and equipment furnished the Soviet Union under the lend-lease program, Ambassador Nikolai V. Novikov, who recently returned to this country, informed the State Department on April 28 of his willingness to begin the talks. Mr. Novikov, an Associated Press dispatch from Washington stated, has brought four economic assistants with him from Moscow.

The negotiations, which are expected to occupy several weeks and will be carried on for the United States by a group headed by Assistant Secretary of State Willard Thorpe, were formally opened on April 30, at Washington, with the first meeting devoted to tentative consideration of organization matters, a dispatch to the New York "Times" stated. While the talks are to be primarily directed to determining what Russia should pay the United States in final settlement of her account, considerable interest is centered in the inventory the

Soviet Government is to be asked to furnish of lend-lease goods which escaped destruction and which still exist. The information has heretofore been refused, said the advices to the "Times," which added:

Some 43% of our lend-lease aid to Russia was in goods of the civilian type. These included \$1,000,000,000 worth of machinery and equipment, 95% merchant ships, tire and aluminum rolling plants, petroleum refineries and other industrial plants. Also there were nearly 2,000 locomotives, more than 11,000 freight cars, 35,000 motorcycles and 70 transport planes.

Ambassador Novikov's deputy is A. A. Arutunian of the Soviet Foreign Office, an economics specialist who has attended the several conferences of Foreign Ministers in London, Paris and Moscow, "Times" advices stated. Henry R. Labouisse Jr., special assistant to the Director of the Office of European Affairs in the State Department, is Deputy Chairman of the American group.

## Meeting of Consumer Credit Group

A meeting of the Consumer Credit Committee of the American Marketing Association will be held on June 13 at 10 a.m. at the Commodore Hotel, New York City. The General Chairman of the meeting will be Dr. M. R. Neifeld, Vice-President of the Beneficial Management Corporation.

The subject of the meeting will be "Consumer Credit—Use and Control As A Selling Force." The following topics are also scheduled for discussion: "Consumer Durable Goods, Savings, and Consumer Credit"; "Consumer Durable Goods and Business Stability"; "Competition and Cooperation Among Consumer Credit Grantors"; "Pros and Cons of Federal Consumer Credit Controls"; "Practical Problems of Control Enforcement"; "State Regulations and Restrictions"; "Reducing Credit Costs."

The Co-Chairmen of the meeting will be: Dr. Clyde M. Phelps, Dept. of Economics, University of Southern California, and Father Bernard W. Dempsey, Regent, School of Commerce and Finance St. Louis University.

The program also lists the following:

Presentations: Dr. Reavis Cox, Prof. of Marketing, Wharton School of Commerce and Finance, University of Pennsylvania, and Dr. Theodore H. Smith, Dean, School of Business Administration, Montana State University.

Discussants: Dr. Raymond Saulnier, Associate Prof. of Economics, Barnard College, Columbia University; Dr. Albert Haring, Prof. of Marketing, School of Business, Indiana University; Dr. Park J. Ewart, Head, General Business Dept., University of Southern California; Dr. Philipp Lohman, Dept. of Commerce and Economics, University of Vermont.

Participants: A. B. Buckeridge, Executive Manager, Credit Bureau of Greater New York; D. Allyn Garber, Editor and Vice-President, Department Store Economist; Rudolph Severa, Credit Manager, R. H. Macy & Co.; William Wilson, Vice-President, Commercial Investment Trust; William Wagner, Exec. Director, American Assn. of Credit Jewelers, and Robert W. Bachelor, Secretary, American Bankers Assn. Economic Policy Commission.

## Market Transactions In Govts. in March

Market transactions during the month of March, 1947, in direct and guaranteed securities of the Government for Treasury investment and other accounts resulted in net sales of \$4,700,000, Secretary Snyder announced on April 15.

The following tabulation shows the Treasury's transactions in Government securities for the last two years:

1945—	
April	55,600,000 sold
May	34,400,000 sold
June	56,414,050 sold
July	17,000,000 sold
August	150,000 sold
September	12,526,000 sold
October	300,000 purchased
November	No sales or purchases
December	No sales or purchases
1946—	
January	\$8,137,000 sold
February	700,000 sold
March	No sales or purchases
April	3,300,000 purchased
May	385,000 purchased
June	69,800,000 sold
July	157,800,000 sold
August	41,211,700 sold
September	74,053,450 sold
October	122,954,250 sold
November	57,572,000 sold
December	20,300,000 sold
1947—	
January	121,000 purchased
February	No sales or purchases
March	4,700,000 sold

## Construction Recession Indicated in Survey

Evidence of a recession from the high volume of construction indicated earlier in the year was reported by F. W. Dodge Corporation on the basis of a survey of data compiled from project contracts awarded in the 37 states east of the Rocky Mountains.

The severity of the drop is shown in a compilation of contract volume, which was maintained at a rate of \$24 million per business day in the first three weeks of April compared to \$28 million in March and \$33 million in April of last year. The decline is general, affecting nonresidential building, residential building, and heavy engineering construction.

An analysis of the trend, prepared by Thomas S. Holden, President of the Dodge Corporation, states:

"Despite the favorable record for the first quarter as a whole, the month of March actually marked the beginning of the downward movement. This readjustment was accelerated in April.

"In view of the known demand, the only important reason to which the recession can be ascribed is the rapid rise in costs in the last six months. Early hopes that price and wage increases would be moderate after removal of controls were not realized. There was evidence of stabilization of some prices in the first quarter, but progress was too slow to stimulate a second-quarter upturn.

"It is now obvious that the stabilization of costs essential to full construction industry recovery is being affected by the refusal of buyers. Buyers have assumed control of the construction market.

"Depth and duration of the current recession will depend on the

speed with which price and cost adjustments are made. There has been a wide variation in the rises of various materials, some having been moderate, others fantastic when compared with prewar levels. Price adjustments in varying degree will have to be made by producers, wholesalers and retail dealers.

"Hourly wages in the building trades are not likely to be reduced. In fact, increases are being asked by a number of trades in scattered areas. The strongest hope for reduction of site labor costs lies in improved efficiency. Production per man-hour has been reported at 30 to 50% below normal in recent months. With stabilized material markets and normal or near normal labor efficiency, contractors again will be enabled to make competitive lump sum bids.

"While the present recession has the characteristics of a post-war price stabilization movement, it is believed by many economists for important reasons that necessary adjustments will be made this time without the extreme deflation of 1920 and 1921.

"Duration of the recession is variously estimated. If present maladjustments in construction costs can be corrected in six months, which is conceivable, the industry should come through without serious trouble. Construction demand and available investment funds are factors favoring a short, rather than a prolonged, adjustment period.

"The big second-quarter bulge in contract volume last year is not likely to be repeated this year. There is some question whether the total dollar volume of work started in the current year will exceed that of 1946 appreciably."

## Payment on Antwerp Bonds

Foreign Bondholders Protective Council, Inc., announced on May 2 that the City of Antwerp had remitted to its fiscal agent, The National City Bank of New York, \$2,641,000 for the purpose of meeting all sinking fund payments in arrears since 1940 on its 5% dollar bonds of 1958, and that notice was being published by the fiscal agent that bonds in a like principal amount will be called for redemption at par on June 1, 1947. By this remittance, said the Council the City of Antwerp has now fully restored its debt service.

In accordance with the above, the National City Bank of New York, as fiscal agent, is notifying holders of City of Antwerp external loan sinking fund 5% gold bonds, due Dec. 1, 1958, that \$2,641,000 principal amount of these bonds have been selected by lot for redemption on June 1, 1947, at 100% of the principal amount, through operation of the sinking fund. Payment on the drawn bonds will be made at the Head Office of the National City Bank of New York, 55 Wall Street, New York City, on the redemption date. The notice also states that on April 29, 1947, \$67,000 principal amount of the bonds previously called for redemption had not been presented for payment. In its advices the Foreign Bondholders Protective Council said:

"Interest and sinking fund were met in full on the City's bonds from the time of issuance in 1928 until the time of enemy occupation in 1940. After its liberation, six years later, the City remitted, about a year ago, \$3,105,700 to pay all interest arrears at the full contract rate, as also to meet the current interest payment then due. After redemption of \$2,641,000 bonds on June 1, 1947, through this sinking fund remittance, the outstanding loan will be reduced to \$6,903,000. The City of Antwerp is to be congratulated for this commendable operation in fully restoring its credit in this market."

## 1946 Dividends Paid By Life Insurance Cos.

Dividends paid to American policyholders by all life insurance companies operating in this country totalled \$502,000,000 in 1946, the Institute of Life Insurance reported on April 30. While the aggregate of dividends showed an increase of \$37,000,000 in the year, the dividend schedules are materially lower today than they were 15 years ago, according to the Institute, which also said:

"Policy dividends in 1946 were 8% greater than in 1945, the increase being due primarily to the greater amount of the life insurance owned and the increased age of continuing policies and not to increased dividend schedules. Policy dividends are actually premium refunds on participating policies. They are determined primarily by the actual experience in connection with three factors: mortality among policyholders; earnings on invested policy reserves; and expenses of operation."

The Institute also reports that during the year, \$117,300,000 or 23% of the dividends were left with the companies to earn interest until called for, bringing the total of such funds left with the companies by the nation's policyholders to \$953,000,000. This aggregate is today \$378,000,000 greater than it was at the end of 1941, an increase of 66% in the five years. It is added that "of the 1946 dividends, \$89,800,000 or 18% was taken as cash or payment on policy loans. Another \$75,000,000 or 15% was used to purchase paid up additions to policies; and the balance, in addition to the 23% left at interest, was used to pay premiums, this portion totaling \$219,900,000 or 44%."

## Industrial Activity Unchanged to April 15, Federal Reserve Board Reports

"Industrial output and factory employment were unchanged in March" according to the summary of general business and financial conditions, based upon statistics for March and the first half of April, issued on April 29, by the Board of Governors of the Federal Reserve System. According to the Board "value of retail trade continued to show little change, after allowing for holiday buying. The general level of wholesale commodity prices declined slightly in the first three weeks of April, following increases in February and the early part of March," the Board added. Its advices continued:

### Industrial Production

"The Board's seasonally adjusted index of industrial production in March was at a level of 189% of the 1935-39 average for the third consecutive month.

"Output of durable manufactures continued to show a very slight gain in March, reaching a level of 223% of the 1935-39 average. Activity in the iron and steel industries advanced in March after a slight decline in February. Steel mill operations averaged 94% of capacity in March and they have been maintained at about this rate during most of April. Activity in the machinery and transportation equipment industries also showed a slight gain in March. Output of passenger cars totaled 303,000, and of trucks, 117,000. Lumber production continued to advance and, in March, was at the highest level for this season in almost 20 years. Output of the most nonferrous metals at smelters and refineries continued to expand, following increases earlier in domestic mine production.

"The Board's seasonally adjusted index of output of nondurable manufactures again declined by one point in March to a level of 175% of the 1935-39 average. Production in most lines was at the February rate or declined very slightly. Output of textile mill and leather products in February and March remained somewhat below last year's peak rates.

"Minerals production increased slightly in March to a level of 147% of the 1935-39 average, reflecting a continued advance in output of crude petroleum, and a slight increase in coal production. Bituminous coal output dropped sharply during the first two weeks of April, as work was curtailed at mines in a dispute over safety conditions, but subsequently increased.

### Employment

"The number of employees in most lines of nonagricultural activity in March remained at about the level of other recent months, after allowance for usual seasonal changes. Total nonagricultural employment of about 42,500,000 persons was 7% higher than the level a year ago. The number of persons unemployed showed a slight seasonal decline in March to 2,330,000.

### Construction

"Total value of construction contracts awarded, as reported by the F. W. Dodge Corporation, was about one-third larger in March than in February, reflecting chiefly seasonal influences, but one-sixth smaller than in March 1946. The reduction from a year ago was in awards for private nonresidential construction, which were exceptionally large at that time. Value of residential awards increased by about one-third from February to March and was slightly larger than in the same period last year. Since a year ago building costs have increased considerably and the number of dwelling units contracted for in March was somewhat less than the March 1946 volume. Construction activity continued to decline after allowance for seasonal variation.

### Distribution

"Value of department store sales during the six weeks preceding the Easter holiday was 3% larger than during the corresponding number of weeks before Easter last year, reflecting chiefly a sharply higher level of sales of household appliances and men's clothing. Value of sales of most other goods sold at department stores was about the same as a year ago, although prices were generally higher than at that time. Retail sales of automobiles, radios, and office and farm equipment both in unit and dollar volume continued far in excess of last year's levels.

"Freight carloadings rose in March owing mainly to increased shipments of grain and miscellaneous freight. Shipments of coal dropped sharply at the beginning of April and then recovered to the March rate during the week ending April 19. Shipments of forest products declined considerably during the first three weeks of April, while loadings of most other classes of freight showed little change.

### Commodity Prices

"Wholesale prices of basic commodities generally declined from the middle of March to the latter part of April, with the largest decreases shown for hogs, fats and oils, coffee, print cloths, and steel scrap. Prices of corn, cotton, and copper, on the other hand, were at about the same level on April 24 as in the middle of March.

"The consumers' price index of the Bureau of Labor Statistics advanced 2% from Feb. 15 to March 15, reflecting chiefly increases in food prices. Since that time prices of foods have declined somewhat and price reductions have been announced for certain other products by manufacturers and distributors."

### O'Neal Favors Trade Pacts

Farmers are more than ever in need of an expanding foreign trade in the opinion of Edward A. O'Neal, American Farm Bureau President, who on April 23 told the House Ways and Means Committee, which is making a study of the reciprocal trade program, that his organization favors continuance of the administration's policies, according to Associated Press advices from Washington. Mr. O'Neal said that he is convinced that the establishment of the international trade organization, in progress at Geneva, "offers an opportunity to conduct international trade more nearly on a basis in line with our ideals of free enterprise than would be possible otherwise." He insisted that "we cannot hope to export unless we import. A sound foreign trade policy depends upon a sound import policy."

### Mitchell Ohio Bank Supt.

Paul A. Mitchell, Executive Vice-President of the Citizens Savings Bank & Trust Co. of Hamilton, Ohio, was appointed State Banking Superintendent by Gov. Thomas J. Herbert on April 24, it was stated in Columbus, Ohio advices to the Toledo "Blade" which added:

Mr. Mitchell was named to complete the unexpired term of H. Earl Cook, Bucyrus, who resigned to accept appointment as a member of the board of directors of the Federal Deposit Insurance Corp.

## House-Senate Action On Foreign Relief

A tentative vote in the House on April 29 reduced the Administration's \$350,000,000 European and Chinese relief bill to \$200,000,000. It was the first major test on the measure, and was made on a teller's tally of 156 to 138. Associated Press advices stated:

The next day, April 30, the bill was passed on a roll call vote of 333 to 66, according to the same advices, with the \$150,000,000 cut remaining, and with a restriction which would deny relief assistance to "those countries whose governments are dominated by the Union of Soviet Socialist Republics" unless they agree to American control of the supplies.

The bill as passed by the House and sent to the Senate, according to the Associated Press, would:

- (1) Authorize the expenditure of \$200,000,000 in American aid abroad.
- (2) Limit all but \$30,000,000 of the aid to Italy, Greece, Austria, Hungary, Poland and China.
- (3) Provide that none of these countries can get the help if their governments are under the domination of Russia, unless . . .
- (4) Such governments agree to tight American control of the supplies down to the point of their actual distribution.
- (5) Set apart \$15,000,000 of the funds for "emergencies" in such unnamed places as Trieste.
- (6) Earmark another \$15,000,000 for the United Nation's Children's Emergency Fund.
- (7) Require at least 90% of the relief supplies to be purchased in this country.
- (8) Prohibit distribution of relief in countries paying war reparations out of current production.
- (9) Demand, as a condition for obtaining the aid, the right of the American press and radio to report on its distribution free from censorship.
- (10) Place control of distribution under an independent administrator of foreign relief.

On April 29 unanimous approval of the full \$350,000,000 proposal was announced by the Senate Foreign Relations Committee, and the Committee's Chairman, Senator Vandenberg (R-Mich.), stated that the Committee had declined to specify in the measure where relief funds were to be spent. He indicated, however, that a State Department statement on this question would be included in a formal report. From Associated Press advices we quote:

Providing that 94% of all relief supplies should be purchased in the United States and its possessions, the Committee wrote in an amendment directing the naming of a European director for the program, whose appointment would be subject to Senate confirmation.

It also inserted an amendment stipulating that local currencies received from the sale of relief supplies abroad be put into a special account, controlled by the United States, which would be used as a revolving fund for further relief and work relief needs. These funds would be available until June 30, 1948, and Congress then would decide their final disposition.

### Reserve Bank of Boston Promotes Latham, Sawyer

The Federal Reserve Bank of Boston announced on April 25 appointments effective May 1, of Earle O. Latham of Reading as Vice-President in charge of bank examinations, and Dana D. Sawyer of Winchester as Assistant Vice-President.

## The State of Trade

Price reductions were the order last week induced by increasing buyers' resistance to low quality goods at high prices and to growing manufacturers' inventories.

Notwithstanding the slower pace in the rate of gain in these inventories in March, the close of the month set a new high of \$21,500,000,000, the Department of Commerce reports, with the \$300,000,000 increase confined to the durable goods industry.

Although the dollar value of manufacturers' inventories showed a further rise for the month of March, the rate of increase was lower than at any time since last June, and, according to the Department, it meant a slowdown in the heavy accumulation of stocks some forecasters said would help bring on a recession because of a pile-up of unsold goods.

In its current "Outlook," the publication Business Week, commenting upon the business situation, points out that "layoffs alone won't meet the recession which apparently is upon us," adding, "more productivity must be had from the workers kept on the payroll." It suggests that inventories should be worked down now while business is good.

"At \$21,000,000,000," says the magazine, "manufacturers' inventories probably aren't too high for today's volume of sales. But they would become increasingly burdensome if turnover were to slow down very much. Present trends in commodity prices indicate, moreover, that inventory moved now can be replaced at lower quotations a little later."

Pursuing the matter further, it said, "Retailers' troubles with prices and consumer resistance are beginning to be felt by wholesalers. Not only are retailers buying less but they are taking more time to pay. This adds to current concern about wholesalers' inventories.

"These middlemen's stocks are above \$6,500,000,000, up more than 50% in a year. Soft goods inventories are up 44%; hard goods 69%. Yet, despite the smaller percentage gain in soft goods, they are the big worry."

On the labor front the nationwide telephone strike made some progress the past week with the return to work on Monday last, of the New York Telephone Company's 37,000 striking employees. The agreement to return to work was based on a \$4-a-week wage increase negotiated early on Wednesday of the previous week by the company and the presidents of the four striking groups.

It was reported on Tuesday last, that six other states got back-to-work orders on that day, five Western states and New Jersey—where 1,500 workers of the independent Commercial Telephone Workers returned to work with pay raises of from \$3 to \$4 a week. Accounts from Washington were highly optimistic that the key long distance operators' dispute will have been settled before midnight on Wednesday.

Industrial activity in the week rose slightly from the very high level of the previous week with weather in most sections of the country favorable to outside operations. There were no major industrial work stoppages due to strikes during the week and employment generally was high. In some industries production was curtailed slightly by shortages of raw materials and certain component parts.

Employment in the textile industry declined somewhat last week with reports indicating that new order volume for some cotton goods and woolsens had dropped moderately. The demand for textile machinery remained heavy along with large backlogs of orders

for spindles and weaving equipment.

In the automotive industry output of cars and trucks in the United States and Canada last week was estimated by "Ward's Automotive Reports" at 107,967 units. This figure included 76,477 passenger cars and 25,755 trucks from U. S. factories, and 3,590 and 2,145 from Canada. The total has been exceeded in the postwar period only by the 108,472 mark set in the week ended March 22, 1947. Last week's volume was 102,447, while that of a year ago totaled 67,060 units, and in the corresponding 1941 week it was 130,610 units.

Stimulated by numerous clearance and markdown sales, total retail volume rose slightly in the week. Dollar volume was moderately above that of the post-Easter week a year ago. Prices of some commodities declined slightly. Shoppers continued to display a cautious attitude and considerable resistance to high prices was reported.

Wholesale volume for the week was close to the high level of the previous week and dollar volume moderately above that of a year ago. Wholesale shows in many cities were well attended but unsettled prices caused buyers to limit their orders to needed merchandise.

**Steel Industry**—The groundwork was laid last week for a steel output performance that may rival 1944 when an all-time high of 89.6 million tons of steel was produced, quotes "The Iron Age," national metalworking paper. 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 last week totaled slightly more than 28 million tons. This rate, if continued for a year, says the magazine, 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 last week moved up 1½ points to 96.4% of rated capacity and all signs pointed to a continuation of this high level for some time. However, scheduled output the current week is placed at 90.6%, or a decline of 5.8 points or 6% from the previous week.

The steel industry the past 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 cents 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. Last week's scrap composite was \$1.08 a ton less than the 1947 low of \$31 a ton touched on Jan. 7 during the upward movement of scrap prices.

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, the above authority adds, and 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

(Continued on page 10)

## As We See It

(Continued from first page)

**Stassen** — Yes, there have been those reports in the papers. Also reports that there would be 8,000,000 unemployed the year after the war. But they were wrong. The problem is one of leveling off at high production and stabilizing without having an economic crisis.

**Stalin**—The regulation of production?

**Stassen**—The regulation of capitalism. There are those who say there will be a depression, but I am optimistic and say we can avoid a depression. I find a broader understanding by the people of regulation of capitalism than before.

**Stalin** — But, what about business men? Will they be prepared to be regulated and restrained?

**Stassen** — No. Some will have objections.

**Stalin**—Yes, they do.

**Stassen**—But they understand the 1929 depression should not be repeated and they understand better now the necessary regulations concerning business. It requires a careful amount of fair regulation and wise decisions and prompt action by the Government.

