

MONTHLY

Business Review

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FINANCE • INDUSTRY • AGRICULTURE • TRADE

FOURTH FEDERAL RESERVE DISTRICT

Vol. 30—No. 2

Federal Reserve Bank of Cleveland

Cleveland 1, Ohio

Food Prospects for 1948

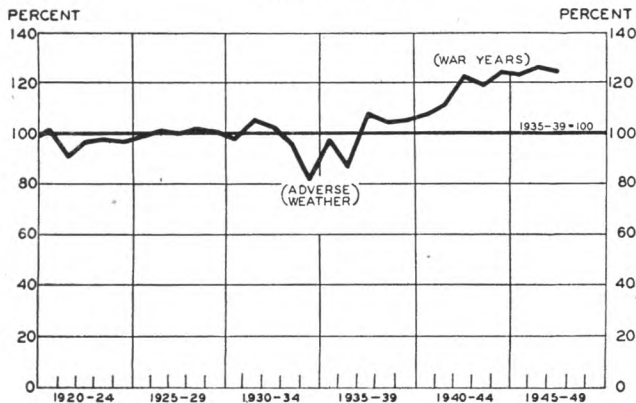
THE sustained high level of agricultural production during the past several years represents one of the most propitious developments in American economic and social history. It is difficult to visualize the extent to which that series of good crop years mitigated the problems of price control, rationing, wage control, and foreign relief. Food might have been much scarcer, and a much more critical item, if Nature had been adverse instead of relatively favorable.

In considerable measure bumper crops are attributable to favorable weather conditions. The extent to which unfavorable weather conditions have reduced agricultural output in the past is clearly illustrated on an accompanying chart. The drouths of almost nationwide proportions which occurred in 1933-36 reduced food production substantially, and to a degree which would be infinitely more devastating if

the situation were to repeat itself under conditions of the present record demand for foodstuffs.

There is every indication that the need and demand for food will remain extraordinarily strong for some time to come. It is also recognized that expenditures for food represent a major item in total consumer expenditures. The postwar increase in the cost of food undoubtedly has been a major factor in the persistent pressure for higher wages, which in turn were reflected in higher costs and in higher prices for finished goods. In fact, the supply and demand situation in foodstuffs is one of the focal points in the general problem of inflation, and the question of whether food will continue to flow in record amounts from American farms throughout 1948 is a matter of wide public concern.

GROSS FARM PRODUCTION
United States



... a recurrence of unfavorable weather conditions, as in 1933-36, would reduce agricultural output from recent high levels.

Human Factors Fortunately, the prodigious output of recent years is not solely ascribable to meteorological conditions. Several factors wholly subject to human control, have contributed to the unprecedented volume of production of foodstuffs.

More widespread use of improved varieties of seed and plant has resulted in higher yields. Soil and water conservation practices have produced additional units per acre. The constantly expanding mechanization of agriculture has permitted greater timeliness in planting and harvesting operations. For example, last season's corn planting was accomplished in about one-half the former number of days with around-the-clock operations made possible by use of mechanical power.

Finally, and perhaps most important, have been the substantial increases in lime and commercial fertilizer applications. During the past decade fertilizer usage has practically doubled and lime applications have increased by four times. With slight modifications, all of these factors should be equally effective

this year and should yield correspondingly satisfactory results. Supplies of commercial fertilizer and farm machinery are expected to be somewhat larger than last year. Lime and facilities for applying it to the soil also should be more readily available.

In short, barring a repetition of a lack of precipitation such as occurred in 1933-36 or some similar nationwide deviation in weather, it seems probable that aggregate farm output may be expected to approximate, if not exceed, the annual average of the past five years.

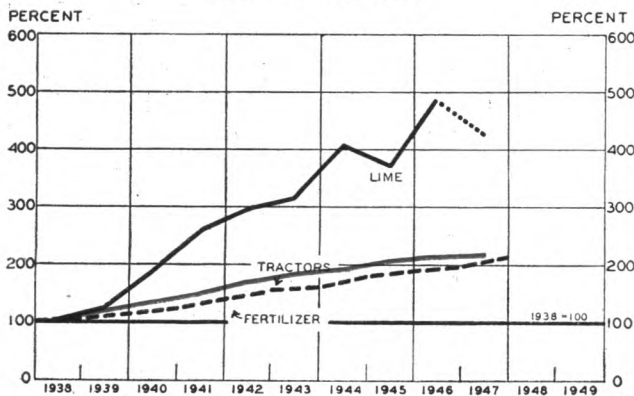
Variations Among Foods Although 1948 food production in the aggregate may equal that of recent years, given reasonably favorable weather, the supply of several individual groups of food may vary substantially from the average. The following tabulation shows 1947 results by major commodity groups as a percentage of the recent five-year experience.

1947 PRODUCTION AS A PERCENTAGE OF THE 1943-47 AVERAGE
1943-47 = 100%

Food Grains.....	126%
Sugar Crops.....	116
Fruit and Tree Nuts.....	106
Dairy Products.....	103
Truck Crops.....	102
Oil Bearing Crops.....	102
Poultry and Eggs.....	99
Meat Animals.....	98
Potatoes and Other Vegetables.....	90
Feed Crops.....	74

The outstanding fact in the foregoing table is the 26 percent margin in food grains, over what would once have been considered extraordinary accomplishment. Most of this increase is attributable to the huge wheat crop of last year.

INCREASES IN USE OF LIME, FERTILIZER AND TRACTORS



...the use of more lime, fertilizer, and tractors should moderate the destructive potential of adverse weather.

The trend in harvested acreage of wheat has been upward in recent years. This is likewise true of yield per acre. The area of winter wheat now in the ground is at a new high of 58.6 million acres despite unfavorable moisture supply in several of the major growing areas at seeding time. Many of those areas have since received precipitation to the extent that crop conditions are reported to have improved after the issuance of the December 1 crop report. Indicated production at that time was 839 million bushels. This compares with a preliminary estimate a year ago of 947 million bushels, whereas the final outturn was 1,067 million bushels. Even though the winter wheat crop should prove no better than the present estimate, if spring wheat attains an average (1936-45) crop of 236 million bushels, another billion bushel wheat harvest will be assured. Annual spring wheat production during the past five years has averaged nearly 300 million bushels.

Of the minor food grains, rice is the only one in which the harvested acreage has shown a pronounced upward trend. Acreage of that crop has been steadily increasing and reached an all-time high in 1947. Yield per acre has remained about average.

Although the harvested acreage of rye shows little prospect of increasing, the acreage of buckwheat was increased markedly this past year. Much of this increase can be attributed to the use of buckwheat as a substitute crop made necessary by the delayed spring planting season. If aggregate volume of food grain production is to exceed the recent five-year average it will be necessary that the billion bushel wheat crop now in prospect be supplemented by an outturn of these minor food grains at least equal to that of the preceding season.

Feed Crops At the other extreme in the 1947 array is the output of feed crops upon which the production of livestock and livestock products depends. A reduction of nearly 10 million acres of these crops occurred during 1947 principally as a result of unfavorable conditions at planting time. If farmers are inclined, however, to increase acreage by about that same amount during the current year in order to replenish feed supplies, the outturn of feed crops should approximate the average of the past five-year period.

