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The Financial Situation

Secretary of State Cordell Hull has now delivered the radio address which many had awaited in the hope that it would throw definite and much needed light upon the foreign policies of the Administration, and alleviate the uneasiness which has been spreading as a result of what at times has appeared to be an utter lack of policy of any sort on the part of the Administration and at others to be a want of coordination of policy among the three larger and more powerful members of the United Nations. (Full text of Mr. Hull's address is given in this issue, starting on this page.)

It may be doubted whether the Secretary has altogether succeeded in allaying fears or satisfying critics. He has again vowed eternal allegiance to the Atlantic Charter; but what many are demanding to know is what that document means as applied to specific situations. He again asserts with added emphasis that there must be "unity" among the United Nations both during and after the war; but the question is whether we succeed in attaining such unity, or in laying the ground for joint action. He again has a good deal to say in somewhat different words about "unconditional surrender"; but no real assurance is forthcoming either that this avowed policy is being handled in such a way that ultimate victory is hastened, not greatly deferred, or that there is general understanding among the more important of the United Nations as to what the "unconditional surrender" really means.

Doubts Not Dispelled

He rightly asserts that it is scarcely to be expected that "all the answers" should have been found at this early date, and he gives repeated, though rather vague, assurances that most, if not all, the multifarious problems of war and peace have received and are now receiving detailed and continuous attention, and that progress has been, and is being, made.

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What Is America's Foreign Policy

By WENDELL L. WILLKIE*

The United States today is deeply concerned about its foreign policy.

Have we a foreign policy? If so, what is it? How does it apply to the various international problems that are already facing us? Are the noble aims expressed by Secretary Hull and President Roosevelt anything but pious platitudes?

The discontent and the unease of the American people are finding expression in just such questions as these. Their worry has communicated itself to Congress. Twenty-seven "Freshmen" Republican Congressmen have laid their questions before Secretary Hull. The Senate Committee on Foreign Relations has asked him for enlightenment. The President himself has at last felt the surge of popular concern.



Wendell Willkie

Before the next President of the United States has been elected,

*A talk delivered by Wendell L. Willkie at Omaha Municipal Auditorium, Omaha, Nebraska, April 5th, 1944.

the pace of this war will have been stepped up. There are millions of Americans in the fighting services, and millions on the home front, for whom this spring and this summer may be the most decisive seasons of their lives. A man holds his breath when he thinks about this.

So it is natural that the people want to know more clearly "Why?" and "What for?" They are in the dark. It is war-time, and foreign policy does not seem to them a plaything for routine diplomats or kitchen cabinets. It can mean life or death to men and to nations. The people's demand for knowledge is rolling up like a great wave. It is beating against the silence of the State Department. It is lapping at the edges of White House complacency.

There are two grave charges to be brought against the political conduct of this war in Washington. I made them three years ago, before we were formally at war. I made them a year-and-a-half ago when I went around the world to see the war and the people who were fighting it. And I made them

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Foreign Policy Of The United States Of America

Secretary Of State Cordell Hull Says That U. S. Is Proceeding In Matter Of Establishing International Organization To Maintain Peace—Seeks Advice Of Congress With Respect Thereto—Asserts That Fascism and Nazism Must Go

The foreign policy of the United States was outlined at length in a radio address from Washington on April 9 by Secretary of State



Hon. Cordell Hull

Cordell Hull, in which he declared that "the Allied strength has now grown to the point where we are on the verge of great events." Making the statement that "as the Nazis go down to defeat, they will inevitably leave behind them in Germany and the satellite states of southeastern Europe a legacy of confusion," Secretary Hull added, "it is essential that we and our Allies establish the controls necessary to bring order out of this chaos as rapidly as possible and do everything possible to prevent its spread to the German-occupied countries of eastern and western Europe while they are in the throes of re-establishing government and repairing the most brutal ravages of the war."

Referring at the close of his address "to the responsibility which rests upon us," Mr. Hull stated that "the United Nations will determine by action or lack of action whether this world will be visited by another war within the next 20 or 25 years or whether policies of organized peace shall guide the course of the world." He asserted

that "we are moving closer and closer to the hour of decision" and he said that "only the fullest measure of wisdom, unity and alertness can enable us to meet that unprecedented responsibility."

Secretary Hull enumerated the ways in which "we are proceeding with the matter of an international organization to maintain peace and prevent aggression," as to which he said:

"Such an organization must be based upon firm and binding obligations that the member nations will not use force against each other and against any other nation except in accordance with the arrangements made. It must provide for the maintenance of adequate forces to preserve peace and it must provide the institutions and procedures for calling this force into action to preserve peace."

"It must," he said, "provide for an international court for the development and application of law to the settlement of international controversies which fall within the realm of law; for the development

of machinery for adjusting controversies to which the field of law has not yet been extended; and for other institutions for the development of new rules to keep abreast of a changing world with new problems and new interests."

According to Secretary Hull, "we are at a stage where much of the work of formulating plans for the organization to maintain peace has been accomplished." He went on to say:

"It is right and necessary that we should have the advice and help of an increasing number of members of the Congress. Accordingly, I have requested the Chairman of the Senate Committee on Foreign Relations [Senator Connally (Dem.-Texas)], to designate a representative, bipartisan group for this purpose.

"Following these and similar discussions with members of the House of Representatives, we shall be in a position to go forward again with other nations and, upon learning their views, be able to submit to the democratic processes of discussion a more concrete proposal." From Mr. Hull's address we also quote:

"As I said earlier, we will fail indeed if we win a victory only to let the free peoples of this world, through any absence of action on our part, sink into weakness and despair.

"The heart of the matter lies in (Continued on page 1532)

From Washington Ahead Of The News

By CARLISLE BARGERON

Seventy-three-year-old Cordell Hull has always been more or less sacrosanct in the continual political conflict of Washington. We don't know why, but even back 20 or more years, when he could sit alone in his Congressional office, in a day of popularity for high tariffs, and moan, "Here, there, and everywhere, there are tariff barriers," his colleagues would only laugh good-naturedly. Nobody sought to drag him into controversy. He was looked upon as kindly Judge Hull of Tennessee, of no harm to anyone.

Came the New Deal, and in the stress of the times he was given an opportunity to fulfill a dream such as few men have ever enjoyed. His dream was that the removal of these barriers would prevent wars and cure the other ills of the world, and he was empowered to remove them. Nevertheless war came, and one of its worst aspects to this writer, will come after its end when the long-haired boys take to the lecture platforms in droves to explain and argue the "causes and roots" of it, and how to prevent war in the future. It remains to be seen just how much, if anything, Hull's reciprocal treaties had to do with the causes leading up to this outbreak. Hitler was being pretty tightly squeezed; he had been pushed onto the barter system. Be that as it may, the Judge has always been looked upon as a man far up in the clouds, away from the tricks of politics.

It's funny, because he is one of the craftiest politicians in Washington.

The impression is that he has been having a most unhappy time of late, with the criticism of his handling of our foreign affairs. But this criticism has not come from the politicians of a rival party. It has come from the Leftist ideologists and the professional interventionists of pre-Pearl Harbor days. Their complaint has not been over what is going to happen to Poland; they are all for it. Their criticism is based on the Government's dealing with Badoglio in Italy and of its not dealing enough with DeGaulle, two matters about which the great majority of American people probably do not give a tinker's dam.

But although this criticism has been somewhat unpleasant to the Judge, the fact is that because of its source, it has made him stronger with the Republicans, and certainly he is the darling of the conservative wing of his own party. Now it seems that he has displayed some of his craftiness by taking advantage of this support to cautiously advance the so-called world police force or super-state plan which we frankly

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It Will Be Interesting To See--

Stabilization has brought tangible—indeed bankable—benefits to all groups. Corporation profits, both before and after taxes, rose in 1943 even above the record-breaking levels of 1942. The net income of farm operators similarly moved up to the second successive all-time high. While basic wage rates have been firmly held average weekly earnings have moved up to new high ground. With the cost of living stable, these earnings have not been frittered away by rising prices. Stabilization has paid off on every hand—and in lasting rather than illusory benefits.

It has been of particular benefit to the more than twenty million people among us whose incomes cannot be increased to keep pace with rising prices. The families of our fighting men, the low-paid unorganized workers, the school teachers and other Government employees, the persons living on old-age and retirement pensions—all these have found in the hold-the-line policy the protection which was promised them in the Stabilization Act.

We must not jeopardize these gains by any change of policy or relaxation of effort in the critical months ahead.—Messrs. Vinson, Bowles, Jones, and Davis.

One can scarcely believe that the "report" to the President from which these sentences have been extracted was not intended to have a bearing upon the current steel wage case.

It will be interesting to see whether the outcome of that case follows the coal precedent—or whether the line is really held this time.

The State Of Trade

Production in the heavy industries held up very well the past week despite modest recessions in a few instances. Industrial output in March and for the past year reflected for the most part phenomenal results from data currently coming to hand. For the week past, production of electricity declined slightly, and it is indicated that steel production for the current week will ease somewhat. Loadings of revenue freight, however, show favorable results for the week past, advancing by 1.1%, while retail trade maintained its brisk pace, notwithstanding bad weather and a tapering off in luxury lines.

A review of the results of electric production shows that output of electricity declined to 4,408,703,000 kilowatt hours in the week ended April 1, from 4,409,159,000 kilowatt hours in the preceding week, as reported by the Edison Electric Institute. The current figures, however, represent a gain of 13.3% over a year ago total of 3,889,858,000.

Consolidated Edison Company of New York reports system output of 203,719,000 kilowatt hours in the week ended April 2, and compares with 171,632,000 kilowatt hours for the corresponding week of 1943, or an increase of 18.7%.

"Steel" magazine, in its current Market Summary for the week, reports the steel market as showing few signs of easing, since plate and sheet bookings covering production from six to nine months and bar requirements are increasing, extending delivery promises into June. Plate shipments continue, establishing an all-time record in March, with 1,222,606 tons, as against 1,173,164 tons in January, the previous high month. Average deliveries on current orders run about six months, but by August, it is felt, considerably better promise can be given. An easing of demand for shipyards and no new ship programs in sight add weight to this belief. One other factor to be considered is the expectation of new plate-making capacity by midyear. The magazine notes that "sheet deliveries are more extended than for plates, some mills being booked into November and in certain instances 'into next year.'" Bar mill backlogs still prevail, the reason offered being demand for railroad use, both for additional cars and locomotives and for maintenance. The belief current in the industry is that the OPA will not take action on changes in steel ceiling prices until the steel wage dispute

has been disposed of. By so doing, it will make the present problem less complex. The industry, it is noted, is confronted by a scarcity of basic iron in the future, making for some uneasiness. The current situation is relatively easy with cast grades melters receiving enough for their needs, though more particular as to grades.

In the matter of steel production, The American Iron & Steel Institute places scheduled output for the week beginning April 10, at 98.7% of rated capacity, equivalent to 1,768,000 tons of steel ingots and castings. This compares with operations at the rate of 99.5%, the year's high, and output of 1,782,300 tons a week ago; the preceding figure on tonnage represents a new high level, the previous high was 1,781,300 tons in the week beginning Oct. 11, 1943.

Carloadings of revenue freight for the week ended April 1, totaled 787,525 cars, the Association of American Railroads announced. This was an increase of 8,600 cars, or 1.1% above the preceding week this year, and an increase of 15,423 cars, or 2% above the corresponding week of 1943.

Capital expenditures for equipment and improvement of Class I railroads during 1943 were only \$454,282,000, or \$80,610,000 less than in the preceding year. Last year's expenditures on roadways and structures were the greatest since 1931, while equipment costs were less than in each of the three preceding years. On the other hand, expenditures for locomotives were higher than in any year since 1923.

For the month of March, steel production totaled 7,804,704 net tons and came within 15,000 tons of setting a new monthly record. A dearth of manpower was the main obstacle in preventing the high of 7,819,061 tons set last October from being topped the past month. Depletion of workers is being overcome by the employment of 50,000 women and by the lengthening of working hours of remaining employees, the Institute reports. Nevertheless, the industry has been unable to make

replacements at a rate approaching separation.

Bituminous coal production as estimated by the National Coal Association from incomplete car loadings reports places production in the United States for the week ended April 1, at approximately 11,400,000 net tons, against 10,900,000 net tons for the corresponding week of last year. Production Jan. 1, through April 1, was estimated at 162,000,000 tons, against 157,000,000 tons for the same period in 1943.

The March output of merchant shipyards totaled 152 cargo and military ships, including four of the speedy new Victory ships. While production for the month was well above the totals of 124 and 134 turned out in January and February, respectively, it was much below December's record production of 208 vessels. Greater emphasis on more fast ships for the armed forces was responsible for this decline. March production in the amount of 1,538,357 dead weight tons brought the total deliveries for the first quarter of 1944 to 410 vessels totaling 4,115,951 tons.

The Automotive Division of the WPB on March 31, disclosed in its release on production of motor trucks and truck tractors that over 37%, or 252,077 of the motor trucks produced in the United States in the year 1943 were in the heavy category, compared with 30%, or 241,088 in the year 1942, representing an increase for 1943 of 10,989 units. Output of motor trucks in the heavy category in 1941 and 1940 constituted only 17% of production, with light and medium trucks comprising a greater proportion of the total. For the years 1943 and 1942, as may be noted from the above figures, the percentage of light and medium units reflected a marked decline.

Paper production for the week ended April 1, was at 88% of capacity, as compared with 90.3% in the preceding week and 88.6% during the week ended April 3, 1943, the American Paper and Pulp Association index of mill activity revealed.

The Department of Agriculture struck an encouraging note in its statement the present week on the country's winter wheat crop this year. Marked improvement in winter wheat prospects owing to good rains were noted, in estimating a 1944 crop of 601,759,000 bushels on the basis of April 1 conditions, or 72,153,000 bushels more than last year's production. A gain of 75,000,000 bushels over last fall's prospects was seen.

The Department of Commerce on Monday, last, reported chain store and mail-order sales at \$1,071,000,000 for the month of February, representing an increase of 2% over the like month of 1943, without allowance for the effect of the extra day in the month. After taking into consideration this factor, February sales reflected a decline of 2% over a year ago. The Department reports that although some trades failed to record the usual seasonal rise, the month's sales in general were maintained at a relatively high level.

For March the sales of Sears, Roebuck & Co. totaled \$78,623,881, against \$66,339,995 in 1943, or an increase of 18.5%. For the two months ended March 31, sales amounted to \$138,769,134, a gain of 11.7% from the \$124,196,922 reported last year. Montgomery Ward & Co. sales increased in March to \$53,382,733 from \$52,192,472 a year earlier, or a gain of 2.3%. For the two months ended March 31, sales declined to \$90,899,173 from \$93,635,959 in the corresponding period in 1943, or a decrease of 2.9%.

Retail trade in New York City continued to hold up well, notwithstanding the severe weather encountered and the slow-up in luxury articles following the stampede to be ahead of higher excise

taxes the previous week. Gains over last year were estimated to range upward of 30%, with the average gain for local department stores placed at 22 to 25% for the week, according to the New York "Times."

Department store sales on a country-wide basis rose 31% for the week ended April 1, compared with the like week a year ago, the Federal Reserve Board reports, while sales for the four-week period ended April 1, moved up 19% compared with a similar period last year, and by 4% for the year to April 1, over a like period in 1943. In connection with the foregoing percentages, it should be noted that during March, changes from a year ago reflect in part the fact that last year Easter was on April 25, while this year it fell on April 9. For this reason it is estimated that in comparison with 1943, allowance should be made for an increase of about 4% for the month of March as a whole.

Turning to foreign commerce, Jesse Jones, Secretary of Commerce on Thursday, last, removed the veil of secrecy on figures of United States wartime foreign trade, which have heretofore been withheld for reasons of security. In so doing, Mr. Jones pointed out that this step was taken as a means of making available data urgently needed for study of post-war foreign markets and sources of supply. It was noted that despite growing shortages of shipping and materials, the United States exported \$718,000,000 in commodities to other American republics in 1942. This amount, while only one-third the physical volume shipped in 1941, was well above the levels of immediate pre-war years, according to Mr. Jones. The trade represented by far the major part of the United States commercial exports.

In terms of value, exports to Latin American republics in 1943 were in excess of \$800,000,000 and physical volume of commodities exported in the fourth quarter, 15 to 20% higher than the low point reached in the second and third quarters of the preceding year, and 25 to 30% below the quarterly average of 1941. The value of imports from Latin American countries to the United States in the first three quarters of 1943 was practically as large as during the whole of 1942, and for the entire year was more than \$1,300,000,000, according to the Secretary.

Merchandise exports, including lend-lease shipments in February, totaled \$1,086,000,000, the Department of Commerce Bureau of Census revealed this week, while imports of merchandise to this country for the same period amounted to \$313,000,000, less than 1% above the \$310,000,000 value of imports in January.

In the field of finance we note that scheduled income tax payments in March accounted for a heavy flow of funds into the money market, according to the "Monthly Review" of the Federal Reserve Bank of New York. Income tax collections for the month approached \$5,000,000,000, compared with \$4,700,000,000, the previous record total, in March, 1943. For the country as a whole, about 26% of tax payments in March were met by turning in savings notes. The percentage showed no material change over the December and March, 1943 periods. As a result of the substantial cash income tax payments, the Treasury was in a position to lighten its calls on War Loan deposit accounts during March. The extent of total War Loan account withdrawals during the month amounted to \$3,290,000,000, leaving about \$14,300,000,000 on deposit in the War Loan accounts on March 31, largely representing untapped proceeds from the Fourth War Loan drive. With regard to the country's gold stocks a depletion of \$112,000,000 was suffered in March through the effect of earmarkings for foreign accounts.

The "Monthly Review," reporting on the behavior of required reserves had the following to say: "Since April a year ago, when reserve requirements against War Loan account deposits were suspended, the amount of reserves which member banks have been required to carry against their deposits has shown an oscillating rise. The wave-like movements have been associated with the periodical War Loan drives, while the rising tendency, which is apparent from the fact that each peak and valley has been higher than the preceding one, has been related to a persistent growth in the volume of funds which depositors have found it necessary or convenient to maintain, and which they have been unable or unwilling to employ in the purchase of Government securities or in the liquidation of debt. When depositors build up their bank balances instead of investing their funds, the Government must sell securities, directly or indirectly, to the banks, in order to obtain the necessary volume of funds to meet its expenditures. Increased deposits on the books of the banks are matched by enlargement in bank Government security portfolios."

Chicago Federal Home Loan Bank Stockholders To Meet

The annual meeting of the stockholders of the Federal Home Loan Bank of Chicago, to be made up of representatives from the 455 member savings, building and loan associations in Illinois and Wisconsin, will be held at the Palmer House, Chicago, Friday, April 21, it was announced on April 10 by A. R. Gardner, President. Dr. H. E. Hoagland, Professor of Finance, Ohio State University, and former member of the Federal Home Loan Bank Board, Washington, D. C., will speak. There will be a discussion of the Retirement Plan which has recently been promulgated in Washington for the personnel of the Federal Home Loan Bank system.

Parcels For Overseas

Postmaster Albert Goldman in New York announced on April 3 that information has been received from the Post Office Department that many parcels addressed to members of our armed forces overseas are not packed or wrapped with sufficient care to withstand the handling necessary in transporting the parcels overseas. Postmaster Goldman's announcement says:

"This mail must be stored on shipboard, often under a tremendous load of other mail, and transported great distances besides undergoing much rehandling. Obviously, the contents of such parcels must be very tightly packed and the outside containers must be considerably stronger than containers used for parcels which do not leave our shores. While some boxes may be strong enough without an outer wrapper, the War Department advises that it is highly desirable that all boxes for overseas shipment be wrapped in heavy paper, as experience has shown that boxes without an outer wrapper often become crushed or split, thus allowing the contents to escape.

"When such articles as hard candies, nuts and caramels (including those covered with chocolate), cookies, fruit cakes, and chocolate bars individually wrapped in waxed paper, are included in a parcel they should be enclosed in inner boxes of tin, wood or cardboard. Soft candies, whether home-made or commercial, do not carry well."

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But these wholly generalized assurances, far from easing the minds of a good many of us, tend perhaps to aggravate doubts already existing—at least in some instances—particularly when it is recalled that one Adolph A. Berle is now abroad discussing some of these questions with the blessing of the State Department.

Concerning the economic aspects of post-war international problems, the Secretary has this to say:

"Along with arrangements by which nations may be secure and free must go arrangements by which men and women who compose those nations may live and have the opportunity through their efforts to improve their material condition. As I said earlier, we will fail indeed if we win a victory only to let the free peoples of this world, through any absence of action on our part, sink into weakness and despair.

"The heart of the matter lies in action which will stimulate and expand production in industry and agriculture and free international commerce from excessive and unreasonable restrictions. These are the essential prerequisites to maintaining and improving the standard of living in our own and in all countries.

"Production cannot go forward without arrangements to provide investment capital. Trade cannot be conducted without stable currencies in which payments can be promised and made. Trade cannot develop unless excessive barriers in the form of tariffs, preferences, quotas, exchange controls, monopolies, and subsidies, and others, are reduced or eliminated.

"It needs also agreed arrangements under which communication systems between nations and transport by air and sea can develop. And much of all this will miss its mark of satisfying human needs unless we take agreed action for the improvement of labor standards and standards of health and nutrition.

"I shall not on this occasion be able to explain the work which has been done—and it is extensive—in these fields. In many of them proposals are far advanced toward the stage of discussion with members of the Congress prior to formulation for public discussion."