In other sections of this now well-publicized discussion, a good deal is made of the differences between our economic system and that of Russia, and the question is raised as to whether two such different systems can "cooperate" to avoid war. Whatever the difference in these two economic systems as they are today functioning, similarities in the general ideologies of the participants in this discussion, at least so far as they concern economic principles, seem to be more marked and more important than their differences. What is even more important, the views expressed by this, the only avowed Republican Presidential candidate, are at bottom very nearly if not fully identical with those of the Democratic President of the United States and with those of virtually all leading politicians in both major parties—to say nothing of the numerous minor organizations which go much farther along, or perhaps we should say much more directly and consciously along, the road toward economic totalitarianism.

**They Should Know Better!**

And joining hands with these politicians throughout the land are a surprising number of citizens who certainly should know much better. Among these latter, of course, are a number of "economists," a good many of whom are well enough aware of the implications of such programs as are now put forward to "prevent

a depression," or to "stabilize our economy" at high levels of production and employment. They simply have little sympathy with — and little real interest in—the free enterprise system of the classical economist and of the American tradition. But there are, strangely enough, very substantial numbers of American business men who appear to be oblivious of the basic implications of much of the politico-economic philosophy of the day.

It evidently would be a serious blunder to suppose that "thought control" in recent years has been confined to Germany, Italy, Russia and Japan. Techniques, of course, vary, but end-results have not always been wholly different. The over-all notion that "all are agreed" that there must be no more major depressions, prolonged and extensive unemployment—that either government, or some sort of "cooperation" in which government takes a dominant part must and will serve forever henceforth to prevent the re-appearance of these unpleasant phenomena—this general line of thought now permeates and pervades all types of popular thinking in this country. It or its equivalent—and its corollaries—are becoming a part of the folkways and the mores of the people.

It has apparently become quite futile to remind intelligent men and women that no one has yet been able to isolate and identify the causes of these major "cycles," or to demonstrate in any convincing way that any suggested "cure" or "preventive" would work in actual practice. Indeed, the factual investigation of what actually takes place in the large swings in business conditions is far from complete. Any reminder that there are literally dozens of prescriptions for the cure or prevention of these disturbances, all with respectable followings, is met with the rather silly counter-thrust that we "can not wait for the doctors to make up their mind while starvation threatens large sections of the people or may presently threaten them." All that the Stassens, the Trumans — yes and the Stalins—need to do, apparently, is to remark that "action" must be "prompt," "vigorous," and "bold," to capture the imagination, and we fear the support of many thousands of unthinking individuals, who never stop to inquire by what right we may expect any given line of action to have the consequences desired or expected of it.

### Two Observations

Now as to all this, we have for the moment just two observations to make. The first is that we strongly suspect

that the most unfortunate in this country at the depth of the depression in the early "Thirties" were far better off than their counterparts in the USSR at that or any other time since the emergence of Lenin and the rise of the Bolsheviks. We venture the notion that, while we have our ups and downs, our "downs" never take us quite so low as the top point of the "ups" (if they have any) in the Soviet controlled economy. In such an event, our "ups" are all clear gains relative to the position of those living under communist totalitarianism in Russia. There is of course such a thing as avoiding depressions by always remaining at so low a level of production that no very great recession is likely—by dooming ourselves to perpetual depression.

Our other observation is that, far from protecting us from depression, the schemes of the Trumans, the Stassens, and all the other government interventionists and New Deal enthusiasts, would bring perpetual economic disorder and ultimate extensive decay. There is an element of grave danger not generally realized, apparently, in the acceptance of the notion that government has or must assume responsibility for the state of business in the nation. The application of this doctrine in practice must either remain hardly more than an irritating and trouble-making farce, or else lead to an end of free enterprise as we have known it and lived it in the century and three-quarters of record-breaking growth and development. And, in neither case will the economic cycle be eliminated.

We must all realize that we have here a cause which in the courts would be styled: "Stassen, Truman, Stalin et al v. Free Enterprise." We wish we could discern more disposition in the business world to challenge this "modern" nonsense in whatever form it may appear.

## New ABA Series Radio Programs Announced

Expanding its radio advertising services to ABA members, the Advertising Department of the American Bankers Association announced recently a new series of transcribed radio programs for the use of the banks. This is the second series of 26 programs to be offered to the banks this season, according to John B. Mack, Jr., Manager of the department. The first series, introduced last October, is now appearing on more than 60 stations. It is stated that while the first series of programs was directed to the general subject of loans, the new series is on the theme of sound money management. Each of the 26 programs is a four-minute dramatic sketch. At the same time Mr. Mack announced 13 programs especially suitable for use by mutual savings banks. This series contains sketches on thrift, mortgage loans, and sound money management.

## Steel Operations Fall Off—Most of Unfilled Orders Expected to Be Filled Before Sept. 30

"There was no indication this week that the steel industry will be lacking the orders to keep operations at unusually high levels for the rest of this year," according to "The Iron Age," national metalworking weekly, in its issue of today (May 8), which further reports as follows:

"The possibility of a slight industrial setback has been so well advertised that preventive measures have already been taken by many producers and consumers.

"Metalworking customers were still clamoring for steel this week but inventories were being closely watched and controlled — something that was not too general in prewar years. For the first time since the war ended the steel industry appears to be entering a normal business period of activity.

"Backlogs are large but most of these unfilled orders will be filled by orderly schedules between now and the end of the third quarter. Carryovers — unfilled promises which raised hob with production schedules last year—are on the wane and may disappear within the next few months unless a coal strike occurs.

"Steel executives report continued pressure for deliveries but admit that it is of a different nature than has been the case in past months. Steel promised to consumers for the balance of this year will neatly fall in line and be taken care of on mill schedules. Consumer pressure being exerted this week comes from those who have been assured they will get their supply and the only question is: 'Will I get it on time?'

"Major sore spot in the steel supply picture involves flat-rolled products. On an allocation basis, however, supplies are being divided as fairly as possible and specified delivery dates are being adhered to. Large steel consumers say that mills have been prompt in the past few weeks on prior delivery commitments. Third and fourth quarter quotas are not expected to be less than second quarter allotments and may be more.

"That the metalworking industry is in a 'transition' period was proved this week by the shutting down of a few plants due to lack of steel, while other channels were reporting a falling-off in the demand for consumer goods made from steel. In spite of this there is more optimism among manufacturers over the availability of metals than has been the case in the past year or so.

"Large makers of consumer goods such as household appliances are more than a trifle worried over inventories of finished products which in most cases are somewhat higher than in the fourth quarter of 1946. Total inventories in some quarters are up as high as 70% over last September. Refrigerators in one instance were far above the average inventory for all consumer products handled by that industry; radios were up even more. The pipeline in the washing machine field was said to be full.

"The next 60 days will present a severe test both to distributors and manufacturers of general household appliances. Just how well these inventories are dissipated will be an indication of how heavy steel orders from these consuming groups will be later on this year.

"Scrap markets this week were stabilized, temporarily at least, at most major markets. A decline at Chicago took "The Iron Age" scrap composite down to \$29.75 a gross ton, a drop of 17¢ from last week's figure of \$29.92.

"It appears that steel company depreciation reserves set aside for equipment replacement may be at least \$130,000,000 short of the amount needed to complete plans for plant expansion and machinery replacement this year. First quarter experience has proved that figures set up last year to cover the cost of new equipment and

additional facilities will have to be revised sharply upward."

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 90.6% of capacity for the week beginning May 5, compared with 85.4% one week ago, 95.1% one month ago and 58.7% one year ago. This represents a decrease of 5.3 points, or 6.0% from the preceding week. The operating rate for the week beginning May 5 is equivalent to 1,585,400 tons of steel ingots and castings, compared to 1,686,900 tons one week ago, 1,664,200 tons one month ago and 1,034,500 tons one year ago. This was the eighth consecutive week in which operations have been scheduled above 90%.

"Steel" of Cleveland, in its summary of latest news developments in the metalworking industry, on May 5, stated in part as follows:

"With the wage question pretty well out of the way, major attention now centers on likely steel industry price policy over coming months. Although steel company profits were high in first quarter, reports of 13 producers indicating an aggregate increase of about 22% over fourth quarter of last year, early industry-wide reduction in base prices on steel products appears unlikely.

"Expectations are the wage increase, which alone adds about \$3.25 per ton in direct labor cost, coupled with expected advances in raw materials, will preclude any substantial price reduction. Nevertheless, indications last week were that individual company adjustment of price lists can be expected just as quickly as conditions permit determination of firm price policy.

"Impact of the wage advances on the metalworking industry in general is yet to be determined. However, indications are metal product prices will not weaken substantially in the weeks ahead. Some reductions are possible, but so are some advances. The great majority of metalworking companies will hold prices at, or near, present levels, a spot check of opinion by "Steel" indicates.

"Most steel producers are beginning to accept third quarter specifications and prospects are consumer quotas will be slightly heavier than in the current period. Steel supply, however, will continue tight. A major influence in the tight situation is the market dislocation resulting from abolition of Pittsburgh Plus pricing in 1938. Full impact on distribution of this change in marketing policy is only now becoming apparent.

"With the opening of May, a slight show of renewed activity is reported in scrap. The market, however, continues weak and unsettled with prices off about \$2.50 per ton from a week ago at \$30, Pittsburgh. For the most part, buyers and sellers are marking time."

## Halt Cigarettes to Germany

Postmaster Albert Goldman announced on May 1 that gift parcels containing cigarettes or other tobacco products destined for Germany will not be accepted for mailing, pending the receipt of further information from the authorities in Germany.

### Recent Supreme Court Decisions

Among decisions rendered by the United States Supreme Court on April 7 was one in which the Court ruled that a firm which declared a \$100,000 dividend in stock in 1924 need not pay Federal surtaxes on undistributed profits for two later years when it reported deficits. Regarding the Court's findings the Associated Press said:

The ruling was given on a Justice Department appeal. The Department contended lower Federal Courts were wrong in holding that the 1924 dividend in stock irrevocably took \$100,000 out of distributable earnings and profits, or surplus, and converted it to capital.

Justice Hugo L. Black delivered the Court's 7-2 decision. Justice Felix Frankfurter wrote a dissent in which Justice Reed joined.

Ogilvie Hardware Co., Inc., of Shreveport, La., had a surplus of \$149,306 in 1924. The firm declared a 100% dividend in common stock, share for share, to its common stockholders. The par value of the total stock dividend was \$100,000.

In 1937 and 1938 the company had deficits, but was required by the Collector of Internal Revenue to pay \$6,915 as surtax on undistributed profits for the two years. Lower Federal courts ruled the Collector was wrong. The Supreme Court also ruled, the same day, according to United Press advices from Washington, that the Government may prosecute persons as late as now for violations of the old price-control act which expired June 30, 1946. As to this the United Press said:

Without a formal written opinion, the Court overruled a decision by the Philadelphia Federal District Judge who held that retroactive provisions of the new law, enacted a month after the old one died, were ex post facto and could not be used

to revive the Government's original prosecution powers.

The case involved two suits charging rent-ceiling violations in 1944 and 1945. Prosecution was not started, however, until Aug. 29, 1946, nearly two months after the law expired. The Justice Department said "large numbers of similar situations" are pending.

A further decision of the Supreme Court on April 7 was noted in the following contained in advices to the "Wall Street Journal" from its Washington bureau:

In a 5-to-4 decision, the Supreme Court ruled that a seller's violation of the Robinson-Patman Price Discrimination Act does not relieve the purchaser of his obligation to pay.

The decision was rendered on an appeal by Bruce's Juices, Inc., from a Florida court decision which held that the company was not relieved of its \$114,000 debt to American Can Co., on the defense that American Can had discriminated against Bruce's Juices in its prices.

The majority opinion delivered by Justice Jackson held that Congress had provided a "triple damage" remedy for victims of price discrimination. Therefore, it ruled, the complaining company should try to prove violation of the Robinson-Patman Act if it wanted relief. A ruling on labor disputes covered by the NLRA was referred to in our issue of April 17, page 2114.

### Inter-Am. Coop. Council With For. Trade Group

Affiliation of the Council for Inter-American Cooperation, Inc., with the National Foreign Trade Council, Inc., was announced jointly on April 24 by Berent Friele, retiring Chairman of the Board of the Council for Inter-American Cooperation, and Robert F. Loree, Chairman of the National Foreign Trade Council. It was stated that the Council for Inter-American Cooperation organization would move May 1 from its quarters at 57 William Street to a house at 9 East 62nd Street. The house, which has been made available by Nelson A. Rockefeller, newly elected Chairman of the Board of CIAC, it is planned will eventually be used for an Inter-American Center for the reception and entertainment of guests from the other American republics. The announcement also stated:

"Most of the major functions of the CIAC will be continued under the plan of affiliation. These activities include: the servicing of 24 affiliated Inter-American Centers presently located throughout the United States; publication of inter-American informational bulletins, and a bureau specializing in speakers and lecturers on inter-American subjects. To Centers, and to other sources, the CIAC will continue to distribute pamphlets on the countries of Latin America as well as on subjects of general inter-American interest."

The hope that this affiliation will be the first step toward a wider association of the agencies working in the general field of foreign trade and commerce was expressed by both Mr. Friele and Mr. Loree. They said they felt that the pooling of resources can effectuate a greatly strengthened operation in this field.

Newly elected officers of the CIAC are: Nelson A. Rockefeller, Chairman; Berent Friele, Vice-Chairman; Percy Douglas, President; Orson Adams, Jr., Horace Graham and Albert V. Moore, Vice-Presidents; Robert H. Patchin, Treasurer; John Akin, Executive Director and Secretary.

Mr. Akin, who has had long experience in the inter-American field and who for a year has been Associated Director of the CIAC, has been appointed Executive Director to succeed Arnold Tschudy, who resigned to enter private business. Mr. Tschudy, however, it is announced, will continue his interest in the work of the CIAC in an advisory capacity.

### Borrowings on NYSE in April

The New York Stock Exchange announced on May 2 that as of the close of business on April 30, the total of money borrowed from banks and trust companies in the United States amounted to \$277,590,185, compared with the figures for March 31 of \$301,958,883. Advices from the Exchange follow:

The total of money borrowed from banks, trust companies and other lenders in the United States excluding borrowings from other members of national securities exchanges, were (1) on direct obligations of or obligations guaranteed as to principal or interest by the United States Government, \$81,498,329; (2) on all other collateral, \$196,091,856, reported by New York Stock Exchange Member Firms as of the close of business April 30, 1947, aggregated \$277,590,185.

The total of money borrowed, compiled on the same basis, as of the close of business March 31, 1947, was (1) on direct obligations of or obligations guaranteed as to principal or interest by the United States Government \$101,427,521; (2) on all other collateral, \$200,531,362; total, \$301,958,883.

### English Gold and Silver Markets

We reprint below the quarterly bullion letter of Samuel Montagu & Co., London, written under date of April 1.

#### Gold

The amount of gold held in the Issue Department of the Bank of England was unaltered at £247,833.

The Bank of England's buying price for gold remained unchanged at 172s 3d per fine ounce, at which figure the above amount was calculated.

The gold output of the Transvaal for the months of January and February, 1947, is shown below, together with figures for the corresponding months of 1946 for the purpose of comparison. The reduction in the February, 1947, production was due to labor troubles.

	1947	1946
	fine ozs.	fine ozs.
January	972,212	1,016,458
February	572,720	946,577

The Indian Budget statement of Feb. 28, 1947, made no alteration in the duty on the import of gold into India; it remains therefore, at Rs.12.8.0 per tola, equivalent to £2.10.0 per ounce.

#### Silver

The year opened with the official price of silver in the London Market quoted at 55½d per ounce .999 fine for both cash and two months' delivery. There was no change until Feb. 3, when it was reduced to 44d for both positions, which was a return to the figure from which it was raised on August 6, 1946. The new level represented an adjustment of the London price to bring it more into line with the quotation ruling for foreign silver in the New York market.

The old price of 55½d had placed British manufacturers at a

#### QUOTATIONS (per ounce .999 fine)

	Cash			Two Months Delivery		
	Highest	Lowest	Avg.	Highest	Lowest	Avg.
January	55½d	55½d	55.5000d	55½d	55½d	55.5000d
February	47½d	44d	44.4750d	46½d	43d	44.1000d
March	52d	44d	47.0833d	51½d	43½d	46.4622d

### Truman Urges Uniting Various Agencies

President Truman on May 1 submitted to Congress two reorganization plans embodying proposals which he stated were essential to demobilizing the war effort and which would become effective on 60 days, unless Congress took adverse action in the meantime. The President proposed maintaining the administrative grouping of a number of Government agencies along lines he considers were proven satisfactory during the war, a dispatch from Washington to the New York "Times" stated. The present functional distribution of these agencies in the Government was made by executive order under the First War Powers Act.

In a message the President stated: "Since the plan does not change existing organization, savings cannot be claimed for it. However, increased expense and disruption of operation would result if the present organization were terminated and the activities reverted to their former location."

According to United Press Washington advices the President proposed to continue the War Assets Administration after expiration of the war powers act; to retain some war-time rearrangement of government agencies and shift several units of the government from one department to another. He also renewed his plea for a single housing agency.

From the United Press we also quote:

Reorganization plan No. 1 would:

disadvantage with competitors abroad, who were able to obtain silver on the lower American basis, hence the decision to reduce the official London price in conformity.

The authorities decided also that silver for essential purposes could be acquired in the cheapest market and this indicated more frequent adjustments. Consequently, the hardening of the New York price, which rose by stages from 70½ cents per ounce on February 21 to 86¼ cents on March 6, was reflected in advance in the London quotations and 52d for cash and 51½d for two months delivery were reached on March 6 and maintained on March 7 and 10. A sharp drop in New York was followed on March 11 by a fall in London prices of 4¼d to 47¼d and 46¼d; further falls ensued and by March 19 the rates had returned to 44d and 43½d for the respective deliveries. There was some recovery subsequently and, after minor fluctuations, prices on March 31 were 46d and 45¼d.

The sudden fall in the New York price, from 86¼ cents on March 6 to 70½ cents on March 18, was due to the news that the Indian Government had suspended the issue of licenses for the import of bullion into India. This unexpected action on the part of the authorities also gave a similar setback to the London Market, and the consequent isolation of the most important supporting factor has rendered the outlook of the market in free exportable silver extremely uncertain.

The Indian budget announced on Feb. 28, 1947 made no alteration in the duty on the import of silver into India; it remains, therefore, at Rs. 9.6.0 per 100 tolas, equivalent to 4½d per ounce.

(1) Leave permanently with the Attorney General the functions vested by law in the Alien Property Custodian, but temporarily transferred to the Attorney General by Executive Order.

(2) Eliminate the need for Presidential approval of agricultural marketing orders issued by the Secretary of Agriculture.

(3) Continue as part of the Treasury Department the Office of Contract Settlement.

(4) Continue certain work done by the Bureau of Internal Revenue under the national prohibition act. These powers are vested in the bureau only by Executive Order.

(5) Consolidate eight research bureaus within the Agriculture Department to form the Agricultural Research Administration.

(6) Transfer Federal Credit Union functions from the Federal Deposit Insurance Corporation to the Farm Credit Administration.

(7) Continue the War Assets Administration as a separate agency.

Plan No. 2 would:

(1) Transfer the United States Employment Service from the Federal Administration to the Labor Department.

(2) Transfer to the Secretary of Labor the functions of the administrator of the wage and hour division.

(3) Authorize the Secretary of Labor to co-ordinate the administration of Federal acts regulating wages and hours on contracts for Federal public works.

### Plans for World Trade Week in New York

Arrangements for the observance in New York of World Trade Week, May 18 to 24, are rapidly taking shape, according to James S. Carson, Chairman, 1947 New York World Trade Week Committee, who announced on May 1 that the principal event of the celebration will be the World Trade Luncheon to be held at the Waldorf Astoria on Friday, May 23. Committees dealing with arrangements, window displays and exhibits, flags and publicity are active on various phases of the week's activities.

"The theme of World Trade Week this year, 'World Trade Unites Nations,' is particularly appropriate at this stage of the post-war period," said Mr. Carson, who is also Chairman of the Foreign Trade Education Committee of the National Foreign Trade Council and Vice-President of the American & Foreign Power Company. He added:

"The achievement of a lasting peace and world prosperity is more dependent than ever before on the fostering of trade among nations. World Trade Week offers an excellent opportunity to focus public attention on the vital role of international commerce in current world affairs."

Eugene P. Thomas, President of the National Foreign Trade Council, and winner in 1941 of the Captain Robert Dollar Memorial Award, presented annually for distinguished contribution to the advancement of American foreign trade, is serving as Honorary Chairman of the New York Committee. Other former recipients of the award have been appointed Honorary Vice-Chairmen as follows: William L. Clayton, Assistant Secretary of State for Economic Affairs (1946); Eric A. Johnston, President, Motion Picture Association of America, Inc. (1944); Fred I. Kent, director, Bankers Trust Company (1945);

Juan T. Trippe, President, Pan American World Airways (1943); Thomas J. Watson, President, International Business Machines (1940); and Sumner Welles, former Undersecretary of State (1942).

Winner of the 1947 Dollar Award will be announced at the World Trade Luncheon.

More than 40 associations are cooperating with the New York Committee, in sponsoring the luncheon and the program for the week. The luncheon is open to the public, tickets being available through the Committee on Arrangements, New York World Trade Week Committee, 26 Beaver Street, New York 4, New York.