One of the factors that may prove troublesome in restoring feed crop production is the lack of sufficient supplies of early maturing hybrid seed-corn stocks. Larger than normal quantities of this sort were planted a year ago. As a result carry-over stocks are insufficient to offset the smaller harvest of such hybrids this past season. Hybrid seed-corn producers are of the opinion that there will be sufficient seed to plant the usual acreage. It may not be possible, however, for corn producers to get the particular hybrid selection or grade to which they have become accustomed.

Seed oats, too, may present more of a problem than now seems apparent. Both yield and quality of the crop was poor in many areas. Producers in those areas are confronted with purchasing seed or sowing oats of inferior quality.

Another potential hazard is the fact that farmers have come to depend so largely on mechanical power to perform field work which raises the problem of tractor-fuel supplies during the peak of the spring planting season. Uninterrupted field operations necessitate not only adequate supplies but transportation and storage facilities which permit a constant supply of tractor fuel during the peak consumption months of spring and early summer. A few areas experienced some difficulty last year and recent reports indicate that if fuel oil consumption remains extremely heavy during February, petroleum refinery schedules might be delayed to the extent that tractor fuel supplies would be unfavorably affected next summer.

Truck Crops Indicated production of truck crops for fresh market the first three months of 1948 is reported to be about 8 percent above a year ago, and 26 percent above average. It is significant that truck crops have led all others in increased rate of fertilizer application. From 1942 to 1946 the average rate of application per acre on truck crops increased by 54 percent. It seems probable that truck crop production in the 1948 season will approximate the high level of this past year. Because of multiple cropping and irrigation truck crops are less susceptible to the vagaries of weather.

Potatoes and Other Vegetables In three of the past five years, the potato crop has exceeded 400 million bushels despite the fact that harvested acreage has steadily declined. Even though acreage harvested this past year was about one-fourth less than average, bushels harvested were several million in excess of an average crop. The steady decline in potato acreage in recent years has been offset by a compensating increase in yield per acre. Although better pest control with improved insecticides has tended to enlarge yields, a 49 percent increase in rate of fertilizer application per acre has also contributed substantially to higher yields. A record supply of certified seed potatoes is available and the more liberal application of commercial fertilizer may stimulate some increase in the potato crop.

Fruit Crops There is a good possibility that the fruit crop this year will exceed that of the past year and of the five year average. The bearing habit of some important fruit trees tends to cause total volume of fruit crops to be somewhat above average in alternate years. Furthermore, the yield per acre of most fruit crops has been in an upward trend for a number of years.

Oil-Bearing and Sugar Crops The amount of acreage devoted to soybeans, peanuts, and flaxseed, the principal oil-bearing crops, has held at relatively high levels throughout the postwar period. The urgent demand for fats and oils has maintained a per unit price for these crops which has caused them to be relatively more profitable than other competing crops, and it seems probable that the acreage planted this year will be of such proportions as to provide an output equal to, or in excess of, this past year.

With respect to sugar crops, the yield-per-acre of sugar beets reached a new record high last year. It is significant that the rate of fertilizer application per acre on sugar beets has increased by two and one-half times in the past six years. Present trends in acreage and yields indicate that sugar crop production may approximate 1947 output.

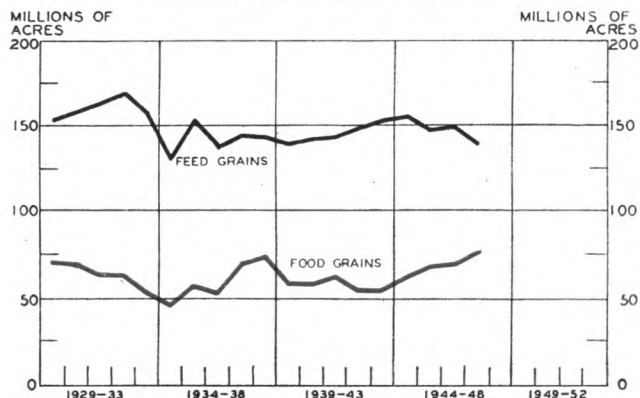
Meat Production In contrast to the relatively favorable outlook for food crops, given reasonably satisfactory weather, the production of livestock and livestock products is in a declining trend.

The number of cattle on farms on January 1, 1948, was probably lower than in any year since 1942. Sheep are not far from the all-time low of 37 million established in 1923, and the number of hogs on farms is close to the 1941 figure of 54 million head.

The number of beef cattle on feed at the beginning of the year was 12 percent smaller than a year ago and the lowest since 1940. In the twelve North Central States where over three-fourths of the cattle feeding operations take place, the number of cattle on feed was nearly one-fifth smaller than a year earlier.

(Please turn to page 8)

HARVESTED ACREAGE OF MAJOR FEED AND FOOD GRAIN CROPS



....the upper curve, which determines the long-run supply of meat, has been declining for several years, while the acreage of human food crops has been expanding.

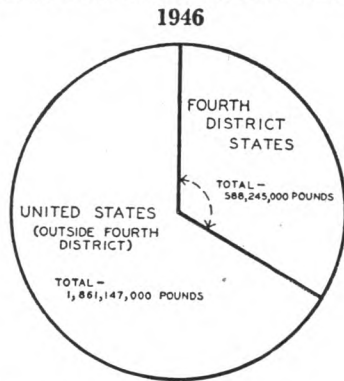
Source: United States Department of Agriculture.

The Nonferrous Castings Industry

THE nonferrous castings industry has weathered two rough spots in the postwar period to date and may possibly encounter a third before the end of 1949. The first of these was the 1945 reconversion period with a severe drop in the level of production. The second occurred in 1947 when customers, fearful of the "inventory problem", cancelled orders on a large scale.

Nonferrous foundries are currently operating below full capacity, but above prewar levels. The trend of recent months has been upward and 1948 may well be a bigger year than either 1946 or 1947.

SHIPMENTS OF NONFERROUS CASTINGS



.... production of nonferrous castings is concentrated in the Fourth District.

Source: Bureau of the Census.

Nonferrous foundries have benefited from the fact that their ferrous cousins, the steel and iron foundries, have been unable to meet their customers' demands because of the well-publicized shortage of basic raw materials. This circumstance has led to a limited substitution of nonferrous castings. When this production prop ultimately is partially removed and stronger competition returns, the nonferrous founders will face their third, and possibly most important, postwar test.

One of the features of the war and postwar period was the rise in importance of die casting and permanent molds, and the consequent advance in productivity. Die casting foundries in many instances are operating at a higher rate now than during the war. Mechanization and "conveyorizing" are becoming more prominent in a traditionally hand-operated foundry industry. Technological advances in alloying, heat treating, casting, etc., have been apparent.

Raw Metal Supplies

Nonferrous foundries had relatively little trouble obtaining metal for casting last year, and the outlook, with the exception of tin, in the current period is

for the continuation of a fairly adequate supply, barring prolonged strikes.

Apparently there will be no shortage of brass and bronze ingots this year. The industry is flexible enough with the help of imports, to meet any anticipated demand.

The supply of zinc likewise is expected nearly to match demand, but prices, supported by the continuing Government stockpiling program, have already edged upward.

Although a record peacetime production of aluminum last year failed toward the end of the period to match demand, foundries have reported no difficulty in obtaining pig aluminum for casting.

Potential magnesium productive capacity far exceeds current needs and no shortage in this metal is anticipated.