Now all this can mean little or much, depending upon the significance to be attached to phrases which do little to reveal their inner content. Those who are familiar with the utterances of the Secretary know full well that his public statements have not infrequently been apparently a strange intermingling of the advocacy of sound economic

and political philosophy and certain of the definitely "queer" ideas of the day-dreamers in Washington, some of whom have found lodgment in the State Department. Would the Secretary preclude such bizarre proposals as that of Mr. Feis (made early in 1942 when he was in the State Department), which the London "Economist" (apparently with at least limited approval) describes as follows:

"Reduced to essentials, Mr. Feis's proposal was that if any country, in any year, incurred a favourable or positive balance of payments—that is, broadly speaking, if it sold more than it bought—the amount of the balance should stand to its credit on the international books for two years. Within that period, the country could use its credit to buy goods or services of any kind from anywhere; but any credit that remained outstanding at the end of two years should be cancelled."

Another "Suggestion"

Then there is the suggestion made by certain British students and explained by the "Economist" in these words:

"The essence of this plan is that, in addition to any balances arising out of ordinary trade, international credit should be created by the Clearing Union or other international authority; that it should be placed at the disposal of countries requiring international help in their development, industrialisation or reconstruction (these countries would define themselves as those willing to accept foreign capital goods for development purposes); and that it should be spent only in countries having a debit balance on ordinary trade."

The "Economist," which has long been desecrating the memory of Walter Bagehot, has recently come forward with the suggestion of a glorified and enlarged sterling bloc which would "move in mysterious ways" its "wonders to perform." Here is its own account of "the conditions that would have to apply in it":

"The first is that the accounts of each member with the other members of the grouping taken together would have to be substantially balanced, or capable of being brought into balance without undue difficulty. The second is that members of the grouping would have to give an assurance that they would cooperate in removing any disequilibria that might appear by increasing their trade by some such methods as those described (the Feis and the British plans above mentioned). . . . The third is that

members would have to give satisfactory assurances that they would, within their borders, avoid large-scale depressions."

Would any or all of such strange suggestions as these be compatible with Mr. Hull's post-war ideas? One wonders if the Secretary would concede, with the "Economist," that "a deficit country is in much the same position among the nations as an individual who, within a community, cannot buy as much as he wishes owing to the lack of demand for his labour. It is no longer the orthodox view that nothing at all should be done and that events should be left to take their course. But official thought has not yet got beyond the view that temporary loans are all that can be offered to the unemployed, and that all public works must be 'remunerative.' This is an advance, and it may be as far as it is possible to get in the present climate of opinion; but it is not enough."

Defeatism!

Again, would he place the stamp of approval upon such outrageous defeatism, such incredible surrender of leadership as the "Economist" uses in the following to excuse the weakness of its own position?

"It may seem to some readers that too much of a fetish has here been made of the necessity of seeking balance in international trade by expansion. May there not be occasions when a country's international trade difficulties are due to mistakes in its policies, and can best be corrected by compelling it to set its internal house in order? May there not be times when an insistence on expansion may merely lead to inflation? There may be substance in these doubts; but they run counter to the economic philosophy which is the deliberate choice of the present generation. . . . For good or evil, the fundamental postulate of economic policy the world over is expansion, and the system of international trade must conform."

One does not ordinarily associate Mr. Hull with such ideas as these, but it must be admitted that his utterances are not wholly free of phrases which could be interpreted as indicating willingness to concede a good deal—to say the least. Our own governmental establishments house their Hansens, and the Treasury Department has strange "plans."

And it is Mr. Berle who is in London at present holding "conversations."

It would be comforting if Mr. Hull were somewhat more explicit.

World Community Of States To Provide Basis For Lasting Peace Proposed By Law Group

Plan Evolved By Jurists And Attorneys After Two Years Study Designed To Revitalize And Strengthen International Law

A plan for the creation of a World Community of States with a general assembly and an Executive Council to regulate the world was announced on March 26, according to Associated Press advices from Washington, which stated that it is indicated that its purpose is to aid in "revitalizing and strengthening international law," and in "laying the basis of a just and enduring world peace securing order under law to all nations." The Associated Press further reported in part:

The plan, which appears to resemble a League of Nations with at least the plates where teeth can be inserted, is based upon the idea that member States have international duties along with international rights.

Membership would be universal, with no provision for States to withdraw or be expelled.

A general assembly—representatives from all States, present and future—would decide most questions of world community interest by a simple majority vote.

An executive council would be composed of representatives from an unspecified number of States chosen on a basis of their importance in international affairs. Any State not represented could join deliberations on matters affecting its interests, but it would have no vote.

Stating that the plan, issued by 200 judges, lawyers and others experienced in international affairs, may form the basis of State Department proposals for maintaining future peace, advices to the "Wall Street Journal" of Mar. 27 from its Washington bureau reported, the account as also having the following to say in part:

Under the plan, an international organization known as the Community of States would be set up, similar to the League of Nations but with greater powers to prevent aggression, and international law would be expanded to give greater authority to the already existing Permanent Court of International Justice.

The 200 North Americans who met over a period of almost two years to work out the plan, include, for example, Justice Robert H. Jackson of the Supreme Court; Rep. Christian A. Herter, Massachusetts Republican; Judge Manley O. Hudson of the Permanent Court of International Justice; John W. Davis, New York attorney; and O. M. Biggar of the Canada-United States Defense Board.

They have entitled their plan—which is published by the Carnegie Endowment for International Peace—"The International Law of the Future."

Although State Department officials are not listed among the many authors of the program, it is learned that Department officials listened in on the discussions which produced the proposal.

The general principles and programs outlined in "the International Law of the Future" are those the State Department is known to favor and, although the plan is made public today for the first time, it has been known to post-war planning officials in the Government for some months.

Only last week, Secretary of State Hull reiterated the Government's support in "an international organization backed by force," as well as in an "international court of justice." More specific statements of State Department policy are expected.

"The International Law of the Future" does not attempt to draft blueprints for future actions for nations of the world. What it does do is urge establishment of a world organization based on "an effective legal order."

"To be respected, to serve as an instrument of justice and peace, international law must be brought up to date and must be kept up to date in a twentieth century world," the document declares.

Unlike the League of Nations, the Community of States would include all 73 countries of the world—or as many as are still in existence after the war. Another difference is that the proposed Community of States would undertake more effective moves to prevent further wars.

An international police force is not mentioned as such, though its establishment is not barred either.

The plan suggests a "competent agency" of the Community of States to draw up measures to halt war between nations.

"A State might be asked to sever diplomatic relations with a State using or threatening to use force; or it might be asked to discontinue exchanges of goods; or it might be asked to withhold any kind of assistance; or it might be asked to supply military forces, or to permit the passage of such forces across its territory; or it might be asked to take other measures," the proposal states. The program asks that nations proceed on such premises as:

(1) The law of the Community of States is international law, requiring collaboration of all nations.

(2) Any failure of a State to abide by international law affects the Community of States and requires readjustment.

The current proposal likewise outlines "duties" of nations, to be enforced, which include:

(1) Carrying out obligations under international law.

(2) Providing that conditions prevailing within their own territory do not threaten the peace.

(3) Refraining from intervention in internal affairs of other countries.

(4) Cooperating with other nations in maintaining organizations under the Community of States.

(5) Not resorting to force except when authorized by the Community of States, and conforming to limits set on armaments.

Suggests Assembly and Council
"The International Law of the Future" includes in its suggested measures:

(1) A Community of States organization, to be made up of an assembly, including representatives of all nations, and a council containing members of the leading nations of the world. The assembly and the council together would have the power to adopt provisions for preventing or suppressing the use of force.

(2) Maintenance of the Permanent Court of International Justice. The court's statute should be altered, it is held, to make it conform with the post-war organization. Provisions for electing judges—formerly appointed by the League of Nations—would need to be made.

(3) The international labor organization should be maintained. This, British and United States officials are believed to have already agreed to.

(4) Various existing international unions, such as the Universal Postal Union, should be maintained as agencies of the Community of States.

(5) The Community of States should employ international officials to remain on the job for such work as providing complete information on the military might of all nations, dealing with international communications and all other matters which involve relations between countries.

Foreign Policy Of The United States Of America

(Continued from first page)

action which will stimulate and expand production in industry and agriculture and free international commerce from excessive and unreasonable restrictions. These are the essential prerequisites to maintaining and improving the standard of living in our own and in all countries.

"Production cannot go forward without arrangements to provide investment capital. Trade cannot be conducted without stable currencies in which payments can be promised and made. Trade cannot develop unless excessive barriers in the form of tariffs, preferences, quotas, exchange controls, monopolies, and subsidies, and others, are reduced or eliminated."

It was noted in Associated Press accounts from Washington April 10 that Secretary Hull discussed a dozen aspects of present foreign policy operations in obvious response to those critics who have claimed either that the State Department's ways were obscure and secretive, or that the Department and the Administration lacked any basic principles. These advice likewise stated:

The issues which he discussed fell into two classes: Immediate problems leading to victory and future problems of the armistice and post-war organizations. The principal immediate problems were:

France: Secretary Hull said that the United States would not recognize the French Committee of National Liberation as the Government of France because it "is, of course, not the Government of France." On the other hand, he fully expects that the Committee will govern liberated areas of France under the supervision of the Allied invasion chief, Gen. Dwight D. Eisenhower.

Italy: The United States is hopeful that there may be early reorganization of the Italian Government to include representatives of the so-called six anti-Fascist political parties because the present conferences of those parties in Italy hold a promise of success.

Neutrals: Secretary Hull laid down the principle that "we can no longer acquiesce in these nations' drawing upon the resources of the Allied world when they at the same time contribute to the death of troops whose sacrifices contribute to their salvation as well as ours."

Mr. Hull further set out that "there can be no compromise with fascism and nazism. It must go everywhere. Its leaders, its institutions, the power which supports it must go. They can expect no negotiated peace, no compromise, no opportunity to return."

Mr. Hull's speech, delivered over the entire network of the Columbia Broadcasting System, follows in full:

I want to talk with you this evening about the foreign policy of the United States. This is not, as some writers assume, a mysterious game carried on by diplomats with other diplomats in foreign offices all over the world. It is for us the task of focusing and giving effect in the world outside our borders to the will of 135,000,000 people through the constitutional processes which govern our democracy. For this reason our foreign policy must be simple and direct and founded upon the interests and purposes of the American people. It has continuity of basic objectives because it is rooted in the traditions and aspirations of our people. It must, of course, be applied in the light of experience and the lessons of the past.

In talking about foreign policy it is well to remember, as Justice Holmes said, that a page of history is worth a volume of logic.

There are three outstanding lessons, in our recent history to which I particularly wish to draw your attention. In the first place, since the outbreak of the present war in Europe, we and those nations who are now our allies have moved from relative weakness to strength.

In the second place, during that same period we in this country have moved from a deep-seated tendency toward separate action to the knowledge and conviction that only through unity of action can there be achieved in this world the results which are essential for the continuance of free peoples.

And, thirdly, we have moved from a careless tolerance of evil institutions to the conviction that free governments and Nazi and Fascist governments cannot exist together in this world, because the very nature of the latter requires them to be aggressors, and the very nature of free governments too often lays them open to treacherous and well-laid plans of attack.

An understanding of these points will help to clarify the policy which this government has been and is following.

In 1940, with the fall of France, the peoples of the free world awoke with horror to find themselves on the very brink of defeat. Only Britain in the west and China in the east stood between them and disaster, and the space on which they stood was narrow and precarious. At that moment the free nations were militarily weak and their enemies and potential enemies were strong and well prepared. Even before that this country had begun its preparations for self-defense. Soon thereafter we started upon the long, hard road of mobilizing our great natural resources, our vast productive potentialities, and our reserves of manpower to defend ourselves and to strengthen those who were resisting the aggressors.

This was a major decision of foreign policy. Since that decision was made we have moved far from the former position. We and our Allies are attaining a strength which can leave no doubt as to the outcome. That outcome is far from achieved. There are desperate periods still before us, but we have built the strength which we sought and we need only to maintain the will to use it.

This decision which we have made and carried out was not a decision to make a mere sporadic effort. An episode is not a policy. The American people are determined to press forward with our Allies to the defeat of our enemies and the destruction of the Nazi and Fascist systems which plunged us into the war. And they are also determined to go on, after the victory, with our Allies and all other nations which desire peace and freedom to establish and maintain in full strength the institutions without which peace and freedom cannot be an enduring reality. We cannot move in and out of international cooperation and in and out of participation in the responsibilities of a member of the family of nations. The political, material and spiritual strength of the free and democratic nations not only is greatly dependent upon the strength which our full participation brings to the common effort, but, as we now know, is a vital factor in our own strength. As it is with the keystone of an arch, neither the keystone nor the arch can stand alone.

This growth of our strength entails consequences in our foreign policy. Let us look first at our relations with the neutral nations. In the two years following Pearl

Harbor, while we were mustering our strength and helping to restore that of our Allies, our relations with these neutral nations and their attitude toward our enemies were conditioned by the position in which we found ourselves. We have constantly sought to keep before them what they, of course, know—that upon our victory hangs their very existence and freedom as independent nations. We have sought in every way to reduce the aid which their trade with the enemy gives him and to increase the strength which we might draw from them. But our power was limited. They and we have continually been forced to accept compromises which we certainly would not have chosen.

That period, I believe, is rapidly drawing to a close. It is clear to all that our strength and that of our Allies now makes only one outcome of this war possible. That strength now makes it clear that we are not asking these neutral nations to expose themselves to certain destruction when we ask them not to prolong the war, with its consequences of suffering and death, by sending aid to the enemy.

We can no longer acquiesce in these nations' drawing upon the resources of the Allied world when they at the same time contribute to the death of troops whose sacrifice contributes to their salvation as well as ours. We have scrupulously respected the sovereignty of these nations; and we have not coerced, nor shall we coerce, any nation to join us in the fight.

We have said to these countries that it is no longer necessary for them to purchase protection against aggression by furnishing aid to our enemy—whether it be by permitting official German agents to carry on their activities of espionage against the Allies within neutral borders; or by sending to Germany the essential ingredients of the steel which kills our soldiers; or by permitting highly skilled workers and factories to supply products which can no longer issue from the smoking ruins of German factories. We ask them only, but with insistence, to cease aiding our enemy.

The Allied strength has now grown to the point where we are on the verge of great events. Of military events I cannot speak. It is enough that they are in the hands of men who have the complete trust of the American people. We await their development with absolute confidence. But I can and should discuss with you what may happen close upon the heels of military action.

As I look at the map of Europe, certain things seem clear to me. As the Nazis go down to defeat, they will inevitably leave behind them in Germany and the satellite States of southeastern Europe a legacy of confusion. It is essential that we and our Allies establish the controls necessary to bring order out of this chaos as rapidly as possible and do everything possible to prevent its spread to the German-occupied countries of eastern and western Europe while they are in the throes of reestablishing government and repairing the most brutal ravages of the war. If confusion should spread throughout Europe, it is difficult to overemphasize the seriousness of the disaster that may follow. Therefore, for us, for the world, and for the countries concerned a stable Europe should be an immediate objective of Allied policy.

Stability and order do not and cannot mean reaction. Order there must be to avoid chaos. But it must be achieved in a manner which will give full scope to men and women who look forward, men and women who will end Fascism and all its works and create the institutions of a free and democratic way of life.

We look with hope and with deep faith to a period of great democratic accomplishment in

Europe. Liberation from the German yoke will give the peoples of Europe a new and magnificent opportunity to fulfill their democratic aspirations, both in building democratic political institutions of their own choice, and in achieving the social and economic democracy on which political democracy must rest.

It is important to our national interest to encourage the establishment in Europe of strong and progressive popular governments, dedicated like our own to improving the social welfare of the people as a whole—governments which will join the common effort of nations in creating the conditions of lasting peace, and in promoting the expansion of production, employment, and the exchange and consumption of goods which are the material foundations of the liberty and welfare of all peoples.

Views Regarding France

It is hard to imagine a stable Europe if there is instability in its component parts, of which France is one of the most important. What, then, is our policy toward France? Our first concern is to defeat the enemy, drive him from French territory, and the territory of all the adjacent countries which he has overrun. To do this the supreme military commander must have unfettered authority. But we have no purpose or wish to govern France or to administer any affairs save those which are necessary for military operations against the enemy. It is of the utmost importance that civil authority in France should be exercised by Frenchmen, should be swiftly established and should operate in accordance with advanced planning as fully as military operations will permit. It is essential that the material foundations of the life of the French people be at once restored or resumed. Only in this way can stability be achieved.

It has always been our thought in planning for this end that we should look to Frenchmen to undertake civil administration and assist them in that task without compromising in any way the right of the French people to choose the ultimate form and personnel of the government which they may wish to establish. That must be left to the free and untrammelled choice of the French people.

The President and I are clear, therefore, as to the need, from the outset, of French civil administration—and democratic French administration—in France. We are disposed to see the French Committee of National Liberation exercise leadership to establish law and order under the supervision of the Allied commander in chief. The Committee has given public assurance that it does not propose to perpetuate its authority. On the contrary, it has given assurance that it wishes at the earliest possible date to have the French people exercise their own sovereign will in accordance with French constitutional processes. The Committee is, of course, not the government of France and we cannot recognize it as such.

In accordance with this understanding of mutual purposes the Committee will have every opportunity to undertake civil administration and our cooperation and help in every practicable way in making it successful. It has been a symbol of the spirit of France and of French resistance. We have fully cooperated with it in all the military phases of the war effort, including the furnishing of arms and equipment to the French armed forces. Our central and abiding purpose is to aid the French people, our oldest friends, in providing a democratic, competent and French administration of liberated French territory.

Attitude Toward Italy

In Italy our interests are likewise in assisting in the develop-

ment at the earliest moment of a free and democratic Italian government. As I said some moments ago, we have learned that there cannot be any compromise with Fascism—whether in Italy or in any other country. It must always be the enemy and it must be our determined policy to do all in our power to end it. Here again, within these limits, it is not our purpose or policy to impose the ultimate form or personnel of government. Here again we wish to give every opportunity for a free expression of a free Italy. We had hoped that before this enough of Italy would have been freed so that we might have had at least a preliminary expression of that will. Events have not progressed according to our hopes.

The present situation, then, is this: In October, 1943, the President, Mr. Churchill and Marshal Stalin accepted the active cooperation of the Italian Government and its armed forces as a co-belligerent in the war against Germany under the supervision of an Allied Control Commission. The declaration regarding Italy made at Moscow by the British, Soviet and American governments confirmed the policy initiated by the British and American governments that the Italian government shall be made more democratic by the introduction of representatives of those sections of the Italian people who have always opposed Fascism; that all institutions and organizations created by the Fascist regime shall be suppressed; that all Fascist or pro-Fascist elements shall be removed from the administration and from the institutions and organizations of a public character; and that democratic organs of local governments shall be created. Finally, it recites that nothing in the declaration should operate against the right of the Italian people "ultimately to choose their own form of government."

This policy has been and is being carried out. Only that part which calls for the introduction into the central government of more democratic elements has not yet been put into effect. This does not signify any change in the clear and announced policy. Thus far it has been thought by those chiefly responsible for the military situation that it would be prejudiced by an imposed reconstruction of the government, and a reconstruction by agreement has not yet been possible. But there is already promise of success in the activities of the political parties which are currently holding conferences with a view to drawing up a program for the political reconstruction of their country along democratic lines. The permanent executive junta is seeking a solution which will provide for the cooperation of the liberal political groups within the government. Thus, after 21 years, we see a rebirth of political consciousness and activity in Italy which points the way to the ultimate free expression of the Italian people in the choice of their Government.

Understanding Between Allies Essential

What I have said related to some of the most immediate of our problems and the effect of our policy toward them as we and our Allies have moved from a position of weakness to one of strength. There remain the more far-reaching relations between us and our Allies in dealing with our enemies and in providing for future peace, freedom from aggression and opportunity for expanding material well-being. Here I would only mislead you if I spoke of definitive solutions. These require the slow, hard process, essential to enduring and accepted solutions among free peoples, of full discussion with our Allies and among our own people. But such discussion is now in progress. After two years of intensive study,

the basis upon which our policy must be founded is soundly established; the direction is clear; and the general methods of accomplishment are emerging.

This basis of policy and these methods rest upon the second of the lessons which I said at the outset of my remarks was found in the pages of our recent history. It is that action upon these matters cannot be separate but must be agreed and united action. This is fundamental. It must underlie the entire range of our policy. The free nations have been brought to the very brink of destruction by allowing themselves to be separated and divided. If any lesson has ever been hammered home with blood and suffering, that one has been. And the lesson is not yet ended.

However difficult the road may be, there is no hope of turning victory into enduring peace unless the real interests of this country, the British Commonwealth, the Soviet Union and China are harmonized and unless they agree and act together. This is the solid framework upon which all future policy and international organization must be built.

It offers the fullest opportunity for the development of institutions in which all free nations may participate democratically, through which a reign of law and morality may arise and through which the material interests of all may be advanced. But without an enduring understanding between these four nations upon their fundamental purposes, interests and obligations to one another, all organizations to preserve peace are creations on paper and the path is wide open again for the rise of a new aggressor.

This essential understanding and unity of action among the four nations is not in substitution or derogation of unity among the United Nations. But it is basic to all organized international action, because upon its reality depends the possibility of enduring peace and free institutions rather than new coalitions and a new pre-war period. Nor do I suggest that any conclusions of these four nations can or should be without the participation of the other United Nations. I am stating what I believe the common sense of my fellow countrymen and all men will recognize—that for these powers to become divided in their aims and fail to recognize and harmonize their basic interests can produce only disaster, and that no machinery, as such, can produce this essential harmony and unity.

The road to agreement is a difficult one, as any man knows who has ever tried to get two other men, or a city council, or a trade gathering, or a legislative body to agree upon anything. Agreement can be achieved only by trying to understand the other fellow's point of view and by going as far as possible to meet it.

Steps Along Road of United Allied Action

Although the road to unity of purpose and action is long and difficult, we have taken long strides upon our way. The Atlantic Charter was proclaimed by the President and the Prime Minister of Great Britain in August, 1941. Then by the declaration of the United Nations of Jan. 1, 1942, these nations adopted the principles of the Atlantic Charter, agreed to devote all their resources to the winning of the war, and pledged themselves not to conclude a separate armistice or peace with their common enemies.