Initiated nationally and sponsored annually by the Chamber of Commerce of the United States, World Trade Week, formerly known as National Foreign Trade Week, is observed each May throughout the country and by various American Chambers of Commerce abroad to direct public attention to the contribution of world trade to full employment and prosperity, and to ways of expanding international commerce. More than 6,000 organizations will participate in the celebration this year.

### Morrill Deputy Supt. of N. Y. Insurance Dept.

Appointment of Thomas C. Morrill of Garden City, N. Y., as Deputy Superintendent of Insurance, effective May 1, has been announced by Superintendent of Insurance Robert E. Dineen. Mr. Morrill joined the Insurance Department in November, 1945, and has served as Assistant to the Superintendent. His prior business experience was with Alfred M. Best & Co., Inc., insurance analysts and publishers. From 1929 to 1940 he was employed in the Chicago office as assistant to Raymond T. Smith, Vice-President, and subsequently was transferred to the New York office as Associate Manager of the Casualty Department.

## Criticizes Proposed ITO Charter

(Continued from first page)

ization are contained in the critique.

Doubt is expressed as to the feasibility of grouping into the same organization countries whose foreign trade remains in private hands and countries which conduct their foreign trade by means of governmental agencies. The burden of proof that such a grouping is possible should rest with the countries having state trading monopolies, according to the International Chamber, which found the provisions of the Charter on state trade entirely inadequate as they now stand.

"Two courses are open to the Preparatory Committee," said the critique. "One consists in completely redrafting that section after receiving suggestions from countries having state trading monopolies, and the other the elimination of the section altogether, leaving countries which have complete state trading monopolies of foreign trade outside of the I.T.O. until such time as special agreements can be negotiated with them."

One of the first criticisms of the draft was the absence of a clear statement of long run objectives and a description of the basic functions of the International Trade Organization. Mentioning that the Preparatory Committee had decided to postpone discussion of this subject until the structure of the Organization could be seen as a whole, the International Chamber pointed out that "the structure of the Organization should be the consequence of the objectives to be sought and not vice-versa."

"Indeed, it fails to see how it is possible to design adequately the overall structure of an organization of which the purposes are left in blank," said the critique. It found the article dealing with purposes now contained in the draft consisting largely of generalities.

Chapter III of the Charter dealing with employment is analyzed carefully in the critique, which found that two general notions underlying the chapter, while worth striving for, are "cloaked in a terminology which appears to be ambiguous and likely to lead to unnecessary controversy on what are as yet unsettled points of economic theory." These are described as the notions of "full employment" and "effective demand." Objection is found to the use of these terms, which are described as ambiguous and debatable. Continuing, the critique said:

"The I.C.C. realizes that governments have an important part to play in the whole field of employment and economic activity, but it feels that, as drafted, this Chapter gives the impression that the achievement and maintenance of effective demand and employment are exclusively a government responsibility. This is undoubtedly so in countries the economic life of which is totally planned and conducted by governmental agencies, but it is far from true in the case of countries, the economy of which is operated primarily, or to a considerable extent, by private enterprise and in which the mechanism of the free market plays an important role. . . . The I.C.C. would welcome the introduction into the final draft of Chapter III of a clause recognizing the fact that in most countries the maintenance of employment at high and stable levels is the responsibility not exclusively of governments, but of all sections of society acting in cooperation."

Discussing the chapter on economic development, the critique

suggests reconsideration in order that concern over national economic development may not render the provisions a vehicle for restrictive trade policy. Pointing out that economic development is not synonymous with industrial development, but is a wider conception, the report stated:

"The aim of economic development is to increase the productivity of labor and the utilization of natural resources; the development of industries is an important factor in this increase, but it is neither a unique factor nor one that must always be present in a developing country. Many cases are known where the development behind high tariff walls of high cost industries tended to make the economic condition of the developing countries in the long run more precarious rather than more prosperous."

"The I.C.C. warns against the grave maladjustments that may be created in the world by an insistence on the industrial development of all areas without reference to the international distribution of resources and materials, and urges the Second Preparatory Session to devote further attention to these aspects of the development problem."

Means of further simplifying customs formalities are suggested. While expressing general agreement with the handling of the question of restrictive business practices, recommendations for change are made regarding the section on inter-governmental commodity agreements, it being the thought that such agreements should be viewed as emergency arrangements to deal with particular grave maladjustments. The opinion is reiterated by the International Chamber that it is unsound to consider applying one standard of conduct to private agreements and another to similar agreements between governments.

The critique was presented to the Preparatory Committee which is continuing the drafting work, by Wallace B. Phillips, President of the American Chamber of Commerce of London, who has been serving as delegate of the International Chamber at meetings of the Preparatory Committee. The International Chamber is following the proceedings and offering suggestions because of its official consultative status with the Economic and Social Council of the United Nations.

## Siam's Envoy to U. S. Presents Credentials

Siam's first ambassador to the United States presented his credentials to President Truman on April 18, a dispatch from Washington to the New York "Times" stated. In accepting the letters of credence Mr. Truman declared that "a democratic and stable Siam can make a great contribution to the peaceful progress of mankind, especially in Southeast Asia." The President added:

"Although since the war there have been frequent changes in administrative responsibility in your country, it is hoped that as the war period becomes more remote there will be fewer occasions requiring governmental changes."

The Ambassador, Wan Wait-hayakon Worawan, in his remarks referred to the "close and cordial ties" long binding the two countries, and to the aid in many forms given to Siam by the United States. He expressed his country's "grateful appreciation."

## ANPA Convention

The American Newspaper Publishers Association held the final session of its 61st annual convention at the Waldorf-Astoria Hotel in New York on April 24. David W. Howe, of the Burlington (Vt.) "Free Press" was elected President, and other officers named, it was noted in the New York "Times," were: Vice-President, Edwin S. Friendly of The New York "Sun"; Treasurer, William L. Fanning of The Yonkers (N.Y.) "Herald Statesman" and Secretary, J. L. Stackhouse of The Easton (Pa.) "Express." All were elected unanimously. The "Times" further noted:

Mr. Howe is Secretary, Treasurer, Business Manager and National Advertising Manager of his newspaper. He has been Vice-President and a director of the ANPA, Chairman of its Journalism School Committee and ANPA representative on the American Council for Education in Journalism.

He is 54 years old and was born in Burlington. He began his newspaper career as a delivery boy and later worked in the mail room of "The Free Press," of which his father was manager.

During the meeting Howard Davis, former Business Manager of the New York "Herald-Tribune" and past President of the ANPA, read a memorial resolution for members who died during the year. The audience stood in silence during the ceremony.

Acting in executive session the publishers were reported to have adopted a resolution authorizing renewal of ANPA's five-year arbitration agreement with the pressmen's union, which expires next December, and to negotiate such agreements with other unions as desire them.

## Boulder Dam Again Becomes Hoover Dam

The change in the name of Boulder Dam to its original designation, "Hoover Dam," is called for in a resolution passed by Congress and signed on April 30 by President Truman. The legislation passed the House on March 6, while the Senate passed it on April 23. At the time (on Feb. 27) a House Public Lands Sub-Committee approved the resolution for the renaming of the Dam in honor of the former President, Associated Press accounts from Washington, said:

Eight Republican members of the Irrigation and Reclamation Sub-Committee voted for the measure, while the Democratic minority of five voted "no."

Representative Jack Z. Anderson, Republican, of California, told the subcommittee that the action would "right a wrong" which occurred, he said, when former Secretary of the Interior Harold L. Ickes changed the name of the Dam from Hoover to Boulder in 1933. The name Hoover had been given to the project in 1930.

Democrats of the subcommittee objected to the resolution generally on the ground that the name Boulder Dam has become familiar to the people through 14 years of usage.

On April 30, the Associated Press stated:

Mr. Truman used four pens in signing the resolution and sent them to Lawrence Ritchie, Secretary to former President Herbert Hoover, with the view to Mr. Hoover's distributing the pens as he pleases.

The Dam and power project is on the Colorado River.

## Court Fight Lost by Ten Non-Union Men

A temporary injunction restraining their employer from firing them because they were not union members was denied on May 5 to ten workers who were threatened with loss of their jobs because they do not belong to a union and who are unable to join the union because it is closed to all but sons of members, according to a special dispatch to the New York "Times" from Mineola, Long Island, on May 5, which also said:

Supreme Court Justice Cortland A. Johnson wrote in his decision that he was powerless to act in the matter. He declared:

"If the decision made here is inimical to the public welfare the plaintiffs must appeal to the Legislature for the relief which the Court is powerless to give them."

The petitioners are employees of the Rockaway News Company of Valley Stream, distributors of newspapers. The company has a closed shop agreement with the Newspaper and Mail Deliverers Union of New York. The ten non-union workers are holding their jobs pending training of the sons of members.

The non-union members brought their petition to Justice Johnson on April 15. They charged that the union was

compelling their employer to discharge them under the terms of the closed shop agreement between the union and the company. They declared, too, their willingness to join the union. Employer and union were named codefendants in the action.

In his decision Justice Johnson wrote that the practice of maintaining a "succession" arrangement was not prohibited by the State or Federal Governments. He also pointed out that the petitioners took their jobs with the full knowledge of a situation that has long existed in the calling.

"The courts have no control over the membership of labor unions," Justice Johnson said. "Under the law persons may be excluded for any reason other than race, color or national origin."

## From Washington Ahead of the News

(Continued from first page)

our leaders in political and business life.

You recall, of course, the time when it was a mark of accomplishment on the part of our businessmen to go over to Rome and meet Mussolini. It was an added accomplishment to a fellow who had become the head of a big industry, high up in civic leadership, undoubtedly a big shot in the NAM and the U. S. Chamber of Commerce. Ever longing to add another medal to his bosom, he turned heaven and earth to get a talk with Mussolini and be able to come back and tell his goggle eyed listeners that Il Duce was not a bad fellow once you understood him, and also he had made the trains run on time.

Now, and for sometime past, the thing that marks one of our fellow citizens as a man of unusual distinction, is to go over and meet Stalin and come back to report that he wants to understand us and sees no reason why we and he should not cooperate. It is good for several days hand-running of publicity in the daily press because it calls, as if there were some law, for the reporters going around and asking Senators and Congressmen to comment which they are always glad to do, and for editorial writers and commentators expressing their profound observations.

For the life of me, I can't see why a visit to Chiang Kai-shek should not be as much sought after, and offer the same publicity value and give the same mark of distinction, because as provocative as it may sound, the Chinese dictator is just as smart as Stalin and his country is only a degree or so less powerful. But that is not the way it has been decreed.

You may rest assured now that Stassen, after his great experience, will get a higher fee and be in even greater demand at the middle aged women's clubs to which he has been lecturing. Frankly, he should be even more entertaining at these than he has been with the published transcript of the interview which he had with the great man. He should and probably will, tell how funny it seemed when he asked ponderously through an interpreter whether "Mr. Stalin are you really a great man and a man of good and noble intentions," and a few minutes later, the word came back through the interpreter: "Why, yes, I am."

What makes the thing more laughable is that the next Gallup Poll will show Stassen with an

increased number of points because he has met and talked with Stalin, and our pundits will write and speak volumes of words about his availability for the Presidency. As Snuffy Smith would say, "It's a scandal to the jaybirds."

It reminds one of the private in the First World War who insisted that Pershing was a helluva good fellow because he had returned the private's salute.

We are a people who have won two World Wars in the past 30 years, and who are now supporting a large part of the world. Yet we have a tremendous inferiority complex towards foreigners. When the British King and Queen came over here in 1939, our Washington socialites fell over one another seeking invitations to the British Embassy Garden Party, and our members of Congress made fools of themselves by issuing statements that they were going to attend in their plain every day dress, yet all of them except Vandenberg, went out and rented formal clothes. The purpose of the visit was quite well known, some good willing in preparation for World War II.

Getting back to that great history making meeting between Stalin and Stassen it must have been pure devilishness that made the former, at the end of their set interview, invite his visitor to continue to talk. Stalin must have wanted to see what an American would do when he ran out of his set questions. He must have chuckled no end over the result.

## Signing of Air Agreement Between U. S. and Syria

An agreement permitting Pan American Airways to make traffic stops at Damascus has been signed by the United States and Syrian Governments, the State Department announced on April 28, it was indicated in a Washington dispatch to the New York "Times," in which it was also stated:

The agreement covers fifth freedom rights on the certificated route between the United States and India and the Far East. It follows substantially the form of agreements already concluded with the Governments of Egypt and Lebanon, the announcement said.

# A Sound Personnel Policy

(Continued from first page)  
of top management expound upon philosophies and the Golden Rule. You have heard them speak of their dependency upon the "common man" and his dependency upon them. You have heard personnel men discuss their techniques, explain their plans and show the systems that they use as tools of the trade.

The real heart of the problem, however, is in defining a philosophy, breaking it down into actual statements of policy, reducing those policy statements to specific plans which have procedures, techniques and controls to absolutely assure that the original philosophy is being applied on a day-to-day basis. That is what we are attempting to accomplish today in Koppers Company.

Instead of just stating a philosophy, we are carrying it step by step down in its application to the individual employee.

## Plan of Koppers Co.

Perhaps you might like an explanation as to how we intend to do this. The plan can be illustrated by taking one phase of our personnel program and following it through from one end to the other.

Koppers Company is composed of nine major divisions and a headquarters staff. Each of these divisions is an industry in itself. They involve about 14,000 people. They are, briefly, wood preserving, shops, piston ring manufacturing, tar products, chemical, gas and coke, building and an engineering and construction division. Each of these divisions has its own general manager, who is responsible to the President and operates his division as if it were his own.

Thus the first job with respect to policy on personnel is to have the philosophy of the business clearly understood.

In order to assure that the philosophy is applied in all divisions on a day-to-day basis in dealing with our employees, we have reduced it to the following statement:

Koppers Company is a group of people who, through their combined efforts, skills and assets provide good jobs, quality products and fair returns for employees, customers and investors alike—for without any one of these the others cannot succeed.

To our investors we pledge: good business judgment, good management and an honest effort by us all.

To our customers we pledge: good products, fair prices and a continuing appreciation of their confidence.

To our employees we pledge: fair and equal treatment of all persons, a sound basis of payment for services rendered, a real respect for opinions and individual problems, and an appreciation of, and recognition for, ability, skill and training, an understanding of individual employee's dependency upon the group as a whole for his and our future. For all these things we stand—together.

The last paragraph, which pertains directly to personnel, contains five statements.

The first, "fair and equal treatment of all persons," is the basis of our employment and many of our personnel practices.

The second statement, "a sound basis of payment for services rendered," is the basis of our plan of wage and salary administration.

The third, "a real respect for opinions and individual problems," is the basis of our suggestion system, procedures for adjusting employees' problems and is the basis of many of the facilities offered to help our employees with the personal or on-the-job problems.

The fourth statement, "an appreciation of and recognition for, ability, skill and training," is the

basis of our merit rating program, incentive plans, training programs and techniques for the efficient handling of promotions and transfers.

The last statement, "an understanding of the individual employee's dependency on the group as a whole for his and our future," is the basis of our employee relations activities which involve various types of employee benefits such as pension plan, insurance, hospitalization, and practices with respect to such matters as vacations, holidays, sick leave, recreational and social activities.

From the statement of policy just outlined, we have separated the specific things which must be accomplished. In order to do these things we must have a plan. Every plan must be administered by procedures, techniques and controls.

In order to show you how this is done, let us take the second statement of our personnel policy, which says: "a sound basis of payment for services rendered."

From this simple statement was developed the company's plan of wage and salary administration.

## Wage and Salary Administration

You gentlemen are familiar with the various types of plans used in wage and salary administration, and I do not want to bore you with a detailed description of ours. The introduction to our plan covers the basic principles involved. It is as follows:

A fair wage and salary structure, embodying proper job differentials, is fundamental to good industrial relations. Job rating provides both a method of evaluating jobs in terms of their relative requirements, and a factual basis for determining rate differentials. Only when management measures jobs and employees factually can it hope to administer its rate plans fairly. In developing its wage and salary administration plans, the company proposes to:

- (1) Adopt wage and salary rating plans as a yardstick to be used in classifying jobs.
- (2) Adopt a series of grades as a basis for the classification of jobs.
- (3) Adopt a rate schedule with a rate range for each grade.
- (4) Develop a statement of duties for every job.
- (5) Write up a job specification and rating for every job.

These steps compose the structure of the company's proposed wage and salary policy with a considered job classification based on a factual analysis and rating of every job.

It is further the policy of the company to:

- (1) Comply fully with all Federal and State legislation with respect to the payment of wages and salaries.
- (2) See that its rates of pay compare favorably with other companies in the area on comparable jobs.
- (3) Set up and maintain fair rate differentials between jobs in all departments, based on differences in their relative requirements as determined by job analysis.
- (4) Follow the principle of equal pay for equal work in the case of both men and women. This means basing differentials between jobs solely on the basis of the job requirement and not who does the job.
- (5) Recognize and reward individual ability and merit.
- (6) Transfer and promote employees from lower to higher jobs on the basis of merit.
- (7) Base promotions and merit increases on job performance and not favoritism.
- (8) Treat everyone in like situations alike.

Feeling that just rating jobs is not sufficient, a technique of rating employees was adopted as a

part of the plan. Fair and accurate measurement of an employee's performance on the job he or she is assigned to do, we believe, is also fundamental to good industrial relations.

Employee rating is not a substitute for job evaluation, but rather is the second step in an effective wage and salary administration program. Job evaluation provides a basis for rating the job. Employee evaluation provides a basis for rating an employee's performance on the job.

Employee rating combined with sound job rating provides a more accurate and impartial set of tools for the supervisor to use in determining employees' relative rates of pay as between jobs and as between employees in the same job classification.

Our plan of wage and salary administration further provides:

- (1) Adoption of employee rating plans as a yardstick for supervision to use in evaluating employees' performance.
- (2) Setting up and maintaining a uniform and practical method of evaluating employee performance.
- (3) Measuring the performance of all employees over a given period to determine whether the employee's wage or salary is in line with his or her value as compared with other employees in the same job classification.
- (4) Providing a factual recording of employee performance as a basis for constructive discussion between supervision and the employee concerning his or her strong points and to show where improvements in the employee's performance are necessary and desirable.
- (5) Provide records for use in determining the need for training, promotion, transfer and layoffs.
- (6) Establish the basis for the granting of merit increases in accordance with wage and salary payment policy.

## A Company-Wide Policy

In "putting our philosophy to work," we have thus far reduced it to writing in terms of company-wide policy with respect to personnel. A phase has been taken from that policy and a plan has been adopted to provide a "sound basis of payment for services rendered."

It would be taking in too much territory to say, before this group of experts, that our plan of job evaluation or employee evaluation, is the best. From what I understand, even the experts don't agree on which is the best plan.

The job evaluation plan adopted by our company is based on the point system. For employees' evaluation we do not employ the point system. Therefore no matter which school of thought you may belong to, I am at least 50% right, and I understand that is a pretty good record for any one in the personnel game.

Here is how we put our plan to work. Each division has a Division Personnel Manager who reports to the General Manager of that division. Each of these personnel men are responsible for applying the company's personnel program in the most practical and effective manner to fit their particular needs.

At the general office in Pittsburgh we have a central personnel staff of qualified and experienced personnel men who operate on a company-wide basis to counsel, advise and assist the division personnel people in the installation and administration of the particular plans, procedures and techniques in our personnel program.

In this instance, the Wage and Salary Administrator, with the Division Personnel Manager, works out the most practical in-

stallation of the wage and salary administration plan for that particular division.

The first step is to hold appreciation sessions, during which time members of management attend conferences to become familiar with the wage and salary policy, the specific plan, and the procedures and techniques which are to be employed in installing and administering it.

These members of line management are made to clearly understand that the primary responsibility for "a sound basis of payment for services rendered" rests with them. The plan, procedures and techniques are tools for them to use in assuring the application of this policy on a day-to-day basis.

Following these "appreciation" sessions, the people who are to install and administer the plan get together for some serious training sessions.

This is done by selecting a particular cross-section operation within the division, and this group begins the installation of job and employee evaluation. These men go through the entire procedure point by point in order to receive specific training on just how to install and administer the plan for the operations which will be under their jurisdiction.

Briefly, here are some of the basic points which are covered:

First, we make sure that every member of local management and supervision is thoroughly acquainted with the plan and its administration.

Second, a letter is written by the top management representative at each particular operation, to each employee, explaining what is being done, why it is being done, how it is being done and just how it will affect them personally.

## Responsibilities of Supervision

A manual is given to each member of supervision so that they can readily answer questions put to them by their employees.

In order to make clear the responsibilities and authorities contained in the plan, the manual spells these out as follows:

Subject to the authority of the Division or Plant Manager, the local Personnel Manager shall be responsible for the administration of the wage and salary policy. The duties shall include:

(1) The maintenance, interpretation, and suggestions for revision of this policy.

(2) To set up and maintain a complete and up-to-date job classification at all times. This classification shall be based on a job-rating plan best fitted to local conditions.

To maintain a job specification for every job showing the description of the duties, the rating of the job in terms of the factors used in the job-rating plan, the requirements on each factor which substantiates the rating, the total points scored and the corresponding grade. The classification of any job shall be based on the job specification. Such job specifications shall be developed and approved in cooperation with responsible supervision.

(4) To see that every employee is continuously classified according to the job and grade of work he or she is called on to do, except where no classification presently exists, the employee may be unclassified for a period of 90 days to enable the Personnel Department to analyze and rate the new job.

(5) To assure that all job classifications are comparable between departments and divisions as a whole. A job classification chart shall be maintained showing the grade of each job in the division.

(6) To bring to the attention of responsible supervision specific situations where the pro-

visions of the wage and salary policy are not being carried out.

(7) To set up and maintain all records pertinent to the wage and salary policy.