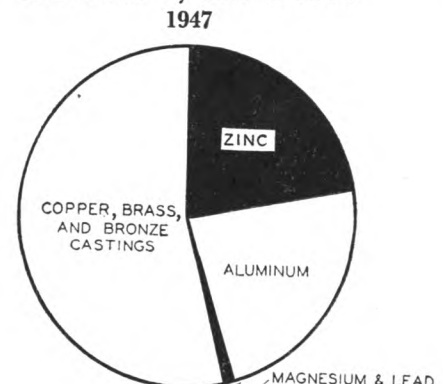
With respect to lead, the combination of domestic mine production, scrap recovery, and imports is expected to satisfy foundry demand during 1948.

Concentration in Fourth District Of the nation's 2,500 nonferrous foundries, 522, or 21 percent, are in Fourth District states. Ohio is the leading state in the country with 250 establishments, and Pennsylvania is in fourth position. (See appended table.)

Another gauge of the industry's geographical concentration is the volume of business done, and in this respect also, foundries in the Fourth District outstrip any other region in the country. Shipments from plants in Fourth District states in 1946 amounted to one-third the national total of 1.9 billion pounds. Among all the states, Ohio production was largest; Illinois, second; and Pennsylvania, third.

SHIPMENTS OF NONFERROUS CASTINGS

Distribution by kind of metal



.... although copper, brass, and bronze castings constitute the largest single category in terms of weight, aluminum castings rank first in unit volume.

Source: Bureau of the Census.

The principal reason for the dominance of the lake states in this industry is the fact that the largest consumers of castings—transportation, industrial and farm machinery manufacturers—are also located here. Other influential factors are availability of labor, industrial power and fuel (especially natural gas), and transportation facilities.

COPPER AND COPPER-BASE ALLOY CASTINGS

The Fourth District states of Pennsylvania and Ohio rank first in the nation in shipments of copper and copper-base alloy castings, accounting for about one-third the total. Principal customers are producers of transportation equipment, and to a smaller extent, manufacturers of plumbing supplies, electrical and industrial machinery manufacturers, and others.

War needs boosted annual shipments of copper, brass, and bronze castings to an all-time peak of 1.5 billion pounds in 1943. Of estimated total shipments in 1947 of 1.1 billion pounds, 90 percent were sand castings, 5 percent were permanent mold, with the remainder accounted for by die castings and other types. These copper-base castings amount currently to over half the shipments (by weight) of all non-ferrous castings.

Shipments of brass and bronze castings dropped from a monthly total of nearly 150 million pounds in March 1944 to the postwar low of 56 million in December 1945, a decline of 62 percent, caused by termination of war contracts and later by strikes among major suppliers. By October 1947, shipments had increased again to 92 million pounds, nearly 30 percent below the record 1943 monthly average of 127 million pounds.

Importance of Jobbing Foundries Of the 2,000 foundries devoted wholly or partly to production of copper, brass, and bronze castings, jobbing foundries outnumber the captive foundries two to one, but their production was about equal. Production of captive producers logically has the edge in die and permanent mold castings, while jobbing foundries ship slightly more sand castings. The size of these foundries varies considerably, a fact which is characteristic of the whole industry. In 1946, 3 percent of the foundries accounted for 43 percent of the shipments of non-ferrous castings. In this region the number of persons employed in copper-base alloy foundries ranges from a minimum of 10-12 in one foundry to as many as 1,000 in the largest operation.

The Current Situation There appears to be general agreement among managers of brass and bronze foundries that a recovery from the 1947 midsummer slump is well underway, and that prospects for at least the first few months

of 1948 are for better volume than in the average month last year.

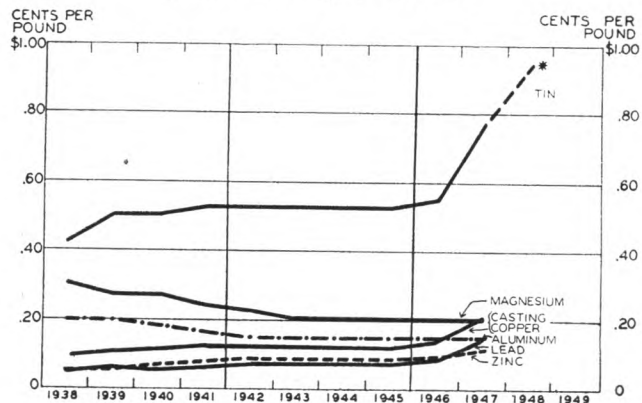
Competition of the vigorous prewar type entered the scene shortly after the end of the war. As the backlog of unfilled orders decreased almost 20 percent from September 1946 to August 1947, bids for new orders became progressively sharper. Some foundries were operating at below one-shift capacity and could afford to take new business almost at cost in order to increase efficiency and productivity and thereby eventually reduce average unit costs. In October, latest month for which industry figures are available, unfilled orders were equal to somewhat over six week's production, although this factor varied widely among companies.

Before the war many foundries in this area were devoted more or less exclusively to brass and bronze art and architectural castings of the short-run, infrequently reordered type. During the period of handling war sub-contracts for industrial castings, these small plants were able in many cases to enlarge their facilities, with the result that their art work is now largely a sideline.

Foundries producing copper-alloy castings have benefited from the comparative shortness of iron and steel needed for ferrous castings, although not to the same extent as have foundries casting other non-ferrous metals.

Labor and Material Costs Movements in the prices of castings are tied fairly closely to metal prices. This component often amounts to 50 percent or more of the selling price. Copper, tin, zinc, and lead are the principal metal components of brass and bronze (copper-base alloy) castings. Over the past eight years, December 1939 to December 1947, the price of casting copper has risen 77 percent, from 12 cents per pound to 21¼

PRICE PER POUND OF NONFERROUS METALS
Annual Averages, 1938-1947



... except for tin, the spread of prices of foundry metals has narrowed since 1938, and is confined within an area not far above prewar levels.

*Price recently established by RFC.

cents. Tin costs have advanced even further, from 51 cents to 94 cents, or 84 percent. Zinc costs went to 11 cents from 6 cents, a rise of 83 percent, and lead almost tripled in price, moving from 5½ cents to 15 cents.

Labor costs, while somewhat slower moving, have increased as much as metal prices and have helped establish a high breakeven point in volume. While these various metals have changed radically in price, they are generally in fair supply, and foundry operations have rarely been curtailed for lack of raw materials. The supply of labor, both skilled and unskilled, has occasionally been short, and turnover of unskilled employees has been rapid and expensive at many plants.

ALUMINUM CASTINGS

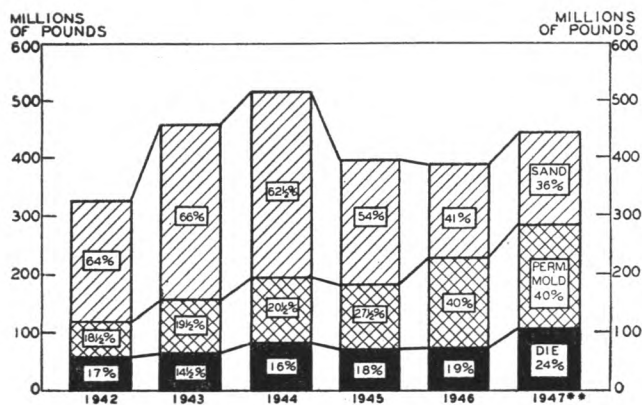
The 1,640 foundries producing aluminum castings comprise the second largest segment of the nonferrous castings industry.