After that came the declaration signed at Moscow on Oct. 30, 1943. Here the four nations, who are carrying and must carry the chief burden of defeating their enemies, renewed their determination by joint action to achieve this end. But they went further than this and pledged cooperation with one another to establish at the earliest practicable date, with other peace-

loving States, an effective international organization to maintain peace and security, which in principle met with overwhelming non-partisan approval by the Congress in the Connally and Fullbright resolutions.

Further steps along the road of united Allied action were taken at the conference at Cairo, where the President and Mr. Churchill met with Generalissimo Chiang Kai-shek, and at the conference at Teheran where they met with Marshal Stalin. At Teheran the three Allies fighting in Europe reached complete agreement on military plans for winning the war, and made plain their determination to achieve harmonious action in the period of peace. That concert among the Allies rests on broad foundations of common interests and common aspirations, and it will endure. The Teheran declaration made it clear also that in the tasks of peace we shall welcome the cooperation and active participation of all nations, large and small, which wish to enter into the world family of democratic nations.

The Cairo declaration as to the Pacific assured the liquidation of Japan's occupations and thefts of territory to deprive her of the power to attack her neighbors again, to restore Chinese territories to China and freedom to the people of Korea.

No one knows better than we and our Allies who have signed these documents that they did not and do not settle all questions or provide a formula for the settlement of all questions or lay down a detailed blueprint for the future. Any man of experience knows that an attempt to do this would have been as futile as it would have been foolish.

Application of Allied Charter to Various Situations

There has been discussion recently of the Atlantic Charter and of its application to various situations. The charter is an expression of fundamental objectives toward which we and our Allies are directing our policies. It states that the nations accepting it are not fighting for the sake of aggrandizement, territorial or otherwise. It lays down the common principles upon which rest the hope of liberty, economic opportunity, peace and security through international cooperation. It is not a code of law from which detailed answers to every question can be distilled by painstaking analysis of its words and phrases. It points the direction in which solutions are to be sought; it does not give solutions. It charts the course upon which we are embarked and shall continue. That course includes the prevention of aggression and the establishment of world security. The charter certainly does not prevent any steps, including those relating to enemy States, necessary to achieve these objectives. What is fundamental are the objectives of the charter and the determination to achieve them.

It is hardly to be supposed that all the more than 30 boundary questions in Europe can be settled while the fighting is still in progress. This does not mean that certain questions may not and should not in the meantime be settled by friendly conference and agreement. We are at all times ready to further an understanding and settlement of questions which may raise between our Allies, as is exemplified by our offer to be of such service to Poland and the Soviet Union. Our offer is still open. Our policy upon these matters, as upon all others, is the fundamental necessity for agreed action and the prevention of disunity among us.

So it is with the basic conviction that we must have agreed action and unity of action that we have gone to work upon the form and substance of an international organization to maintain peace and prevent aggression; and upon

the economic and other cooperative arrangements which are necessary in order that we maintain our position as a working partner with other free nations. All of these matters are in different stages of development.

It is obvious, of course, that no matter how brilliant and desirable any course may seem it is wholly impracticable and impossible unless it is a course which finds basic acceptance, not only by our Allies, but by the people of this country and by the legislative branch of this Government, which, under our Constitution, shares with the executive power and responsibility for final action.

A proposal is worse than useless if it is not acceptable to those nations who must share with us the responsibility for its execution. It is dangerous for us and misleading to them if in the final outcome it does not have the necessary support in this country. It is, therefore, necessary both abroad and at home not to proceed by presenting elaborate proposals, which only produce divergence of opinion upon details, many of which may be immaterial. The only practical course is to begin by obtaining agreement, first, upon broad principles, setting forth direction and general policy. We must then go on to explore alternative methods and finally settle upon a proposal which embodies the principal elements of agreement and leaves to future experience and discussion those matters of comparative detail which at present remain in the realm of speculation.

It is a difficult procedure and a slow procedure as the time which has been required to work out the arrangements for such a universally accepted objective as international relief makes evident. It is a procedure in which misunderstanding, the premature hardening of positions and uninformed criticism frequently cause months of delay and endless confusion, sometimes utter frustration. It is a procedure in which the people, who are sovereign, must not only educate their servants but must be willing to be educated by them.

International Organization to Maintain Peace

In this way we are proceeding with the matter of an international organization to maintain peace and prevent aggression. Such an organization must be based upon firm and binding obligations that the member nations will not use force against each other and against any other nation except in accordance with the arrangements made. It must provide for the maintenance of adequate forces to preserve peace and it must provide the institutions and procedures for calling this force into action to preserve peace. But it must provide more than this. It must provide for an international court for the development and application of law to the settlement of international controversies which fall within the realm of law; for the development of machinery for adjusting controversies to which the field of law has not yet been extended, and for other institutions for the development of new rules to keep abreast of a changing world with new problems and new interests.

We are at a stage where much of the work of formulating plans for the organization to maintain peace has been accomplished. It is right and necessary that we should have the advice and help of an increasing number of members of the Congress. Accordingly, I have requested the Chairman of the Senate Committee on Foreign Relations to designate a representative, bi-partisan group for this purpose. Following these and similar discussions with members of the House of Representatives, we shall be in a position to go forward again with other nations, and, upon learning their views, be able to submit to the

democratic process of discussion a more concrete proposal.

No Compromise With Fascism and Nazism

With the same determination to achieve agreement and unity we talked with our Allies at Teheran regarding the treatment of Nazi Germany, and with our Allies at Cairo regarding the treatment which should be accorded Japan. In the formulation of our policy toward our enemies we are moved both by the two lessons from our history of which I have spoken and by the third. This is that there can be no compromise with Fascism and Nazism. It must go everywhere. Its leaders, its institutions, the power which supports it must go. They can expect no negotiated peace, no compromise, no opportunity to return. Upon that this people and this Government are determined and our Allies are equally determined.

We have found no difference of opinion among our Allies that the organization and purposes of the Nazi State and its Japanese counterpart, and the military system in all of its ramifications upon which they rest are, and by their very natures must be, directed toward conquest. There was no disagreement that even after the defeat of the enemy there will be no security unless and until our victory is used to destroy these systems to their very foundation. The action which must be taken to achieve these ends must be, as I have said, agreed action. We are working with our Allies now upon these courses.

The conference at Moscow, as you will recall, established the European Advisory Commission, which is now at work in London upon the treatment of Germany. Out of these discussions will come back to the governments for their consideration proposals for concrete action.

Development of Trade—Stabilization of Currency

Along with arrangements by which nations may be secure and free must go arrangements by which men and women who compose those nations may live and have the opportunity through their efforts to improve their material condition. As I said earlier, we will fail indeed if we win a victory only to let the free peoples of this world, through any absence of action on our part, sink into weakness and despair.

The heart of the matter lies in action which will stimulate and expand production in industry and agriculture and free international commerce from excessive and unreasonable restrictions. These are the essential prerequisites to maintaining and improving the standard of living in our own and in all countries. Production cannot go forward without arrangements to provide investment capital. Trade cannot be conducted without stable currencies in which payments can be promised and made. Trade cannot develop unless excessive barriers in the form of tariffs, preferences, quotas, exchange controls, monopolies and subsidies, and others, are reduced or eliminated. It needs also agreed arrangements under which communication systems between nations and transport by air and sea can develop. And much of all this will miss its mark of satisfying human needs unless we take agreed action for the improvement of labor standards and standards of health and nutrition.

I shall not on this occasion be able to explain the work which has been done—and it is extensive—in these fields. In many of them proposals are far advanced toward the stage of discussion with members of the Congress prior to formulation for public discussion.

I hope, however, that I have been able in some measure to bring before you the immensity of the task which lies before us all, the nature of the difficulties which are involved, and the con-

viction and purpose with which we are attacking them. Our foreign policy is comprehensive, is stable, and is known of all men. As the President has said, neither he nor I have made or will make any secret agreement or commitment, political or financial. The officials of the Government have not been unmindful of the responsibility resting upon them; nor have they spared either energy or such abilities as they possess in discharging that responsibility.

May I close with a word as to the responsibility which rests upon us. The United Nations will determine by action or lack of action whether this world will be visited by another war within the next 20 or 25 years, or whether policies of organized peace shall guide the course of the world. We are moving closer and closer to the hour of decision. Only the fullest measure of wisdom, unity and alertness can enable us to meet that unprecedented responsibility.

All of these questions of foreign policy which, as I said earlier, is the matter of focusing and expressing your will in the world outside our borders, are difficult and often involve matters of controversy. Under our constitutional system the will of the American people in this field is not effective unless it is united will. If we are divided, we are ineffective.

We are in a year of a national election in which it is easy to arouse controversy on almost any subject, whether or not the subject is an issue in the campaign. You, therefore, as well as we who are in public office, bear a great responsibility. It is the responsibility of avoiding needless controversy in the formulation of your judgments. It is the responsibility for sober and considered thought and expression. It is the responsibility for patience both with our Allies and with those who must speak for you with them. Once before in our lifetime we fell into disunity and became ineffective in world affairs by reason of it. Should this happen again, it will be a tragedy to you and to your children and to the world for generations.

Crowley Resigns Post As Alien Property Custodian

The resignation of Leo T. Crowley as Alien Property Custodian in order that he might devote more attention to his post of Foreign Economic Administrator, was announced by President Roosevelt on March 24. James E. Markham, who has been Deputy Alien Property Custodian, has been named to succeed to the post vacated by Mr. Crowley. Regarding the latter's resignation from the custodian post, the New York "Times" reported the following from Washington March 24:

In accepting the resignation, the President said that the other two posts held by Mr. Crowley, those of Administrator of the Foreign Economic Administration and Chairman of the Federal Deposit Insurance Corporation, were "big jobs and their importance will continue to increase."

He declared that the resignation would "lighten somewhat" the burden Mr. Crowley had been carrying and permit him to devote all of his time and his "superior abilities" to the two tasks he retains.

Mr. Crowley said in his letter of resignation that practically all enemy properties had been vested in the name of the custodian and "businesses not in a position to contribute to the war effort are in process of liquidation." He disclosed that the President had been "particularly interested" in the patent phase of the enemy property problem and reported that the patent program was "now well established and is working out effectively."

What Is America's Foreign Policy

(Continued from first page)

a year ago when I wrote a book about the war I had seen and the fears and hopes springing from it.

I shall continue to make them, whether I am the Republican candidate for President or not, so long as they remain true and are festering in the minds and hearts of people all over the world.

The first charge is that the Roosevelt Administration has not dealt squarely with the rest of the world in this war. It has confused our fighting allies. It has disappointed those who look to us for leadership when they get a chance to fight. It has embittered and disillusioned those who fight underground against our common enemies. This is the first charge I make—that the Administration has confused the political and military conduct of the war to an extent where uncertainty has taken the place of assurance, delay, of action. This means prolonging the war and wasting lives, by not telling the world in plain terms what we stand for and what we are fighting for.

The second charge I make is that the Roosevelt administration has not dealt squarely with the American people in this war. It has committed us to unknown policies, worked out by secret agents and in secret conferences. It has used the excuse of military expediency to cover up the letting down of people who are our friends and dealings with the Fascists who are our enemies. It has discouraged the efforts of the American press to inform us candidly of the facts of the international situation. It has bargained for votes at home on the fallacious theory that Americans vote not as Americans but as pressure groups defending the interests of cliques inside countries they or their ancestors left long years ago. This then is my second charge—that the Administration is not being square with the American people, and is promoting confusion, cynicism and distrust among us.

Both these charges are grave. But they are justified. And because they are justified the Republican party has not alone the obligation to nominate the right man this year in order to save the party; it has also the responsibility of turning the searchlight of truth upon the motives and forces which make my charges so tragically serious. The immediate goal of every American is to win the war with the least possible loss of life and to save the fruits of victory. The one fruit of victory that is going to taste best in the mouths of Americans is peace—prolonged and stable peace. I ask you, as I have asked myself, how can we possibly secure this peace by following leadership which is already indicted in the hearts of most of us, whether we say it or not, on these two charges. For the Administration policies which I am criticizing are not the result of accidents, or honest mistakes. They spring from the dangerous idea that we, the American people, are not to be trusted with our own destiny.

This is the thinking of a government that even when young weakened the people by its paternalistic attitude and now, old, tired and cynical, attempts to keep the people weak by keeping them ignorant.

Let's consider my first charge—that this Administration is not now dealing squarely with the people of the world. What is being done in Washington is so muddled, so hesitant and so devious that it makes an easy life for the propagandists in Berlin and Tokyo.

What does a Frenchman in France, for example, or a Belgian in Belgium, or a Chinese in the

conquered parts of China, or—that matter—a Russian in the Soviet Union think of our failure to set up a United Nations Council? I have been urging it, as have others, for a very long time. It is no secret that some of our allies have been urging it. The United States is the one country with enough strength and prestige and disinterestedness to take the leadership in setting up such a body.

Yet nothing has been done. There are said to be secret commissions at work in London, in Naples and in Washington, on regional problems. But they are more than secret. The American people know nothing of what they are doing, and apparently they keep their deliberations secret even from their own governments. Our State Department, in turn, often fails to transmit its decisions to its representatives abroad. An American official has, on occasion, walked into a conference with allied officials to learn for the first time that an agreement has been already worked out in Washington on the subject under discussion. No one had taken the trouble to inform him. As in the whole history of our political relations with Italy during the past year, secrecy seems to be the cover for bungling or worse.

The same thing is true of the secrecy which surrounds the activities of the European Advisory Commission in London and of the Pacific War Council in Washington. These bodies may well be making serious decisions; they may even be making dangerous decisions as the rumors and reports and enemy propaganda say. I don't know whether their decisions are good or bad, and neither do you. So it is hard for a man living on the continent of Europe to know. And since he doesn't know, it is easy for him to believe the rumors and the propaganda, and to assume that we are not working frankly through a United Nations Council because we have something to hide.

This hurts us coming and going. It hurts us coming because it produces an unfriendly strain between us and our three chief fighting allies—Britain, Russia and China. It hurts us going because it produces fear and suspicion in the millions of people now ruled by our enemies who must some day be our full allies if we are to win the war quickly and work out a lasting peace.

Take our relation to Great Britain. There is indication of unnecessary friction there. It is important for successful cooperation now and for common welfare in the future that our countries should work out their destinies in harmony with each other. But there is no natural law which ordains friendship between us and Great Britain. It behooves statesmen on both sides to guard and cherish our good relations, and to set up machinery to eliminate unnecessary misunderstandings.

What has Mr. Roosevelt's administration done toward this end? We have had Lend-Lease for some time and recently a United Nations' Relief and Rehabilitation organization has been set up. But whether in the oil-fields of Arabia, in China or in South America, the Administration has provoked among the British distrust and suspicion of our motives.

Even when our motives are good, the methods we use seem calculated to produce mistrust. We have slowed up our decisions on questions of tremendous mutual importance to both countries, such as the recognition of the French National Liberation Committee. We have failed to consult our ally

on problems in which the British have an important and historical interest. We have utterly failed to work out any machinery for political cooperation with London comparable to the military understanding which has been achieved under General Eisenhower.

When Englishmen say—as they do say today—that they cannot understand us, I cannot blame them. Yet if we had a United Nations' Council, meeting continually, to thresh out political problems as they arise and to accustom diplomats on both sides to seek common solutions for all problems, this distrust and this suspicion would largely vanish.

There is indication of unnecessary friction between ourselves and the Soviet Union. The Moscow agreements and the Teheran statement were brave, fighting words. They gave heart to all of us. Regardless of party, we supported them.

But what has the Administration done to follow up this first step? Mr. Hull came back from Moscow and Mr. Roosevelt from Teheran, and each mile of the distance they traveled has seemed to grow longer since they returned. For Mr. Hull the trip to Moscow was an enormous success, he reported. Mr. Roosevelt's conversations in Teheran ended with the announcement that: "We leave here friends, in fact, in spirit and in purpose."

What is the evidence of this friendship, this common purpose? In England apparently our purposes have been so little understood that we have at last had to send Mr. Stettinius over to try to smooth matters out. On the Polish question, the United States, Great Britain and Russia seem to be farther apart than ever. When Mr. Stalin decided to send a man to represent Russian interests with the superannuated general of Mussolini's staff whom we have maintained in power, London and Washington were filled with consternation. Yet we had been notified some days before the announcement. If we disapproved of it, why didn't we say so while there was still a chance to influence Mr. Stalin's judgment?

None of us knows what actually went on at Teheran. But the evidence is mounting that our relations with Russia remain pretty much as they were before our hopes were fed with bright prospects of friendship and understanding.

For we still have no machinery, such as a United Nations Executive Council would provide, for working on the problems we face jointly with the Soviets. Our policy, however friendly its intention, depends too much upon the President's disturbing facility and his liking for wangling things personally instead of using regular authorized instruments of government. It would not seem to me surprising if the Russians, who, as a nation, are accustomed to acting firmly and consistently alone, now, in their new role of ally, attribute the aloofness which still characterizes our relations with their government to hidden hostility and suspicion, and, therefore, sometimes act with what seems to be a disregard of our common interests. A continuously functioning council of the United Nations might adjust our differences in a constructive way.

Unfortunately, however, I have seen little evidence that either the President or the State Department has even begun to use the power and the prestige of this nation toward the creation of any such effective international machinery.

Much the same could be said of our treatment of China. It is no military secret that there are unsettled political problems there.

When Japan has been forced back to her own islands and restricted there, China will look to the West for help in restoring her own ravaged territory. She is a proud nation. She does not want charity. But she will have a right

to ask for assistance on terms which take into consideration her great sacrifices and the enormous aid she has given to the common cause. At the same time, we shall owe it to our own principles, as well as to China, to see that this assistance is rendered in such a way that it is beneficial to the healthy elements in Chinese political life. Have we thought about this problem? Have we taken steps to meet it? There is no evidence that we have.

What I have said so far applies to this Administration's treatment of our chief allies. They are nations which are fighting in the field. They can press their claims in Washington. What of our treatment of the other nations of the world, again in terms of the purest self-interest? What are we doing to enlist on our side the millions of suppressed people now ruled by our enemies? What are we doing by our foreign policies to speed the day when they can take over a major role in the struggle for their own liberation?

Again, I don't know. And I am worried because, if I don't know, I don't see how they can know. And such uncertainty will not hasten the end of the war.

In North Africa and in Italy, our political record is, unfortunately, there for all to see. Darlan, Peyrouton, Badoglio and the King of Italy were not conjured up by Nazi propaganda to fool the people of Europe about United States policy. They were, as far as we know, the tokens of our sincerity in dealing with two nations which had lost their freedom. It is small wonder, is it not, that the name of the United States is now greeted with silence at meetings of Frenchmen. It is small wonder that Italians, who welcomed us with open arms as liberators, now suspect us and fail to cooperate. It is small wonder, is it not, if thoughtful men and women everywhere hesitate—bewildered, angry, confused over what they can expect from us.

These are no questions of diplomatic niceties. While Mr. Roosevelt says blandly that he has come to a "decision" about the French people—he, mind you, not the allied nations with the French National Liberation Committee—while he talks of having reached a "decision," French patriots are dying at the hands of the Gestapo. While he and Mr. Churchill continue to prop up the senile monarchy in Italy, thousands of Italians in the north are striking against Hitler. While the President supports tired old Fascists in the areas our armies control, millions of Europeans are preparing to help an Allied invasion of the continent. Is it any wonder that people all over the world are asking more and more loudly "What is this all about?"

Our State Department and the President give us big promises and talk of noble aims. But there is no leadership in Washington which makes the terrible dilemmas of modern war real and understandable to the people of the world. There is no leadership which relates our aims to our performance. I think we are justified in demanding leadership in Washington which will bring these decisions which affect all our lives out of the depths of secret power politics into the clear light of day in some United Nations Council. Then the peoples of our Grand Alliance can see and judge what is being decided in their name.

My second charge against the foreign policy of this Administration is that it does not deal squarely with the people of this country. Mr. Roosevelt, prodded by the nationwide demand for information, spoke the other day in some derision of those citizens who go around asking bell-hops what is the foreign policy of the United States. I am proud to claim that I have gone around asking everybody I know, including bell-hops, about the foreign policy of my country. I would

be even prouder if I could claim that every citizen of this country, including bell-hops, knew that we had a foreign policy. This I cannot claim.

The reason is not hard to find. As a Republican, I am glad that it was Republican members of Congress who were waiting on Mr. Hull with questions about our foreign policy at almost exactly the time that Mr. Roosevelt threw away his chances for the bell-hop vote. But as a citizen, I am disturbed to learn that none of these members of Congress came away from Mr. Hull with any very clear idea of what is our policy. If they could not get it from the man who has been in charge of our State Department since the first days of this Administration, I am not surprised that the citizens of the United States should be confused.

If this Administration's addiction to diplomacy behind closed doors hurts us in the world at large, it does us still worse hurt at home. If secret agents who cannot even be named produce misunderstandings with our allies, they produce confusion among ourselves. If all the chicanery of power politics demeans us in foreign eyes, it saps in us the confidence and the aggressive, proud spirit which belong to Americans by birthright.

Just as military expediency has been used by the Administration to cover up deals with Fascist turn-coats, so has military security been used to cover up the slow, fumbling procedures of arriving at these deals.

In the newspapers and magazines of this country, Americans have one of their surest guarantees against mistakes made by their leaders. A strong democracy makes no pretense of infallibility; it asserts instead that it has the capacity to discover and correct its mistakes before they become fatal. And a free press is essential to that process.

What has our press been able to do in the field of foreign policy to carry out its traditional function of reporting, examining and discussing? It has accomplished near-miracles, it seems to me, but only against very heavy odds and with only a partial verdict in its favor to date. Mr. Hull announced the other day some seventeen points which, he said, explained our foreign policy. They were so vague and general that every good editor in the land must have wracked his mind to decide how they applied to the concrete problems which beset us.