Division Heads and Plant Managers shall hold their supervision responsible for the following:

(1) Notify the local Personnel Manager of any change in methods, equipment or conditions on existing jobs which may require a change in classification or grade.

(2) Notify the local Personnel Manager of the transfer of an employee from job to job within the department or between departments which is to last more than 30 days.

(3) Assure itself that recommendations as to promotion—merit increase—reclassification or transfer are warranted by performance.

(4) Make no promise or commitment to any employee regarding a promotion—merit increase—reclassification or transfer until it has been cleared.

Following the installation of these plans, procedures and techniques, a control must be exercised to assure that management's philosophy is being carried out on a day-to-day basis.

The central personnel staff is charged with the responsibility for "auditing" the administration of the plan, procedures and techniques which have been installed. This is done through personal contacts and observations, checking and reviewing of the various actions taken to assure that responsible supervision operate within the confines and limitations of the plan.

While my remarks tonight must be confined to only one phase of "putting a philosophy to work," the same method is followed with respect to each of the five points covered in our over-all personnel policy statement.

Undoubtedly there is a better and more effective way to do this. Daily efforts are being made to improve our techniques. However, we feel that we are taking a definite step in the right direction by taking a philosophy, reducing it to an over-all personnel policy statement, by taking each phase of the policy statement and reducing each of them to a plan, and by having each plan spell out procedures and techniques for day-to-day application.

## What Every Employee Is Entitled to

We believe that every employee is interested in—and is entitled to:

A fair day's pay for a fair day's work.

A good boss.

A chance for promotion.

Opportunity to earn security for the future and a chance to have a voice in matters of mutual interest.

I am interested in those things for myself. The employees I have talked to, and I have talked to many, seem to be interested in those things for themselves.

When our employees as a group can understand that "Koppers Company is a group of people who through their combined efforts, skills and assets, provide good jobs, quality products and fair returns for themselves, for our customers and our investors, alike," then we shall experience the type of cooperation that builds lasting business success through good investor, customer and employee relations.

We believe we must provide these things for our employees and then tell them about it. You will agree, I am sure, that the average American working man or woman wants only a fair deal and believes the other fellow is entitled to one as well. Koppers Company believes that is what our people want—and that is why we think it is worth while to try to "put our philosophy to work."

## World Economics—Key to Business Stability

(Continued from first page)  
and historical approach to economic analyses is outmoded; and we see the broadly human viewpoint of your Academy coming into its own as a moral or basically philosophical problem.

### Conflict of Capitalism and Communism

In view of these developments, we can hardly hope to settle down to anything resembling stability in business without first resolving the issues between capitalism and communism; and these issues, let me repeat, are a matter not of world politics as too many people are inclined to believe, but of world economics. The heart of this dispute over the planned economy is the question of economic stability which you have so aptly set for your general topic this year.

It is economic instability that is involved in the so-called crises of capitalism, or, to use the title of a recent paper by the distinguished economist for United States Steel, Mr. Bradford B. Smith, it is "the roots and fruits of boom" that command our attention.

Unless and until we can settle this elementary economic problem, it is plain that we must deal with Russia as indeed we have the power to do right now, on a "get-tough" basis. However, the expense of such a program, even if it should not involve war is making it obvious that it is likely to defeat its own ends. I mean that procrastination, regardless of whether it be tough or tolerant in its psychiatric pressures, will see the spread of communism rather than of capitalism because of the economic instability—the certain continuation of the plunge into inflation—which the building of a military wall around Russia entails. It is reasonable to assume that, as the full breadth and scope of our present anti-Russian influence program unfolds, the people of this country will, instead of placing the necessary dollars in the tax boxes with which to finance the program, proceed with further deficit financing and expansion of the potential inflationary base, and additions to the total Federal debt.

### Fiscal and Money Problems

It is difficult to even approach the financial basis of "boom and bust," simply because the economics of money is obscure to most people. Nevertheless, it is precisely this matter of money that must be comprehended if there is to be judicious thinking about the causes, controls, and consequences of inflationary boom and their relationship to business stability. "In fact," says Mr. Smith, "I would say that the American people had better find out about money—and quick!"

I repeat, in high position in business—and may I also say in politics—there are far too many people who know little about money or fiscal and financial policies, and care less. As a matter of fact, there are millions of people who feel it is a great burden to even have to listen to discussions dealing with the subject. Largely as a result, we hear on all sides that production is the answer to soaring prices; reconversion to provide abundance is required in order to restore, it is said, the competitive situation; or buyers' market, where the profit motive can have full sway. Meanwhile, there has to be what the socialists call a period of transition, in which prices are not determined in a free market. That was the excuse for the attempt of the Administration to continue OPA far beyond V-J Day. It is the reason for Chester Bowles' bright idea for business men's committees to control price determinations; if current prognos-

tications of a price recession were to come true this disguised revival of OPA would be readily transformed into a revival of Blue Eagle days with their NRA partnership between government and business as a device for sidestepping the anti-trust laws against collusive upward pricing—an idea which has yet to be discarded in our Department of Agriculture.

### Transition Period

This so-called transition period, be it noted, is the most characteristic procedural element in every socialistic program. Right now it is an almost equally characteristic alibi in the current official agitation over prices. Here it is alleged that if we will just let reconversion have a profitless period of transition we can attain a virtually unlimited supply of everything and government will be thus relieved of its perennial monetary worries. This is precisely the technological Utopia which is being held up in the honeyed phrases of dialectical materialism before the Russian bear. We need no longer worry about the scarcities which have characterized this heretofore Malthusian world if we will but forget the profit motive and tighten our belts for the transition into the fruition of a New Deal so new that no amount of inflation can be embarrassing.

So, in the guise of transition (alias reconversion) the Democratic donkey has dangled before him an elusive wisp of surpluses tied on the end of the atomic pole—perhaps I should say the atomic pile—which is to make any amount of both private and public deficit financing feasible with the sky as the limit. We have only to buy off communistic aggression with American credits unlimited, says Henry Wallace, while we fix up nuclear energy to give us an assured supply of everything. This ought to include, I suppose, standing room; for with the secret of photosynthesis uncovered—or about to be—we have only to build skyscrapers unlimited over the surface of the earth in order to multiply the human race without stint. Thus civilized man is to become the finally perfected form of life chosen of God not only to shove all other animals and much human life off the stage, but also to displace the whole vegetable kingdom!

All this is an inescapable implication of the blind neglect of monetary considerations that characterized the work of the TNEC and has been written into the President's recent speech by his advisors under the Full Employment Act. It is claimed, without reservation, that "our private enterprise system now has the responsibility for prices." We even hear rumors that Dr. Nourse is to stomp the West to tell the family farm about this responsibility.

Of course, the NAM was wrong when it promised price-depressing production in Congress would cripple and finally get rid of OPA. But that does not make the President right when he tells us that "we are beginning to sense the fact that our peacetime economy can not only equal our wartime economy, but can surpass it." If this means endorsement of the Nourse idea that the quantity of money can be ignored, then there is clearly no reason at all why we cannot rescue the rest of the world from starvation and Communism by playing Santa Claus. But our wartime economy was undeniably over-supplied with money to an extent that cannot be removed by production, not even with atomic energy.

### Problem of Monetary Controls

The problem of monetary controls, which is purely a governmental responsibility, does have

to be resolved, the President's economic counsellors to the contrary notwithstanding.

It is for lack of monetary controls that these other controls, of bureaucratic "planning," are attempted; and it is vital to understand that their presence makes monetary control just about impossible. They thus defeat their own end of full employment, or at least of full production, and we are clearly on the way into the same difficulties with inflation that has brought tyranny upon the Old World. It is to be noted that the Soviet Union has eliminated the deflationary side of the business cycle, with its unemployment, at the expense of chronic monetary inflation; and let me say that it is just such a pattern that lies ahead of our present policies in ignoring the monetary angle and saying, as Mr. Truman put it, that "our private enterprise system now had the responsibility for prices."

This view points, wittingly or not, straight down "the road to serfdom." In dealing with monetary deficiency and its effect on prices, some years ago little pigs were destroyed; and, as late as this past season, literally tens of millions of bushels of potatoes were made unfit for human consumption, for the purpose of removing so-called "surpluses." The counterpart of this irrational approach, in turning from too little to too much, is as close an approximation as possible to economic slavery and sumptuary controls in the attempt to compel production and restrict consumption.

During the depression-controlled 30's, there was developed the Keynesian philosophy of "multiplier" economics and compensatory government spending. The theory was, for instance, that if the Government did spend, say, \$3,000,000,000 per annum in the form of pump-priming, that would provide consumer buying power in the form of dollars and thus tend to remove the deficit in incomes, and national income would be greatly stimulated by government spending. We might bear in mind that the original concept of the Reconstruction Finance Corporation, after having been placed in operation, failed to reconstruct in private enterprise. So the "functional financing" of the New Deal's "war" against depression was supplemented with all the things called "social gains." We enacted the "liberal" labor laws which call for shortened hours, minimum wages; and there followed the program of deliberate "feather-bedding" with all of the general developments that have followed.

Now, however, the winds are blowing from a different direction, as we face inflation. We have changed our course and we are getting "tough" with labor in an effort to compel a productivity which full employment has failed to bring about. It is confusing to business management to face situations where wages are materially increased, but production is not increased.

Is it necessary for us to point out the plain parallel between these trends in America today and the complete suppression of economic freedom under both Fascism and Communism in Europe? It ought to be plain, if it is not, that business or economic stability (and perhaps political stability) can not be developed in a world confused by what is a virtually universal system of counterfeiting savings through bank credit which becomes, in the case of the Soviet, politbureau credit.

Summer Slichter has pointed out that our Federal Reserve System, designed to provide "an elastic currency" through "central banking," is so perverse in actual operation as to promote business instability. There are, of course, those who disagree with Professor

Slichter. These are chiefly the Keynesian school of deficit financiers who hope to offset the inherent instability of this "credit" system by what is called "compensatory fiscal policy." Reduced to its lowest terms, this means that the public is to be taxed to prevent inflation if and when the commercial banks issue too much credit. For instance, the President has recently taken the position that taxes should not be reduced at this time because there is such a great Federal debt; and the Federal debt sprang from deficit financing. Assessing and collecting taxes from the people tends to deflate as deficit financing inflates. Here we stand between the Devil and the deep blue sea; that is, between inflation on one hand and crushing taxes on the other, with no assurance at all that we are not to have both at one and the same time. Economic stagnation and economic slavery are implicit in such a situation. Business instability is practically assured.

The problem we face is thus not at all a matter of finding room for different ideologies in this One World of ours; nor is this because the World is to become an atomic Utopia as soon as Russia develops the required tolerance and spirit of compromise. Indeed, it is not our different political ideologies that are making trouble. Rather is it civilization's all too similar economic ideologies and errors—such as are leading all nations into a process of chronic monetary inflation—which can not be tolerated if we are to have stability on this or any other planet populated by human beings. Regardless of political forms these economic fallacies are present throughout civilization to make trouble for any government, whether it be capitalism, communism, fascism, or any other ism that it is fostering. As long as the monetary factor is not corrected political measures in other directions are worse than futile since they inevitably lead to tyranny, and tyranny spells instability and war without surcease, despite the fact that it is established always in the name of stability and of freedom from want.

### Stability of Money Essential

Unless this money question can be solved, therefore, the prospect is plain that the world will be divided into at least two collectivized camps expensively defying each other. If this problem were as simple as most people seem to think it should be, it would have been solved long ago, for monetary reforms are nothing new. I suspect that no solution will be found without a revolution in thought such as our philosophers have not yet adequately conceived—a revolution which will counter rather than beget the utopian ideologies which are thought of as the path to stability and peace. For I cannot believe that competition is a dog-eat-dog or private property a dog-in-the-manger, situation which can be abrogated only by actual freedom from want or, as the Keynesians think of it, by saving and investment to the point of having so much productive capital that it is "free goods"; that is, commands a zero rate of interest.

I fear we have forgotten the Christian good sense in the warning that "the poor ye have with you always." There will never be a day when the charity of those who have, for those who have not will be so much out of place as it is out of place as a way of removing that needless poverty, due to business instability, which puts such a strain on human charity as to turn it into hatred.

### Scientific Techniques vs. Inflation

We can no longer afford to overlook the negative sort of lessons that history can teach—the lessons in what we can not do; in this case, in the fact that we can

not rely upon the so-called "endless frontier" of scientific techniques to pull us out of inflation. We shall have to look upon inflation as a cause, not an effect, of scarcity. We must not forget that modern trade is not a barter system. There is, and has to be, a dependable medium of exchange which can and does buy the same value, at any time or place, at the same price without significant change.

Whether wholly accurate or not, there is a current report which aptly exemplifies the irrational behavior that lack of monetary uniformity produces in world trade. Even while we are scraping our grain bins to keep Europe from starving, tons of fish are said to be unmarketable in Europe because of a lack of any useful monetary medium. In the hunt for the almighty dollar some of these fish have, it is said, actually found their way into the American market and have so affected prices as to tie up some of our own fishing fleets because operating costs could not be met at the price set for fish in our markets by foreign competition.

Here is foreign trade with a vengeance! But it is lowering, not raising, the standard of living! It is a typical product of the monetary mess in which civilization is involved and which produces the illusion that any trading at all is better than none, the assumption being that as in barter there could be no trade that harms rather than benefits the traders. In monetary trading this is too often not true. For generations, since the days of mercantilism, we have been calling an excess of exports over imports a "favorable" balance, just as any business firm would be thought of as "in the money" if it took in more money than it spent.

But since there is no common money and banking system for foreign trade, what happens is a sort of pseudo-barter which brings about a "favorable" flow of gold that has served to promote a domestic credit inflation in the banking system and so prevent the development of such deflation and depression as that which ensued upon the rise of prices after the first World War when gold, as a supposedly standard value, fell behind in supply because it was the one object of trade which was fixed in price by law. In clinging to this international illusion we have allowed foreign interests to sell us gold at what was, in the thirties at least, about twice what it was worth in terms of production cost while we buried it in an expensive Kentucky mausoleum. The recent Russian gold loan to Poland is a reminder of the fact that gold can still be transformed into dollars—but not back into rubles—at a fixed price regardless of the operations of the Bretton Woods Fund and Bank which are, it seems, turning rather into a Sterling stabilizer than a multi-lateral exchange system.

### Bretton Woods Fallacies

Of course, the public generally was seriously misled—by the religious fervor with which the Morgenthau cohorts ballyhooped Bretton Woods—into thinking that, given the familiar transition period, this Keynesian plan would indeed bring about as uniform a basis for international exchange as we have domestically between our forty-eight states. These arrangements have fallen pretty flat already. For instance, we have the present difficulties with the International Credit Bank, the management of which, as well as the Bank itself, is "in the shadow of the 8-ball." Altogether, the Bank has had a bad press: Mr. Eugene Myers' acceptance as President and then his resignation, with all that followed, did not make the whole approach any less difficult. The gaps in the Membership of the Bank, if removed, might help the situation substantially. For instance, why

do not. Argentina, Switzerland, Sweden, Spain, Portugal, and Russia join the Bank? How will it function without such important countries being members? Would not their membership add strength to the group and the Bank, generally? What is the financial responsibility and economic strength of present Members? How many of them constitute impecunious candidates for help? and how many constitute nations in a position to extend credit of a substantial character?

Some contend, and the passing of time may establish, that the Bank in its operations will involve the further distribution of the substance of the American people in a fatuous and ill-omened attempt to win friends and influence nations through the grants, loans and other approaches we may make. At the moment, we must admit for argument's sake that some strong, capable and highly recognized men are in charge of the Bank. It would appear its leadership is now on a very high plane, but they have tremendous difficulties ahead of them, and the Bank's management will unquestionably have its measure taken in the months that lie immediately ahead. We may yet discover that the general rules and regulations and, particularly, the provisions which refer to the power, position, and jurisdiction of the President of the Bank may have to be changed, and substantially. Pyramiding demands for foreign loans have revealed the truth that these schemes were never a move to provide a common world currency that would eliminate barter from foreign trade and make the world financially one and free from all trade restrictions.

It should be noted that the monetary factor has been completely ignored by the advocates of world government in proposing a surrender of sovereignty. Power is therefore advocated for the so-called "United" Nations on a purely political, police-power theory which demands controls to establish a disarmament program that is highly favorable to the Russian system of infiltration and sabotage since it destroys the military advantage which the technical efficiency of American industry affords.

Disarmament and Atomic Control

No general disarmament plan can be anything but the same old unilateral disarmament process which we advocated and got following World War I. So if we are to proceed, as we are unfortunately doing, to try to reconstruct a world of geopolitical power, we had better abandon at once the old theory of a balance of power as the basis of peace and proceed directly to enforce a complete and unilateral disarmament on the world of Communism before we attempt any abandonment of those weapons of mass destruction which make it possible now to check Soviet infiltration, not at its periphery, but at its source.

It is a sad commentary on the lack of intelligence among our own intelligentsia that this barefaced use of power in world politics should be implied in the program which they are proposing, that is, adding to the United Nations Charter an authoritarian control over the individual for the sole purpose of enforcing an allegedly multilateral disarmament. These cohorts of peace are following Mr. Wallace into a nebulosity of plans that can only assure the triumph of tyranny and ultimate world-wide anarchy. For power alignments are the last, not the first, consideration in developing a lasting peace.

Not even plans for the control of atomic energy can afford to ignore the fact that the conditions of peace are primarily a matter of the Invisible Hand of Adam Smith's economics and not of the consent of the governed in more or less democratic politics. The

ounce of prevention, not the pound of cure, is essential to the abrogation of such power politics as is implicit in the use of police power solely to enforce the application of sanctions to the individual by courts that deal out, not justice, but power. Justice is a problem, not in establishing, but in minimizing, governmental interference with the kind of individual who is determined to defend his "dignity and worth" by saying, with Patrick Henry, "Give me liberty, or give me death!"

One of Columbia's social scientists, writing in the "American Scientists" recently, refutes the ultra-pacifistic viewpoint of our atomic scientists' organization, in this manner:

"The various suggestions, such as those for the establishment of a world government, strike me," says Professor Albrecht-Carrie, "as essentially negative. By negative, I mean that they are in the nature of what you (physical scientists) describe as necessary but not sufficient conditions. They may be sufficient for survival, but... I am not content with survival alone. I am, however, very much concerned with the nature of the world state, if we should have one, and with the location of the controls of power in that state. I should even say... that I should not be happy to have those controls in your (scientists) hands to any considerable extent. For I fear that, as a group, your... approach in dealing with a human problem might easily be the best way to lead us—quite unwittingly on your part and to your greatest horror—to a totalitarian system."

"After all, you (scientists) are in a sense more responsible... for socialism, for example, than Marx... In the last analysis, Marx did no more than observe and analyze what he saw around him and... thought (thus) to deduce the inevitable laws of social evolution. If we take a broad view, Fascism and Bolshevism and various other isms are but manifestations of a maladjusted society striving to reach some sort of equilibrium... If we do not like that sort of solution, if we think freedom is a value worth preserving, we have got to supply another answer..."

It is utterly impossible to divorce world economics from world politics. In my humble opinion, this becomes more evident each day. Political peace and economic stability work hand in glove. They embrace the same problems. Political peace and economic stability are a zero prospect so long as the American people have not "learned about money." By this I mean to say, so long as any possible government by reason of its ideas about money and the public's ignorance of the subject, proceeds to manipulate deficit finance, expand inflationary base, and then move into government controls and the destruction of individual economic liberty, there will be trouble for our people.

Vincent Vickers, a Director of the Bank of England in the recent war, observed just as the recent war was breaking over Europe, that:

"Strenuous efforts have been made over some 25 years to patch up the money system in an attempt to make it last a little longer, but it has stood, and now stands, in the way of progress and social betterment, thereby creating universal unrest and a tendency to obtain by force what can not be obtained otherwise. For the sake of our children let us take warning in time. Let us discard the policy of inaction and pretense, and boldly face the fact that it is not the inevitable smoke of the galley stove which assails our nostrils, but that a fire is raging in the hold and that the ship of state is in imminent danger. Our democratic system and our existing financial system can

no longer live together; one of them must give way to the other."

How to Overcome Marxism

We can overcome the false prophets of Marxian materialism only by correcting our own ideas of morality to make ethical considerations primarily an intellectual problem in social stereotyping and not an egocentric problem in personality and tolerance. Mental, not sentimental, solutions are required to remedy a situation in which, as Dr. Goldenweiser said in his address to the Economic Association at Atlantic City last January, "from the Socialist or Communist point of view the important questions appear to have been solved—many decades ago, while for protagonists of private enterprise answers to the question are still to be developed. Communism," he pointed out, "places a period after its dogmas, in fact, an exclamation point, while a question mark is still discernible at the end of deliberations on economic dilemmas by proponents of individual enterprise."

It is not the mechanical aspect of modern industry, it is rather the metaphysical aspect of its monetary problems, that can find social solutions in theory and philosophy. The factual social theory of the historian or statistician can only lead us into what Northrop, in his treatise on "The Meeting of East and West," calls the culturalistic fallacy, or what might be called the anthill fallacy of studying our human culture as if it were a colony of ants. This philosopher points out the "failure of our political and economic thinking to reconstruct our monetary theory" and "the stupid and terrific price that has been paid for keeping moral and political philosophy and economic theory in water-tight compartments, isolated from the theory of natural sciences."

Stupid it is, assuredly, not to recognize that we can not deal with the ethical problems of human society by a fatalistic materialism or naturalism which neglects the fact that philosophy, whether it is recognized or not, is the mainspring of social action and that its substance is an alloy of the real with the ideal—of theory and practice; for as Dr. Goldenweiser said, "every important forward step in the progress of humanity has had its origin in the abstract, supposedly impractical thinking and dreaming of the scholar."