Aluminum castings become, or are components of, cooking utensils, appliances, industrial chemical equipment, bearings, and machinery equipment. Automotive and aircraft manufacturers especially are big users. Commercial castings produced in jobbing foundries account for about 75 percent of total shipments and the other 25 percent of castings are made in captive foundries.

Shipments reached an all-time monthly peak of 50 million pounds in March 1945. The record year, however, was 1944 when a total of 514 million pounds were shipped. Subsequent annual totals were 395 million pounds in 1945 and 389 million pounds

ANNUAL SHIPMENTS OF ALUMINUM CASTINGS AND PERCENTAGE BY TYPES*

U. S. A.—1942-1947



...in aluminum foundries, permanent mold and die casting processes have gained importance at the expense of sand casting.

* The "all other" classification never accounts for more than one percent.
 ** Estimated—based on first 10 months.

Source: Bureau of the Census.
 Federal Reserve Bank of St. Louis

in 1946. The estimated total for 1947 is 440 million pounds, or about 90 percent of the record annual average reached during 1943-44. On the other hand, the 1947 output of brass and bronze castings probably will not exceed 70 percent of the highest wartime rate.

Displacement of Iron and Steel The displacement of iron and steel castings by aluminum castings, begun years ago, is becoming more significant. Quantitative data on this movement and its trend are unobtainable, but in the opinion of many local foundrymen, the switchover is likely to gain momentum in 1948. The inability of manufacturers to obtain sufficient amounts of gray iron and steel castings has been the main factor in this diversion. Advances in alloying, improvements in strength and usability, plus the original advantage of light weight have also contributed to a relatively greater use of aluminum. The prospects are that substitutions will become more or less permanent in such products as pistons, many kinds of wheels, piano plates, engine heads, architectural items such as spandrels, and many dead weight items in automobiles and trucks.

Decline of Sand Castings Permanent mold castings and die castings have increased in importance at the expense of sand castings. Measured as a percentage of shipments, permanent mold castings have in the six years 1942-47 increased from 18.5 percent to 40 percent, die castings from 17 percent to 24 percent, while sand castings declined from 64 percent to 36 percent. (See appended table.)

Shipments of sand castings have been declining since March 1945 when the wartime peak was established, and current operations are but one-third that record level. Permanent mold and die castings, on the other hand, reached an all-time high in the spring of 1947 and subsequent monthly production has at no time dipped more than 35 percent below that top.

Unfilled Orders The backlog of unfilled orders for aluminum castings varies widely as to the type of casting and from foundry to foundry. The backlog of orders for die castings is the largest of the three types and is equivalent to about four months' production, while die casting production, though increasing, is still the smallest of the three types. The backlog has been reduced for all three methods by about 40 percent over the past year.

ZINC CASTINGS

In both the number of foundries engaged and in volume of shipments, zinc castings rank third in the nonferrous castings industry.

In 1946 there were 373 foundries making zinc castings, compared with 1640 aluminum foundries. Despite this difference in the number of producing units, tonnage output of zinc castings closely approximates that of aluminum, a circumstance accounted for partly by the fact that zinc is 2½ times heavier than aluminum, and partly because the faster die-casting method predominates in zinc foundries. In the average month last year, 36.3 million pounds of zinc castings and 36.8 million pounds of aluminum castings were shipped.

One out of every five pounds of zinc castings shipped in 1946 came from foundries in Ohio, the leading state. These were in the form of hardware items, instrument cases, automotive parts, decorative objects, components of home appliances, and similar products.

Predominance of Die Casting Practically all zinc castings are die castings and over 70 percent of the castings are produced for sale, with the remainder being used by the producer or its parent company. Zinc-base alloys account for the largest percentage of total nonferrous die castings, are relatively easy to cast and have high ductility and impact strength.

Outlook for Expanded Markets Local zinc foundry operators believe the use of zinc die castings will increase as the versatility and comparative cost of this metal and its method of casting become more widely known.

Production in 1947 was almost 15 percent ahead of the previous year. Unfilled orders amount to three months' production, but this ratio varies considerably from plant to plant. Productivity shows signs of increasing and has advanced above the 1940 level.

Die casters of zinc and aluminum anticipate a growing share of the market for castings because the die casting process lends itself particularly well to mass production. With advances in techniques, castings are expected to become almost indistinguishable from pieces machined from bar stock.

Competition has been increasing, however, particularly during the summer slump of 1947. This has forced a closer watch over estimating procedures, scrap losses, metal prices, inventory problems and the other usual concomitants of the return of a buyers' market.

Competition from Aluminum As a die casting metal, aluminum is highly competitive with zinc and the production of aluminum die castings is increasing. The rising trend of zinc prices in contrast to declines in aluminum prices, plus the lightness and greater strength of

aluminum, apparently have begun to overcome aluminum's disadvantages of slower handling, higher pressure requirements, and higher melting point. Two years ago, shipments of zinc die castings were almost six times those of aluminum (by weight); by January 1947 the ratio was less than five to one, and during the past year the proportion dwindled to three and a half to one.

MAGNESIUM CASTINGS

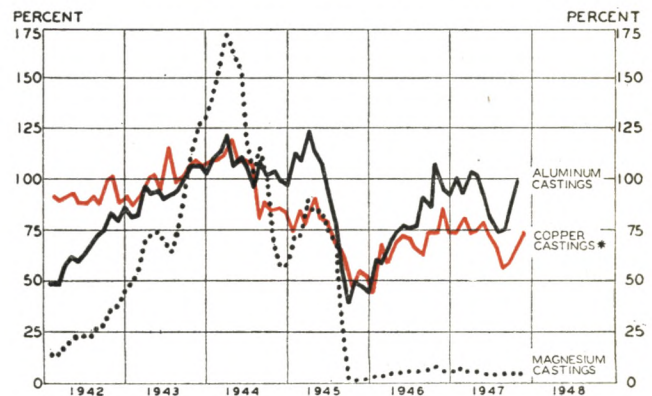
Magnesium castings, one-third lighter than aluminum, were used extensively in aircraft and munitions during the war, and in the peak year of 1944 shipments amounted to over 200 million pounds. After V-J day, with the cancellation of war contracts, output virtually came to a standstill within three months. Thereafter, production gradually rose to a level of 600-800 thousand pounds per month, still only about 5 percent of the wartime peak. The foundries or foundry departments that survived this vigorous shakeout have now recovered perhaps 30-50 percent of their wartime volume.

Production Methods The use of sand molds currently predominates in magnesium castings, accounting for 75-90 percent of shipments, while permanent mold and die casting represent about 6-10 percent and 4-15 percent, respectively. During the war, however, the permanent mold method was widely employed and accounted for as much as 60 percent of production, representing largely the output of incendiary bombs.

Ohio, with ten magnesium foundries, ranks third in the nation, and in shipments, according to recent data, is second only to Michigan. These two states

INDEXES OF SHIPMENTS OF COPPER CASTINGS* ALUMINUM CASTINGS, and MAGNESIUM CASTINGS 1942 - 1947

Average month 1943 - 1944 = 100%



... current production of aluminum castings is closer to the level of wartime peak operations than is the output of brass and bronze castings.

*Copper, brass, and bronze castings.

account for almost 40 percent of magnesium castings. Over 90 percent of total production is commercial castings, and the current backlog of orders amounts to about five months' production.