The results have not been impressive. Here we are, a nation fighting for the survival of the ideas we stand for. Yet if anyone can say today with certainty what our policy is toward the Argentine, or Spain, or Finland, or Tito, or Badoglio, or DeGaulle, he is a better man than I am. If anyone can say what is our policy toward the great French people, he must have found out with a Ouija board. The questions press on us from every side. Too often, the only answer we get is that military security prevents an answer.

The real reason for the silence in Washington about these pressing problems is the Administration's belief that it is way ahead of the people and that the people cannot be trusted to back policies which are good for them. This belief, while not put into words by officials in Washington, is the basis of all they do. It grows stronger with long tenure of office. An Administration that has become old and tired quite naturally prefers not to have to explain and justify its policies. Until election time, it figures cynically, it can afford the resultant confusion, even if the entire nation is weakened.

All I have said makes a sorry answer to the question I started with, the question that is being asked all over this country: Have we a foreign policy? The answer is clear: Either we have none; or it is a dangerously personal one that the President alone knows

WPB Notifies Regional Directors Regarding Deferments Of Men 22-25 Years

Following telegraphic advices sent on March 30 by the War Production Board to all WPB regional directors regarding deferments in the age group 22 through 25, inclusive. Col. Arthur V. McDermott, New York City Director of Selective Service announced on April 5 that all employers of men under 26 years old will be required to give "exceptionally convincing arguments" for their continued draft deferment after May 1 as irreplaceable workers. It was noted in the New York "Times" of April 6 that Colonel McDermott estimated that between 15,000 and 20,000 draft registrants in this age group may lose their occupational deferments as essential men in war industries. After May 1, he declared, no man under 26 would be deferred unless city draft headquarters had specifically so decided. The "Times" added:

"In a bulletin of instructions to employers, Colonel McDermott warned the requests for occupational deferments must be filed with his office not later than April 15. He expressed hope that employers would cooperate by not cluttering up his headquarters with applications that could not be construed as urgent.

"The employers," he said, "will spare both themselves and my office a great deal of wasted effort by confining their requests to those men under 26 who are really outstanding and exceptional from the standpoint of skill, training and experience. It must be established that they are really and literally indispensable and irreplaceable."

"Colonel McDermott added that the city's 280 local boards would proceed on May 1 to reclassify all registrants under 26 now occupationally deferred, except those whose continued deferment meanwhile had been recommended by city draft headquarters."

Reporting that Selective Service resorted on April 5 to an age-group system to fill the High Command's requisitions for fight-

about to the exclusion of both Secretary Hull and the bell-hops; or it is a policy which millions of Americans, if they were given the information about it that has been denied them, would repudiate as untrue to the principles of democracy.

If the war is to be won quickly, and American lives saved, we need a better foreign policy. If our losses and sacrifices in this war are to be justified, we need a better foreign policy.

Our sons are not risking and giving their lives in order to support an outworn monarchy in Italy. They are not fighting in order to restore discredited kings to other countries. They are not fighting in order to make possible a deal with some renegade Nazis when Hitler has been overthrown. Nor are they fighting in order that the French people, or any other great people including our own, may be treated as a pawn in some desperate game of secret power politics.

The losses in young American lives which we have already taken and are now facing in even greater numbers can be justified only if this becomes truly a war for liberation. For if we deny those fighting for freedom in France, as this Administration is denying them now, we shall face not only civil war in that country but the repudiation here of all we thought we were fighting for. If we deny the democratic elements in Italy, as the Administration is now denying them, we shall slow up our armies and make still more terrible the task that lies ahead of us. If, in our foreign policy, we deny anywhere the aspirations of those who want to be free, as secret power politics inevitably tends to deny them, we shall be laying the groundwork for a third World War.

The American people have faith in the processes of democracy. They want a foreign policy that will affirm that faith.

ing men, Associated Press advices from Washington on April 5 said:

"Major-Gen. Lewis B. Hershey, Selective Service Director, outlined the new formula in a broadcast last night. Men under 26 will be taken first. Then, with progressively less strict requirements, the 26-29 group will be summoned, followed by those over 30.

"General Hershey also promised that his organization will 'aid to the limit of its ability' in seeing that 4-Fs who refuse to stay on their wartime jobs are made to pull their weight in the nation's fight. There are indications, he said, that 'by legislative or administrative action or by both, means will be found to insure that they do necessary work.'

"General Hershey said local draft boards will be instructed to balance the need for food against the critical demand for military manpower in weighing farm deferments.

"General Hershey's statement that the less fit must be stabilized in 'jobs which are contributing substantially to the war effort' indicated that something in the nature of the present 'essential list' will be used as a standard. This list includes many activities which are not actual war production but are important in support of the war effort.

"However, whether the present list will be somewhat revised for 4-Fs and those fit for limited service, or adopted exactly as it now stands, was a question reserved for future decision by Congress or Selective Service.

"One thing appeared certain: All 4-Fs will not be required to work in actual war plants. Other jobs are considered war-important, too.

"Meantime, Selective Service headquarters, receiving queries on the status of 4-F college students, said this was a policy matter which has not been decided."

On March 30 Secretary of War Stimson was indicated as saying that it was essential to draw 4-F men into the war effort, but that he would accept their induction into the Army as a labor corps only as a last resort. These advices from Washington (Associated Press) also had the following to say:

"The Secretary of War reported that the Army's manpower objective of 7,700,000 has not been changed, that the Army is approximately 200,000 short of this goal, and that Selective Service, not having produced enough new men on schedule, has forced shifts of personnel within the Army. These shifts included the transfer of 36,000 men from the Air Forces to the Ground and Service forces, a reduction of the Army college program, the substitution of civilians for soldiers in some activities in the United States, and a reduction of a number of Army activities in this country.

"Meanwhile, methods for using 4-Fs continued to get prime attention in the Capitol.

"Abandoning plans for an Easter recess, a House military subcommittee headed by Representative Costello (Dem.-Cal.) began drafting legislation to surround the big group of rejectees with statutory controls.

"The Committee worked under the spur of a request from the War and Navy Departments that something be done immediately to find replacements for younger, occupationally deferred men needed for combat service.

"Predicting prompt action by both the Senate and the House, Mr. Costello said that he believed the legislation should provide for

control of the activities not only of the 4-Fs between 18 and 37 but also of those up to 45 and of non-fathers between 38 and 45."

The telegram sent to WPB Regional Directors by the Board on March 30 relative to deferments in the age-group from 22-25 inclusive, read in part as follows:

"Representatives from the War Department, Navy Department, Maritime Commission and War Production Board are contacting manufacturers who are engaged in the production of certain critical and urgent war programs and components therefor, to ascertain if such representatives will support such manufacturers' requests for deferment (Form 42-A Special) for men 22 through 25, inclusive.

"Representatives of the Army, Navy, Air Forces and Maritime Commission have been or are being instructed to limit their endorsements of manufacturers' requests for deferment (Form 42-A Special) in accordance with certain critical and urgent programs where such representatives of these agencies are in current contact with such manufacturers. The following is a list of such critical and urgent war production programs: Army List—DUKWS; tires and tubes (aircraft, combat and heavy duty), including necessary tire cord, fabric and molds; radar; rockets; critical components for trucks, heavy and light heavy (2½-ton. and heavier), including truck trailers and class I and class II tractors; research and development work specifically assigned by the technical services; air-

planes group I through IV by plants and by planes as listed (list to be forwarded later). Navy List—Landing craft; rockets; submarines; aircraft carriers; high-capacity ammunition; radar, maintenance of ships and aircraft for the fleet; airplanes group I through IV by plants and by planes as listed (list to be furnished later). Maritime List—All tanker construction; combat loaded cargo and transport ships (akas and apas).

"Production of components in critical short supply for the above listed programs shall receive the same consideration as the end product listed to the extent required in each plant.

"Please immediately instruct the proper representatives of the War Production Board to contact manufacturers who are engaged in the above production programs as listed, including component parts therefor as outlined, and ascertain if such manufacturers' requests for endorsement of deferment requests (Form 42-A Special) have been acted upon by the representatives of the Army, Navy, Air Forces and Maritime Commission. Every care should be exercised to avoid duplicate endorsements.

"In those cases where the manufacturer has not requested such endorsements for deferment requests from representatives of the other agencies listed above, the representatives of the WPB, if requested by the manufacturer, may endorse the manufacturer's deferment requests on Form 42-A Special, which forms, when so endorsed, shall be forwarded by the manufacturer in accordance with the instructions of the Selective Service System.

"Representatives of the WPB shall be instructed to limit their endorsement of requests for deferment in the age-group 22 through 25 years, inclusive, to employees in those plants engaged in the urgent and critical war production programs as above listed and then only to specific individuals engaged in work in those plants on such programs and where such work requires an extreme or specialized skill or knowledge or a high educational or specialized qualification; and then only when the individual employee is irreplaceable from other less urgent work within the plant or by recruitment.

"It is desired that contact by

Reserve Board Reports On Regulation V Operations—Authorized Loans Exceed \$7 Billion

The Board of Governors of the Federal Reserve System announced on April 6 that in the two years since it adopted Regulation V, the Federal Reserve Banks, acting as fiscal agents for the War and Navy Departments and the Maritime Commission, have been authorized to execute guarantees of loans for war production purposes amounting to \$7,484,000,000. Of this total, says the Board "2,001,000,000 is represented by so-called VT loans, which are loans made principally to release working capital tied up in cancelled contracts."

The Board also stated: "Of the 5,931 loans authorized, 18% have been for \$25,000 or less, 46% for \$100,000 or less, and 37% for loans of \$1,000,000 or less. On February 29, the latest date for which figures are available, war production contractors had available about \$5,500,000,000 of credit under outstanding guarantees. On that date they were actually borrowing \$2,000,000,000. In addition, banking institutions have made approximately an equal amount of credit available for war production purposes without Government guarantees. The foregoing totals were compiled today by the Board of Governors, in reviewing operations under Regulation V as of April 6, 1944, the second anniversary of the Regulation.

"The first step taken in the program for financing war production was the enactment of the

the WPB representatives with establishments and plants as indicated shall be completed by Saturday, April 8, and that all reports of deferment endorsements shall reach Washington not later than Monday, April 10."

From Washington advices, April 5, to the New York "Times," we take the following:

"Because of the demands of the armed forces for young men, the War Shipping Administration has ordered a halt of the recruiting of draft eligibles under 26 for training in the Merchant Marine.

"The development came as the WSA called for a return to the sea of more than 1,800 former mates, engineers and able-bodied seamen to avert threatened delays in shipments of military cargoes. It resulted from a decision taken Friday by the Inter-Agency Committee on Manpower Claimants.

"As a part of the efforts to reduce deferments of men under 26 to a minimum, the Committee was said to have agreed that the Maritime Service should be required to get along with older men, marking the first deviation from the policy of equal treatment for the Merchant Marine and the armed forces."

In order to clarify the new procedure to be followed by the local draft boards, general rules have been issued, according to Associated Press dispatches from Washington, on April 8, as follows:

Age group 18 through 25—No job deferments unless endorsement as key man is obtained from the State draft director or man is employed in farming, Merchant Marine or Army Transport Corps.

Age group 26 through 29—Job deferments will be granted only for "necessary men" in war production or war effort supporting work, this requirement to be "strictly applied."

Age group 30 and over—Necessary man requirement to be applied less strictly.

Fathers: Group 18-25—No considerations as fathers.

Group 26-29—To be given some consideration over non-fathers, other deferment factors being equal.

Group 30-and-over—Fathers to be given more liberal consideration.

4Fs—Those not already employed in essential occupations are warned by Manpower Commissioner McNutt, Draft Director Hershey and a House Military Subcommittee, which has been considering work-draft legislation, to apply immediately for such essential work.

Assignment of Claims Act in 1940 authorizing manufacturers to assign claims under Government contracts for borrowings. However, after the entry of the United States into war, it soon became apparent that the task of producing the huge quantities of war equipment and materials could not be adequately and expeditiously financed through existing facilities for capital and credit without Government assistance.

"The need for plant expansion was met largely through the use of public funds by the Defense Plant Corporation, the War Department, Navy Department, and the Maritime Commission. In order to obtain the all-out production needed for the prosecution of the war, it was necessary to spread war production throughout all sizes of business enterprises. In financing these enterprises, peacetime credit rules and loan limitations were found to be too restrictive. This was particularly true with respect to the credit needs of subcontractors and sub-subcontractors who could not be financed through the means of advance payments by Government procurement agencies. To meet this problem, the President issued Executive Order No. 9112 on March 26, 1942. The order authorized the War Department, Navy Department and Maritime Commission to guarantee loans for war production purposes and to utilize the services of the Federal Reserve Banks as fiscal agents in arranging guarantees of loans which, the President stated, were to be made on a production basis rather than under peacetime credit rules. Under this program essential war production was not held up because of a lack of financing.

"In the summer of 1943, it became evident that some businesses were reluctant to assume additional war contracts because of the fear that their working capital might be tied up after termination of the war. They felt that this might delay their return to peacetime operations and thus put them in an unfavorable competitive position. This situation was met by broadening the program for guaranteeing loans so that by making advance arrangements contractors were enabled to obtain guaranteed loans under which funds could be advanced to free working capital tied up in war production after their contracts were terminated. Guaranteed loans obtained on this broadened basis are known as VT loans to distinguish them from loans made for production purposes only.

"In anticipation of the large number of terminated contracts which may be expected as the war nears its close, legislation has been introduced in Congress to authorize the procurement agencies to guarantee loans after contracts are cancelled for the sole purpose of freeing working capital pending final settlement of cancelled contracts.

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Russell At 10 Park Ave.

Hervey L. Russell, 10 Park Avenue, New York City, announces that while he is devoting most of his time to renegotiations as in 1943, he is now serving attorneys and manufacturers in the capacity of a consultant and is continuing as a dealer in all tax-exempt issues. The Chemical Bank and Trust Co. is continuing to clear Mr. Russell's transactions. Mr. Russell plans to reopen a downtown office on or before Jan. 1, 1945.

Rules For Wage Raises Which May Be Made Without Approval Of Internal Rev. Commissioner

Commissioner of Internal Revenue Joseph D. Nunan, Jr., on April 5 issued comprehensive rules to guide employers in determining what types of salary increases they may grant without his approval under existing Salary Stabilization regulations. The advices from the Revenue Bureau state that "the new rules embody no change in policy and merely set forth for the convenience of the public the policies which have been formulated on the basis of experience with the stabilization program."

"In particular," it is added, "the rules provide a guide for interpretation of Section 1002.14 of the Salary Stabilization Regulations of Sept. 4, 1943, under which the Commissioner's approval is not required for an employer to grant promotion, merit, and length-of-service increases in salary in accordance with an established salary policy, plan, or rate schedule which was in effect on Oct. 3, 1942, or has since been approved by the Commissioner of Internal Revenue." From the Bureau's advices we also quote:

"However, approval of the Commissioner should be secured for any change in the classification or in the salary rate range of any particular position; for any increase in salary beyond the fixed maximum rate; for any change in conditions of promotion, or change in frequency, amount, or manner of determination of merit and length-of-service increases; and for establishment of a new position with a new salary rate range. "Establishment of a new salary policy or salary rate schedule, or revisions of existing policies or schedules, should also be submitted for approval.

"When new or revised plans are submitted for approval and the employer has no established policy for granting increases, the new rules set forth the general limitations on such increases. These limitations are: for promotions, the established minimum for the new position, or 15% above former salary, whichever is greater; and for merit and length-of-service increases within a 12-month period, 15% above former salary.

"Another overall limitation on new or revised plans provides that the average of salaries paid for a particular position shall not exceed by more than 3% (a) the mid-point between the minimum and maximum salary for that position, or (b) the average salary paid on Oct. 3, 1942, or other date approved by the Commissioner.

"In connection with the granting of increases, an employer is expected to keep a record of the essential facts regarding his Oct. 3, 1942, salary policy, in order to show that such increases are consistent with the policy or with a schedule approved by the Commissioner."

The text of the Commissioner's ruling follows:

Salary Stabilization—Salary Rate Schedules

Regional officers, Salary Stabilization Unit, and other officers and employees of the Bureau of Internal Revenue, and others concerned:

1. Section 1002.14 of the Salary Stabilization Regulations (Treasury Decision 5295) sets forth the conditions under which certain salary adjustments may be made in accordance with a salary policy or salary rate schedule in effect on Oct. 3, 1942, or approved thereafter by the Commissioner.

2. This mimeograph is issued as a guide to employers who desire to make use of Section 1002.14 of the Regulations.

Definitions

3. The terms used in this mimeograph are defined as follows:

(a) An employer's salary policy means his policy with respect to (1) the classification of the salaried positions in his establishment which are within the Commissioner's jurisdiction, (2) the range of salary rates for each position, (3) the conditions under

which promotions are made from one position to another, and (4) frequency, amount, and the manner of determination of salary increases on the basis of merit and length of service.

(b) Salary rate schedule means a statement of the salary rate ranges for specified types of positions.

(c) Salary rate range means the minimum and maximum salary rate paid for a particular position.

(d) Promotion means a transfer from one position to another having more important duties or greater responsibilities, or demanding higher qualifications.

(e) Merit increase means an adjustment in salary as a reward for improved quantity or quality of work in the same position.

(f) Length of service increase means an adjustment in salary at the end of a specified period of satisfactory service in accordance with a salary policy, without change of duties.

(g) Similar positions means positions of generally equivalent difficulty and responsibility, and requiring similar or equivalent qualifications.

(h) The test period mentioned in this mimeograph means the period Jan. 1, 1938, to Oct. 3, 1942. If an employer started business after Jan. 1, 1938, or the particular position involved was established subsequent to Jan. 1, 1938, the test period means the period from the date the business was started or position was established to Oct. 3, 1942.

Salary Increases Under Established Salary Policy

4. An employer who, prior to Oct. 3, 1942, established a salary policy, may, without approval of the Commissioner, continue such policy in effect and make salary increases thereunder in accordance with Section 1002.14 of the Salary Stabilization Regulations, Treasury Decision 5295, but for the purposes of this paragraph no salary policy will be deemed to have been established unless it was followed by the employer with reasonable consistency during the test period.

5. An employer who relies on an established salary policy as authority for increasing salaries without specific approval of the Commissioner, but who has not submitted such policy for the Commissioner's approval, must be prepared to prove at any time all the essential facts regarding the salary policy in his establishment on Oct. 3, 1942. For that purpose, he should keep in his files at all times the information outlined in paragraph 10. Such information should be available at all times for examination by a representative of the Salary Stabilization Unit, an internal revenue agent, or any other officer of the Bureau of Internal Revenue.

6. An employer making salary increases under a salary policy established prior to Oct. 3, 1942, must take full responsibility for insuring that such increases are not granted (a) more frequently, (b) in greater amounts, or in increased percentages (if a percentage method is used in determining the amount of increase), or (c) to a larger proportion of employees than were granted prior to Oct. 3, 1942. Furthermore, the annual percentage of increase for any year in the average salary of any salary rate range shall not exceed the average annual percentage of increase in such average salary during the test period. However, no salary may be paid in excess of the maximum of the

rate for the position during the test period. See paragraph 10 (c). Deviation in any one of these respects from the employer's practice during the test period will be deemed to be a deviation from the employer's established salary policy.

7. If an employer is in doubt whether his salary policy comes within Section 1002.14, or if he desires to establish a salary policy, he should request approval thereof. If such a request is made the employer should submit to the head of the appropriate regional office the information outlined in Paragraph 9.

Changes Requiring Specific Approval by Commissioner

8. An employer who has an established salary policy which was followed with reasonable consistency for the required period prior to Oct. 3, 1942, must nevertheless obtain prior approval of the Commissioner for

(a) Any change in the classification of any particular position.

(b) Any change in the salary rate range for any particular position.

(c) Any increase in salary beyond the maximum rate fixed for the position.

(d) Any change in the conditions of promotion from one position to another (i. e., from one salary rate range to another).

(e) Any change in the frequency, amount, or manner of determination of merit and length of service increases.

(f) The establishment of a new position with a new salary rate range.

Detailed Description of Salary Policy or Plan

9. The following information is required in submitting applications for approval of salary rate schedules:

(a) Full description of the positions included in each salary rate range. If more than one type of position is included in a particular salary rate range, such description should show clearly the duties and responsibilities of the position and the qualifications required of the incumbents are similar or equivalent—such as foremen, group leaders, etc.

(b) The number of employees of each position included in each salary rate range. Ordinarily the number of employees in any salary rate range should not be less than ten. If any salary rate range contains less than ten employees, the employer should indicate how the separate rate ranges may be advantageously combined. See Paragraph 12.

(c) The minimum and maximum salary rates in each salary rate range paid during the test period. Ordinarily salary rate ranges are not applicable to positions paying in excess of \$7,500 per annum. See Paragraph 11 (c).

(d) The employer's policy with respect to salary increases due to promotion from one salary rate range to another.

(e) The employer's policy with respect to frequency and amount of merit and length of service increases, the manner in which such increases are determined, and by whom they are authorized. Also the number and percentage of the employees in each salary rate range who were granted such increases each year during the test period.

(f) The average salary paid in each salary rate range at the beginning of each year during the test period.

Substantiation of Established Salary Policy

10. An employer who relies on his past practices as evidence of a salary policy or salary rate schedule in effect Oct. 3, 1942, as a basis for salary increases, not specifically approved by the Commissioner, should have available a detailed analysis of his personnel and pay records for the test period, and years subsequent thereto, to show the following:

(a) The positions actually represented in the employer's establishment in each year.

(b) The number of employees in each position actually employed at the beginning of each year and as of Oct. 3, 1942.

(c) The minimum and maximum rates actually paid in each year in each position. Unusually high or low rates paid to a few employees for special reasons will not be regarded as establishing a rate range.

(d) The number and percentage of the employees in each salary rate range who were granted increases each year.