"What we are facing," wrote Dr. Palyi of Chicago in "The Commercial and Financial Chronicle" of April 24, "is not a mild recession, this year or next, followed by a 'high plateau' of long and healthy prosperity. What we are facing, with or without minor and temporary setbacks, is a hectic process of full employment with shifting and insidious bottlenecks, violently fluctuating but upward-moving costs and prices, industrial strifes, market confusions, inflationary and international tensions, and ultimately, a day of reckoning."

Finally, let me point up a closing question by reference to General Marshall's recognition that time is running against us as we talk of compromising with tyranny and treachery. Why try to compromise with evil in the old game of power politics? The final message of the man who stood before Pilate mocked by a crown of thorns was that his was no earthly, that is, no political, kingdom. He came to bear witness unto that which has burgeoned into a science that has dangerously lagged in the social field, namely, the simple truth! If, with the truth, we can ever settle the problem of world economics that is challenging our ability to seek and know what truth is, and so answer Pilate's query—if ever there is to be a day of reckoning, why not now?

Moody's Bond Prices and Bond Yield Averages

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

Table with columns: 1947 Daily Averages, U.S. Govt. Bonds, U.S. Ave. Corporate rate, Corporate by Earnings (Aaa, Aa, A, Baa), Corporate by Groups (R.R., P.U., Indus.). Rows include dates from May 6 to May 5, 1945.

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

Table with columns: 1947 Daily Averages, U.S. Govt. Bonds, U.S. Ave. Corporate rate, Corporate by Earnings (Aaa, Aa, A, Baa), Corporate by Groups (R.R., P.U., Indus.). Rows include dates from May 6 to May 5, 1945.

\*These prices are computed from average yields on the basis of one "typical" bond (3% 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.

Bill for New Minerals Div.

The House Public Lands Committee on April 25 voted approval for a bill to set up a mineral resources division within the Interior Department to continue the support price program for critical minerals, according to Washington Associated Press advices. The Division would be headed by a director at a salary of \$12,000 a year. If passed the measure would permit conservation and development payments to producers of copper, lead, zinc and other metals, up to a total of \$80,000,000 per year.

Moody's Daily Commodity Index

Table with columns: Date, Commodity Index Value. Rows include dates from Tuesday, April 29 to 1947 High Jan. 20.

## The State of Trade

(Continued from page 3)

eliminate the sales price policy of "price at time of shipment."

The current flow of steel to consumers has been so heavy in recent weeks, states "The Iron Age," 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, according to the magazine. 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 two weeks ago at least 80% of pig iron users had no more than 10 to 15 days' inventory.

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 90.6% of capacity for the week beginning May 5, 1947, as compared with 96.4% one week ago, 95.1% one month ago and 58.7% one year ago. This represents a decrease of 5.8 points or 6.0% from the preceding week.

The week's operating rate is equivalent to 1,585,400 tons of steel ingots and castings compared with 1,686,900 tons one week ago, 1,664,200 tons one month ago and 1,034,500 tons one year ago.

**Electric Production Rises**—The Edison Electric Institute reports that the output of electricity increased to 4,667,997,000 kwh. in the week ended April 26, 1947, from 4,660,320,000 kwh. in the preceding week. Output for the week ended April 26, 1947, was 17.4% above that for the corresponding weekly period one year ago.

Consolidated Edison Co. of New York reports system output of 199,200,000 kwh. in the week ended April 27, 1947, compared with 180,700,000 kwh. for the corresponding week of 1946, or an increase of 10.3%. Local distribution of electricity amounted to 188,600,000 kwh. compared with 172,300,000 kwh. for the corresponding week of last year, an increase of 9.5%.

**Railroad Freight Loadings Higher**—Car loadings of revenue freight for the week ended April 26, 1947, totaled 893,776 cars, the Association of American Railroads announced. This was an increase of 27,930 cars, or 3.2% above the preceding week, and 233,512 cars, or 35.4% above the corresponding week for 1946. Compared with the similar period of 1945, a decrease of 6,174 cars, or 0.7%, is shown.

**Paper and Paperboard Production Lower**—Paper production in the United States for the week ended April 26, was 103.1% of mill capacity, against 105.9% (revised figure) in the preceding week and 100.6% in the like 1946 week, according to the American Paper & Pulp Association. This does not include mills producing newsprint exclusively. Paperboard output for the same week, was 100%, compared with 102% in the preceding week and 95% in the corresponding week a year ago.

**Business Failures Up**—Rising in the week ending May 1, commercial and industrial failures totaled 70, Dun & Bradstreet, Inc. reports. The number of concerns failing increased from the 66 registered in the previous week and were three times as heavy as in the corresponding week of last year when only 23 failures occurred. Ever since October 1946, failures have consistently exceeded those

in the previous year's comparable weeks.

This week large failures involving losses of \$5,000 or more were over four times as numerous as small failures. Totaling 57, concerns failing in the large size group were up one from last week and exceeded by a wide margin the 18 reported in the same week a year ago. Small failures numbered 13, as compared with 10 in the preceding week and five in the corresponding week of 1946.

Three-fifths of the week's total failures were concentrated in manufacturing and retailing. Thirty manufacturers failed, showing a rise from 22 last week and a sharp increase from a year ago when only 12 manufacturers failed. In retail trade failures remained at 24, the same as in the previous week; they were almost five times as numerous as in the comparable week in 1946 when five failures were reported in this trade. No other industry or trade group had more than eight concerns failing in the week just ended.

The Middle Atlantic and Pacific States accounted for 55 of the 70 failures occurring this week. In fact, there were six times as many concerns failing in each of these regions as in any of the other geographic areas. The Pacific States has 29 failures. This more than doubled the number reported for this region last week and was about four times that in the same week a year ago. In the Middle Atlantic States failures totaled 26, against 17 a week ago and three in the prior year. No other region reported more than four failures this week; one did not have any failures. The sharp increase from the 1946 level was concentrated almost entirely in the Middle Atlantic and Pacific States.

Two Canadian failures were reported as compared with four last week and one in the corresponding week a year ago.

**Decline in Wholesale Food Price Index Moderate**—Although still trending downward, the drop in the Dun & Bradstreet wholesale food price index was considerably moderated in the latest week. The index declined four cents from \$6.06 last week, to \$6.02 on April 29. This represents a new low point since Oct. 8, 1946, when it stood at \$5.40, and compares with \$4.19 on the corresponding date a year ago.

Six commodities advanced during the week and fourteen declined. The former included beef, butter, cocoa, beans, hogs and lambs. On the down side were flour, wheat, corn, rye, oats, barley, hams, bellies, lard, coffee, cottonseed oil, peas, eggs, potatoes, raisins, currants, and steers.

This index is intended to show primarily the general trend in food costs at the wholesale level and represents the sum total of the price per pound of 31 foods in general use. As retail food prices do not enter into the construction of the index, it should not be confused with or used as a cost-of-living index.

**Daily Wholesale Commodity Price Index Off**—The general price trend continued downward in the past week to reach the lowest level since the end of February. The daily wholesale commodity price index, compiled by Dun & Bradstreet, Inc., dropped to 253.35 on April 29, from 257.74 a week earlier. On the corresponding 1946 date it stood at 188.91.

Grain markets last week were irregular with most cereals trending lower in comparatively light trading. Wheat fluctuated within a narrow range with prices toward the close buoyed by improved domestic demand for new crop flour, current heavy foreign demands for old crop wheat and flour, and indications that foreign requirements during the new crop season

will equal or exceed those of the past season.

Corn declined sharply as the result of heavy hedge selling prompted by liberal offerings of cash corn from the country, and publication of a Government report showing farm reserves as of April 1 at near record proportions. Activity in the flour market during the week was featured by offerings of new crop flour from the Southwest for July and later shipment at quotations approximately \$1 per hundredweight below current old crop values.

In livestock markets, steers were slightly easier while hogs declined due to continued heavy receipts. Domestic and export demand for lard remained slow. Under pressure of increased offerings cash lard dropped 3½ cents per pound in the week. Coffee and cocoa were in poor demand and prices continued their recent declines.

Trends in cotton were very irregular during the week. Final quotations were somewhat lower but trading was featured by marked strength at times. Business in spot markets improved considerably and reported sales were more than double volume for the week previous. Prices were strengthened in the early part of the week by reports that American cotton would be used exclusively in rebuilding the German and Japanese textile industries. Weakness in the final session of the week resulted from lack of speculative support and a slackening of mill fixations resulting from reports of contraction of textile sales activity. Soil preparation and planning made good progress in most parts of Texas but were reported behind schedule in central and eastern parts of the belt. Registrations of cotton under the Government export program continued in small volume; total sales for the season through April 19 amounted to 1,264,208 bales. Entries of cotton into the 1946 loan stocks showed a sharp increase during the week ended April 19.

Business in domestic wools remained very quiet in the Boston wool market last week. Demand for fine wool tops for immediate delivery slowed down considerably also. Prices of wools in foreign primary markets continued firm. A scarcity of desirable wools made it difficult for buyers to purchase any sizable weights of the better types.

**Retail and Wholesale Trade**—Retail volume rose slightly last week with total volume moderately above that of the corresponding week a year ago. Although scattered price reductions on certain items were reported, there was no noticeable change in the general price level, Dun & Bradstreet, Inc., states in its current review of trade. Clearance sales and special promotions were numerous in all sections of the country. Consumers continued to display considerable resistance to high prices and poor quality merchandise.

Clearance sales continued to be featured the past week in most retail apparel shops with women's spring suits, coats and footwear among the items offered at reduced prices. The demand for women's summer suits and dresses continued strong. Interest in blouses, play clothes and other sportswear items increased moderately. Men's lightweight suits were frequently requested, while men's shirts, hose and other furnishings remained in heavy demand.

Retail grocery volume rose slightly last week and continued to be moderately above that of a year ago. The price of soap and some canned goods declined modestly in many localities. The demand for baked goods was at a high level. Fresh fruits and vegetables were plentiful. The supply of meat, poultry and fish was adequate. Paper products, espe-

cially toilet tissue, remained in short supply.

The demand for building materials, plumbing supplies and hardware remained at a high level but reports indicate that resistance to high prices has retarded sales of these items. The purchase of both new and used automobiles on the installment plan increased noticeably. Interest in name brand appliances and house furnishings continued strong. Requests for sporting goods, lawn furniture and gardening supplies were numerous.

Retail volume for the country in the week ended last Wednesday was estimated to be from 5 to 9% above that of the post-Easter week a year ago. Regional estimates exceeded those of a year ago by the following percentages: New England and Southwest 4 to 8, East 6 to 10, Middle West and Northwest 5 to 9, South 3 to 7, and Pacific Coast 7 to 11.

There was no appreciable change in the volume of sales in most wholesale centers last week. Total dollar volume remained moderately above that of the corresponding week a year ago. Initial reports from the numerous wholesale shows in progress throughout the country indicated that most buyers were maintaining a very cautious attitude, particularly in regard to long term commitments.

Department store sales on a country-wide basis, as taken from the Federal Reserve Board's index

for the week ended April 26, 1947, increased 14% above the same period of last year. This compared with a decrease of 6% in the preceding week. For the four weeks ended April 26, 1947, sales increased by 4% and for the year to date by 10%.

Retail trade here in New York the past week was brisk with response by consumers to specially priced offerings good. The average increase in department store volume was put at 10%, though some stores ranged from 20 to 25%.

The faster selling items in summer apparel featured the garment markets. It is reported manufacturers have completed their fall sample models but are in the midst of determining what the prices will be.

In the heavy goods line, manufacturers have reported the first real signs of a definite buyers' market in raw materials for durable goods production. In the food market prices for the week were mixed.

According to the Federal Reserve Board's index, department store sales in New York City for the weekly period to April 26, 1947, increased 10% above the same period last year. This compared with a decrease of 4% (revised figure) in the preceding week. For the four weeks ended April 26, 1947, sales rose 2% and for the year to date increased 10%.

## Approval by Number of States of Proposed Amendment Limiting Presidency to Two Terms

Since the adoption by Congress on March 21 of a resolution calling for a proposed amendment to the United States Constitution limiting the Presidency to two elective terms of four years, or not more than 10 years, some, at least 13, states have ratified the proposed amendment. If the legislation is approved by three-fourths of the states, or 36 in all, which have seven years in which to ratify, the

limitation would go into the Federal Constitution as the 22nd Amendment. The President was not required to affix his signature to the resolution, which was adopted by the House on Feb. 6, and by the Senate with amendments (by a vote of 59 to 23) on March 12; the House accepted the Senate amendments on March 21 by a standing vote of 81 to 29.

Maine was the first State to ratify the proposed amendment to the Constitution limiting the Presidential tenure to two elective terms, the action by the Legislature of that State in approving the amendment having been taken on March 31. Other States whose Legislatures have since approved the amendment are Michigan, Iowa, Kansas, New Hampshire, Illinois, Delaware, Oregon, New Jersey, California, Vermont, Wisconsin and Ohio. In Associated Press advices from Chicago on April 15 it was stated that the Oklahoma Senate on April 14 virtually killed chances for action at this session by voting to postpone consideration indefinitely.

The following is the text of the proposed constitutional amendment embodied in the resolution adopted by Congress:

"No person shall be elected to the office of the President more than twice, and no person who has held the office of President, or acted as President for more than two years of a term to which some other person was elected President shall be elected to the office of the President more than once. But this article shall not apply to any person holding the office of President when this article was proposed by the Congress, and shall not prevent any person who may be holding the office of President, or acting as President, during the term within which this article becomes operative from holding the office of President or acting as President during the remainder of such term."

The New York "Herald Tribune"

in advices from its Washington bureau March 21 said:

Although the amendment, as drawn, would limit the Presidency generally to two elective terms, it does not refer to President Truman. In the future, a man who had served two years or more of another President's unexpired term would be elected to only one term of his own.

## Nonfarm Realty Foreclosure in Fourth Quarter 1946

Available data indicate that real estate prices, which rose substantially during the war years, reached their all-time peak in 1946, said the Federal Home Loan Bank on April 1, which stated that "this, coupled with the high level of the consumer income, served to reduce still further the number of distress cases requiring foreclosure." For the year as a whole, foreclosures in non-farm properties were estimated at just over 12,000, representing a decline of 17% from the already low level of the preceding year, according to the Bank, which further reported:

"Foreclosure actions during the final quarter of 1946 were approximately 30% more numerous than during the preceding three months period, which had marked a new low point in this 21-year series. The estimated October-December total of 3,392 cases, however, was only 3% more than the corresponding period in 1945. This was the first quarter in well over a decade in which the number of foreclosures was greater than in the same period of the preceding year. However, the exceedingly low level of activity, coupled with the small magnitude of the increase over the fourth quarter of 1945 (less than 100 cases), indicates that not too much significance should be attached to the recent rise."

### April Civil Engineering Construction Totals \$454,471,000

Civil engineering construction volume in continental United States totals \$454,471,000 for April, an average of \$113,618,000 for each of the four weeks of the month. This average is 13% above the average for March, but 15% below the average for April, 1946, according to "Engineering News-Record." The report, issued on May 21, went on to say in part:

Private construction for April on a weekly average basis is 25% below last month and 39% less than April, 1946. Public construction is 111% above last month and 23% above last April. State and municipal construction is 77% above last month, and 41% above the average for April, 1946. Federal construction, up 324% from last month, is 4% above April, 1946.

Total engineering construction for the four-month period of 1947 records a cumulative total of \$1,642,347,000, which is 8% above the total for the corresponding period a year ago. On a cumulative basis, private construction in 1947 totals \$1,008,198,000, a gain of 0.6% over 1946, and public construction, \$634,149,000, a gain of 23% over 1946. State and municipal construction is 41% greater than the cumulative total for the corresponding period of 1946, whereas federal construction is 11% smaller.

Civil engineering construction volume for April, 1947; March, 1947, and April, 1946, are:

	April, 1947 (4 Weeks)	March, 1947 (4 Weeks)	April, 1946 (4 Weeks)
Total U. S. Construction	\$454,471,000	\$400,415,000	\$536,190,000
Private Construction	213,667,000	286,049,000	348,560,000
Public Construction	240,804,000	114,366,000	187,630,000
State and Municipal	174,821,000	98,819,000	124,275,000
Federal	65,983,000	15,547,000	63,355,000

#### New Capital

New capital for construction purposes for the four weeks of April, 1947, totals \$282,140,000, or a weekly average of \$70,535,000, 286% above the March, 1947, average, and 241% above the average for April, 1946.

On a cumulative basis, new capital for construction purposes amounts to \$518,164,000 for the first four months of 1947, or 18% greater than the \$439,959,000 reported for the corresponding period of 1946.

### Commercial Paper Outstanding on March 31

Reports received by the Federal Reserve Bank of New York from commercial paper dealers show a total of \$266,000,000 of open market paper outstanding on March 31, 1947, compared with \$243,700,000, on Feb. 28, 1947, and \$171,500,000 on March 29, 1946, the bank announced on April 14.

The following are the totals for the last two years:

1947—	\$	1946—	\$
Mar. 31	266,000,000	Feb. 28	178,200,000
Feb. 28	242,700,000	Jan. 31	173,700,000
Jan. 31	236,400,000	1945—	
1946—	\$	Dec. 31	158,900,000
Dec. 31	227,600,000	Nov. 30	156,100,000
Nov. 29	226,800,000	Oct. 31	127,100,000
Oct. 31	201,500,000	Sep. 28	111,100,000
Sep. 30	147,600,000	Aug. 31	110,200,000
Aug. 31	141,600,000	July 31	106,800,000
July 31	130,800,000	June 29	100,800,000
June 28	121,400,000	May 31	102,800,000
May 30	126,000,000	Apr. 30	118,600,000
Apr. 30	148,700,000	Mar. 30	146,700,000
Mar. 29	171,500,000		

### Electric Output for Week Ended May 3, 1947, 15.7% 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 May 3, 1947, was 4,640,371,000 kwh., an increase of 15.7% over the corresponding week last year when electric output amounted to 4,011,670,000 kwh. The current figure also compares with 4,667,997,000 kwh. produced in the week ended April 26, 1947, which was 17.4% higher than the 3,976,750,000 kwh. produced in the week ended April 27, 1946. The largest increases were reported by the Pacific Coast and Southern States groups which showed increases of 18.7% and 18.3% respectively, over the same week in 1946.

#### PERCENTAGE INCREASE OVER SAME WEEK LAST YEAR

Major Geographical Division	Week Ended				
	May 3	Apr. 26	Apr. 19	Apr. 12	Apr. 5
New England	10.2	9.5	10.3	6.9	6.9
Middle Atlantic	8.3	10.8	10.2	6.4	10.3
Central Industrial	17.3	19.1	18.1	16.9	21.1
West Central	17.5	19.4	18.1	15.5	18.2
Southern States	18.3	19.0	18.4	16.3	18.0
Rocky Mountain	18.0	25.2	22.2	20.0	19.2
Pacific Coast	18.7	20.2	21.7	23.1	24.7
Total United States	15.7	17.4	16.9	15.1	17.7

#### DATA FOR RECENT WEEKS (Thousands of Kilowatt-Hours)

Week Ended	1947		1946		% Change Over 1946
	1947	1946	1945	1944	
Jan. 11	4,573,807	3,865,362	4,427,281	1,602,482	+18.3
Jan. 14	4,852,513	4,163,206	4,614,334	1,598,201	+16.6
Jan. 18	4,856,890	4,145,116	4,588,214	1,588,967	+17.2
Jan. 25	4,856,404	4,034,359	4,576,713	1,588,853	+20.4
Feb. 1	4,777,207	3,982,775	4,538,552	1,578,817	+19.9
Feb. 8	4,801,179	3,983,493	4,505,269	1,545,459	+20.5
Feb. 15	4,778,179	3,948,620	4,472,298	1,512,158	+21.0
Feb. 22	4,777,740	3,922,798	4,473,962	1,519,679	+21.8
Mar. 1	4,797,099	4,000,119	4,472,110	1,538,452	+19.9
Mar. 8	4,786,552	3,952,539	4,446,136	1,537,747	+21.1
Mar. 15	4,783,843	3,987,877	4,397,529	1,514,553	+19.5
Mar. 22	4,759,066	4,017,310	4,401,716	1,480,208	+18.5
Mar. 29	4,728,885	3,992,283	4,329,478	1,465,076	+18.5
Apr. 5	4,693,055	3,987,673	4,321,794	1,480,738	+17.7
Apr. 12	4,619,700	4,014,652	4,332,400	1,469,810	+15.1
Apr. 19	4,567,997	3,976,750	4,415,889	1,429,022	+17.4
Apr. 26	4,660,320	3,987,145	4,411,325	1,454,505	+16.9
May 3	4,640,371	4,011,670	4,397,330	1,436,928	+15.7
May 10		3,910,760	4,302,381	1,435,731	
May 17		3,939,281	4,377,221	1,425,151	
May 24		3,941,865	4,329,605	1,381,452	
May 31		3,741,256	4,203,502	1,435,471	

### National Fertilizer Association Wholesale Commodity Price Index Dips Slightly

The weekly wholesale commodity price index compiled by The National Fertilizer Association and made public on May 5 declined to 195.6 for the week ended May 3, 1947 from 196.7 in the preceding week. This is the fifth consecutive week in which the index has registered a decline and it is now lower than at any time during March or April of this year. A month ago the index stood at 200.4 and a year ago at 145.7, all based on the 1935-1939 average as 100. The Association's report continued as follows:

During the week four of the composite groups in the index declined while one advanced; the other six remained at the level of the preceding week. Prices for butter, flour, cocoa, and most meats advanced, but the declines for cheese, potatoes, ham, lard, and most fats and oils caused the foods index to fall 1.2% from the level of the preceding week. The price rises for wheat, lambs, and some hogs were more than offset by declines for cotton, corn, most grains, and eggs, and the index for the farm products group fell. The textiles index declined 1.1% from the level of the previous week. Lower prices for steel scrap and silver bars were responsible for the fall in the metals index. In the miscellaneous commodities group, the lower prices for linseed meal and book paper were more than offset by higher prices for bran and middlings, with the result that the index advanced slightly.