Current Problems and Outlook

Despite the impressive drop in demand for magnesium castings at the war's end, producers in this area are moderately hopeful about the future. They believe long strides could be made in basic research, but most magnesium foundries are too small to finance such a program. The metal's fundamental advantage, of course, is its lightness. Another selling point is the fact that these castings can be machined easily to a mirror finish. Magnesium is obtainable in quantities far exceeding the present demand, and the price of the metal is 20.5 cents per pound, which is lower than copper and tin and not much higher than aluminum, lead, and zinc.

There is a fire hazard in handling molten magnesium and in the machining of castings, but adequate safeguards have been developed and incorporated in the regular production routine.

Considerable "know-how" is required in casting magnesium. The metal loss in sand casting mag-

nesium is about 25 percent compared with but 10 percent for aluminum. Because of shrinkage, more gates and risers must be used than with other metals, with the result that $3\frac{1}{2}$ times more metal may sometimes be poured than is represented by the final casting itself. This metal also requires special sand practice to help restrict moisture content in the mold in order to prevent ignition of the molten metal.

Some steps have been taken to produce more consumer items from this light metal, with moderate success.

Number of Nonferrous Foundries by Kind of Metal, in the Six Leading States, 1946

	Total *	Copper and Copper-base Alloy Castings	Aluminum Castings	Zinc Castings	Magnesium Casting
Ohio.....	250	196	185	36	10
California.....	238	157	172	51	14
New York.....	234	195	164	34	9
Pennsylvania..	232	217	137	23	2
Illinois.....	228	143	143	64	5
Michigan.....	203	149	117	50	12

* Some foundries process more than one metal, and are included under more than one heading.

Source: Bureau of the Census

(Please turn to page 12)

FOOD PROSPECTS FOR 1948

(Continued from page 3)

An even greater reduction occurred in the number of sheep and lambs being fed for market. Most of this decrease in feeding operations has been confined to the Corn Belt States.

Sharply reduced feed supplies, and distinctly unfavorable livestock-feed-price ratios during the past seven months, are responsible for marked reductions in livestock on feed, and a smaller spring pig crop. The contraction in meat animals and breeding stock which is currently going on, means significantly lower meat animal production than occurred this past year. Meat supplies per capita are expected to be off about 8 percent. The reduction in all classes of meat animals has been such that even though feed crops this year should be noticeably better than the previous year, no material increase in meat is in prospect before late next year.

Dairy Products Like beef cattle, the number of milk cows has also declined, but it is anticipated that output of dairy products will remain near that of the past year. Production per cow established a record rate in December and prospects are that a near record will be maintained in 1948 excluding the advent of an extremely unfavorable pasture season. A sufficiently large increase in number of heifer calves has occurred to offset the downward trend in cow numbers. While the prospect of attaining an output of dairy products approximating last year's volume appears relatively favor-

able at this time, butter production will show little or no increase so long as consumer demand for other dairy products remain at current levels.

Poultry and Eggs

It is anticipated that egg production during the first half year may not be greatly different from the preceding similar period. Rate of lay, now nearly 14 percent above average, is expected to remain high. The number of layers, however, is slightly below a year ago and the prospect that new replacements will not maintain flock numbers indicate a decline in egg production after mid-year. The egg-feed price ratio which has been unfavorable most of the past year is expected to continue unfavorable during the current hatching season. A year-to-year decline in the egg-feed price ratio usually results in fewer chickens raised for flock replacement. Thus it appears likely that both egg and chicken meat output will be lower than in the preceding year.

Turkey producers react similarly to adverse changes in the feed price ratio. For that reason there is limited prospect that turkeys grown for market will be in excess of a year earlier even though growers received slightly higher prices during the past marketing season.

Total livestock production seems certain to fall below the relatively high volume of the year recently ended. Substantial increases in food grain requirements in recent years make it appear unlikely that output of livestock products will recover this loss until the heavy demand for food grain abates.

SUMMARY OF NATIONAL BUSINESS CONDITIONS

By the Board of Governors of the Federal Reserve System

(Released for Publication January 28, 1948)

Industrial production was maintained at record postwar levels in December. Department store sales continued in large volume in December and the early part of January. The general price level advanced further while prices of speculative commodities declined somewhat.

Industrial production

The Board's seasonally adjusted index of industrial production was 191 per cent of the 1935-39 average in December as compared with 192 in November and 190 in October.

Activity in durable goods industries continued to advance in December and was at a new postwar peak rate. Iron and steel production advanced to the highest rate of the year, after allowance for mill closings on Christmas Day, and continued to increase in January. Assembly of passenger automobiles advanced further in December from the high November rate, and production for the year was about 3.6 million units as compared with 2.2 million in 1946 and 3.8 in 1941. Output of trucks in 1947 was the highest on record. Production of freight cars in December reached a total of 9,800 units, which virtually met the goal established for the industry last spring.

Output of nondurable goods showed a slight decline in December largely because holiday influences reduced production in a few lines such as cotton textiles and paperboard. Output of manufactured foods also declined somewhat, after allowances for seasonal changes, owing mainly to a reduction from the high November rate of livestock slaughter. Petroleum refining activity increased in December and early January. Despite a substantial gain in output of fuel oil, supplies were short of exceptionally heavy demands.

Minerals production in December was maintained at the level of the preceding month. Coal output was not as large as in November, while crude oil production showed a further gain.

Employment

Nonagricultural employment showed the usual large seasonal increase from mid-November to mid-December, reflecting the pre-Christmas expansion in trade. The number of persons unemployed in early December remained at the low November level of 1.6 million, about half a million less than a year ago.

Construction

Value of construction contracts awarded, as reported by the F. W. Dodge Corporation, declined more than seasonally in December, reflecting chiefly decreases of about one-fifth in awards for residential building and public works. As compared with December 1946, however, values of awards for most types of construction were substantially larger.

Distribution

Department store sales in December showed the usual sharp increase and the Board's seasonally

adjusted index remained at the advanced November level. Total sales in the fourth-quarter holiday shopping season were 9 per cent larger than in the same period in 1946. Sales in the first half of January showed somewhat more than the usual seasonal decline.

Loadings of railroad freight in December and the early part of January continued at an exceptionally high rate for this season of the year, owing mainly to the sustained large volume of shipments of manufactured goods. Loadings of grain and livestock were considerably below the high levels prevailing a year ago.

Commodity prices

The general level of wholesale commodity prices continued to advance from the middle of December to the latter part of January, reflecting chiefly further increases in prices of petroleum and metal products. Prices of commodities traded in the organized markets generally declined somewhat from the advanced levels reached during the autumn.

The consumers' price index advanced further by about one per cent in December, reflecting chiefly increases in retail prices of foods and fuels.

Bank credit

Purchases by the Federal Reserve System in support of prices of Government bonds continued in December and the first three weeks of January. Purchases were particularly large after December 24 when the Federal Open Market Committee reduced the prices at which bonds would be purchased for System account. Total holdings of Government securities at Reserve Banks declined 700 million dollars, however, reflecting substantial market sales and redemption of bills and certificates.

The post-Christmas return of currency from circulation was offset in its effect on bank reserves by an excess of Treasury receipts from taxes and calls on war loan accounts over current expenditures.

Total holdings of Government securities by member banks in leading cities showed little further change during December and the first half of January. These banks sold bonds but increased their holdings of bills. Business loans continued to increase sharply during most of December and, following a small post-Christmas decline, showed further growth in the first half of January. Real estate and consumer loans also expanded further.