(e) The reasons why such increases were granted each year, showing separately (1) promotions, (2) merit increases, (3) length of service increases, and (4) increases for other reasons (specifying reasons).

(f) The procedure followed in making such increases and by whom authorized.

(g) The average salary paid in each salary rate range at the beginning of each year and as of Oct. 3, 1942.

Requirements for Approval of Salary Policy or Plan

11. Approval of new salary rate schedules, or revisions of existing schedules or policies by the Commissioner, will be subject to the following limitations:

(a) Positions of similar or equivalent duties and responsibilities requiring similar or equivalent qualifications, will be grouped in the same salary rate range.

(b) Generally, salary rate ranges will not be approved where there are less than ten employees in a particular rate range. However, if there are less than ten employees in a given rate range, it may be appropriate under proper circumstances to combine several rate ranges in a group. In such cases increases may be made as under (d), (e), and (f). In no case may an employee be paid a salary in excess of the maximum for his particular salary rate range.

(c) The minimum and maximum rates for each position shall be the minimum and maximum rates paid for that position between Jan. 1, 1942, and Sept. 15, 1942, except that if higher or lower rates were paid for that position during the test period, such higher or lower rates may be approved. Unusual salaries paid to compensate employees for extra duties and responsibilities, extra hours of work, and the like, shall

be excluded in determining the minimum and maximum rates paid. The salary range for any position will be confined to reasonably narrow spread. Salary rate schedules are generally inappropriate for positions having a maximum salary in excess of \$7,500 per annum and will not be approved for such positions except in unusual cases.

(d) Promotions from one position to another may be made at the minimum of the range for the new position to which the employee is promoted, or at not to exceed 15% above the employee's salary at the time of promotion, whichever is greater. However, in no case may an employee be promoted to a particular position at a salary in excess of the maximum of the range for that position without prior approval.

(e) Merit and length of service increases within any 12-month period of employment must not exceed 15% of the minimum of the range or of the employee's salary at the time of the increase. Within this limitation, increases may be made at one time or at several different times during such 12-month period.

(f) The average salary of all employees within a salary rate range must not exceed at any time by more than 3% either (a) the mid-point of the salary rate range, or (b) the average salary paid for the positions as of Oct. 3, 1942, or such other date as the Commissioner may determine. In establishments where there is normal progression through the several salary rate ranges as a result of promotions, new hirings, and replacements due to deaths, retirements, and severances from service for other reasons, the maintenance of the foregoing limitation on average salaries within each salary rate range is believed to be practicable and to afford opportunity for proper merit and length of service increases. Under more static conditions, where there is little or no movement through the ranges, it may be more difficult to maintain the limitations. In such cases, employers should furnish information from their pay records showing the rate of progression through the various salary rate ranges.

Illustration

12. The following illustration is furnished as a guide to employers to show how salary rate ranges having less than ten employees may be grouped and included in the schedule:

No. Employees	Job Classification	Rate Range
50	Assistant foreman	\$200—\$275
25	Foremen	275—375
5	Mechanical engineers	300—400
4	Chemical engineers	275—380
6	Research engineers	325—425

In the above example, the assistant foremen and foremen must be included in their separate salary rate ranges. All the engineers may be grouped in one rate range with an overall spread of \$275 to \$425. The mid-point of this range is \$350. The schedule for these three positions would appear as follows:

No. Employees	Positions	Rate Range	Mid-point
50	Assistant foreman	\$200—\$275	\$237.50
25	Foremen	275—375	325.00
5	Mechanical	300—400	350.00
4	Chemical	275—380	
6	Research	325—425	
15			

For the purpose of maintaining the average limitations in paragraph 11(f), the total of all salaries paid the engineers would be divided by 15 and that average would be compared with the mid-point of the overall range of \$350 plus 3%, or \$360.50. However, in no event may an engineer receive a salary in excess of the maximum of his particular range.

13. Correspondence in regard to this mimeograph should refer to its number and symbols SSU: ADB.

JOSEPH D. NUNAN, Jr.,
Commissioner.

Prices On Swedish Stock Exchange At March Close

STOCKHOLM, Mar. 31—Prices on seven leading Swedish stocks at the close of business on Mar. 31 are given below, together with the changes from the February close, and the figures (in parentheses) at the close of business on Mar. 31, 1943:

Electrolux 116, up 1 (91); I. M. Ericsson 40.50, up 1 (33); S. K. F. 267, up 12 (226); Separator 105, unchanged (91); Swedish Match 22.50, unchanged (16.50); Swedish American Line 115, down 1 (117); Grangesberg 192, up 13 (189).

New York Bank For Savings 125th Birthday Inspires \$12,500 Prize Contest

New York's oldest savings bank, The Bank for Savings, in celebrating its 125th birthday expresses the progressive spirit of the mutual savings bank through a modern prize contest. \$12,500 in War Bonds and Stamps (maturity value), 600 prizes, are to be awarded. The prizes will be given for the best letters not exceeding 200 words on either of these two subjects: "Why I Opened My Savings Account," or "What My Savings Account Has Done for Me."

The duration of the contest—March 27 to July 3—is significant as marking the period between the granting of The Bank for Savings' charter and the day the bank opened its doors for business—July 3, 1819.

The announcement March 27 by the bank states:

"The object of the contest is to encourage thrift by making more people aware of the advantages of consistent savings. Quite naturally, too, for it was to encourage thrift and help people better their condition through regular savings that The Bank for Savings was founded in 1819.

"Among its organizers were such prominent early New Yorkers as Thomas Eddy, Governor De Witt Clinton, Archibald Gracie, owner of the Gracie Mansion; John Murray, Jr., for whom Murray Hill was named; John Pintard, Peter A. Jay—public spirited citizens who wanted to 'aid the poor in the matter of thrift' . . . through a mutual savings bank, a non-profit organization.

"The first home of The Bank for Savings was a basement room in the old New York Institution, previously known as the Old Alms House, which was on the north

side of City Hall Park, fronting on Chambers St. No rent was paid, except an occasional item such as that listed in October, 1820—\$30 to help improve the condition of the roof.

"On that first day of business, July 3, 1819, 80 depositors banked the sum of \$2,807, a modest beginning indeed for a savings bank that is now among the largest in the United States, with deposits totaling \$194,800,000. However, one must not forget that this was back in the days when a laborer received 75 cents for a 12 to 14-hour day, a servant got \$2 a week, bacon was 16 cents a pound.

"The Bank for Savings has grown along with the city of which it has been such an important part. Today, there are two large offices—the main office at 4th Avenue and 22nd Street; an Uptown Office at 3rd Avenue and 70th Street. Its trustees, as always, are eminent citizens who are proud and willing to serve without remuneration, to carry out the original purpose of the founders, . . . to encourage thrift."

Depositors, old and new, may enter the 125th Birthday Contest and winners will be announced during the week of Sept. 25.

March Steel Production Falls Short Of Record

March production of ingots and steel for castings was 7,804,704 tons compared with 7,188,482 tons in February and 7,762,522 tons in March, 1943, according to the American Iron and Steel Institute. The March total did not come up to the record month of October, 1943, when 7,819,061 tons were produced. The Institute's statement further added:

"The chief factor holding down production is a growing deficiency of manpower which is being made up by the employment of 50,000 women and by the lengthening of working time of remaining employees. Many employees are now doubling up to 16 hours per day while many others are working 7 days per week to fill in vacancies in regular working crews.

"In spite of all efforts the industry has been unable to obtain replacements at a rate approaching separation. As a result, in the last six months total employment has decreased by approximately 42,000 employees.

"During March the industry operated at an average of 98.4% of capacity as against 96.9% of capacity in February and 100.0% of capacity in March a year ago. In October, 1943, the record month, operations averaged 101.3% of the then prevailing capacity.

"An average of 1,761,784 tons of steel was produced per week during March, which compares with 1,736,348 tons per week in February and 1,731,946 tons per week in March, 1943. In October of last year, steel production averaged 1,765,025 tons per week."

Retire From N. Y. Reserve

Edwin C. French and William M. Kettner, Managers of the Collection Department and Security Custody Department, respectively, of the Federal Reserve Bank of New York, retired from active service on March 31, having reached the retirement age of 65. Mr. French joined the staff of the Federal Reserve Bank in September, 1917 after 19 years' experience with commercial banks in this city. For the last 20 years Mr. French has been one of the officers in charge of handling money and negotiable instruments on behalf of the Reserve Bank. Mr. Kettner joined the staff of the Federal Reserve Bank in January, 1915 after 20 years' experience with commercial banks in New York. For the last 25 years Mr. Kettner has been concerned with the safekeeping and custody of securities on behalf of the Reserve Bank.

William F. Abrahams has been appointed Manager of the Security Custody Department to succeed Mr. Kettner, and Roy E. Wendell has been appointed Manager of the Collection Department to succeed Mr. French. Mr. Abrahams has been an employee of the Reserve Bank since 1918, and since 1921 has been principally engaged in the work of the bank pertaining to the safekeeping and custody of securities. For the past year he has been Chief of the Security Custody Division of the Security Custody Department. Mr. Wendell has been a member of the staff of the Reserve Bank since 1919 and has been engaged during most of the past 25 years in the cash and collections function. For the past year he has been Chief of the Transit Division of the Check Department.

consensus is that they will be helpful they will be recommended to the business as a whole.

Fifth War Loan Drive Set For June 12-July 8 Goal Placed At \$16 Billion

Announcement that all individuals, rich and poor, will be asked to lend their support to the extent of \$6,000,000,000 in the Fifth War Loan drive, to be brought under way June 12 and end July 8, was made by Secretary of the Treasury Morgenthau on April 2. As was noted in our issue of March 30, page 1323, a goal of \$16,000,000,000 will be set in the drive, and individuals will be assigned a quota of \$6,000,000,000.

Secretary Morgenthau, in his announcement of the details, pointed out that individuals subscribed \$5,309,000,000 during the January-February Fourth War Loan and added: "We are asking more than ever before because the Treasury must borrow a great deal of money this year to keep the war going." The Associated Press advices from Washington further reported Mr. Morgenthau as saying:

"We will need more than twice as much as we can expect to get in taxes," he declared, noting that direct war costs since Jan. 1 have exceeded \$23,000,000,000 "with the critical phases of the war still ahead of us."

Again ruling out commercial banks as participants, Mr. Morgenthau said major emphasis will be put on individual purchases, although the entire \$16,000,000,000 "is urgently needed."

Corporations, associations and other "big money" investors are looked to for \$10,000,000,000. They oversubscribed their \$8,500,000,000 quota in the Fourth War Loan by \$2,921,000,000, while individuals fell \$191,000,000 short of their \$5,500,000,000 mark.

However, "E" bond buyers, the "little money" group among individuals, went over their \$3,000,000,000 goal by \$187,000,000.

The Treasury's formal announcement to set no "E" bond quota.

Here is how the first four war loans compared in results (money figures in millions of dollars):

Date	Quota	Sub.	Total	Ind. Sales	E Bnd.
1st, Dec., '42	9,000	12,947	1,593	726	
2d, April, '43	13,000	18,555	3,290	1,473	
3d, Sep., '43	15,000	18,943	5,377	2,472	
4th, Jan., '44	14,000	16,730	5,309	3,187	

The securities, which will be sold under the direction of the State War Finance Committee, said advices to the New York "Journal of Commerce" from its Washington bureau April 2, are as follows:

Series E, F and G savings bonds; Series C savings notes; 2½% bonds of 1965-70; 2% bonds of 1952-54; 1¼% notes of 1947 and ½% certificate of indebtedness.

The 2½% bonds to be offered in the drive will be an additional issue of the 2½% bonds of 1965-1970 dated Feb. 1, 1944, due March 15, 1970, callable March 15, 1965. Although the bonds of this issue are dated Feb. 1, 1944, the interest of the bonds to be sold during the drive will accrue from June 26. A special coupon will be attached to such bonds covering interest that will accrue to Sept. 15, 1944, the due date of the first coupon. Commercial banks, which are defined for this purpose as banks accepting demand deposits, will not be permitted to own these bonds until Feb. 1, 1954, except for the limited investment of time deposits.

The 2% bonds will be dated June 26, 1944, due June 15, 1954, callable June 15, 1952.

The 1¼% notes will be dated June 26, 1944, due March 15, 1947.

The ½% certificates of indebtedness will be dated June 26, 1944, due June 1, 1945.

U. S. Savings And Loan League Appoints Four Committees To Supplement Program

Four new committees using some of the time and thought of 109 savings and loan association and cooperative banking executives from all parts of the country have been formed this year to supplement the program of planning, inquiry and policy development which has been fostered in the business for more than a decade by the United States Savings and Loan League. Appointments to all the League's 35 committees were announced in a Committee Roster sent out to the entire membership of 3,700 savings and loan associations and cooperative banks. They were made by John F. Scott, St. Paul, Minnesota, president of the League.

Committees which will be called on for their maiden performance in 1944 deal with (1) the guarantee of credits, (2) the acquisition of mortgages from sources not primarily part of the permanent stream of mortgage credit in the country, (3) the Postal Savings system, and (4) the improved management of savings and loan institutions.

The new groups and their principal objectives, and personnel are:

Committee on Guarantee of Mortgages and Excess Credits, with James V. Davidson, First Federal Savings and Loan Association, Toledo, Ohio, as chairman; and State Senator James H. Hammond, Security Federal Savings and Loan Association, Columbia, South Carolina, as vice chairman.

"This committee will study all questions involving the use of Government guarantees in connection with mortgage loans and other loans," Mr. Scott said. "It will study and analyze the possibility of other means of accomplishing the objectives attained by the guarantee of mortgages and excess loans. In addition this committee will study and report on all questions regarding the policies, procedures and use of the Federal Housing Administration."

Committee on Postal Savings System, with Col. John B. Reynolds, Chicago Federal Savings and Loan Association as chairman; and two vice chairmen, F. Willson Camp, District Building and Loan Association, Washington, D. C., and Fred W. Herendeer, Savings and Loan Association of Auburn, New York. The objective is stated as follows:

"This committee is to study and analyze the postal savings system with particular emphasis on the relative attractiveness of the postal savings program to the public as compared with the savings program of savings and loan and the savings accounts of banks. Attention will be given to a comparison of methods and procedures and the relative availability of such funds. The necessity for the services of the postal savings system will be considered."

Committee on Purchase of Mortgages from Governmental and Other Agencies, with James V. Davidson, First Federal Savings and Loan Association, Toledo, Ohio, as chairman.

"Scope will include making recommendations to the savings and loan associations regarding the acquisition of mortgages from the Home Owners' Loan Corporation, Federal National Mortgage Association, RFC Mortgage Company, Farm Credit Administration, Federal Housing Administration, receivers of national and state banks and trust companies, trusts and other fiduciaries, banks, insurance companies and individuals who can retire from the mortgage business and receive cash for their holdings."

Committee on Savings Association and Cooperative Bank Management, with Ben H. Hazen, Portland, Oregon, president of the Benj. Franklin Federal Savings and Loan Association, as chairman, and Allen C. Knowles, Cleveland, Ohio, president of the South Side Federal Savings and Loan Association, as vice chairman, will have the job of receiving and developing ideas for improving the practical operations of the thrift and home financing institutions. Ideas, suggestions and proposals designed to increase the efficiency of personnel and to promote the best use of equipment will be weighed and where the

Air Transport Study Made By Rail Industry

A factual study of the air transportation industry, designed as a guide to railroads in planning possible integration of rail and air facilities, was released on March 29 by a research committee of the Association of American Railroads.

The report, which is the result of nearly two years study by a special subcommittee on air transport, contains in its 63 pages of text and 50 tables and charts basic information about planes and engines, the organization and operations of commercial air transport, the development of air traffic, and aspects of national policy on the subject.

No attempt is made to suggest to the railroads what their specific relation to air transport should be nor to estimate future prospects of aviation from viewpoints other than that of proponents of transportation by air.

The Association of American Railroads, however, already has taken the initiative in a drive to secure for the railroads the legal right to operate air routes in conjunction with their rail operations. A number of carriers have filed applications with the Civil Aeronautics Board for air routes.

Under the present Civil Aeronautics Act, surface carriers—railroads, steamships and motor carriers—generally are barred from owning or operating air lines.

The report clearly indicates its authors' belief that both air freight and passenger traffic are sure to increase enormously. Concerning cargo handling by air, however, it states: "Many elements in the handling of common carrier freight or express by air will always make such service more costly than by rail or truck."

Theories about the future low cost of flying, the study said, cannot ignore the following causes of high cost: Transfer to airport; two freight terminals, airport and downtown; speed in ground service; pre-weighting required; plane-side weight tallies; distribution of weight within the plane; need of anchoring air shipments; many

interline transfers required; high proportion of air shipments off-airline; allocation of interline revenue complicated; shut-out and cancellation expenses; high expense of information service, and fluctuations in volume.

Discussing air passenger traffic prospects, the report lists the following factors which tend to encourage travel by air: Speed; frequency; probable saving in cost; round-trip reductions; credit cards; free food—no tips—known cost; hotel encouragement; bus and taxi service; direct service without change; prestige of air travel; avoidance of undressing en route.

On the other hand, the study cited a number of factors which tend to discourage air travel, including: Fear, possibility of cancellation or delay; advance reservations a necessity; undependable time of arrival; time and cost to airport; baggage weight limitations; air sickness and other discomforts; additional hotel bills.

Reviewing present Federal air legislation and regulation, the study said:

"Up to this time, adequate consideration has not been given to the integration of air transportation policy with a broader national policy covering all agencies of transport. nor has it sufficiently considered the development of coordination between air, land and water transport. The nation needs, but does not have, a unified transportation policy, designed to stimulate coordination and cost-reducing competition. Instead, failure to adopt such a unified policy has led to much confusion and to wasteful duplication of a vitally important public service."

Lend-Lease Influence On Country's Balance Of Payments Indicated In N. Y. Reserve Bank Report Finds Redistribution Of World's Gold Supply Under Way

A feature of the annual report of the Federal Reserve Bank of New York, made available April 5 by Allan Sproul, President of the Bank, is the remarks under the head "Balance of Payments of the United States; Capital and Gold Movements." Reference is made therein to the profound effect of balance of payments. Both that buying program of vital raw materials in Latin American and neutral European countries, are cited in the report as factors "bringing to a halt the drain on foreign holdings of dollar exchange and gold." The Government's buying program "has placed relatively large amounts of dollar funds in the hands of foreigners," says the report, which states that "not only has there been a substantial increase in our imports," but "there has also been an enforced reduction in our exports to those countries now benefiting from our buying abroad." We quote as follows the comments of the Reserve Bank in the matter:

Balance of Payments

"Fundamental shifts in the balance of payments between the United States and foreign countries, evident in the early years of the war, were virtually completed in 1943. In that year the various items making up the balance of payments began to conform to a well defined wartime pattern. Our commercial and financial transactions with foreign countries may be said to be in the second and perhaps final phase of their wartime developments. The shifts brought about by the war can be seen in the accompanying diagram (this we omit—Ed.) which shows the cumulative movement since 1935 in the principal factors providing dollars or their equivalent to foreigners, and the chief ways in which dollars or their equivalent were used by foreigners.

"Reviewing our immediate pre-war experience, the diagram shows that, except for a period between October, 1937, and July, 1938, the dominant factor in the balance of payments was a persistent inflow of capital from foreign countries. This was in large part the result, first, of monetary uncertainties abroad and, later, of the series of political crises which culminated in the outbreak of hostilities. From the end of 1934 through August, 1939, this inward transfer of capital, according to reported data, amounted to somewhat over \$4,900,000,000, and, when unrecorded items are considered, the total movement was considerably larger. During the same period our merchandise exports exceeded imports by over \$2,000,000,000, only about one half of which was offset by net payments to foreigners for services and other "current account" items, not shown in the diagram. The capital inflow and the "current account" items (including trade) were offset in the balance of payments by a net gain of gold from abroad, amounting to about \$7,500,000,000 between the end of 1934 and the start of the war in Europe.

"The first phase of the war transition began with the prompt

application in 1939 of foreign exchange regulations in most parts of the world where such controls had not previously been adopted. This resulted in the elimination of virtually all private international transfers of capital and gold not essential to the war effort, and the concentration of foreign exchange and gold holdings in the hands of various monetary authorities. The effect of the war on our foreign trade, in this period, was a further expansion in the already large export surplus, as the trade balance of belligerents became an expression of war needs rather than of economic exchanges of goods.

"Even after the beginning of the war in 1939, however, it is significant to note that gold movements continued to perform many of their traditional functions. Since the British Empire and France undertook to finance their overseas purchases of war supplies through the sale to the United States Treasury of their gold stocks, there was for a time a continuation, at an accelerated rate, of the inflow of gold from abroad which had been in evidence in the pre-war years. Gold, therefore, as in peacetime, was acting as a "balancing" item in the balance of payments. The liquidation of pre-war foreign gold reserves continued through the early part of 1941 and between the end of August, 1939, and the end of April, 1941, we experienced a further net "gain" of gold from abroad aggregating \$5,600,000,000, or at a monthly average rate of \$280,000,000.

"Because of these heavy gold sales, which at times were in excess of foreign dollar requirements, foreigners did not, on balance, draw down their dollar assets until early 1941; foreign funds in this country, in fact, showed a rather sizable increase during 1940. With the tapering off of gold sales, however, foreign-owned dollar assets were heavily drawn upon and in the 13 months ended February, 1942, there was a recorded net reduction in foreign funds in this country amounting to \$625,500,000. The greater part of this "outflow" of foreign funds represented the liquidation of short term dollar assets and American securities requisitioned from private holders by the British Government. Counterbalancing these gold and capital movements, there was a correspondingly heavy, "favorable" balance in our trade with foreign countries; from the outbreak of war to the end of 1941 merchandise exports (excluding lend-lease) exceeded imports by \$2,859,000,000.