During the week 30 price series in the index declined and 15 advanced; in the preceding week 35 declined and 11 advanced; in the second preceding week 33 declined and 15 advanced.

#### WEEKLY WHOLESALE COMMODITY PRICE INDEX

Compiled by The National Fertilizer Association  
1935-1939=100\*

% Each Group Bears to the Total Index	Group	Latest	Preceding	Month	Year
		Week	Week	Ago	Ago
		May 3, 1947	Apr. 26, 1947	Apr. 5, 1947	May 4, 1946
25.3	Foods	215.9	213.5	221.9	144.6
	Fats and Oils	240.3	286.8	320.7	147.4
	Cottonseed Oil	302.0	433.1	433.1	163.1
23.0	Farm Products	241.1	242.5	250.8	175.0
	Cotton	335.4	336.1	335.1	260.4
	Grains	227.7	249.9	246.2	173.9
	Livestock	169.8	169.8	170.2	162.0
17.3	Fuels	158.1	157.8	162.4	130.8
10.8	Miscellaneous Commodities	215.0	217.3	217.2	134.5
8.2	Textiles	147.9	148.1	147.7	165.5
7.1	Metals	203.2	203.2	203.4	167.8
6.1	Building Materials	156.9	156.9r	154.5	127.5
1.3	Chemicals and Drugs	127.5	127.5	128.0	116.4
3	Fertilizer Materials	134.5	134.5	133.7	119.8
3	Fertilizers	125.5	125.5	126.3	105.8
3	Farm Machinery				
100.0	All groups combined	195.6	196.7	200.4	145.7

\*Indexes on 1926-28 base were: May 3, 1947, 152.4; April 26, 1947, 153.2; and May 4, 1946, 113.5. r Revised.

### Moody's Common Stock Yields

For yields in prior years see the following back issues of the "Chronicle"; 1941 yields (also annually from 1929), Jan. 11, 1942, page 2218; 1942 yields, Jan. 14, 1943, page 202; 1943 yields, March 16, 1944, page 1130; 1944 yields, Feb. 1, 1945, page 558; 1945 yields, Jan. 17, 1946, page 299; 1946 yields, Jan. 9, 1947, page 193.

#### MOODY'S WEIGHTED AVERAGE YIELD OF 200 COMMON STOCKS

	Industrials (125)	Railroads (25)	Utilities (25)	Banks (15)	Insurance (10)	Average Yield (200)
January, 1947	4.4	6.6	4.6	4.2	3.3	4.5
February, 1947	4.6	6.8	4.7	4.2	3.3	4.7
March, 1947	4.7	6.8	4.9	4.4	3.4	4.8
April	5.0	7.3	4.9	4.6	3.6	5.1

### Army-Navy Would Preserve War Plants

Secretary of War Robert P. Patterson and Acting Secretary of the Navy W. John Kenney, in a letter to House Speaker Joseph W. Martin, Jr., sought Congressional authority, on April 29, for a vast Army-Navy war-plant leasing program which they said would save money and time "which in a future war might spell the difference between success and disaster." The plan as outlined, according to UP Washington advices, seeks the leasing of "stand-by" war plants to private operators, subject to immediate cancellation in the event of an emergency. Title to the property would remain in government possession "for an indefinite period," and leases would be for periods up to five years. Goods to be produced would be similar to those used in war time.

By this method, the letter stated, the Army would retain control of 43 plants, the Navy 34. The plan, it is stated, would assure that the plants would be kept in first-class working condition, convertible on short notice to military or naval use. The United Press account, as given in the New York "Herald Tribune" further said:

Most of the plants would manufacture ordnance, but 13 of the Army units would be engaged in chemical-warfare oper-

ations and one in research in experimental fuels.

"Experience in this war," Mr. Patterson and Mr. Kenney wrote Representative Martin, "has indicated that much valuable time—time which in a future war might spell the difference between success and disaster—was expended in the construction and conversion of plants for the production of essential material. The time thus required was in the neighborhood of 18 months to two years."

The Navy's "stand-by" program is designed to enable it to expand its peace-time force of 500,000 officers and men into a force of 3,000,000 within a year. It said that without a leasing plan it would cost about \$5,000,000 to maintain its plants.

The Army, in addition to retaining control over 43 of the 667 plants it either operated or contracted with at the peak of the war, said it planned to expand its arsenal system from 15 to 17 installations.

Plans by both the Army and Navy for large-scale conservation of strategic and scarce machine tools were also outlined, according to the same advices which added:

The Navy said it planned to stockpile about 35,000 machine tools and production machines. The Army reported it would retain 48,434 machine tools, 8,729 metal-forming tools and 719,233 other productive items, including furnaces, dies, molds, fixtures, patterns and templates.

### Gen. Vandenberg Returns to AAF

A White House announcement on May 1 stated that President Truman had appointed Rear Admiral Roscoe H. Hillenkoetter to be Director of United States Central Intelligence, succeeding Lieut.-Gen. Hoyt S. Vandenberg. The change is to be effective at once, according to Associated Press Washington advices, which added that this will release General Vandenberg for important duties with the Army Air Forces. General Vandenberg was Commanding General of the Ninth (Tactical) Air Force during the war, and was called by President Truman from his post as War Department Intelligence Chief a year ago to head CIG. Returning to the AAF at the request of Gen. Dwight D. Eisenhower, Chief of Staff, General Vandenberg is to become Deputy Commander and Chief of Air Staff under Gen. Carl A. Spaatz, effective June 15, when Lieut.-Gen. Ira C. Eaker retires. Meantime he is to work with the air staff.

Admiral Hillenkoetter, who was intelligence officer to Fleet Admiral Chester W. Nimitz during the war, and recently returned from duties in Paris, will direct the intelligence group which operates under the Central Intelligence Authority. The group, a dispatch to the New York "Times" stated, is still in the midst of establishing what is to become its proper place in a field previously dominated by the Federal Bureau of Investigation and the Army, Navy and State Department intelligence services. Its primary function is to coordinate all intelligence information, while gleaned foreign information on its own.

### ABA Expands Small Business Program

To aid business men who are as much in need of counsel as they are of credit, the Small Business Credit Commission of the American Bankers Association on April 24 launched an expansion of its national program devoted to the welfare of small enterprises. The Commission urged banks to make themselves community headquarters for business information through establishing in each institution a well-rounded library of business reference material. The project is explained in a booklet, "Small Business Aids," mailed to all ABA member banks which tells banks how to establish such business libraries fitted to the needs of each community. It lists sources of information, describes pamphlets and booklets useful to business men, and offers the services of the ABA Small Business Credit Commission in obtaining this material.

The new ABA project, it is stated, is another step in the evolution of the program of the Association begun three years ago to assure ample credit to small business. Earlier steps included an educational effort among the banks looking toward the wider use of some of the newer types of loans, greater use of the cooperative lending relationships between local banks and their city correspondents, and the organization of a nationwide system of trade area credit reservoirs or credit groups to supplement the lending facilities of the local banks and the local banks and city correspondents working together. The credit phases of this program were supplemented during the past year by a series of three regional conferences and 17 credit clinics at which bankers discussed small business problems at the local level.

### Daily Average Crude Oil Production for Week Ended April 26, 1947 Increased 17,800 Barrels

The American Petroleum Institute estimates that the daily average gross crude oil production for the week ended April 26, 1947 was 4,929,900 barrels, an increase of 17,800 barrels per day over the preceding week and a gain of 256,850 barrels per day over the corresponding week of 1946.

Reports received from refining companies indicate that the industry as a whole ran to stills on a Bureau of Mines basis approximately 4,725,000 barrels of crude oil daily and produced 14,213,000 barrels of gasoline; 2,123,000 barrels of kerosine; 5,435,000 barrels of distillate fuel, and 8,186,000 barrels of residual fuel oil during the week ended April 26, 1947; and had in storage at the end of that week 103,860,000 barrels of finished and unfinished gasoline; 9,724,000 barrels of kerosine; 32,286,000 barrels of distillate fuel, and 42,668,000 barrels of residual fuel oil.

DAILY AVERAGE CRUDE OIL PRODUCTION (FIGURES IN BARRELS) Table with columns: B. of M. Calculated Requirements, State Allowables, Actual Production, Change from Previous Week, 4 Weeks Ended, Week Ended.

\*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.

†Oklahoma, Kansas, Nebraska figures are for week ended 7:00 a.m. April 24, 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.

### CRUDE RUNS TO STILL; PRODUCTION OF GASOLINE; STOCKS OF FINISHED AND UNFINISHED GASOLINE, KEROSENE, GAS OIL AND DISTILLATE FUEL AND RESIDUAL FUEL OIL, WEEK ENDED APRIL 26, 1947

Table with columns: District, % Daily Capacity, Crude Runs to Stills, Gasoline Produced, Stocks of Gasoline, Kerosine, Fuel Oil, Residual Fuel Oil.

\*Includes unfinished gasoline stocks of 8,545,000 barrels. †Stocks at refineries, at bulk terminals, in transit and in pipe lines.

### Hotel Sales in December

Horwath & Horwath, New York public accountants, in their February "Hotel Accountant," announced that "the November, 1946, figures fell off 6% from those of November, 1945, despite a gain of 4% in total sales.

"With regard to the sales trend, as shown in the table below, December had a countrywide increase of only 1% in total sales. This is 3 points less than the improvement realized in the preceding month.

"The nationwide occupancy at 84% is a decline of 6 points from November and 4 points from the previous December; the 1% increase in room rate is the smallest since June, 1941.

"For the fifth consecutive month, total restaurant sales in December improved through food only, with beverage volume off 7%. Philadelphia, the Pacific Coast, Texas and the important group, All Others, participated in the beverage sales decrease.

"For the whole year of 1946, total sales were up 11% over those of 1945, room sales showing an increase of 6% and restaurant sales, 15%—food, 20%, beverages, 7%.

"The 1946 occupancy of 93% stands as the highest on record but is due entirely to the high occupancies in the first part of the year.

"The increase in average room rate over that of 1945 is 4%, but the average increase in the last two months of the year was only 2%."

Table with columns: Sales, Increase or Decrease, Occupancy, Room Rate Increase. Rows: New York City, Chicago, Philadelphia, Cleveland, Detroit, Pacific Coast, Texas, All Others, Total, Year to Date.

### MONTHLY TOTALS FOR LAST SIX MONTHS

Table with columns: Month, Sales, Increase or Decrease, Occupancy, Room Rate Increase. Rows: December, November, October, September, August, July.

### Cottonseed Receipts to March 31

On April 11, the Bureau of Census issued the following statement showing cottonseed received, crushed and on hand, and cottonseed products manufactured, shipped out, on hand and exported for the eight months ended March 31, 1947 and 1946.

COTTONSEED RECEIVED, CRUSHED AND ON HAND (TONS) Table with columns: Received at mills, Crushed, Stocks at mills. Rows: United States, Alabama, Arizona, Arkansas, California, Georgia, Louisiana, Mississippi, North Carolina, Oklahoma, South Carolina, Tennessee, Texas, All other States.

\*Includes 100 and 992 tons destroyed during 1946-47 and 1945-46, respectively. Does not include 117,806 and 219,340 tons on hand Aug. 1, 1946 and 1945, respectively.

### COTTONSEED PRODUCTS—PRODUCED, SHIPPED AND STOCKS

Table with columns: Product, Season, Stocks at beginning of Season, Produced, Shipped, Stocks. Rows: Crude oil, Refined oil, Cake and meal, Hulls, Linters, Hull fiber, (500-lb. bales), Motes, grabbats, etc., (500-lb. bales).

\*Includes 10,389,000 pounds at oil mills, 10,682,000 pounds at refining and manufacturing establishments and 2,263,000 pounds in transit.

†Includes 22,794,000 pounds at oil mills, 38,856,000 pounds at refining and manufacturing establishments and 10,438,000 pounds in transit.

‡Includes 245,794,000 pounds at refining and manufacturing establishments and 17,360,000 pounds held elsewhere and in transit.

§Produced from 784,537,000 pounds of crude oil.

¶Includes 188,140,000 pounds at refining and manufacturing establishments and 3,186,000 pounds held elsewhere and in transit.

\*\*Includes 257,477 bales first cut, 436,942 bales second cut and 103,932 bales mill run.

### Vetoed Counsel Measure Redrafted

Rather than attempting to override legislation vetoed by President Truman, which was designed to give special powers to counsel to the Senate War-Investigating Committee, the Committee agreed to a redrafting of the measure to include a provision expected to remove the President's objection to signing, a special dispatch from Washington to the New York "Times" stated on April 26.

The President, in a message to Congress, April 23, gave as his reason for the veto that the language of the resolution appeared to be much broader than the declared intent.

Mr. Truman added: "I am confident that this was not the intention of the Congress and it is for this reason that I am withholding my approval of the legislation."

It turned out subsequently that the passages to which the President had objected had been copied literally from a similar measure pertaining to the Pearl Harbor Investigating Committee Counsel, signed by the President in December, 1945.

The following day (April 24) a dispatch from Washington to the New York "Times" stated that the President declined to give ground regarding the veto, which was the first veto message he has sent to the 80th Congress.

However, the Attorney General's memorandum continued, the inclusion of references to three sections of Federal Statutes "might be interpreted as an effort to grant authority to the Committee counsel to initiate civil or criminal proceedings on behalf of the United States."

The redrafted measure, proposed by Senator Carl A. Hatch (D., N. Mex.), advises to the "Times" continued, merely adds a provision that nothing in the bill shall be deemed to authorize the Committee counsel to take court action on behalf of the United States.

### Weekly Coal and Coke Production Statistics

The total production of soft coal in the week ended April 26, 1947, as estimated by the United States Bureau of Mines, was 12,670,000 net tons, a slight decrease—180,000 tons, or 1.4%—from the preceding week. Output in the corresponding week last year was 824,000 tons. During the current calendar year to April 26, production and bituminous coal and lignite approximated 199,947,000 net tons, an increase of 21.3% over the 164,781,000 tons produced in the corresponding period of last year.

Output of Pennsylvania anthracite for the week ended April 26, 1947, as estimated by the Bureau of Mines, was 1,071,000 tons, an increase of 27,000 tons (2.6%) over the preceding week. When compared with the output in the corresponding week of 1946, there was a decrease of 42,000 tons, or 3.8%. The calendar year to date shows a decrease of 9.2% 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 26, 1947 showed an increase of 13,800 tons when compared with the output for the week ended April 19, 1947; and was 132,800 tons more than for the corresponding week of 1946.

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

	Week Ended			Jan. 1 to date	
	Apr. 26, 1947	Apr. 19, 1947	Apr. 27, 1946	Apr. 26, 1947	Apr. 27, 1946
Bituminous coal & lignite—	12,670,000	12,850,000	824,000	199,947,000	164,781,000
Total, including mine fuel—	2,110,000	2,142,000	137,000	2,038,000	1,663,000

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

	Week Ended			Calendar Year to Date		
	Apr. 26, 1947	Apr. 19, 1947	Apr. 27, 1946	Apr. 26, 1947	Apr. 27, 1946	May 1, 1937
Penn. Anthracite—	1,071,000	1,044,000	1,113,000	18,046,000	19,875,000	19,560,000
*Total incl. coll. fuel—	1,030,000	1,004,000	1,070,000	17,351,000	19,110,000	18,582,000
†Commercial produc.	1,030,000	1,004,000	1,070,000	17,351,000	19,110,000	18,582,000
‡Beehive Coke—	134,800	121,000	2,000	1,938,300	1,212,700	1,241,000

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

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

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

State	Week Ended		
	Apr. 19, 1947	Apr. 12, 1947	Apr. 20, 1946
Alabama	358,000	136,000	26,000
Alaska	6,000	6,000	7,000
Arkansas	17,000	13,000	11,000
Colorado	96,000	53,000	3,000
Georgia and North Carolina	1,000	1,000	—
Illinois	1,308,000	651,000	291,000
Indiana	527,000	353,000	15,000
Iowa	38,000	28,000	12,000
Kansas	112,000	103,000	38,000
Kansas and Missouri	112,000	103,000	38,000
Kentucky—Eastern	1,168,000	284,000	46,000
Kentucky—Western	495,000	363,000	10,000
Maryland	42,000	37,000	2,000
Michigan	—	—	—
Montana (bituminous and lignite)	52,000	44,000	37,000
New Mexico	28,000	21,000	1,000
North and South Dakota (lignite)	70,000	20,000	27,000
Ohio	913,000	624,000	50,000
Oklahoma	43,000	49,000	26,000
Pennsylvania (bituminous)	3,118,000	1,731,000	56,000
Tennessee	131,000	43,000	8,000
Texas (bituminous and lignite)	3,000	3,000	—
Utah	152,000	108,000	3,000
Virginia	366,000	180,000	6,000
Washington	20,000	14,000	2,000
West Virginia—Southern	2,388,000	825,000	40,000
West Virginia—Northern	1,248,000	1,275,000	50,000
Wyoming	150,000	150,000	6,000
Other Western States	—	—	—
Total bituminous and lignite	12,850,000	7,115,000	773,000

†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.

### Wholesale Prices Dropped 0.3% in Week Ended April 26, Labor Department Reports

Declines in eight of 10 major commodity groups lowered average primary market prices 0.3% during the week ended April 26, 1947, according to the Bureau of Labor Statistics, U. S. Department of Labor, which on May 1 said that "the Bureau's index of commodity prices in primary markets dropped to 146.8% of the 1926 average, 1.7% below the peak of late March and 33.9% above a year earlier." In its advices for the week ended April 26 the Bureau further reported:

**"Farm Products and Foods—**Average market prices of farm products rose 1.3% during the week, as advances for cotton, eggs and fresh fruits and vegetables more than offset weakness in grains and livestock prices. Raw cotton rose nearly 7% to a 1947 high on indications that the supply of old crop cotton was less than previous estimates and on an unfavorable outlook for the new crop. Low stocks and continued heavy demand resulted in generally higher prices for eggs. Despite adequate supplies, new crop potatoes were sharply higher in price. Apples advanced on better quality and quotations for lemons partially recovered the decline of the previous week. Increased supplies lowered prices for oranges and onions, while sweet potatoes moved down on lower quality offerings. General withdrawal of the government from the cash grain market lowered quotations for major grains. Prices for hogs dropped with increased supplies of heavier weight animals, and lamb quotations were down. Increased purchasing by eastern order buyers raised quotations for steers, and live poultry advanced on light supplies. On the average prices for farm products were 3.4% below late March and 31.1% above the corresponding week of 1946.

"The decline of 1.2% in the group index for foods was the result of lower prices for most types of foods except fresh fruits and vegetables. Liberal supplies were reflected in further price declines for butter and cheese. Flour prices dropped with virtual cessation of commercial buying. Cured pork prices continued the post-Easter declines, while fresh beef and mutton advanced on steady demand and moderate supplies. Edible oils and fats continued to drop in

price. In late April the group index for foods was 3.7% below four weeks earlier but still 45.3% above late April 1946.

**"Other Commodities—**Prices for commodities other than farm products and foods, as a group declined 0.3% during the week to approximately the level of a month earlier and 28% above the corresponding week of 1946. Declines were reported in all nonagricultural commodity groups except housefurnishings. Cattle hide prices dropped again, reflecting market fears that current prices for leather goods could not be maintained. Spot quotations for cotton print cloth and sheeting dropped as much as 13%. This was the second decline for print cloth in April. Prices for anthracite were lower with resumption of the prewar practice of granting discounts on coal purchased during the Spring months. Further weakness in the scrap steel market brought quotations for this material to a level one-fourth below the 1947 highs. Bar silver also declined. Market prices for tung and linseed oil and rosin were lower. Continued decreases were reported in prices of oils, fatty acids and by-products. Quotations for cattle feed again declined and some manufacturers lowered prices of industrial soaps. Liberalization of end-use and inventory control resulted in higher prices for crude natural rubber. Hard surfaced floor coverings were higher, reflecting previous advances in prices of linseed oil.