Interest rates and bond yields

Accompanying reduction in Federal Reserve support prices for bonds, yields on Treasury bonds, increased by as much as one-fourth of a point on some issues. Yields on corporate bonds also rose somewhat. Short-term money rates advanced slightly in December and January.

In January the Federal Reserve Banks increased their discount rates from 1 per cent to 1¼ per cent.

DEPARTMENT STORE TRADE STATISTICS

Sales by Departments—December, 1947

As compared with a year ago
(Compiled January 27, and released for publication January 29)

Hosiery (Women's and Children's).....	+46
Coats and Suits (Women's and Misses') ..	+33
Domestic Floor Coverings.....	+33
Sportgoods (Including Cameras).....	+29
Neckwear and Scarfs.....	+27
Toys and Games.....	+23
Lamps and Shades.....	+23
Housewares.....	+21
Luggage.....	+21
Notions.....	+20
Men's Clothing.....	+20
Blouses, Skirts and Knit Goods.....	+19
Corsets and Brassieres.....	+16
Furs.....	+15
Major Household Appliances.....	+14
Infants' Wear.....	+14
Draperies and Curtains.....	+14
MAIN STORE TOTAL.....	+13
Women's Underwear.....	+13
Juniors' and Girls' Wear.....	+11
Dresses (Women's and Misses').....	+11
Furniture and Beds.....	+10
Shoes (Women's and Children's).....	+9
Aprons and Housedresses.....	+9
Boys' Clothing and Furnishings.....	+8
China and Glassware.....	+8
Leather Goods (Small).....	+8
Books and Stationery.....	+8
Restaurants.....	+8
Silverware and Jewelry.....	+7
Men's Furnishings (Hats and Caps).....	+7
Men's and Boys' Shoes.....	+6
Photographic Studio.....	+6
Art Needlework and Art Goods.....	+6
Silks and Velvets (Woolen Dress Goods).....	+5
Beauty Salon.....	+3
Domestics and Blankets.....	+3
Handkerchiefs.....	+1
Laces and Trimmings.....	-0
Millinery.....	-1
Gloves.....	-3
Toilet Articles and Drug Sundries.....	-4
Cotton Wash Goods.....	-5

During December, which was a record month for dollar sales in Fourth District department stores, 37 out of 42 individual departments reported gains over a year ago. Basement store sales were up 19% over December 1946, while main store sales showed a 13% margin.

Women's and children's hosiery with an increase of 46%, led all other departments in year-to-year gain in December sales. Women's and misses' coats and suits were up 33% in sales, and neckwear and scarfs advanced 27%, setting a new all-time high for that department. Sales of furs, up 15% over December 1946, were at a five-year high for the month. The women's underwear department, after two months of sales below 1946 levels, reported a 13% increase over a year ago.

Other departments in the women's apparel and accessories group showed percentage changes ranging from a 19% increase to a 3% decrease. The year-to-year declines in December sales of the millinery and gloves departments completed a year of total sales at levels lower than those of 1946.

Among the house furnishings departments, major household appliances, with a gain of 14% over December 1946, lost relative position. Greater advances were registered by domestic floor coverings, up 33%, lamps and shades, up 23%, and housewares, up 21%. Sustained strength of sales in domestic floor coverings is

shown by the fact that 1947 sales exceeded those of 1946 during every month of the year, and by a margin of more than 20% during nine of those months.

Each of the four departments in the men's and boys' wear group recorded sales increases over last year. Men's clothing, with a 20% margin, had the largest gain. Men's furnishings, up 7%, showed the first year-to-year gain of the past seven months.

Sport goods and cameras, with a 29% increase over December 1946, rounded out a year in which sales bettered those of 1946 during all twelve months. Toys and games sales participated in the final Christmas rush. Although sales by this department lagged throughout most of 1947, as compared with the preceding year, the December sales spurt carried toy sales to a new all-time high, 23% above a year ago.

Toilet articles and drug sundries, however, slipped 4% from December 1946 to a three-year low for the month. Although December sales of that department were more than twice as high as November sales, the 1947 total was under that of 1946.

All comparisons herein refer to dollar volume of sales. Changes in the price level have not been taken into account.

Inventories by Departments — December 31, 1947

As compared with a year ago
(Compiled January 30, and released for publication January 31)

Major Household Appliances.....	+177
Men's Clothing.....	+60
Domestic Floor Coverings.....	+46
Men's and Boys' Shoes.....	+36
Shoes (Women's and Children's).....	+22
Sport Goods (Including Cameras).....	+17
Dresses (Women's and Misses').....	+15
Corsets and Brassieres.....	+9
Infants' Wear.....	+9
Millinery.....	+8
China and Glassware.....	+7
Women's Underwear.....	+6
Silverware and Jewelry.....	+6
Neckwear and Scarfs.....	+5
Silks and Velvets (Woolen Dress Goods).....	+5
Domestics and Blankets.....	+3
MAIN STORE TOTAL.....	+2
Cotton Wash Goods.....	-0
Notions.....	-1
Luggage.....	-4
Furniture and Beds.....	-4
Juniors' and Girls' Wear.....	-4
Toilet Articles and Drug Sundries.....	-7
Coats and Suits (Women's and Misses').....	-8
Art Needlework and Art Goods.....	-10
Leather Goods (Small).....	-10
Furs.....	-11
Books and Stationery.....	-11
Housewares.....	-12
Aprons and Housedresses.....	-12
Blouses, Skirts and Knit Goods.....	-13
Hosiery (Women's and Children's).....	-15
Men's Furnishings (Hats and Caps).....	-14
Draperies and Curtains.....	-18
Laces and Trimmings.....	-18
Lamps and Shades.....	-19
Boys' Clothing and Furnishings.....	-20
Handkerchiefs.....	-23
Gloves.....	-23
Toys and Games.....	-36

The decline in department store inventories in the Fourth District during the heavy sales of December was approximately in line with seasonal expectations. At month and year end, stock levels in the main store were about 2% over those of December 31, 1946, while basement store stocks were up about 1%.

Stocks of major household appliances increased during December to the highest point on record, 177% above a year ago. Inventories of domestic floor coverings also reached a new all-time high, 46% above a year ago. By contrast, year-to-year decline ranging from 12% to 19%, occurred in the stocks of housewares, draperies and curtains and lamps and shades.

Inventories of men's clothing, up 60% from a year ago, were higher on December 31 than at most monthly closing dates during 1947 and at an all-time high for this time of year. Stocks of men's and boys' shoes, up 36%, reached a new record high for the month. At the other extreme, inventories of boys' clothing and furnishings, down 20% from a year ago, were at lowest levels in nearly two years. Stocks of men's furnishings, off 15% from last year, were at a level hardly more than half of November closing inventories.

Few departments in the women's apparel and accessories group showed inventory gains over last year. Stocks of women's and children's shoes, up 22%, reached a new all-time high for the month and were only slightly under the November level. Also reaching new high levels for the month were stocks of women's and misses' dresses, corsets and brassieres, and infants' wear. Increases over last year ranged from 9% to 15% in these departments.

Seven departments in the women's apparel and accessories group registered declines from last year amounting to 10% or more. Stocks of furs, for example, were down 11%, and were at a three-year low for the month. Stocks of handkerchiefs, off 23%, were lowest since February 1945. Stocks of gloves, were down 23% from a year ago.