Effect of Lend-Lease

"Although there is no precise division between the two phases in our wartime balance of pay-

ments experience, the second or current phase can be considered to have begun with the passage of the Lend-Lease Act in March, 1941. The actual shipment of goods under the lend-lease program did not, in fact, reach sizeable proportions until several months later, but the enactment of this legislation provided the means whereby nations whose defense was common to ours could receive war supplies without the need of further liquidation of their depleted gold and dollar resources. It therefore became possible for the "favorable" trade balance to continue and even increase, without a corresponding movement of gold, capital, or both. Exports considered vital to the war effort were limited only by the practical restrictions of production and shipping.

"The profound effect of the lend-lease program on our balance of payments can be seen from the chart (this we omit—Ed.). In the early part of 1942 our net exports began to move rapidly upward and the movement continued at an accelerated pace through 1943. During 1942 and 1943 United States exports reached the unprecedented amount of \$20,752,000,000 and exceeded imports by \$14,645,000,000. The bulk (\$14,837,000,000) of the total exports for the period, however, represented lend-lease goods and therefore required no immediate settlement in balance of payment terms. As a result, the inflow of gold from abroad, which previously had been the principal factor supplying the dollars needed to pay for foreign purchases of our goods, ceased.

"From the beginning of the lend-lease program through December, 1943, we extended aid totaling \$19,986,100,000, including services rendered as well as goods transferred. Of this amount, more than half, or \$11,733,000,000, was furnished during 1943. At the same time we have been receiving considerable amounts of "reverse lend-lease" from those countries to which we have been supplying goods and services. Although no comprehensive figures have been published, it has been reported that the British Commonwealth of Nations alone had made expenditures of about \$2,094,900,000 for "reverse lend-lease" aid up to Dec. 31, 1943. About \$1,526,200,000 of this total was expended by the United Kingdom and \$568,700,000 by Australia, New Zealand and India. By the beginning of the year 1944, outlays by the British Commonwealth for "reverse lend-lease" to the United States were at an annual rate approaching \$2,000,000,000.

"The lend-lease program has not been the only factor bringing to a halt the drain on foreign holdings of dollar exchange and gold. The Government's buying program of vital raw materials in Latin American and neutral European countries, either for shipment to the United States or for storage abroad has placed relatively large amounts of dollar funds in the hands of foreigners. Not only has there been a substantial increase in our imports, but, as a result of the restrictions on the production of civilian goods here and limited shipping capacity for such goods, there has also been an enforced reduction in our exports to those countries now benefiting from our buying abroad. The movement of American troops to foreign countries and the outlays of these forces for goods and services not received under "reverse lend-lease" also have been an important source of dollar exchange to the monetary authorities of the United and Associated Nations.

Recent Capital Movements

"The combined effect of all these factors, making up the second stage of transition from peace to war, was, first, a curtailment in the depletion of foreign-owned gold and dollars as the lend-lease

program got under way and, then, a gradual building up of foreign funds as our foreign spending began to reach sizeable proportions. The net acquisition of dollar exchange by foreigners began in February, 1942, and has since continued at an increasing rate. According to recorded data, the net amount of foreign funds held in this country rose by \$2,037,900,000 between the middle of February, 1942, and the end of November, 1943, the last date for which figures are published. Of this "inflow," \$1,238,600,000 occurred during the first eleven months of 1943.

"Most of the 'inflow' during 1943, and in fact since February, 1942, has represented a building up of short term dollar assets by foreign central banks and governments. Since February, 1942, foreign official dollar assets in this country, despite large purchases of gold here, have increased \$1,583,900,000; of this increase \$1,038,000,000 took place during 1943. As a result, official holdings of short term dollar funds as of November, 1943, amounted to \$3,087,600,000—a level greatly exceeding that which prevailed at the outbreak of the war.

"Under existing conditions and regulations, international transfers of short term capital for private foreign account have, in general, been negligible in recent years. In the first 11 months of 1943, the net amount of banking funds held in this country for such account rose by \$71,200,000. The small amount of these transactions, of course, has little or no long-run significance, inasmuch as, under the systems of exchange control in force throughout most of the world, dollar exchange held for private account is kept at the minimum considered necessary for the normal conduct of business, and new acquisitions of dollars are usually turned over to the control authorities of the countries concerned.

"Foreign transactions in long term securities likewise were on a small scale during 1943. In the elapsed portion of the year, through November, a net amount of \$36,800,000 of domestic securities was purchased for foreign account. This represented largely purchases of long term United States Treasury securities for official foreign account. As has been the case in most previous years, foreigners continued to retire, either through redemption or repurchase prior to redemption, their securities outstanding in this market. From the end of 1942 through the end of November, 1943, recorded net purchases of foreign securities by foreigners amounted to \$81,600,000, most of which appeared to have reflected the repatriation of the dollar bonds of the Western Hemisphere countries. These net purchases extended to \$929,800,000 the repatriation of foreign securities since the beginning of 1935, when the present reporting system began.

Gold Movements

"The magnitude of recent accumulations of dollar exchange by foreign monetary authorities cannot be fully appreciated without taking into account recent gold movements. During the period from February, 1942, to November, 1943, when banking assets held in this country for foreign official account rose by \$1,583,900,000, foreign central banks and governments also increased the total amount of gold earmarked for their account at this bank by \$1,027,264,000. There has been a further increase in gold earmarkings since the end of last November and the amount held at the end of 1943—\$3,477,400,000—was the largest on record and about \$1,560,600,000 above the level of June, 1941, when the current program of gold earmarking began. As the gold earmarkings, together with relatively small exports of gold, were only partly

offset by domestic production and imports, the United States monetary gold stock, which reached a peak of \$22,800,000,000 in November, 1941, had been reduced to \$21,900,000,000 by the end of 1943. At that level, however, it was still more than \$5,000,000,000 greater than at the beginning of the war in Europe.

"Without identifying the principal buyers of gold, the general statement may be made that they had one characteristic in common: namely, they have acquired substantial amounts of dollar exchange in recent years following a period of severe strain on their gold and dollar reserves in the years leading up to, or immediately after, the start of the war.

"As related to our international balance of payments, this foreign accumulation of gold is significant in two respects. In the first place, the gold purchases indicate a recouping of foreign gold reserves which had been depleted in the pre-war years. The redistribution of the world's gold supply now under way—although still on a relatively small scale—should aid in establishing and maintaining post-war exchange stability. Secondly, the foreign acquisitions of gold demonstrate that, despite the many changes the war has made in this country's financial and commercial relations with other nations, gold continues to play a role as a means of settling international balances. Whereas, before the inauguration of the lend-lease program gold flowed to this country, we are now losing gold as a result, in part, of the excess of our imports over cash exports.

"The esteem in which gold is still held in many countries has been evidenced not only by the monetary demand for gold in recent years, but also by a public demand in those countries where a more or less unrestricted bullion market still exists. This has been particularly true in India and in the Middle Eastern countries, where large allied expenditures and a limited supply of commodities have made possible a considerable hoarding demand for gold. Indicative of this demand, the price of gold in the Bombay bullion market, which rose steadily during 1942, turned sharply upward in April, 1943, and by the early part of May had reached a record high, equivalent to about \$78 per ounce. A similar movement has occurred in Egypt and prices in the Alexandria market have been roughly comparable with those quoted in Bombay. At these high levels, gold was selling at well over twice the \$35 an ounce price quoted by the United States Treasury. Such wide discrepancies in price between markets can, of course, exist only because of the present restrictions throughout the world on dealings in, and the international movement of, gold.

"The introduction by the Indian Government of anti-inflationary measures, including restrictions on forward dealings in gold and a prohibition against loans on gold, has been instrumental in depressing the Bombay gold price. But by the end of last November, gold bullion was still being traded in the Bombay market at the equivalent of about \$62.50 per ounce. As a further means of combating inflation, official sales of gold reportedly have been made on a large scale in the Indian market and in markets of the Middle East. These sales undoubtedly have also tended to reduce the price of gold in Bombay.

REPORTED NET MOVEMENT OF CAPITAL BETWEEN THE UNITED STATES AND FOREIGN COUNTRIES

(In millions of dollars; net capital inflow + or outflow —)

	In banking funds				Through security transactions—			
	Total	Domestic	Foreign	Brokerage	Total	Domestic	Foreign	Brokerage
1935	+1,413	+ 965	+ 10	+ 438	+ 448	+ 317	+ 125	+ 6
1936	+1,196	+ 397	+ 71	+ 326	+ 799	+ 601	+ 191	+ 7
1937	+ 802	+ 256	+ 163	+ 93	+ 546	+ 245	+ 267	+ 34
1938	+ 434	+ 318	— 5	+ 323	+ 116	+ 58	+ 58	—
1939	+1,177	+1,146	+ 304	+ 842	+ 31	— 86	+ 84	+ 33
1940	+ 706	+ 853	+ 658	+ 195	— 147	— 245	+ 78	+ 20
1941	— 497	— 287	— 147	— 140	— 210	— 262	+ 52	—
1942	+ 604	+ 561	+ 358	+ 203	+ 43	+ 47	— 7	+ 3
1943								
through								
Nov. 1935	+1,239	+1,109	+1,038	+ 71	+ 130	+ 37	+ 82	+ 11
Nov. 1943								
incl. 1943	+7,074	+5,318	+2,450	+2,868	+1,756	+ 712	+ 930	+ 114

*Since July, 1942, includes funds held for account of foreign central banks, governments, and their agencies; prior to that date included only certain foreign funds held with the Federal Reserve Bank of New York and commercial banks in New York City.

Electric Output For Week Ended April 8, 1944 Show 12.3% Gain Over Same Week Last Year

The Edison Electric Institute, in its current weekly report, estimated that the production of electricity by the electric light and power industry of the United States for the week ended April 8, 1944, was approximately 4,361,094,000 kwh., compared with 3,882,467,000 kwh. in the corresponding week a year ago, an increase of 12.3%. The output for the week ended April 1, 1944, was 13.3% in excess of the similar period of 1943.

Major Geographical Divisions—	PERCENTAGE INCREASE OVER PREVIOUS YEAR			
	Week Ended—			
	Apr. 8	Apr. 1	Mar. 25	Mar. 18
New England.....	4.0	4.0	4.7	5.2
Middle Atlantic.....	9.1	11.1	11.4	10.7
Central Industrial.....	9.0	10.9	9.5	8.8
West Central.....	5.4	8.6	6.6	8.1
Southern States.....	13.2	13.4	11.1	9.5
Rocky Mountain.....	6.5	4.5	6.5	5.2
Pacific Coast.....	30.2	29.7	28.0	11.5
Total United States.....	12.3	13.3	12.2	

Week Ended—	DATA FOR RECENT WEEKS (Thousands of Kilowatt-Hours)				
	1944	1943	% Change over 1943	1942	1932
Jan. 1	4,337,387	3,779,993	+14.7	3,288,685	1,619,265
Jan. 8	4,567,959	3,952,587	+15.6	3,472,579	1,602,482
Jan. 15	4,539,083	3,952,479	+14.8	3,450,468	1,598,201
Jan. 22	4,531,662	3,974,202	+14.0	3,440,163	1,588,967
Jan. 29	4,523,763	3,976,844	+13.8	3,468,193	1,588,853
Feb. 5	4,524,134	3,960,242	+14.2	3,474,638	1,578,817
Feb. 12	4,532,730	3,939,708	+15.1	3,421,639	1,545,458
Feb. 19	4,511,562	3,948,749	+14.3	3,423,589	1,512,158
Feb. 26	4,444,939	3,892,796	+14.2	3,409,907	1,519,679
March 4	4,464,686	3,946,630	+13.1	3,392,121	1,538,452
March 11	4,425,630	3,944,679	+12.2	3,357,444	1,537,747
March 18	4,400,246	3,946,836	+11.5	3,357,032	1,514,553
March 25	4,409,159	3,928,170	+12.2	3,345,502	1,490,208
April 1	4,408,703	3,889,858	+13.3	3,348,608	1,465,076
April 8	4,361,094	3,882,467	+12.3	3,320,858	1,480,738
April 15	—	3,916,794	—	3,307,700	1,469,810
April 22	—	3,925,175	—	3,273,190	1,454,505
April 29	—	3,866,721	—	3,304,602	1,429,032

Steel Operations Off Slightly — Plate Demand Heavy — Reconversion Steps Taken By WPB

"Increased pressure for steel all along the line from military agencies indicates that the high level activity of the steel industry will show little slackening this month," says "The Iron Age" in its issue of today (April 13), which further adds:

"The demand for plates has become so heavy that it surpasses anything of its type since the war began. Ammunition, lend-lease and many other requirements seem to be mounting.

"Mill overloads, particularly in flat-rolled products, are reported resulting in many broken delivery promises and are making it difficult for railroad car builders to come anywhere near maintaining their schedules.

"Much emphasis centers upon demand for steel bars, where the manpower shortage is reported hampering production to a considerable extent. The jam in the semi-finished steel market, previously reported growing tighter, has been intensified by new lend-lease requirements.

"New strikes have interfered with steel production.

"Net earnings of the bulk of the steel industry were about \$180,686,000 in 1943 against \$196,370,000 earned in 1942. Net sales and operating income last year rose to \$6,409,174,000 from \$5,682,783,000 in 1942. The return on proprietary investment for 1943 was 5.17% against 5.69% for 1942. Steel companies producing carbon steel preponderantly showed a sag of 7.99% in net profit for 1943 compared to 1942.

"Meanwhile WPB took two steps with respect to reconversion last week, one forward, the other backward. Donald M. Nelson, Chairman of the WPB, appointed a Policy Committee on Reconversion made up of Robert Gaylord, President of the National Association of Manufacturers; Eric Johnston, President of the United States Chamber of Commerce; Eugene Meyer, publisher of "The Washington Post," Philip Murray, President of CIO, and William Greene, President of AFL. The Committee was set up as a counter-irritant to restrictive influences on reconversion within WPB and the War and Navy Departments, and to suggest changes in war production policies which must be made before civilian production can be started on a greater scale.

"The backward step was Staff Memorandum No. 42 issued by the Director of Industry Operations, Lemuel R. Boulware, covering labor area restrictions applicable to approved programs and resumed or increased production of non-military items. The memo-

random would prohibit in Group 1 labor areas the authorization of production of civilian items at a greater rate than that prevailing in the first quarter. It also restricts civilian production similarly in Group 2 labor areas except in unusual circumstances. OCR officials and other top WPB officials are opposed to the order because they see it as an unnecessarily inflexible rule which will lead to all sorts of maladjustments in efforts to reconvert."

The American Iron and Steel Institute on April 10 announced that telegraphic reports which it had received indicated that the operating rate of steel companies having 94% of the steel capacity of the industry will be 98.7% of capacity for the week beginning April 10, compared with 99.5% one week ago, 99.1% one month ago and 98.8% one year ago. The operating rate for the week beginning April 10 is equivalent to 1,768,000 tons of steel ingots and castings, compared with 1,782,300 tons one week ago (which was the highest level ever reached), 1,775,200 tons one month ago, and 1,710,900 tons one year ago. The previous high was 1,781,300 tons in the week beginning Oct. 11, 1943.

"Steel," in its summary of the iron and steel markets on April 10, stated in part as follows:

"With plate and sheet bookings covering production from six to nine months and bar requirements increasing, carrying delivery promises into June, the steel market shows few signs of easing.

"Plate shipments continue strong, setting an all-time record in March with 1,222,606 tons, compared with 1,173,164 tons in January, the prior high month. Deliveries on current orders average about six months but there is a feeling that by August considerably better promise can be given. This results from easing of demand for shipyards and no new ship programs are in sight. Expected new platemaking capacity by midyear is another factor in this belief.

"However, it seems likely that any decided contraction in plate demand may not be fully reflected in delivery promises for some

From Washington Ahead Of The News

(Continued from first page) thought was a dead-letter with the Administration.

"This proposal seems to be hidden way down deep in his speech of last Sunday night. The passage reads:

"In this war we are proceeding with the matter of an international organization to maintain peace and prevent aggression. Such an organization must be based upon firm and binding obligations that the member nations will not use force against each other and against any other nation except in accordance with the arrangement made.

"It must provide for the maintenance of adequate forces to preserve peace and it must provide the INSTITUTIONS AND PROCEDURES FOR CALLING THIS FORCE INTO ACTION to preserve peace."

All of the newspaper accounts and the comments we have heard dwell on what is being done about Badoglio and DeGaulle and the defense of his administration. It is as if the Judge, realizing this would be what would attract attention, stuck the above in way down in the speech. Nevertheless it is there.

The Judge does this after having been represented benignly over a period of several months as gravely hoping that the Nation's post-war foreign policy would not become a political issue, that it would be something upon which the whole country was united. Indeed, in his speech he says that he plans to work out the policy in consultation with bipartisan committees of Congress. Sometime ago he was so preoccupied that he wasn't thinking of Congress until Senator Vandenberg challenged him right severely.

What arouses the curiosity of this writer particularly is why he cautiously advanced the so-called super-state plan at this time. Just about two weeks ago he jumped at the mention of it, and his aides pleaded with a friendly correspondent whose paper is wedded to this plan, for Heaven's sakes, not to interpret anything the Secretary had said as being favorable to it. Now he shoves it out, not boldly but cautiously.

We have a hunch that with Wendell Willkie out of the Presidential race, Hull expects him to

time as strip mill capacity may be increasingly diverted back to sheet production to relieve heavy pressure. Sheet deliveries are more extended than for plates, some mills being booked into November and in certain instances into next year.

"The shipbuilding situation is reflected also in propulsion equipment, pumps and other auxiliary materials, including large forgings. Forward commitments for these products are substantial but orders are fewer. Current ship demand for bars and shapes also is easing, but these are far less affected by ship requirements and deliveries are not as extended.

"Increase in bar mill backlogs continues, one factor being demand for railroad use, both for additional cars and locomotives and for maintenance.

"Pig iron is quiet and supply is sufficient for foundry use, full second quarter buying now being the rule, though some smelters are covering only a month ahead, keeping inventory close to current need.

"Warehouse selling is in excellent volume, a result of the tight situation in mill deliveries, and stocks are sufficient in most products except plates, sheets and tubing, with increasing shortage of hot and cold-rolled bars. Better shipments from mills have been of much assistance but some lag in deliveries is noted recently. Some jobbers found March the best month in their history."

Work Of Rockefeller Foundation For 1943 Reviewed By President Fosdick

A report by Raymond B. Fosdick, President of the Rockefeller Foundation, reviewing the work of the Foundation for 1943, was made public on March 17. It shows that the appropriations during the year amounted to \$7,760,186, and that the income of the Foundation from investments during the year was \$8,079,164.

Regarding the finances for 1943 we quote as follows from the report:

In the following financial statements are presented summaries of the Appropriations and Principal Fund Accounts of The Rockefeller Foundation for the year 1943. During 1943 a total of \$12,135,909 became available for appropriation. Of this amount \$3,077,926 was the balance carried forward from the year 1942, and \$8,079,164 represented income from invested funds. Appropriations during the year totaled \$7,760,186, and the free balance as of Dec. 31, 1943, was \$4,375,723. This sum, together with income received in 1944, will be available for appropriation during that year.

Summary of Appropriations Account	
Funds Available:	
Balance from 1942.....	\$3,077,926
Income for 1943.....	8,079,164
Unexpected balances of appropriations allowed to lapse and refunds on prior year grants.....	978,819
	\$12,135,909
Funds Appropriated:	
Appropriations:	
Public health.....	\$2,450,000
Medical sciences.....	1,529,040
Natural sciences.....	599,150
Social sciences.....	1,068,130
Humanities.....	1,055,410
China program.....	108,000
Miscellaneous.....	81,800
Administration:	
Scientific services.....	552,091
General.....	241,368
	\$7,684,989
Authorization for later appointment by the Executive Committee.....	75,197
	\$7,760,186
Balance available for appropriation in 1944.....	4,375,723
	\$12,135,909
Principal Fund	
Book value, Dec. 31, 1942.....	\$145,891,089
Add:	
Unused balance of appropriations of April 5, 1939, returned to principal fund.....	32,067
	\$145,923,156
Less:	
Amount by which proceeds of secur. sold, redeemed or exchanged during year failed to equal the ledger value.....	762,822
Book value, Dec. 31, 1943.....	\$145,160,334

From the report we take the following regarding applications declined during 1943: "During 1943 the Foundation

gave support to such a plan. They are right close friends. It will be interesting to see what develops. The funny thing about it all is that the Republicans in their Mackinac Conference declarations are not committed against such a set-up. They are committed to an international organization; in fact, two organizations, one to preserve the peace and one to adjudicate international disputes. Under the language dealing with the former and so interpreted by Senator Vandenberg, a sovereign nation can give some of its sovereignty away, if it wants to, in a constitutional way. But anyone who knows the Republicans, most of them, do not believe this language envisages the country doing that.

That the good Judge is further without guile, there is the concluding paragraph of his speech: "Once before in our lifetime we fell into disunity and became ineffective in world affairs by reason of it. Should this happen again, it will be a tragedy to you and to your children and to the world for generations."

The cleverly done implication here is that the Republicans are responsible for World War II in not following Woodrow Wilson, when repudiation of him by the American people was one of the most unified things they ever did. Watch the Judge do a job on the Republicans, he who never thinks in terms of partisan politics.

was obliged to decline a total of 920 applications for financial aid, as compared with 1,121 in 1942. Some of these applications represented projects of interest to the Foundation but were declined because other opportunities seemed more promising. The great majority, however, were declined because they fell outside the areas of work in which the Foundation is attempting to be of service.

"The Foundation does not make gifts or loans to individuals, or finance patents or altruistic movements involving private profit, or contribute to the building or maintenance of churches, hospitals or other local organizations, or support campaigns to influence public opinion on any social or political questions, no matter how important or disinterested these questions may be.