#### CHANGES IN WHOLESALE PRICES BY COMMODITY GROUPS FOR WEEK ENDED APRIL 26, 1947 (1926=100)

Commodity Groups—	Week Ended					Percent changes to April 26, 1947 from—		
	4-26 1947	4-19 1947	4-12 1947	3-29 1947	4-27 1946	4-19 1947	3-29 1947	4-27 1946
All commodities	146.8	147.2	149.1	149.4	109.6	-0.3	-1.7	+33.9
Farm products	177.6	175.4	180.1	183.3	135.3	+1.3	-3.4	+31.1
Foodstuffs	160.3	162.2	163.0	166.5	110.3	-1.2	-3.7	+45.3
Hides and leather products	171.9	172.5	173.8	174.2	120.3	-0.7	-1.3	+42.9
Textile products	137.8	138.8	139.6	138.7	105.5	-0.7	-0.6	+30.6
Fuel and lighting materials	103.9	104.1	104.0	103.5	86.6	-0.2	+0.4	+20.6
Metals and metal products	140.6	140.9	140.3	140.3	109.0	-0.1	+0.4	+29.2
Building materials	178.0	178.4	177.9	177.0	126.0	-0.2	+0.6	+41.3
Chemicals and allied products	130.5	132.5	134.5	132.8	96.1	-1.5	-1.7	+35.8
Housefurnishings goods	128.6	128.1	126.7	126.6	108.7	+0.4	+1.6	+18.3
Miscellaneous commodities	115.2	115.6	114.3	114.9	95.5	-0.3	+0.3	+20.6
Special Groups—								
Raw materials	161.3	160.3	163.4	165.5	123.0	+0.6	-2.5	+31.1
Semi-manufactured articles	144.7	146.0	146.2	145.1	101.2	-0.9	-0.3	+43.0
Manufactured products	141.1	142.1	142.0	143.3	105.1	-0.7	-1.5	+34.3
All commodities other than Farm products	140.1	141.1	141.2	141.0	103.9	-0.7	-1.3	+34.8
All commodities other than Farm products and foods	132.0	132.4	132.1	131.9	103.1	-0.3	+0.1	+28.0

#### PERCENTAGE CHANGES IN SUBGROUP INDEXES FROM APRIL 19, 1947, TO APRIL 26, 1947

Commodity Groups—	Increases		Decreases		
	4-26 1947	4-19 1947	4-26 1947	4-19 1947	
Rubber, crude	4.3	3.0	Fruits and vegetables	2.3	
Other far mproducts	3.0	3.0	Furnishings	0.5	
Mixed fertilizers	—	—	—	0.4	
Cattle feed	—	—	6.1	Grains	1.0
Drugs and pharmaceuticals	—	—	4.6	Cereal products	0.7
Dairy products	—	—	3.6	Chemicals	0.6
Oils and fats	—	—	3.4	Leather	0.3
Other foods	—	—	2.7	Iron and steel	0.2
Cotton goods	—	—	2.0	Fertilizer materials	0.1
Anthracite	—	—	1.6	Livestock and poultry	0.1
Hides and skins	—	—	1.5	Meats	0.1
Paint and Paint Materials	—	—	1.1	Other textile products	0.1
Other miscellaneous	—	—	—	—	0.1

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

### Civil Engineering Construction Totals \$102,480,000 for Week

Civil engineering construction volume in continental United States totals \$102,480,000 for the week ending May 1, 1947, as reported by "Engineering News-Record." This volume is 16% above the previous week, 6% below the corresponding week of last year, and 10% below the previous four-week moving average. The report, issued on May 1, continued as follows:

Private construction this week, \$54,724,000, is 29% greater than last week, but 21% below the week last year. Public construction, \$47,756,000, is 4% above last week, and 21% greater than the week last year. State and municipal construction, \$33,108,000, 6% below last week, is 18% above the 1946 week. Federal construction, \$14,648,000, is 38% above last week, and 29% above the week last year.

Total engineering construction for the 18-week period of 1947 records a cumulative total of \$1,744,827,000, which is 7% above the total for a like period of 1946. On a cumulative basis, private construction in 1947 totals \$1,062,922,000, which is 0.8% below that for 1946. Public construction, \$681,905,000, is 23% greater than the cumulative total for the corresponding period of 1946, whereas state and municipal construction, \$513,782,000 to date, is 39% above 1946. Federal construction, \$168,123,000, dropped 9% below the 18-week total of 1946.

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

	May 1, 1947	April 24, 1947	May 2, 1946
Total U. S. Construction	\$102,480,000	\$88,420,000	\$108,809,000
Private Construction	54,724,000	42,401,000	69,405,000
Public Construction	47,756,000	46,019,000	39,404,000
State and Municipal	33,108,000	35,372,000	28,059,000
Federal	14,648,000	10,647,000	11,345,000

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

#### New Capital

New capital for construction purposes this week totals \$55,210,000 and is made up of \$36,214,000 in state and municipal bond sales and \$18,996,000 in corporate securities. New capital for construction purposes for the 18-week period of 1947 totals \$573,374,000, 20% greater than the \$478,948,000 reported for the corresponding period of 1946.

### N. Y. Savs. & Loan Assns. Show Increases

Mortgage loans and savings show a decided increase over 1946 in the first quarter of 1947 among savings and loan associations of New York State, according to figures recently issued by Z. V. Woodward, Executive Vice-President of the New York State League of Savings and Loan Associations. It is stated that a sharp rise in the number of construction loans is seen, for the first time since the War, in the survey of mortgages made for the first three months of 1947. The advices from the State League of Savings and Loan Associations further report:

"The total volume of loans made by associations in the State for March, 1947 increased 20% over the volume for February. The total volume for the first quarter of 1947 amounted to \$45,781,093, a 5% increase over the total volume of \$43,657,507 for the first quarter of 1946. The 1,023 loans for the construction of new homes accounted for \$6,821,364 during the first three months of 1947, as compared with 380 construction loans totalling \$2,789,150 in the first three months of 1946. Loans for the purchase of existing homes for the first quarter of this year, 5,769 in number, totalled \$30,659,478, while in the comparable period of 1946, there were 7,541 mortgages made by these associations for the purchase of existing homes, totalling \$34,631,129. The 945 mortgages which were refinanced in the first quarter of 1947 totalled \$4,041,738, and in 1946, the 990 refinanced loans amounted to \$3,933,804, while 2,054 repair, modernization and other loans in January, February and March, 1947 reached a total of \$4,258,513, and 1,174 in the same period in 1946, \$2,303,425. The average mortgage loan made by savings and loan associations in New York State in 1947 was \$4,675; and in 1946 it was \$4,329.

"GI home loans made by savings and loan associations of the State during March, 1947 represented 39.6% of their total lending volume.

"Savings for the first quarter of 1947 in associations state-wide show a net increase of \$31,256,570, which is 20% or \$5,500,000 greater than the increase shown for the first quarter of 1946.

"Total assets for all associations in the State reached \$886,515,103 at March 31, 1947, an increase of 2% for the month and an increase of 3.2% or \$27,650,514 for the first quarter of the year."

### Uphold Tennessee Law Banning Closed Shop

Tennessee's newly-enacted anti-closed shop law withstood its first court test on April 17, when Chancellor J. R. Ketron ruled that the act is constitutional and "designed to protect non-union workers against loss of their jobs or employment on account of their failure to join a union." Associated Press advices from Clinton, Tenn., as given in the New York "Herald Tribune" reporting the foregoing, added:

The Chancellor's opinion dismissed a suit filed by the Fed. Firefighters of Oak Ridge, an American Federation of Labor union contending that the act violated provisions of Federal and state constitutions and the National Labor Relations Act.

Chancellor Ketron held that the act, passed overwhelmingly at the recent session of the General Assembly, did not violate either of the constitutions, and that it was not in conflict with the Labor Relations Act.

### Trading on New York Exchanges

The Securities and Exchange Commission made public on April 30 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 12, 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 12 (in round-lot transactions) totaled 1,659,820 shares, which amount was 16.14% of the total transactions on the Exchange of 5,145,310 shares. This compares with member trading during the week ended April 5 of 1,190,991 shares, or 17.63% of the total trading of 3,377,450 shares.

On the New York Curb Exchange, member trading during the week ended April 12 amounted to 331,590 shares, or 13.98% of the total volume on that Exchange of 1,186,180 shares. During the week ended April 5 trading for the account of Curb members of 272,790 shares was 16.83% of the total trading of 1,810,460.

#### Total Round-Lot Stock Sales on the New York Stock Exchange and Round-Lot Stock Transactions for Account of Members\* (Shares) WEEK ENDED APRIL 12, 1947

A. Total Round-Lot Sales:	Total for Week	%
Short sales.....	184,870	
Other sales.....	4,960,440	
<b>Total sales.....</b>	<b>5,145,310</b>	
<b>B. Round-Lot Transactions for Account of Members Except for the Odd-Lot Accounts of Odd-Lot Dealers and Specialists:</b>		
<b>1. Transactions of specialists in stocks in which they are registered—</b>		
Total purchases.....	462,360	
Short sales.....	71,150	
Other sales.....	453,060	
<b>Total sales.....</b>	<b>524,210</b>	<b>9.59</b>
<b>2. Other transactions initiated on the floor—</b>		
Total purchases.....	103,150	
Short sales.....	14,150	
Other sales.....	173,450	
<b>Total sales.....</b>	<b>187,600</b>	<b>2.83</b>
<b>3. Other transactions initiated off the floor—</b>		
Total purchases.....	142,555	
Short sales.....	17,000	
Other sales.....	222,945	
<b>Total sales.....</b>	<b>239,945</b>	<b>3.72</b>
<b>4. Total—</b>		
Total purchases.....	708,065	
Short sales.....	102,300	
Other sales.....	849,455	
<b>Total sales.....</b>	<b>951,755</b>	<b>16.14</b>

#### Total Round-Lot Stock Sales on the New York Curb Exchange and Stock Transactions for Account of Members\* (Shares) WEEK ENDED APRIL 12, 1947

A. Total Round-Lot Sales:	Total for Week	%
Short sales.....	19,675	
Other sales.....	1,166,505	
<b>Total sales.....</b>	<b>1,186,180</b>	
<b>B. Round-Lot Transactions for Account of Members:</b>		
<b>1. Transactions of specialists in stocks in which they are registered—</b>		
Total purchases.....	98,855	
Short sales.....	4,045	
Other sales.....	135,200	
<b>Total sales.....</b>	<b>139,245</b>	<b>10.04</b>
<b>2. Other transactions initiated on the floor—</b>		
Total purchases.....	17,750	
Short sales.....	700	
Other sales.....	17,975	
<b>Total sales.....</b>	<b>18,675</b>	<b>1.54</b>
<b>3. Other transactions initiated off the floor—</b>		
Total purchases.....	13,210	
Short sales.....	12,700	
Other sales.....	31,155	
<b>Total sales.....</b>	<b>43,855</b>	<b>2.40</b>
<b>4. Total—</b>		
Total purchases.....	129,815	
Short sales.....	17,445	
Other sales.....	184,330	
<b>Total sales.....</b>	<b>201,775</b>	<b>13.98</b>
<b>C. Odd-Lot transactions for Account of Specialists—</b>		
Customers' short sales.....	0	
Customers' other sales.....	59,677	
<b>Total purchases.....</b>	<b>59,677</b>	
<b>Total sales.....</b>	<b>58,086</b>	

\*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 — Copper Bill Effective April 30 — Silver and Quicksilver Declines

"E. & M. J. Metal and Mineral Markets," in its issue of May 1, stated: "President Truman on April 29 signed the bill to suspend the 4¢ import duty on copper until March 31, 1949. The measure became effective on April 30. This action removed all doubt over the future availability of foreign copper on an even price basis with the domestic product. So far, producers have done nothing to disturb the price situation, though most observers believe that the two prices—domestic and foreign—will have to come together sooner or later to avoid a complicated pricing problem in copper products. Price changes in non-ferrous metals last week centered in silver and quicksilver, both declining on freer offerings. Silver declined to 73 3/4¢ an ounce on April 30." The publication further went on to say in part as follows:

#### Copper

Though most operators look for early action that would in effect establish the market for copper on a one-price basis, quotations remained unchanged throughout the week that ended on April 30. In fact, a fair tonnage was moved yesterday on the 21 1/2¢ Valley basis. Foreign copper held at the equivalent of 23 3/4¢, f.a.s. New York.

Opinion remains sharply divided on whether the price here

could be maintained for long at the level now obtaining for foreign copper. Some fabricators report that they have encountered sales resistance with the market at 21 1/2¢. Col. Steinkraus, Chairman and President of Bridgeport Brass, told the company's employees that orders for brass mill products are now falling off and as a result of this development inventories are being reduced. Wire-mills, however, remain active and a major slump in consumption of copper is not expected.

#### Lead

Consumers are absorbing all of the lead that is available and the market remains firmly established at 15¢ New York, and 14.80¢, St. Louis. Though more lead is being shipped to consumers currently than in some time past, the situation so far as domestic metal is concerned may tighten up a little this summer, producers believe. Operations at some properties will suffer because of a tendency on the part of miners to turn to other work in the summer period. Imports are expected to hold to a fairly high level. Scrap is moving freely.

Sales of lead during the last week totaled 9,015 tons.

The lead refinery statistics for March placed output for the month at 51,239 tons, against 44,053 tons in February. Shipments by domestic refineries in March totaled 52,465 tons, against 49,638 tons in February. A summary of the operations of primary lead refineries for March and February, in tons, according to the American Bureau of Metal statistics:

	March	Feb.
Stock at beginning.....	43,233	48,826
Production:		
Primary.....	46,699	41,210
Secondary.....	4,540	2,843
<b>Totals.....</b>	<b>51,239</b>	<b>44,053</b>
Domestic shipments.....	52,465	49,638
Stock at end.....	41,990	43,233

Metals Reserve allocated 8,060 tons of lead to consumers during March, against 5,730 tons in February. Metals Reserve had 24,966 tons of lead on hand at the end of March.

#### Zinc

The Department of Commerce has taken over the function of supervising zinc allocations, removing the threat of an interruption in the movement of such metal. The market showed little or no change last week. Consumers of Special High Grade, in some instances, indicate that they are no longer in urgent need of supplies. Demand for Prime Western remains fairly active.

Export demand was described as moderate, with Prime Western available at 10 5/8¢, Gulf ports. In a paper presented before the

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

	Electrolytic Copper—		Straits Tin.	Lead			Zinc
	Dom. Refy.	Exp. Refy.		New York	St. Louis	St. Louis	
April 24.....	21.225	23.675	80.000	15.000	14.800	10.500	
April 25.....	21.225	23.675	80.000	15.000	14.800	10.500	
April 26.....	21.225	23.675	80.000	15.000	14.800	10.500	
April 28.....	21.225	23.675	80.000	15.000	14.800	10.500	
April 29.....	21.225	23.675	80.000	15.000	14.800	10.500	
April 30.....	21.225	23.675	80.000	15.000	14.800	10.500	
Average.....	21.225	23.675	80.000	15.000	14.800	10.500	

Average prices for calendar week ended April 26 are: Domestic copper, f.o.b. refinery, 21.225¢; export copper, f.o.b. refinery 23.642¢; Straits tin, 80.000¢; New York lead, 15.000¢; St. Louis lead, 14.800¢; St. Louis zinc, 10.500¢; and silver, 75.625¢.

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 0.275¢ 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, 0.075¢ is deducted for lighterage, etc., to arrive at the f.o.b. refinery quotation.

Quotations for copper are for the ordinary forms of wirebars and ingot bars. For standard ingots an extra 0.075¢ per pound is charged; for slabs 0.175¢ up, and for cakes 0.225¢ up, depending on weight and dimension; for billets an extra 0.95¢ up, depending on dimensions and quality. Cathodes in standard sizes are sold at a discount of 0.125¢ 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 1¢ per pound over the current market for Prime Western but not less than 1¢ over the "E. & M. J." average for Prime Western for the previous month; the premium on Special High Grade in most instances is 1 1/4¢.

Quotations for lead reflect prices obtained for common lead only. The differential on sales in the Chicago district is 10 points under New York; for New England add five points to the New York basis.

### China to Have U. S. Surplus Ships

President Truman, disclosing that the Chinese Government had requested such assistance, ordered on April 26 that an unspecified number of surplus ships and floating drydocks be transferred by the Navy to China, without cost, and that a limited number of naval officers and enlisted men be detailed to the vessels to give operating and technical instruction. The largest vessels to be transferred will be destroyer escorts, Washington advices to the New York "Herald-Tribune" stated. According to a State Department statement, the President's order represents no change in policy, China's need for ships having been recognized for a long time; some naval vessels and drydocks already have been transferred to China under a special extension of the lend-lease program. A naval mission of approximately 100 is presently stationed there.

The Executive Order has been issued under provisions of Public Law 512, approved July 16, 1946, the same advices continued. The Act was designed to "provide assistance to the Republic of China in augmenting and maintaining a naval establishment, and for other purposes." The law gives the President the power to decide whether the transfers shall be for cash, credit or as gifts. Mr. Truman's order makes a gift of the vessels, but the Chinese are to pay in cash for repairing and equipping them prior to transfer. The number of vessels are restricted under the law to 271 of those which are "in excess of the naval needs of the United States." Crew members and other accompanying personnel are limited to 100 officers and 200 enlisted men.

The Navy's authority to transfer the vessels is predicated on agreement by the Secretary of State, said the Washington account to the "Herald-Tribune," which reported that the order specifies: "If at any time the Secretary of State shall determine that the transfer of further vessels would not be in the public interest, such transfers shall be discontinued."

### NYSE Odd-Lot Trading

The Securities and Exchange Commission made public on April 30 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 19, 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 19, 1947	
Odd-Lot Sales by Dealers—	Total
(Customers' purchases)	For
Number of orders.....	136,390
Number of shares.....	1,014,693
Dollar value.....	\$35,523,435
Odd-Lot Purchases by Dealers—	
(Customers' sales)	
Number of Orders:	
Customers' short sales.....	808
Customers' other sales.....	26,372
Customers' total sales.....	27,180
Number of Shares:	
Customers' short sales.....	27,756
Customers' other sales.....	771,084
Customers' total sales.....	798,840
Dollar value.....	\$29,471,932
Round-Lot Sales by Dealers—	
Number of Shares:	
Short sales.....	0
Other sales.....	203,600
Total sales.....	203,600
Round-Lot Purchases by Dealers—	
Number of Shares.....	399,650
*Sales marked "short-exempt" are reported with "other sales."	

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

## Revenue Freight Car Loadings During Week Ended April 26, 1947 Increased 27,930 Cars

Loading of revenue freight for the week ended April 26, 1947 totaled 893,776 cars, the Association of American Railroads announced on May 1. This was an increase of 233,512 cars or 35.4% above the corresponding week in 1946, but a decrease of 6,174 cars or 0.7% below the same week in 1945.

Loading of revenue freight for the week of April 26 increased 27,930 cars or 3.2% above the preceding week.

Miscellaneous freight loading totaled 389,949 cars, an increase of 6,507 cars above the preceding week, and an increase of 14,995 cars above the corresponding week in 1946.

Loading of merchandise less than carload freight totaled 125,832 cars, a decrease of 624 cars below the preceding week, and a decrease of 3,202 cars below the corresponding week in 1946.

Coal loading amounted to 184,159 cars, a decrease of 1,574 cars below the preceding week, but an increase of 152,913 cars above the corresponding week in 1946, which included coal mine strike.

Grain and grain products loading totaled 47,578 cars, a decrease of 858 cars below the preceding week, but an increase of 14,482 cars above the corresponding week in 1946. In the Western Districts alone, grain and grain products loading for the week of April 26 totaled 32,858 cars, a decrease of 726 cars below the preceding week but an increase of 12,505 cars above the corresponding week in 1946.

Livestock loading amounted to 15,676 cars, an increase of 1,637 cars above the preceding week, but a decrease of 3,706 cars below the corresponding week in 1946. In the Western Districts alone loading of livestock for the week of April 26 totaled 11,844 cars, an increase of 784 cars above the preceding week, but a decrease of 3,297 cars below the corresponding week in 1946.

Forest products loading totaled 47,552 cars, an increase of 4,452 cars above the preceding week and an increase of 2,237 cars above the corresponding week in 1946.

Ore loading amounted to 68,744 cars, an increase of 18,241 cars above the preceding week, and an increase of 47,931 cars above the corresponding week in 1946.

Coke loading amounted to 14,286 cars, an increase of 149 cars above the preceding week and an increase of 7,862 cars above the corresponding week in 1946.

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

	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
Week of April 26	893,776	660,264	899,950
<b>Total</b>	<b>13,750,962</b>	<b>12,337,028</b>	<b>13,455,565</b>

The following table is a summary of the freight carloadings for the separate railroads and systems for the week ended April 26, 1947. During this period 87 roads reported gains over the week ended April 27, 1946.