Stocks of sport goods at the end of December were at a new high for the month, 17% over a year ago. Stocks of toys and games, on the other hand, were 36% under last year, and at the lowest level for any month end since January 1945. Both departments enjoyed heavy sales during December.

Inventories of books and stationery, down 11% from December 1946, were at a three year low for the month.

All comparisons herein refer to dollar volume and not to physical inventories.

Indexes of Department Store Sales and Stocks

Daily Average for 1935-1939=100

	Adjusted for Seasonal Variation*			Without Seasonal Adjustment		
	Dec. 1947	Nov. 1947	Dec. 1946	Dec. 1947	Nov. 1947	Dec. 1946
SALES:						
Akron (6).....	316	327	290	499	385	458
Canton (5).....	340	367	310	592	447	539
Cincinnati (8).....	297	331	268	502	417	453
Cleveland (10).....	282	306	255	446	349	403
Columbus (5).....	316	371	303	556	445	533
Erie (3).....	321	325	273	565	390	480
Pittsburgh (8).....	274	272	247	439	324	395
Springfield (3).....	290	326	257	517	369	457
Toledo (6).....	287	304	255	488	362	434
Wheeling (6).....	241	269	219	456	318	414
Youngstown (3).....	322	343	284	522	412	460
District (96).....	309	296	277	479	371	430
STOCKS:						
District.....	272	268	258	225	283	214

* Seasonal factors for district revised as of July 1946; seasonal factors for each of the cities revised as of October 1944.

FINANCIAL AND OTHER BUSINESS STATISTICS

Bank Debits*—December, 1947

Time Deposits—12 Fourth District Cities

(Compiled January 12, and released for publication January 13)

(In Thousands of Dollars)
(Compiled January 13, and released for publication January 14)

	December 1947	% Change from year ago	3 Months ended Dec. 1947	% Change from year ago
ALL 29 CENTERS.....	\$7,814,534H	+17.7%	\$20,865,280H	+14.1%
10 LARGEST CENTERS:				
Akron.....	Ohio 245,196	- 3.8	738,521H	+ 0.3
Canton.....	Ohio 118,297H	+14.1	325,081H	+13.5
Cincinnati.....	Ohio 1,016,643H	+18.9	2,689,194H	+12.5
Cleveland.....	Ohio 2,056,510H	+19.9	5,366,167H	+12.8
Columbus.....	Ohio 590,861H	+29.3	1,533,987H	+16.2
Dayton.....	Ohio 252,356H	+22.5	703,593H	+17.9
Toledo.....	Ohio 413,837	+ 2.9	1,180,591H	+ 6.4
Youngstown.....	Ohio 156,847	+29.2	459,765H	+28.3
Erie.....	Penna. 93,662H	+10.3	261,871H	+13.6
Pittsburgh.....	Penna. 2,158,860H	+18.4	5,727,152H	+18.4
TOTAL.....	\$7,103,069H	+17.9%	\$18,985,922H	+14.2%
19 OTHER CENTERS:				
Covington-Newport.....	Ky. \$ 41,211H	+11.0%	\$ 116,932H	+10.6%
Lexington.....	Ky. 130,695H	+23.8	242,574	+14.6
Hamilton.....	Ohio 42,463H	+35.9	116,108H	+30.8
Lima.....	Ohio 43,322	+ 9.9	128,787H	+12.6
Lorain.....	Ohio 19,768H	+25.5	56,574H	+24.2
Mansfield.....	Ohio 41,721H	+18.0	118,644H	+19.6
Middletown.....	Ohio 36,275H	+18.7	101,283H	+13.3
Portsmouth.....	Ohio 21,545	+10.5	64,548H	+13.1
Springfield.....	Ohio 47,084H	+12.4	134,969H	+10.4
Steubenville.....	Ohio 24,801H	+16.1	68,867H	+14.4
Warren.....	Ohio 37,337	+14.1	111,618H	+12.1
Zanesville.....	Ohio 27,570H	+21.8	75,465H	+17.3
Butler.....	Penna. 31,599H	+10.8	91,089H	+13.1
Franklin.....	Penna. 7,492	+ 7.1	21,639	+ 8.4
Greensburg.....	Penna. 22,659H	+17.5	63,236H	+17.7
Meadville.....	Penna. 11,529	-10.6	36,221	+ 9.9
Oil City.....	Penna. 20,552	- 4.3	59,933	- 0.7
Sharon.....	Penna. 27,850H	+23.3	80,302H	+19.8
Wheeling.....	W. Va. 75,992H	+16.9	190,569H	+10.9
TOTAL.....	\$ 711,465H	+15.2%	\$ 1,879,358H	+12.7%

City and Number of Banks	Time Deposits Dec. 31, 1947	Average Weekly Change During:		
		5 Weeks Ended Oct. 29, 1947	4 Weeks Ended Nov. 26, 1947	5 Weeks Ended Dec. 31, 1947
Cleveland (4).....	\$ 879,322,000H	+\$ 98,000	+\$431,000	+\$3,007,000
Pittsburgh (12).....	361,697,000	+ 31,000	- 28,000	+ 318,000
Cincinnati (8).....	181,540,000	+193,000	- 623,000	+ 80,000
Akron (3).....	103,933,000H	+ 43,000	- 85,000	+ 269,000
Toledo (3).....	92,467,000H	+ 62,000	- 5,000	+ 176,000
Columbus (3).....	73,217,000H	+ 52,000	+ 23,000	+ 88,000
Youngstown (3).....	62,910,000H	- 23,000	+117,000	+ 221,000
Dayton (3).....	49,361,000	+ 22,000	- 79,000	+ 27,000
Canton (5).....	42,955,000	+ 98,000	- 85,000	- 5,000
Erie (4).....	38,544,000	+ 22,000	- 14,000	- 207,000
Wheeling (6).....	28,329,000	+ 6,000	- 87,000	+ 107,000
Lexington (5).....	10,662,000H	- 0-	+ 6,000	+ 16,000
TOTAL—12 Cities.....	\$1,924,937,000H	+\$604,000	-\$429,000	+\$3,193,000

H denotes all-time high.

During December, time depositors at 59 Fourth District banks advanced to a new all-time high of \$1,925,000,000, about 5 percent higher than the total of a year ago.

The average weekly gain of \$3,193,000 for December offers a sharp contrast to the decline of \$429,000 weekly which occurred in the preceding month and compares favorably with the increases recorded in corresponding weeks a year ago.

The December gains in time deposits in part reflect a seasonal expansion which ordinarily is experienced around the turn of the year. An additional factor of importance is the year-end addition of accrued interest to some savings accounts.

The outstanding gain for December occurred at the Cleveland banks, where time deposits increased by over \$3,000,000 weekly in the eighth successive month of expansion. Exceptionally large gains also were experienced in Akron, Toledo and Youngstown. Other cities where increases occurred were Cincinnati, Columbus, and Lexington. Time deposits declined during December in five of the twelve reporting cities.