"The applications declined during 1943 may be classified under the following headings: conferences and meetings, 7; continued aid to projects, 15; cures, remedies, investigations of theories and inventions, 48; development of educational and cultural institutions and projects, 126; European refugees, 28; fellowships, travel and training grants, 200; local institutions (including hospitals, theatres, libraries, museums and churches), 86; personal and medical aid, 87; post-war planning, 41; public health projects, 13; publication projects, 49; research projects, 152; miscellaneous, 68."

Bronx War Bond Chairman

The retirement from active leadership of the Bronx County War Finance Committee of George Farkas, President of Alexander's department store and the appointment of T. Arthur Nosworthy, President of the Bronx Savings Bank, as his successor, were announced on April 10 by Nevil Ford, Chairman, War Finance Committee for New York. Mr. Farkas' relinquishment of his committee chairmanship, Mr. Ford stated, was due to the pressure of his private affairs and the necessity for his having to devote more time to the management of his company's stores. He will continue to work with the Bronx Committee as an honorary chairman, serving in that capacity with Borough President Lyons.

Mr. Nosworthy served during the Fourth War Loan Drive as campaign Chairman in close collaboration with Mr. Farkas.

Construction Contracts Down In First Quarter

Construction contracts awarded during this year's first quarter reached a total valuation of \$472,867,000 in the 37 Eastern States, according to F. W. Dodge Corporation on April 12. This was a drop of 56% from the \$1,083,876,000 recorded during the corresponding period last year. The entire decline was in public-ownership projects, since private-ownership projects, at \$108,916,000 for the quarter, represented an increase of 8% over the like period of 1943. The month of March totaled \$176,383,000 as compared with \$137,246,000 in February and \$339,698,000 in March, 1943.

All three major project groups ran behind the first three months of 1943. Non-residential building, showing the largest dollar decrease, was down 58%; residential building was down 63%, and heavy engineering work was down 48%.

National Fertilizer Association Price Index Advances Fractionally

The weekly wholesale commodity price index, compiled by The National Fertilizer Association and made public on April 10, advanced fractionally to 137.1 in the week ending April 8 from 137.0 in the preceding week. A month ago this index registered 137.0 and a year ago 136.0, based on the 1935-1939 average as 100. This index is now only 0.8% higher than the corresponding period of 1943. The Association's report continued as follows:

The small advance in the all-commodity group index was due primarily to advancing quotations for some farm products. This group index increased fractionally, reflecting higher prices for cattle and lambs which more than offset the lower quotations for hogs. Higher prices were quoted for eggs, causing a slight rise in the foods group which is still under the level of a year ago. A slight decrease in prices for raw cotton caused a fractional decline in the textiles group index. All other group averages remained at the previous week's level.

Price changes during the week were evenly balanced with three series advancing and three declining; in the preceding week there were five advances and six declines, and in the second preceding week there were seven advances and six declines.

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 Ago	Year Ago
		Week	Week		
		Apr. 8, 1944	Apr. 1, 1944	Mar. 11, 1944	Apr. 10, 1943
25.3	Foods.....	138.3	137.8	137.8	139.1
	Fats and Oils.....	146.1	146.1	146.1	147.7
	Cottonseed Oil.....	159.6	159.6	159.6	159.0
23.0	Farm Products.....	156.7	156.4	157.4	155.6
	Cotton.....	200.1	200.6	199.8	202.8
	Grains.....	164.8	164.8	164.8	139.8
	Livestock.....	147.0	146.4	148.2	152.2
17.3	Fuels.....	130.1	130.1	130.1	122.2
10.8	Miscellaneous commodities.....	132.2	132.2	131.4	130.4
8.2	Textiles.....	152.1	152.2	151.9	151.7
7.1	Metals.....	104.4	104.4	104.4	104.4
6.1	Building materials.....	152.4	152.4	152.4	152.3
1.3	Chemicals and drugs.....	127.7	127.7	127.7	126.6
.3	Fertilizer materials.....	117.7	117.7	117.7	117.9
.3	Fertilizers.....	119.7	119.7	119.7	119.8
.3	Farm machinery.....	104.2	104.2	104.2	104.1
100.0	All groups combined.....	137.1	137.0	137.0	136.0

*Indexes on 1926-1928 base were: April 8, 1944, 106.8; April 1, 1944, 106.7, and April 10, 1943, 105.9.

Moody's Bond Prices And Bond Yield Averages

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

MOODY'S BOND PRICES†
(Based on Average Yields)

1944— Daily Averages	U. S. Govt. Bonds	Avg. Corporate rate*	Corporate by Ratings*				Corporate by Groups*		
			Aaa	Aa	A	Baa	R. R.	P. U.	Indus.
Apr. 11	119.94	111.62	118.20	116.80	111.44	101.14	105.00	113.70	116.41
10	119.83	111.62	118.20	116.81	111.44	101.14	104.83	113.70	116.41
8	119.81	111.44	118.20	116.61	111.44	100.98	104.83	113.70	116.22
7				—Exchange Closed—					
6	119.81	111.44	118.20	116.61	111.44	100.98	104.83	113.89	116.22
5	119.79	111.44	118.20	116.41	111.44	100.81	104.66	113.70	116.41
4	119.77	111.44	118.40	116.41	111.44	100.81	104.66	113.70	116.41
3	119.70	111.44	118.40	116.41	111.44	100.81	104.66	113.70	116.41
1	119.68	111.44	118.20	116.41	111.25	100.81	104.66	113.70	116.22
Mar. 31	119.68	111.44	118.20	116.41	111.25	100.81	104.66	113.70	116.22
24	119.86	111.44	118.20	116.61	111.44	100.81	104.66	113.89	116.41
17	120.14	111.44	118.20	116.61	111.25	100.65	104.66	113.70	116.41
10	120.26	111.44	118.20	116.41	111.25	100.81	104.48	113.70	116.41
3	120.44	111.25	118.20	116.61	111.25	100.49	104.31	113.70	116.41
Feb. 25	120.21	111.25	118.20	116.41	111.07	100.32	104.31	113.50	116.41
18	119.96	111.25	118.40	116.41	111.07	100.49	104.31	113.50	116.41
11	119.69	111.25	118.40	116.22	111.25	100.49	104.31	113.50	116.41
4	119.45	111.25	118.40	116.22	111.25	100.49	104.14	113.50	116.41
Jan. 28	119.47	111.07	118.20	116.22	111.07	100.16	104.31	113.31	116.41
21	119.58	111.25	118.40	116.41	111.07	100.16	104.31	113.50	116.41
14	119.57	111.25	118.60	116.41	111.07	99.84	103.80	113.50	116.22
7	119.69	111.07	118.60	116.41	111.07	101.14	104.83	113.89	116.61
High 1944	120.44	111.62	118.80	116.80	111.44	101.14	104.83	113.89	116.61
Low 1944	119.41	110.70	118.20	116.22	110.88	99.04	103.30	113.12	116.02
High 1943	120.87	111.44	119.41	117.00	111.81	99.36	103.47	114.27	117.40
Low 1943	116.65	107.44	116.80	113.89	108.88	92.35	97.16	111.81	114.46
1 Year ago									
Apr. 10, 1943	117.48	109.60	117.80	115.24	110.52	96.54	100.81	112.93	115.63
2 Years ago									
Apr. 11, 1942	118.07	106.92	116.41	113.70	107.62	92.35	97.16	110.70	114.08

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

1944— Daily Averages	U. S. Govt. Bonds	Avg. Corporate rate*	Corporate by Ratings*				Corporate by Groups*		
			Aaa	Aa	A	Baa	R. R.	P. U.	Indus.
Apr. 11	1.82	3.08	2.74	2.82	3.09	3.68	3.45	2.97	2.83
10	1.82	3.08	2.74	2.82	3.09	3.68	3.45	2.97	2.83
8	1.83	3.09	2.74	2.82	3.09	3.69	3.46	2.97	2.84
7				—Exchange Closed—					
6	1.83	3.09	2.74	2.82	3.09	3.69	3.46	2.96	2.84
5	1.83	3.09	2.74	2.83	3.09	3.70	3.47	2.97	2.84
4	1.83	3.09	2.73	2.83	3.09	3.70	3.47	2.97	2.83
3	1.83	3.09	2.73	2.83	3.09	3.70	3.47	2.97	2.83
1	1.83	3.09	2.74	2.83	3.10	3.70	3.47	2.97	2.84
Mar. 31	1.83	3.09	2.74	2.83	3.10	3.70	3.47	2.97	2.84
24	1.82	3.09	2.74	2.82	3.09	3.70	3.47	2.96	2.83
17	1.81	3.09	2.74	2.82	3.10	3.71	3.47	2.97	2.83
10	1.81	3.09	2.74	2.83	3.10	3.70	3.48	2.97	2.83
3	1.80	3.10	2.74	2.82	3.10	3.72	3.49	2.97	2.83
Feb. 25	1.81	3.10	2.74	2.83	3.11	3.73	3.49	2.98	2.84
18	1.83	3.10	2.73	2.83	3.11	3.72	3.49	2.98	2.83
11	1.85	3.10	2.73	2.84	3.10	3.72	3.49	2.98	2.83
4	1.87	3.10	2.73	2.84	3.10	3.72	3.50	2.98	2.82
Jan. 28	1.87	3.11	2.74	2.84	3.11	3.74	3.50	2.99	2.83
21	1.86	3.10	2.73	2.83	3.11	3.74	3.49	2.99	2.83
14	1.86	3.10	2.72	2.83	3.10	3.76	3.50	2.98	2.83
7	1.85	3.11	2.72	2.83	3.11	3.79	3.52	2.98	2.84
High 1944	1.87	3.13	2.74	2.84	3.12	3.81	3.55	3.00	2.85
Low 1944	1.79	3.08	2.71	2.82	3.09	3.68	3.45	2.96	2.82
High 1943	2.08	3.31	2.81	2.96	3.23	4.25	3.93	3.07	2.93
Low 1943	1.79	3.09	2.68	2.80	3.07	3.54	3.24	2.78	2.78
1 Year ago									
Apr. 10, 1943	2.04	3.19	2.76	2.89	3.14	3.97	3.70	3.01	2.87
2 Years ago									
Apr. 11, 1942	1.97	3.34	2.83	2.97	3.30	4.25	3.93	3.13	2.95

*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.

†The latest complete list of bonds used in computing these indexes was published in the issue of Jan. 14, 1943, page 202.

Trading On New York Exchanges

The Securities and Exchange Commission made public on April 1 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 Mar. 18, 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 Mar. 18, (in round-lot transactions) totaled 2,485,268 shares, which amount was 15.36% of the total transactions on the Exchange of 8,090,730 shares. This compares with member trading during the week ended Mar. 11 of 2,154,474 shares, or 15.72% of the total trading of 6,852,930 shares. On the New York Curb Exchange, member trading during the week ended Mar. 18 amounted to 450,100 shares, or 14.76% of the total volume on that exchange of 1,525,315 shares; during the Mar. 11 week trading for the account of Curb members of 457,405 shares was 13.57% of total trading of 1,685,265 shares.

Total Round-Lot Stock Sales on the New York Stock Exchange and Round-Lot Stock Transactions for Account of Members* (Shares)
WEEK ENDED MARCH 18, 1944

A. Total Round-Lot Sales:	Total for Week	%
Short sales.....	176,660	
†Other sales.....	7,914,070	
Total sales.....	8,090,730	
B. Round-Lot Transactions for Account of Members, Except for the Odd-Lot Accounts of Odd-Lot Dealers and Specialists:		
1. Transactions of specialists in stocks in which they are registered—		
Total purchases.....	620,950	
Short sales.....	73,280	
†Other sales.....	572,100	
Total sales.....	645,380	7.83
2. Other transactions initiated on the floor—		
Total purchases.....	417,230	
Short sales.....	24,220	
†Other sales.....	390,560	
Total sales.....	414,780	5.14
3. Other transactions initiated off the floor—		
Total purchases.....	194,646	
Short sales.....	14,800	
†Other sales.....	177,482	
Total sales.....	192,282	2.39
4. Total—		
Total purchases.....	1,232,826	
Short sales.....	112,300	
†Other sales.....	1,140,142	
Total sales.....	1,252,442	15.36

Total Round-Lot Stock Sales on the New York Curb Exchange and Stock Transactions for Account of Members* (Shares)
WEEK ENDED MARCH 18, 1944

A. Total Round-Lot Sales:	Total for Week	%
Short sales.....	10,525	
†Other sales.....	1,514,790	
Total sales.....	1,525,315	
B. Round-Lot Transactions for Account of Members:		
1. Transactions of specialists in stocks in which they are registered—		
Total purchases.....	106,460	
Short sales.....	4,940	
†Other sales.....	115,730	
Total sales.....	120,670	7.45
2. Other transactions initiated on the floor—		
Total purchases.....	50,380	
Short sales.....	2,200	
†Other sales.....	42,950	
Total sales.....	45,150	3.13
3. Other transactions initiated off the floor—		
Total purchases.....	47,800	
Short sales.....	1,000	
†Other sales.....	76,640	
Total sales.....	79,640	4.18
4. Total—		
Total purchases.....	204,640	
Short sales.....	8,140	
†Other sales.....	237,320	
Total sales.....	245,460	14.76
C. Odd-Lot Purchases for Account of Specialists—		
Customers' short sales.....	3	
†Customers' other sales.....	57,429	
Total purchases.....	57,432	
Total sales.....	41,081	

*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."

U. S. Broadens Diplomatic Representation In Italy—No Departure From Existing System

While President Roosevelt was reported on April 4 to have broadened American diplomatic representation in Italy, the White House explained quickly that the action involved "no departure whatever from the existing system of Allied control in Italy" it was stated in Associated Press advices from Washington April 1, as given in the New York "Sun", in which it was further stated:

Alexander C. Kirk, American Minister to Egypt, was named as the American member on the Advisory Council for Italy, and was given the personal rank of Ambassador.

Weekly Coal And Coke Production Statistics

The Solid Fuels Administration for War, U. S. Department of the Interior, in its latest report, states that the total production of soft coal in the week ended Apr. 1, 1944 is estimated at 11,500,000 net tons, a decrease of 375,000 tons, or 3.2%, from the preceding week. Output in the corresponding week of 1943 amounted to 10,996,000 tons. Cumulative production of soft coal from Jan. 1 to April 1 amounts to 162,302,000 tons, an increase of 4,719,000 tons, or 3.0%, over the same period of 1943.

According to the U. S. Bureau of Mines, production of Pennsylvania anthracite for the week ended April 1 was estimated at 1,285,000 tons, an increase of 62,000 tons (5.1%) over the preceding week. When compared with the output in the corresponding week of 1943 there was, however, a decrease of 57,000 tons, or 4.2%. The calendar year to date shows an increase of 3.9% when compared with the same period in 1943.

The Bureau of Mines also reported that the estimated production of byproduct coke in the United States for the week ended April 1 showed an increase of 600 tons when compared with the output for the week ended March 25, 1944. The quantity of coke from beehive ovens increased 400 tons during the same period.

ESTIMATED UNITED STATES PRODUCTION OF COAL, IN NET TONS

Commodity	Week Ended			January 1 to Date		
	Apr. 1, 1944	March 25, 1944	April 3, 1944	April 1, 1944	April 3, 1944	April 6, 1944
Bituminous coal and lignite	11,500,000	11,875,000	10,996,000	162,302,000	157,583,000	136,883,000
Total, incl. mine fuel	12,054,000	1,979,000	1,999,000	2,073,000	2,007,000	1,753,000

*Revised. †Subject to current adjustment. ‡April 1, "Eight-Hour Day," weighted as 0.6 of a normal working day.

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

Commodity	Week Ended			Calendar Year to Date		
	April 1, 1944	March 25, 1944	April 3, 1944	April 1, 1944	April 3, 1944	April 6, 1944
Penn. anthracite	1,285,000	1,223,000	1,342,000	16,683,000	16,058,000	19,630,000
Total incl. coll. fuel	1,234,000	1,174,000	1,288,000	16,017,000	15,416,000	18,217,000
Byproduct coke—						
United States total	1,276,600	1,276,000	1,232,600	16,766,700	16,193,400	16,667,400

*Includes washery and dredge coal, and coal shipped by truck from authorized operation. †Excludes colliery fuel. ‡Comparable data not available. §Subject to revision. ¶Revised.

ESTIMATED WEEKLY PRODUCTION OF COAL, 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			
	March 25, 1944	March 18, 1944	March 27, 1944	March 27, 1944
Alabama	402,000	400,000	370,000	308,000
Alaska	5,000	5,000	6,000	2,000
Arkansas and Oklahoma	84,000	82,000	104,000	45,000
Colorado	179,000	174,000	183,000	175,000
Georgia and North Carolina	1,000	1,000	1,000	1,000
Illinois	1,496,000	1,470,000	1,574,000	1,511,000
Indiana	545,000	530,000	523,000	516,000
Iowa	46,000	51,000	69,000	117,000
Kansas and Missouri	173,000	158,000	171,000	205,000
Kentucky—Eastern	943,000	918,000	960,000	895,000
Kentucky—Western	319,000	341,000	332,000	277,000
Maryland	41,000	38,000	45,000	40,000
Michigan	5,000	5,000	6,000	16,000
Montana (bitum. & lignite)	79,000	77,000	91,000	67,000
New Mexico	40,000	40,000	40,000	42,000
North & South Dakota (lignite)	52,000	59,000	48,000	37,000
Ohio	609,000	659,000	716,000	655,000
Pennsylvania (bituminous)	2,746,000	2,850,000	3,030,000	2,890,000
Tennessee	160,000	168,000	163,000	128,000
Texas (bituminous & lignite)	5,000	3,000	3,000	14,000
Utah	121,000	126,000	130,000	84,000
Virginia	401,000	392,000	400,000	346,000
Washington	28,000	28,000	31,000	34,000
West Virginia—Southern	2,270,000	2,175,000	2,384,000	2,178,000
West Virginia—Northern	940,000	970,000	1,023,000	794,000
Wyoming	184,000	189,000	196,000	127,000
Other Western States	1,000	1,000	*	*
Total bituminous & lignite	11,875,000	11,920,000	12,599,000	11,503,000
†Pennsylvania anthracite	1,223,000	1,231,000	1,341,000	1,216,000
Total, all coal	13,098,000	13,151,000	13,940,000	12,719,000

*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, California, Idaho, Nevada and Oregon. §Data for Pennsylvania anthracite from published records of the Bureau of Mines. *Less than 1,000 tons.

the past few months. The new Federal excise taxes effective April 1 did not affect the index for last week, but they will affect the index for the current week.

The Department's announcement contains the following notation:

Note—During the period of rapid changes caused by price controls, materials allocation, and rationing, the Bureau of Labor Statistics will attempt promptly to report changing prices. Indexes marked (*), however, must be considered as preliminary and subject to such adjustment and revision as required by later and more complete reports.

The following tables show (1) index numbers for the principal groups of commodities for the past three weeks, for March 4, 1944, and April 3, 1943, and the percentage changes from a week ago, a month ago and a year ago and (2) percentage changes in subgroup indexes from March 25 to April 1, 1944.

WHOLESALE PRICES FOR WEEK ENDED APRIL 1, 1944 (1926=100)

Commodity Groups	Index				Percentage change to April 1, 1944 from—		
	4-1 1944	3-25 1944	3-18 1944	3-4 1944	4-3 1943	3-4 1944	4-3 1943
All commodities	103.6	103.7	103.6	103.4	103.4	-0.1	+0.2
Farm products	123.9	124.6	124.5	123.2	124.7	-0.6	+0.6
Foodstuffs	104.2	104.5	104.6	104.5	107.8	-0.3	-0.3
Hides and leather products	117.5	117.5	117.6	117.6	118.4	0	-0.1
Textile products	97.3	97.3	97.3	97.3	96.8	0	+0.8
Fuel and lighting materials	83.6	83.6	83.6	83.7	80.8	0	-0.1
Metals and metal products	103.8	103.8	103.8	103.8	103.9	0	-0.1
Building materials	114.6	114.6	113.8	113.7	110.4	0	+0.8
Chemicals and allied products	100.4	100.4	100.4	100.4	100.1	0	+0.3
Housefurnishing goods	105.9	105.9	105.9	105.9	104.2	0	+1.6
Miscellaneous commodities	93.3	93.3	93.3	93.3	91.2	0	+2.3
Semimanufactured articles	113.5	114.0	113.9	113.2	112.8	-0.4	+0.3
Manufactured products	93.5	93.5	93.5	93.5	93.0	0	+0.6
All commodities other than farm products	100.7	100.7	100.6	100.6	100.7	0	+0.1
All commodities other than farm products and foods	99.2	99.2	99.2	99.2	98.9	0	+0.3
*Preliminary.	98.3	98.3	98.2	98.3	96.7	0	+1.7

PERCENTAGE CHANGES IN SUBGROUP INDEXES FROM MARCH 25, 1944 TO APRIL 1, 1944

Commodity	Increases		Decreases	
	March 25, 1944	April 1, 1944	March 25, 1944	April 1, 1944
Fruits and vegetables	0.6	0.1	0.1	0.1
Grains	0.6	0.1	0.1	0.1
Other foods	1.5	0.7	0.7	0.1
Livestock and poultry	1.5	0.7	0.7	0.1
Shoes	0.7	0.1	0.1	0.1

Changes In Holdings Of Reacquired Stock Of N. Y. Stock & Curb Listed Firms

The monthly compilation of companies listed on the New York Stock Exchange reporting changes in their holdings of reacquired stock was made available on March 16. Following is the tabulation issued by the Exchange:

Company and Class of Stock	Shares Previously Reported	Shares Per Latest Report
American Hide and Leather Company, 6% cum. cv. pfd.	700	1,100
Associated Dry Goods Corporation, 6% 1st preferred	2,040	3,210
Associates Investment Company, common	43,835	44,235
5% cumulative preferred	130	140
Atlas Corporation, common	62,676	68,381
Borden Company (The), capital	102,058	109,058
Chicago Yellow Cab Company, Inc., capital	40,569	43,069
Cuban-American Sugar Company (The), 5 1/2% conv. pfd.	42,015	42,032
Devoe & Reynolds Company, Inc., class A common	4,856	56
Distillers Corporation-Seagrams, Ltd., cum. pfd. 5% ser.	4,930	(1)
Firestone Tire & Rubber Company (The), common	304,119	303,119
Florsheim Shoe Company (The), common		200
Fruehauf Trailer Company, 5% convertible preferred	810	890
General Motors Corporation, 5 1/2% cum. cv. pfd.		(2)
Madison Square Garden Corporation, capital	873,409	876,412
Mead Corporation (The), class "A" pref.	30,400	31,300
National Department Stores Corp., 6% preferred	3,467	3,587
Newport News Shipbuilding and Dry Dock Company—5% cumulative convertible preferred	10,373	10,384
Norfolk and Western Railway Company, adjusted pfd.	24,100	25,800
Pittston Company (The), class "A" pref.	8,377	8,467
Plymouth Oil Company, capital	1,495	1,781
Fullman Incorporated, capital	12,984	13,784
Real Silk Hosiery Mills, Inc., 7% preferred	51,000	69,400
Rustless Iron and Steel Corporation, common	6,125	6,195
Safeway Stores, Incorporated, 5% cumulative preferred	7	10
Sheaffer (W. A.) Pen Co., common	90	91
Sinclair Oil Corporation, common	2,750	2,745
Texas Company (The), capital	443,941	475,293
United States Rubber Company, common	813,925	813,061
	20	2

NOTES

- (1) Acquired 4,525 shares; disposed of 9,455 shares.
- (2) Acquired and cancelled 700 shares.
- (3) Acquired 2 shares; sold 20 shares.
- (4) Acquired 3,350 shares; disposed of 4,214 shares.