Railroads	Total Revenues Freight Loaded			Total Loads Received from Connections	
	1947	1946	1945	1947	1946
<b>Eastern District—</b>					
Ann Arbor	269	359	278	1,727	1,369
Bangor & Aroostook	7,257	2,033	1,988	418	372
Boston & Maine	7,257	7,711	7,256	13,451	11,680
Chicago, Indianapolis & Louisville	1,451	1,115	1,136	2,195	1,650
Central Indiana	19	31	23	39	33
Central Vermont	1,028	1,096	1,165	2,300	2,022
Delaware & Hudson	5,671	4,434	5,059	11,977	8,805
Delaware, Lackawanna & Western	7,801	7,793	7,968	9,253	8,142
Detroit & Mackinac	402	421	245	261	158
Detroit, Toledo & Ironton	2,577	2,466	1,686	1,368	992
Detroit & Toledo Shore Line	385	359	428	3,506	1,555
Erie	13,791	11,871	12,881	15,939	11,653
Grand Trunk Western	4,699	4,802	4,412	8,449	6,096
Lehigh & Hudson River	199	196	167	2,447	2,087
Lehigh & New England	2,230	2,265	2,282	1,503	762
Lehigh Valley	6,649	7,946	8,512	8,711	6,489
Maine Central	2,713	2,657	2,453	4,326	3,253
Monongahela	6,550	207	6,507	266	255
Montour	2,922	17	2,775	18	37
New York Central Lines	53,164	43,296	51,559	53,149	33,596
N. Y., N. H. & Hartford	10,170	10,605	11,030	14,911	13,787
New York Ontario & Western	1,060	1,038	1,056	2,770	2,248
New York Chicago & St. Louis	7,852	6,268	6,969	14,477	11,174
N. Y. Susquehanna & Western	441	369	518	1,412	1,320
Pittsburgh & Lake Erie	6,785	6,347	6,242	9,809	2,853
Pere Marquette	7,014	6,078	5,285	7,401	5,295
Pittsburgh & Shawmut	1,189	116	816	37	32
Pittsburgh, Shawmut & Northern	1	134	286	1	102
Pittsburgh & West Virginia	917	219	1,155	2,607	1,855
Rutland	405	419	395	1,278	1,039
Wabash	6,035	6,502	6,858	11,579	9,781
Wheeling & Lake Erie	6,550	2,681	6,238	4,392	3,102
<b>Total</b>	<b>172,994</b>	<b>141,852</b>	<b>167,872</b>	<b>211,976</b>	<b>153,605</b>
<b>Allegheny District—</b>					
Akron, Canton & Youngstown	672	682	749	1,316	1,017
Baltimore & Ohio	43,828	25,464	48,271	23,466	20,520
Bessemer & Lake Erie	6,394	853	6,865	2,301	630
Cambria & Indiana	1,311	3	1,658	10	5
Central RR. of New Jersey	6,818	6,355	6,777	15,939	12,263
Cornwall	366	371	533	78	28
Cumberland & Pennsylvania	301	23	170	7	14
Ligonier Valley	82	0	98	15	10
Long Island	1,358	1,502	1,997	4,233	4,748
Penn-Reading Seashore Lines	1,894	1,698	1,973	1,815	1,956
Pennsylvania System	86,655	62,068	92,249	59,509	43,298
Reading	15,265	16,318	16,283	25,825	16,356
Union (Pittsburgh)	19,196	6,492	22,291	7,271	1,709
Western Maryland	4,818	2,256	4,325	11,670	7,033
<b>Total</b>	<b>190,958</b>	<b>126,103</b>	<b>204,239</b>	<b>153,455</b>	<b>109,607</b>
<b>Pocahontas District—</b>					
Chesapeake & Ohio	37,360	38,381	30,019	15,896	8,658
Norfolk & Western	24,852	6,536	22,161	7,381	5,304
Virginian	5,224	593	4,751	1,960	1,411
<b>Total</b>	<b>67,436</b>	<b>15,510</b>	<b>56,931</b>	<b>25,337</b>	<b>15,373</b>

Railroads	Total Revenues Freight Loaded			Total Loads Received from Connections	
	1947	1946	1945	1947	1946
<b>Southern District—</b>					
Alabama, Tennessee & Northern	427	390	490	275	204
Atl. & W. P.—W. RR. of Ala.	1,005	877	708	1,932	2,001
Atlantic Coast Line	15,104	16,167	13,635	9,808	10,105
Central of Georgia	4,267	4,481	3,608	4,537	4,505
Charleston & Western Carolina	488	518	466	1,630	1,225
Clinchfield	2,166	623	1,727	3,659	2,273
Columbus & Greenville	281	365	228	256	262
Durham & Southern	106	84	108	625	215
Florida East Coast	2,989	4,424	2,551	1,568	1,514
Gainesville Midland	93	72	48	80	92
Georgia	1,139	1,270	1,190	2,088	1,882
Georgia & Florida	398	489	351	769	740
Gulf Mobile & Ohio	4,417	4,141	4,862	4,111	3,978
Illinois Central System	27,459	21,547	29,848	14,677	12,865
Louisville & Nashville	30,554	15,010	27,492	10,325	9,961
Macon, Dublin & Savannah	263	234	219	1,033	1,153
Mississippi Central	297	353	425	435	398
Nashville, Chattanooga & St. L.	3,618	3,341	3,621	1,146	1,336
Norfolk Southern	1,147	1,218	1,064	1,546	1,332
Piedmont Northern	395	445	422	1,739	1,145
Richmond, Fred. & Potomac	491	510	556	8,524	10,582
Seaboard Air Line	12,073	12,969	11,607	8,654	7,923
Southern System	27,637	23,813	25,590	24,344	21,163
Tennessee Central	845	566	788	710	621
Winston-Salem Southbound	145	133	156	923	851
<b>Total</b>	<b>137,804</b>	<b>114,060</b>	<b>131,670</b>	<b>108,394</b>	<b>100,028</b>
<b>Northwestern District</b>					
Chicago & North Western	20,723	16,611	20,782	13,304	12,321
Chicago Great Western	2,640	2,270	2,675	3,379	2,906
Chicago, Milw., St. P. & Pac.	22,838	20,380	20,922	10,967	8,443
Chicago, St. Paul, Minn. & Omaha	3,545	3,494	3,970	3,851	3,765
Duluth, Missabe & Iron Range	19,890	13,024	26,289	306	175
Duluth, South Shore & Atlantic	464	628	983	763	520
Elgin, Joliet & Eastern	8,938	6,619	9,389	11,818	6,621
Ft. Dodge, Des Moines & South	589	502	415	1,677	110
Great Northern	22,847	9,621	19,739	6,617	4,436
Green Bay & Western	461	456	416	918	1,065
Lake Superior & Ishpeming	1,697	224	2,784	62	57
Minneapolis & St. Louis	2,225	1,495	2,099	2,516	2,376
Minn., St. Paul & S. S. M.	7,252	4,621	7,002	3,641	3,304
Northern Pacific	10,972	8,541	10,415	5,008	4,367
Spokane International	154	124	289	569	494
Spokane, Portland & Seattle	2,706	2,332	2,466	2,974	2,131
<b>Total</b>	<b>127,941</b>	<b>90,942</b>	<b>130,635</b>	<b>66,860</b>	<b>53,102</b>
<b>Central Western District—</b>					
Aton, Top. & Santa Fe System	25,337	23,166	25,411	11,244	10,866
Bingham & Garfield	2,853	2,715	4,116	3,329	2,884
Chicago, Burlington & Quincy	338	31	361	76	6
Chicago & Illinois Midland	21,021	15,900	20,532	11,497	9,892
Chicago, Rock Island & Pacific	3,369	229	3,165	839	801
Chicago & Eastern Illinois	13,133	11,548	12,971	12,623	11,552
Colorado & Southern	2,798	2,194	3,068	3,744	2,980
Denver & Rio Grande Western	581	571	647	1,827	1,506
Denver & Salt Lake	3,500	1,473	3,637	5,030	4,016
Fort Worth & Denver City	1,242	1,135	1,022	1,505	1,513
Illinois Terminal	2,347	2,262	2,184	1,857	1,471
Missouri-Illinois	1,571	1,509	1,239	576	507
Nevada Northern	1,634	1,471	1,414	123	72
North Western Pacific	1,019	572	761	593	558
Peoria & Pekin Union	6	5	5	0	0
Southern Pacific (Pacific)	31,221	32,312	32,733	9,987	9,507
Toledo, Peoria & Western	112	0	333	190	0
Union Pacific System	16,457	12,434	16,555	14,401	12,292
Utah	795	0	558	3	1
Western Pacific	1,677	1,977	2,076	3,484	2,825
<b>Total</b>	<b>131,011</b>	<b>111,504</b>	<b>133,088</b>	<b>82,988</b>	<b>73,249</b>
<b>Southwestern District—</b>					
Burlington-Rock Island	305	450	377	724	370
Gulf Coast Lines	6,533	6,152	7,327	2,745	2,681
International-Great Northern	2,549	2,205	2,816	4,766	5,430
K. O. & G.-M. V.-O. C.-A.-A.	1,060	1,263	1,154	1,456	1,619
Kansas City Southern	2,863	2,900	5,103	3,577	3,083
Louisiana & Arkansas	2,308	2,384	3,204	2,050	2,564
Litchfield & Madison	511	424	280	1,661	1,051
Missouri & Arkansas	8	202	77	8	309
Missouri-Kansas-Texas Lines	5,177	4,861	6,822	4,261	4,512
Missouri Pacific	17,132	14,132	17,218	16,696	15,347
Quahatchee & Pacific	113	156	49	246	250
St. Louis-San Francisco	9,474	7,666	9,467	8,595	7,355
St. Louis-Southwestern	2,709	2,529	3,538	5,352	5,513
Texas & New Orleans	9,928	9,440	12,271	6,500	5,922
Texas & Pacific	4,858	5,314	5,697	7,400	7,122
Wichita Falls & Southern	89	92	89	42	52
Weatherford M. W. & N. W.	23	23	26	11	22
<b>Total</b>	<b>65,632</b>	<b>60,293</b>	<b>75,515</b>	<b>66,092</b>	<b>63,230</b>

\*Included in Denver & Rio Grande Western RR.  
 †Includes Kansas, Oklahoma & Gulf Ry., Midland Valley Ry. and Oklahoma City-

## Items About Banks, Trust Companies

At the regular meeting of the Board of Directors of The National City Bank of New York on May 6, Gayer G. Dominick was elected a director of the Bank. Mr. Dominick was born in New York City in 1887, attended St. Paul's School, and was graduated from Yale in 1909, when he joined the firm of Dominick & Dominick. On Jan. 1 of this year he became a limited partner. He served a number of terms as a Governor of the New York Stock Exchange. He is President of Roosevelt Hospital. He is also a director of the Fidelity and Casualty Co., National Bond and Share Co., and the Shell Union Oil Corporation.

The Bankers Trust Company of New York, it is announced is to establish its 57th Street office, now at Madison Avenue and 57th Street, in the new 21-story and penthouse air-conditioned office building at 445 Park Avenue. This structure occupies the entire easterly block front on Park Avenue from 56th to 57th Street, and has just been completed by the Tishman Realty & Construction Co., owner and builder. Announcement of the transaction made on May 1 by Norman Tishman, Vice-President of the Tishman Company, reveals that the Trust Company has leased for a 21-year term, all the store and basement space, from the main entrance in the center of the block on Park Avenue to the 57th Street corner and including the entire 57th Street side of the building, measuring 85 feet on Park Avenue by 90 feet on 57th Street. The transaction was negotiated by John J. Reynolds, White & Case, attorneys, represented Bankers Trust and Reuben Tally acted for the Tishman Company. Shreve, Lamb & Harmon, architects, have been retained to prepare plans for the new banking quarters.

The 57th Street office of Bankers Trust has been located for many years at the northwest corner of Madison Avenue and 57th Street, which space is to be vacated when the newly acquired quarters are ready for occupancy. Bankers Trust Company, which has its main office at 16 Wall Street, has a Fifth Avenue office at 527 Fifth Avenue at the corner of 44th Street, a Rockefeller Center office at 51st Street and the Plaza, and a London office at 26 Old Broad Street. The report of its President, S. Sloan Colt, indicated assets on Dec. 31, 1946 of \$1,565,163,448. Mr. Colt's report emphasized the marked increase in the volume of business handled by the Company, evidenced by the loans, pension trusts, investment advisory service, personal service checking accounts, foreign exchange and commercial letters of credit, transfer and dividend paying work, and especially in the corporate trust and agency transactions.

F. Abbot Goodhue, President of the Bank of the Manhattan Company, has announced that the national business of the 40 Wall Street office, outside of Metropolitan New York, has been regrouped into five divisions under the supervision of Graham B. Blaine, Vice-President.

Leslie Coleman, Vice-President, is in charge of the Bank's business in the Southeastern and Southwestern States; William R. Driver, Jr., Vice-President, has been placed in charge of the Bank's business in the New England States; Curtiss C. Grove, Vice-President, has been placed in charge of the Bank's business in the Middle Atlantic States, New

Jersey, Delaware, Maryland, District of Columbia, Virginia and West Virginia, Kentucky and Tennessee; John H. L. Janson, Vice-President, has been placed in charge of the Bank's business in the State of New York (with the exception of the Metropolitan area), Pennsylvania and Ohio, as well as the City of Detroit, Michigan; Robert M. McCulloch, Vice-President, has been placed in charge of the Bank's business in Chicago and the surrounding Middle Western States of Indiana, Michigan, Illinois, Wisconsin, Minnesota, North Dakota, South Dakota, Iowa and Nebraska.

Mr. Blaine is a director of Burlington Mills and General Public Service Corporation. He attended St. George's School, Newport, R. I. and graduated from Harvard College in 1917. He served in World War I as a Second Lieutenant in the Infantry from August, 1917 to February, 1919. From 1919 to 1922 he was associated with the American Agricultural Chemical Co., Boston; from 1922 to 1927 he was a Vice-President of Kidder, Peabody & Co. and the Kidder, Peabody Acceptance Corporation, Boston. In September, 1927, Mr. Blaine joined the International Acceptance Bank as a Vice-President, became a Vice-President of the International Manhattan Company in March, 1929, and a Vice-President of the Bank of the Manhattan Company in January, 1932.

George M. Paterson, Assistant Cashier of the National Shawmut Bank, of Boston, Mass., has been elected Cashier, according to an announcement by Walter S. Bucklin, President, on April 30.

This is learned from the Boston "Herald" of May 1 which further said that Mr. Paterson first joined the Shawmut Bank in 1917 as a teller and served as Assistant Branch Manager and Assistant Cashier before his election as Cashier. He succeeds Stanley P. Wyatt, who has retired after 45 years service with the bank. Mr. Paterson is a member of the Bank Officers Association and the Bank Cashiers Association.

Mr. Wyatt, who retires as Cashier of the Shawmut Bank began his banking career as an Assistant Paying Teller with the National Exchange Bank, which was merged with the Shawmut Bank in 1906. During his banking career, said the Boston "Herald," he was actively interested in the American Institute of Banking, Boston National Bank Cashiers Association, and Bank Officers Association, having served as President of the latter organization. He is a member of the corporation of the Medford Savings Bank and on the advisory council of Nichols College.

The West Springfield Trust Company, of Springfield, Mass., announces the death of its President and Founder Horace A. Moses, on April 22.

According to the Newark "Evening News" of April 23 Arthur B. Irwin, Cashier of Union National Bank, of Newark N. J., has been named Acting Executive Vice-President of the bank following the resignation on April 21, of William Dunkel as Executive Vice-President.

According to the weekly "Bulletin" of the Office of the Comptroller of the Currency, the Peoples National Bank & Trust Company, of Irvington, N. J., increased its capital on April 22 from \$150,000 to \$200,000 by the sale of \$50,000 of new stock.

The Security National Bank, of Trenton, N. J., increased its capital on April 18 from \$200,000 to \$225,000 by a stock dividend of \$25,000 and from \$225,000 to \$300,000 by the sale of \$75,000 of new stock. Advances to this effect were contained in the April 28 "Bulletin" issued by the Office of the Comptroller of the Currency.

John H. Evans, Vice-President and Trust Officer of the McDowell National Bank, of Sharon, Pa., was elected President of the bank on April 30 to succeed the late Harry B. McDowell. Advances from Sharon to the Pittsburgh "Post-Gazette" reporting this, added:

Mr. Evans, a former President of the Pennsylvania Bankers Association, was born in Tarentum. He was connected with the Union Trust Company of Pittsburgh until he joined the McDowell bank in 1927. H. B. McDowell, Jr., Assistant to the President was elected a Director.

The election of Frederick W. Specht, President of Armour & Co., as a director of The American National Bank and Trust Company, of Chicago, is announced by Lawrence F. Stern, President of the bank. Mr. Specht, who was born in New Jersey, joined the Springfield, Mass. branch of Armour & Co. in 1910. He was elected a Vice-President in 1936 and became President of the Company on Feb. 21, 1947, to succeed George A. Eastwood who was elected Chairman of the Board of Directors of Armour at the same meeting.

Consolidation of the Kansas Trust Company with the Commercial National Bank of Kansas City, Kansas, under the latter's name, was announced on April 28, according to the Kansas City "Star" which states that the bank is 50 years old, and the trust company, which has been operated largely by the same personnel, was formed in 1906. The "Star" further reported in part:

It has always been closely affiliated with the Commercial National bank and occupied quarters in the same building. With the exception of one director, the Board of Directors of the trust company will become a part of the personnel of the bank.

The consolidation becomes effective Thursday [May 1]. It was approved yesterday by the Comptroller of the Currency in Washington.

The exception is Frank DeCoursey, who is a Director of another bank in Kansas City, Kansas, and cannot legally serve as Director of two banks simultaneously. He will continue to hold his stock in the Commercial National bank however.

W. H. Guild, who has been in charge of the trust company as Secretary-Treasurer, will become Vice-President and Trust Officer of the Commercial National bank. Mr. Guild joined the bank in 1926. He was soon transferred to the trust company but continued as a Director of the Commercial National bank and a member of its discount committee.

Under the terms of the consolidation the trust company will turn over to the bank a sum not less than \$280,000 in excess of its liabilities. Of this amount, \$100,000 will be added to the capital of the bank, increasing it to \$850,000. Another \$100,000 will be added to the surplus, increasing that figure from \$450,000 to \$550,000. The remainder will be added to the undivided profits of the bank.

The present stockholders of the trust company will be issued stock in the bank in the

ratio of 10 shares for each share of \$100 par now held by them in the trust company. Bank shares are \$10 par.

The bank will assume administration of all estates, wills, living trusts, guardianships and other fiduciary services formerly performed by the trust company.

The Board of Directors of the Mercantile-Commerce Bank and Trust Company, of St. Louis, announced on April 25 the election of William H. Luyties, President of the Luyties Pharmacal Company, as a member of the bank's Board of Directors.

Reflective of Southern California's economic development and the flow of new capital into the Los Angeles area is the increase in new trust business obtained during the first quarter of 1947 by California Trust Company, according to Frank H. Schmidt, Executive Vice-President, who said: "Our first quarter's new trust business was 172% ahead of the first quarter last year with new business in March 75% above the March 1946 total. This increased use of trust company facilities is due, in great measure, to the growth of population and industrial expansion which has taken place in the Los Angeles area." The company's new business in 1946 was the highest in 15 years, it is stated.

The 60th Anniversary of the Portland Trust and Savings Bank, of Portland, Oregon, occurred on April 22. At its formation in 1887, says the bank, "business and civic leaders were hard at work planning for a bigger and better Portland of the future."

The bank adds: "Known in those days as the Portland Trust Company of Oregon, this bank had as its primary functions the safekeeping of deposits of money, bonds and other securities, serving as trustee and as agent for real estate management, sales and purchases. The authorized capital stock was \$60,000." Through the years the bank points out, it has added many services in its continuous effort to serve the community better.

Barclays Bank (Dominion, Colonial and Overseas) announces the election effective May 1, of Julian S. Crossley as Chairman of the Board of Directors. Mr. Crossley succeeds Sir William Goodenough, Bart, who was recently appointed Chairman of Barclays Bank Ltd. after the death in January last of Edwin Fisher.

## ABA Announces Dates For Trust Conferences

Dates and places for two of the regular annual trust conferences held each year by the Trust Division of the American Bankers Association were announced on April 25 by Evans Woollen, Jr., President of the Division, who is President of the Fletcher Trust Company, Indianapolis, Ind. One of these, Pacific Coast and Rocky Mountain States Trust Conference, will be held in San Francisco at the St. Francis Hotel, Oct. 22-24, Mr. Woollen stated. The other, the Mid-Continent Trust Conference for the trust institutions and trust men in the Middle West, will be held in Chicago, Nov. 6-7, at the Drake Hotel.

The Associated Trust Companies of Central California will be host at the Pacific Coast and Rocky Mountain States Conference, and the Corporate Fiduciaries Association of Chicago will be host at the Mid-Continent Trust Conference.

## More Bank Borrowing Than for Many Years

Bank loans increased more than \$4,000,000,000 in the six months between June 30, 1946 and Dec. 31, 1946, according to the first 1947 issue of Rand McNally Bankers Directory—the Blue Book—which shows the total of bank loans as \$36,150,097,000. Loan totals have not been that large since Dec. 31, 1930, it is noted. The new edition of the Directory also indicates an increase of \$254,608,000 in bank holdings of "other securities." These two together show an increase of \$4,435,263,000 in the high-earning assets in banks during the six-month period. The total of "other securities" is larger than it has been since Dec. 31, 1940.

However, there is a net decline of \$4,895,334,000 in total earning assets, but this decline, it is noted, is due to a decrease in holding of government securities amounting to \$9,330,597,000. This decline is in the category of the lowest earning rates of all bank assets.

The amount of cash in banks continues to increase. As of Dec. 31, 1946, the Directory reveals, there was \$1,996,063,000 more in cash than six months previously. However, on Dec. 31, 1945, the cash held in banks was even more than on Dec. 31, 1946. Deposits and total assets have both fallen off during the six-months period, which shows that loans and other securities are at a higher percentage level, which adds to the earning potential of bank assets.

The total of all bank assets declined during the six-months period \$2,773,067,000. Deposits declined \$3,133,771,000. This decline was due entirely to the withdrawal of government war deposits. In the meantime, capital funds increased. Capital increased \$68,114,000. Surplus increased \$176,138,000 and undivided profits and reserves increased \$34,987,000. This represents an increase of total capital funds of \$279,289,000.

The first 1947 edition of the Rand McNally Bankers Directory indicates an encouraging improvement in bank earnings. This issue also shows that there are now 829 banks with resources of over \$25,000,000 each. There are 3,167 with resources between \$5,000,000 and \$25,000,000; 8,160 with \$1,000,000 to \$5,000,000; 1,919 with \$500,000 to \$1,000,000; 528 with \$250,000 to \$500,000; and 171 with resources under \$250,000.

There are 5,017 National banks, 9,593 State banks, 137 private banks, and 98 other banking institutions. This is a total of 14,845 banks in the United States at the beginning of 1947. These banks have a total of 4,308 branch offices so, there are 19,153 banking offices to serve American business.

## Donovan President Boston Chapter of AIB

Joseph T. Donovan, Vice-President and Cashier of the National Rockland Bank of Boston, was on April 25 elected President of Boston Chapter, Inc. of the American Institute of Banking at the 37th annual meeting of the chapter. The Institute is the educational division of the American Bankers Association. The Boston "Herald," from which we quote, also said:

Other officers elected for the coming year include Carl W. Trempp, of the First National Bank of Boston, First Vice-President; Herbert C. Matson, of the National Shawmut Bank, Second Vice-President; and Frederic W. Harrington, of the Fiduciary Trust Co., Treasurer.