Retail Trade

	Percentage Changes From Preceding Year		
	SALES Dec. 1947	SALES Year 1947	STOCKS Dec. 1947

	SALES Dec. 1947	SALES Year 1947	STOCKS Dec. 1947
DEPARTMENT STORES (96)			
Akron.....	+13	+ 7	+ 3
Canton.....	+14	+10	a
Cincinnati.....	+14	+ 8	- 3
Cleveland.....	+15	+ 8	+ 4
Columbus.....	+ 8	+ 5	- 3
Erie.....	+23	+13	+10
Pittsburgh.....	+16	+10	+ 1
Springfield.....	+18	+ 8	a
Toledo.....	+17	+ 9	+ 7
Wheeling.....	+15	+ 2	+ 4
Youngstown.....	+18	+11	a
Other Cities.....	+35	+27	+16
District.....	+16	+10	+ 2
WEARING APPAREL (14)			
Cincinnati.....	+16	- 0-	+16
Cleveland.....	+ 2	- 6	- 1
Pittsburgh.....	+ 5	- 4	- 9
Other Cities.....	+18	+ 4	+ 6
District.....	+10	- 1	+ 1
FURNITURE (44)			
Canton.....	+ 4	+ 4	+23
Cincinnati.....	+27	+ 7	+14
Cleveland.....	+13	+ 8	+32
Columbus.....	+35	+13	a
Dayton.....	+ 7	+ 8	a
Pittsburgh.....	a	a	a
Allegheny County.....	+29	+25	a
Toledo.....	+12	+11	a
Other Cities.....	+27	+20	+33
District.....	+20	+12	+25

a—Not available.

Figures in parentheses indicate number of firms reporting sales.

December Department Store Sales by Cities*

(Compiled January 26, and released for publication January 28)

CITY	% Change from Nov. '47	Dec. '46	Sales During December (Dec. 1941=100)			
			1941	1943	1945	1946
Erie.....	+45	+18	100	111	143	169
Wheeling.....	+44	+10	100	108	152	180
Springfield.....	+40	+13	100	132	151	165
Pittsburgh.....	+35	+11	100	108	139	181
Toledo.....	+35	+12	100	113	149	181
Canton.....	+32	+10	100	115	133	185
Akron.....	+30	+ 9	100	130	161	189
Fourth District.....	+29	+12	100	112	145	184
Cleveland.....	+28	+11	100	106	132	174
Youngstown.....	+27	+14	100	116	156	188
Columbus.....	+25	+ 4	100	129	178	223
District.....	+20	+10	100	116	157	196

A new all-time record in aggregate dollar volume of department store sales was established in this District last month. The increase over November exceeded the normal seasonal expansion. December sales of stores in each of eleven major cities were the highest on record for the month.

Daily average sales during the month were 29% larger than in November, and 12% greater than in December of 1946. The year-to-year percentage change in total sales, however, was about 16% ahead because of one more business day in December of 1947 than in the 1946 month.

INDIVIDUAL CITIES

The November-December rise in daily average sales was most marked in Erie and Wheeling where the improvement was 45% and 44% respectively. The district average figure of 29% was surpassed also by Akron, Canton, Pittsburgh and Toledo where the month-to-month expansion ranged from 30% to 35%.

Erie showed the widest margin over the preceding year as average daily sales mounted 18% over the similar 1946 period. In Springfield and Youngstown, the gains were 13% and 14% respectively.

In seven of the eleven centers, December sales were more than double the December 1941 volume. Columbus topped the list in this respect with December sales 232% of December 1941, while in Cincinnati and Youngstown the figure stood at 214%.

NONFERROUS CASTINGS INDUSTRY

(Continued from page 8)

Shipments of Nonferrous Castings by Kind of Metal, in the Six Leading States, 1946 (in millions of pounds)

	Total	Copper and Copper-base Alloy Castings	Aluminum Castings	Zinc Castings	Magnesium Castings
Ohio.....	336	161	94	79	1.2
Illinois.....	230	112	39	76	*
Pennsylvania..	219	171	17	30	*
Michigan.....	188	77	30	74	2.0
New York.....	155	87	30	37	*
California.....	109	61	31	*	*

*Not shown separately to avoid disclosing operations of individual companies.
Source: Bureau of the Census

Three Types of Aluminum Castings As a Percentage of Total Annual Shipments 1942 - 1947

	Total (100%) (millions of pounds)	Sand	Permanent Mold	Die
1942.....	324	64%	18½%	17%
1943.....	460	66	19½	14½
1944.....	514	62½	20½	16
1945.....	395	54	27½	18
1946.....	389	41	40	19
1947 (est.).....	440	36	40	24

Source: Bureau of the Census

ANNOUNCEMENTS

On January 2, Mr. George C. Brainard, President and General Manager of the Addressograph-Multi-graph Corporation, Cleveland, Ohio, was redesignated Chairman of the Board of Directors of this bank for the year 1948.

On the same date, Mr. Reynold E. Klages, President of the Columbus Auto Parts Company, Columbus, Ohio, was redesignated Deputy Chairman for the year 1948.

Mr. A. Z. Baker, Chairman of the Board of The Cleveland Union Stock Yards Company, and President of the American Stock Yards Association, Cleveland, Ohio, was reappointed a Class C. Director of this bank for a three-year term ending December 31, 1950.

Dr. Francis H. Bird, Dean of the College of Business Administration, University of Cincinnati, Cincinnati, Ohio, was redesignated Chairman of the Cincinnati Branch Board of Directors for the year 1948.

Mr. Walter H. J. Behm, President of The Winters National Bank and Trust Company of Dayton, Dayton, Ohio, and Mr. Paul G. Blazer, Chairman of the Board of the Ashland Oil & Refining Company, Ashland, Kentucky, were reappointed Directors of the Cincinnati Branch for three-year terms ending December 31, 1950.

Mr. Howard W. Jordan, President of the Pennsylvania Rubber Company, Jeannette, Pennsylvania, was redesignated Chairman of the Pittsburgh Branch Board of Directors for the year 1948.

Mr. Josiah M. Koch, Vice President of the Quaker State Oil Refining Corporation, Oil City, Pennsylvania, and Mr. T. C. Swartz, Executive Vice President of the Woodlawn Trust Company, Aliquippa, Pennsylvania, were reappointed Directors of the Pittsburgh Branch for three-year terms ending December 31, 1950.

Mr. J. H. McCoy, President of The City National Bank & Trust Company of Columbus, Columbus, Ohio, was reappointed a member of the Federal Advisory Council representing the Fourth Federal Reserve District for the year 1948.

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During the month of January, the Federal Reserve Bank of Cleveland recommended, and the Board of Governors of the Federal Reserve System approved, the following changes in this bank's discount rates and buying rate on bankers' acceptances.

Discounts for and advances to member banks:

a) Advances secured by Government obligations and discounts of and advances secured by eligible paper:

Rate raised from one percent to one and one-fourth percent per annum, effective January 12, 1948.

b) Other secured advances to member banks: Rate raised from one and one-half percent to one and three-fourths percent per annum, effective January 12, 1948.

Minimum buying rate on bankers' acceptances: Rate was raised from one percent to one and one-fourth percent per annum, effective January 26, 1948.

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The Board of Governors of the Federal Reserve System has recently published a pamphlet entitled "Federal Reserve Policy". The pamphlet contains the following papers: "Three Decades of Federal Reserve Policy", by Karl R. Bopp; "Impact of the War on the Member Banks, 1939-1946", by Robert V. Rosa; "Selective Instruments of National Credit Policy", by Carl E. Parry; and "Problems of Postwar Monetary Policy", by Woodlief Thomas and Ralph A. Young.

Individual pamphlets may be purchased for 25 cents each, or for 15 cents each for group purchases of ten or more in single shipment. Orders should be sent to the Division of Administrative Services, Board of Governors of the Federal Reserve System, Washington 25, D. C.