The New York Curb Exchange has made available the following list of issuers of fully listed securities which have reported changes in their holdings of reacquired stock:

Company and Class of Stock	Shares Previously Reported	Shares Per Latest Report
Air Investors, Inc., convertible pref.	165	225
American Cities Fw. & Lt. Corp., conv. A opt. div. ser.	None	3,050
American General Corp., common	385,413	385,416
American Writing Paper Corp., common	40,862	42,362
Beaunit Mills, Inc., \$1.50 convertible preferred	6,221	776
Esquire Inc., capital	29,463	36,863
Gelman Mfg. Co., common	11,755	12,555
Guilchrist Co., common	2,115	47,108
Knott Corp., common	10,412	10,834
Lane-Bryant, Inc., 7% preferred	5	30
Merrill-Chapman & Scott Corp., 6 1/2% "A" preferred	880	980
Midland Oil Corp., 8% convertible pref.	10,965	11,045
Oilstocks, Ltd., capital	1,384	2,784
Pacific Can Co., common	600	1,500
Sunray Oil Corp., 5 1/2% convertible preferred	1,368	1,478
Trunz, Inc., common	18,464	18,564
United Cigar-Whelan Stores Corp., common	12,217	12,228
United Profit-Sharing Corp., 10% preferred	None	1,050
Utility Equities Corp., \$5.50 div. prior stock	11,300	11,500
Wentworth Mfg. Co., common	9,819	None

NAM Committee To Examine Tax Laws Administration

A committee of 32 manufacturers was named on April 7 by Robert M. Gaylord, President of the National Association of Manufacturers, "to examine carefully the administration of tax laws to determine whether taxpayers are being treated fairly and in accord with the intent of Congress." William H. Mooney, President of the American Oak Leather Co., Cincinnati, O., a bomber pilot during the last war, has accepted the chairmanship of the Tax Administration Committee. P. H. Littlefield, Treasurer of Canada Dry Ginger Ale, Inc., of New York, N. Y., and Harry Howell, Controller of the Grinnell Corp., Providence, R. I., will be Vice-Chairmen.

The newly formed committee, which is nationwide in scope, plans to begin exploratory work immediately through a series of meetings, the first of which will be held in New York on April 19. In accepting the chairmanship Mr. Mooney said:

"Our defense, our post-war prosperity and employment undeniably are tied to our industrial life which in turn depends in many vital matters on the administration of tax laws. Many companies, particularly small and progressive concerns, will be crippled by rates which can take up to 95% of their profits unless a sympathetic attitude prevails in applying relief sections of the excess profits tax.

"Decisions of the taxing agencies rather than the language of the law itself often determine the size of tax payments and shaping of company operations. For example, considering the abnormal wear on the nation's productive machine, it is essential that taxing authorities be fair and reasonable on depreciation allowances.

"Our tax structure has become so perplexing during the war period that an impartial examination seems desirable to ascertain whether the intent of Congress is being observed. We propose to examine the policies of tax collecting agencies both here and abroad in a careful and constructive manner in an effort to determine whether the tax laws are being administered fairly and in the best interests of the nation."

War Damage Insurance Extended Another Year

War damage insurance policies in force March 31, 1944, will be extended automatically for another 12 months without the payment of additional premiums or other charges, Secretary of Commerce Jesse Jones stated on April 3.

No action will be required upon the part of the policyholder to make the extension effective, Mr. Jones said in a statement, according to Associated Press Washington advices, which added:

"Any additional insurance written after April 1, this year, will be at the existing rates.

"The War Damage Corporation was created under the Reconstruction Finance Corporation to provide insurance for persons or companies whose property might be affected by bombing or other war hazards. Fire and casualty insurance companies share a limited portion of the risk.

"Premiums collected through the end of 1943 totaled \$218,000,000, after payment of all expenses, which Jones said had been unusually light."

Wholesale Commodity Index Declined 0.1% In Week Ended April 1, Labor Dept. Reports

Sharp reductions in primary market prices for steers, hogs, eggs and cotton, and for quicksilver and naval stores were principally responsible for the 0.1% drop in the general level of prices for the week ended April 1, according to the announcement April 6 by the U. S. Department of Labor. The Bureau of Labor Statistics' index for the nearly 900 price series was 0.2% above a month ago and for the corresponding week in April, 1943, says the Department, which adds:

"Farm Products and Foods. During the week average prices for steers declined 1.4% and hogs more than 1%. Quotations for eggs dropped nearly 8% on the average and sweet potatoes were down 9%. Cotton averaged 0.4% lower in price, white potatoes declined in most markets, and winter wheat flour in the Kansas City market decreased more than 2 1/2%. Market quotations for apples in certain markets increased and oranges and lemons were somewhat higher. Quotations for wheat were fractionally higher and prices for sheep and flaxseed were up substantially. Upward adjustment in prices of corn products by OPA resulted in a 16% rise for hominy grits and white corn meal. Prices for rye flour also advanced during the week. Compared with a week ago, average prices for farm products were down by 0.6% and foods by 0.3%, and compared with last year market prices for farm products were 0.6% lower and food prices were down by more than 3%.

"Industrial Commodities. Price movements during the week for industrial products were mixed. Quotations for quicksilver, rosin and turpentine were lower and prices for butyl acetate advanced. Further adjustments were made in lumber prices resulting in slightly higher quotations for maple flooring and Idaho white pine and lower prices for Ponderosa pine. Except for these changes, markets for other major industrial products continued to show the stability of

Daily Average Crude Oil Production For Week Ended April 1, 1944 Declined 1,500 Barrels

The American Petroleum Institute estimates that the daily average gross crude oil production for the week ended April 1, 1944 was 4,383,250 barrels, a decline of 1,500 barrels per day when compared with the preceding week. The current figure, however, was 465,550 barrels per day in excess of the output for the corresponding week of last year and was 14,950 barrels per day in excess of the daily average figure recommended by the Petroleum Administration for War for the month of March, 1944. Daily production for the four weeks ended April 1, 1944 averaged 4,383,600 barrels. Further details as reported by the Institute follow:

Reports received from refining companies indicate that the industry as a whole ran to stills on a Bureau of Mines basis approximately 4,435,000 barrels of crude oil daily and produced 13,824,000 barrels of gasoline; 1,638,000 barrels of kerosine; 4,450,000 barrels of distillate fuel oil, and 8,367,000 barrels of residual fuel oil during the week; and had in storage at the end of the week 89,162,000 barrels of gasoline; 6,703,000 barrels of kerosine; 30,530,000 barrels of distillate fuel, and 51,326,000 barrels of residual fuel oil. The above figures apply to the country as a whole, and do not reflect conditions on the East Coast.

The complete report for the week ended April 1, 1944 follows in detail:

DAILY AVERAGE CRUDE OIL PRODUCTION (FIGURES IN BARRELS)

	*P. A. W. Recommendations March	*State Allowables Begin. Mar. 1	Actual Week Ended Apr. 1, 1944	Change from Previous Week	4 Weeks Ended Apr. 1, 1944	Week Ended Apr. 3, 1943
Oklahoma	328,000	327,000	331,000	+ 1,500	329,600	344,000
Kansas	285,000	269,400	270,000	- 4,100	271,900	314,800
Nebraska	1,000		11,250	- 100	1,300	2,250
Panhandle Texas			92,850		92,900	88,600
North Texas			142,600		142,600	137,000
West Texas			340,900		340,900	218,100
East Central Texas			116,600		116,600	99,800
East Texas			365,100		365,100	323,400
Southwest Texas			291,500		291,500	173,450
Coastal Texas			513,800		513,800	352,600
Total Texas	1,838,000	1,854,302	1,863,350		1,863,350	1,392,950
North Louisiana			76,900	+ 750	76,500	89,150
Coastal Louisiana			283,950		283,950	250,600
Total Louisiana	347,700	372,700	360,850	+ 750	360,400	339,750
Arkansas	76,700	78,591	79,100	- 550	79,400	70,650
Mississippi	46,000		41,300	- 200	41,100	54,450
Alabama			100	+ 50	50	
Florida			50		50	
Illinois	215,000		216,100	- 350	216,800	235,950
Indiana	13,600		13,750	+ 150	13,600	15,950
Eastern— (Not incl. Ill., Ind., Ky.)	72,200		76,850	+ 7,850	71,700	80,800
Kentucky	24,000		21,200	- 1,200	21,900	17,000
Michigan	52,000		51,800	+ 850	52,500	56,100
Wyoming	93,000		86,750	- 4,600	91,300	90,600
Montana	24,000		21,500	+ 700	21,000	17,800
Colorado	7,000		8,200		8,000	6,500
New Mexico	111,700		112,900	+ 50	112,900	92,450
Total East of Calif.	3,534,900		3,556,050	+ 800	3,556,800	3,132,000
California	833,400	833,400	827,200	- 2,300	826,800	785,700
Total United States	4,368,300		4,383,250	- 1,500	4,383,600	3,917,700

*P.A.W. recommendations and state allowables, as shown above, represent the production of crude oil only, and do not include amounts of condensate and natural gas derivatives to be produced.

†Oklahoma, Kansas, Nebraska figures are for week ended 7:00 a.m. March 30, 1944.

‡This is the net basic allowable as of March 1 calculated on a 31-day basis and includes shutdowns and exemptions for the entire month. With the exception of several fields which were exempted entirely and of certain other fields for which shutdowns were ordered for from 3 to 20 days, the entire state was ordered shut down for 8 days, no definite dates during the month being specified; operators only being required to shut down as best suits their operating schedules or labor needed to operate leases, a total equivalent to 8 days shutdown time during the calendar month. §Recommendation of Conservation Committee of California Oil Producers.

CRUDE RUNS TO STILL; PRODUCTION OF GASOLINE; STOCKS OF FINISHED AND UNFINISHED GASOLINE, GAS OIL AND DISTILLATE FUEL AND RESIDUAL FUEL OIL, WEEK ENDED APRIL 1, 1944 (Figures in Thousands of barrels of 42 Gallons Each)

District	Daily Refining Capacity	Potential % Re-Porting	Crude Runs to Stills Daily Average	% Op-erated	Production			% Stocks of Gas Oil and Residual Fuel Oil
					at Re-fineries	Finished and Un-finished Gasoline	% Stocks of Gas Oil and Residual Fuel Oil	
*Combin'd: East Coast Texas Gulf, Louisiana Gulf, North Louisiana-Arkansas, and Inland Texas	2,518	90.3	2,304	91.5	6,825	38,723	14,413	15,864
Appalachian—								
District No. 1	130	83.9	104	80.0	333	2,102	1,047	230
District No. 2	47	87.2	46	97.9	138	1,313	338	100
Ind., Ill., Ky.	824	85.2	759	92.1	2,717	20,788	4,871	2,801
Okl., Kans., Mo.	416	80.1	328	78.8	1,219	8,526	1,495	1,267
Rocky Mountain—								
District No. 3	8	26.9	11	137.5	30	75	21	32
District No. 4	141	58.3	98	69.5	301	2,143	362	544
California	817	89.9	785	96.1	2,261	15,492	7,983	30,488
Total U. S. B. of M. basis April 1, 1944	4,901	87.3	4,435	90.5	13,824	189,162	30,530	51,326
Total U. S. B. of M. basis March 25, 1944	4,901	87.3	4,443	90.7	**13,362	187,287	**31,319	**51,669
U. S. Bur. of Mines basis April 3, 1943			3,613		10,322	93,840	31,015	67,552

*At the request of the Petroleum Administration for War. †Finished, 77,541,000 barrels; unfinished, 11,621,000 barrels. ‡At refineries, at bulk terminals, in transit and in pipe lines. §Not including 1,638,000 barrels of kerosine, 4,450,000 barrels of gas oil and distillate fuel oil and 8,367,000 barrels of residual fuel oil produced during the week ended April 1, 1944, which compares with 1,447,000 barrels, 4,979,000 barrels (revised figure) and 9,013,000 barrels, respectively, in the preceding week and 1,423,000 barrels, 4,027,000 barrels and 8,004,000 barrels, respectively, in the week ended April 3, 1943. ¶Finished 75,593,000 barrels; unfinished, 11,694,000 barrels. **Revised.

Note—Stocks of kerosine at April 1, 1944 amounted to 6,703,000 barrels; as against 6,562,000 barrels a week earlier and 4,899,000 barrels a year before.

Civil Engineering Construction 15% Above Week Ago

Civil engineering construction volume in continental U. S. totals \$33,963,000 for the week. This volume, not including the construction by military engineers abroad, American contracts outside the country, and shipbuilding, is 15% higher than in the preceding week, but is 64% below the volume reported to Engineering News-Record for the corresponding 1943 week. The report, made public on April 6, also said:

Public construction for the week is 36% higher than a week ago and is responsible for the increased total, as private construction is 23% lower. Compared with a year ago, however, public construction is down 68%, and private is 34% lower.

The current week's construction brings 1944 volume to \$484,085,000 for the 14 weeks of the period, a decrease of 51% from the \$994,271,000 reported in 1943. Private construction, \$106,186,000, is 2% under last year, and public construction, \$377,899,000, is down 57% due to the 60% decrease in Federal work and the 7% decline in State and municipal.

Civil engineering construction volumes for the 1943 week, last week, and the current week are:

	April 8, '43	Mar. 30, '44	April 6, '44
Total U. S. construction	\$93,841,000	\$29,412,000	\$33,963,000
Private construction	11,973,000	10,250,000	7,846,000
Public construction	81,868,000	19,162,000	26,117,000
State and municipal	5,778,000	2,727,000	2,764,000
Federal	76,090,000	16,435,000	23,353,000

In the classified construction groups, gains over last week are in waterworks, sewerage, bridges, public buildings, earthwork and drainage, and unclassified construction. Increases over the 1943 week are in sewerage, bridges, industrial buildings, and earthwork and drainage. Subtotals for the week in each class of construction are: waterworks, \$553,000; sewerage, \$471,000; bridges, \$375,000; industrial buildings, \$1,896,000; commercial building and large-scale private housing, \$4,575,000; public buildings, \$11,969,000; earthwork and drainage, \$3,992,000; streets and roads, \$1,945,000; and unclassified construction, \$8,187,000.

New capital for construction purposes for the week totals \$2,599,000, and is made up entirely of State and municipal bond sales. The current week's new financing brings 1944 volume to \$184,237,000, a figure that compares with \$466,888,000 for the corresponding 1943 period.

Non-Ferrous Metals — Price Adjustments In Brass Ingot And Iron Ore Announced By OPA

"E. & M. J. Metal and Mineral Markets," in its issue of April 6, stated: "The expected upward revision in brass and bronze ingot prices was announced by OPA during the last week, to meet higher costs. Sellers of iron ore produced in Minnesota, Wisconsin, or Michigan were granted permission to enter into adjustable pricing agreements on 1944 business pending final action by OPA on requests made for a higher ceiling. The

quicksilver industry was interested in the February report of the Bureau of Mines showing a downward trend in output of the metal. Output of quicksilver in February was only 100 flasks in excess of consumption. There were no price developments in major non-ferrous metals last week." The publication further went on to say in part:

Copper

Consumers of copper are showing increased interest in metal for May shipment, and the industry believes that the next month also will experience a high rate of activity at fabricating plants. WPB eased restrictions on some minor products containing copper during the last week, but no tonnages will be involved in the changes made.

Effective April 1, OPA authorized higher ceiling prices for brass and bronze ingots in the 85-5-5 and 80-10-10 groups, because producers are unable to absorb the higher cost of virgin metal and high-grade scrap which now have to be used in the production of ingots. Insufficient supplies of scrap normally used, as old automobile radiators, caused producers to switch to other materials. Price increases granted average three-quarters of a cent a pound for the principal grades of 85-5-5, and 1½ cents in the 80-10-10 division.

During 1943, Inspiration Consolidated produced 110,084,955 pounds of copper, the annual report states. This quantity was exceeded by the company in only one year, namely 1916, when ore containing 1.548% copper was treated, as compared with 1.213% in 1943.

Lead

Sales of lead during the last week amounted to 5,943 tons, which compares with 5,545 tons in the preceding week. Consumers have purchased the bulk of their April requirements, probably to the extent of 90% and May

business now is getting under way in volume. Domestic production is expected to fall off temporarily in the next month or so, but any deficiencies in home supplies can be taken care of easily through release of foreign metal by WPB.

Zinc

Unless manpower shortages at the smelters can be relieved, production of slab zinc is likely to decline from now on. Output of zinc has been in excess of requirements for some time past, and, in spite of recent improvement in demand, the industry would not be embarrassed should production turn downward, trade authorities contend. The March statistics, when available, are expected to show another increase in stocks.

Tin

There were no market developments in tin last week. Metal is being released for use in essential applications at about the same rate as for some time past, and the over-all supply situation has changed little since the beginning of the year. The Belgian Congo is shipping both pig tin and tin concentrate to the United States, thereby augmenting our supplies to a considerable extent. Though shipments of low-grade concentrate from Bolivia to the Texas smelter may be smaller this year, the movement of high-grade material is expected to increase.

Straits quality tin for shipment, in cents a pound, was as follows:

	April	May	June
March 30	52.000	52.000	52.000
March 31	52.000	52.000	52.000
April 1	52.000	52.000	52.000
April 3	52.000	52.000	52.000
April 4	52.000	52.000	52.000
April 5	52.000	52.000	52.000

Chinese, or 99% tin, continued at 51.125c. all week.

Quicksilver

Makers of mercurial salts conferred with officials in Washington during the last week to consider the problem of handling

surplus stocks in a manner calculated to preserve orderly markets for their products. In some instances the post-war supplies are expected to be huge.

Production of quicksilver in February amounted to 3,800 flasks, against 4,400 flasks in January, the Bureau of Mines reports. Consumption for February was 3,700 flasks, which compares with 3,400 flasks in the preceding month. Consumers' and dealers' stocks at the end of February amounted to 9,400 flasks, against 11,300 flasks at the end of January. Producers' stocks at the end of February totaled 5,450 flasks against 5,459 flasks a month previous.

With production declining, some operators thought the market outlook is improving. However, quotations continued at \$130 to \$135 per flask, New York. San Francisco reported sales at \$125, Coast basis.

Silver

Refineries operating in the United States produced 12,499,000 ounces of silver during February, of which 4,647,000 ounces was obtained from domestic sources and 7,852,000 ounces from foreign material, the American Bureau of Metal Statistics reports. In February last year the total was 6,780,000 ounces, of which 3,421,000 ounces was domestic and 3,359,000 ounces foreign.

The silver market in London was unchanged last week at 23½d. The New York Official for foreign silver continued at 44¼c, with domestic silver at 70½c.

Daily Prices

The daily price of electrolytic copper (domestic and export refinery), lead, zinc and Straits tin were unchanged from those appearing in the "Commercial and Financial Chronicle" of July 31, 1942, page 380.

Ordinary Life Ins. Sales Up In British Isles

Sales of ordinary life insurance in the British Isles increased 7.5% in 1943, it was reported on March 29 by the Institute of Life Insurance. This was the third successive year in which they have increased, the 1943 total being 35% greater than that for the first year of the war. The advices from the Institute also said:

"Preliminary reports of 53 British companies give their aggregate 1943 sales of ordinary life insurance as \$864,000,000, an increase of \$60,000,000 over 1942 and \$223,000,000 greater than the 1940 total. The sales were still somewhat below the pre-war level, the 1939 business of these same companies being \$884,000,000 and their 1938 volume \$1,083,000,000.

"The marked improvement of life insurance sales in Great Britain, in the face of the stringencies of the British war economy, is evidence of the confidence in the future felt by the British people and their determination to improve their economic position."

Lumber Movement—Week Ended April 1, 1944

According to the National Lumber Manufacturers Association, lumber shipments of 492 mills reporting to the National Lumber Trade Barometer were 16.2% above production for the week ended April 1, 1944. In the same week new orders of these mills were 9.6% greater than production. Unfilled order files of the reporting mills amounted to 123% of stocks. For reporting softwood mills, unfilled orders are equivalent to 42 days' production at the current rate and gross stocks are equivalent to 32 days' production.

For the year-to-date, shipments of reporting identical mills exceeded production by 8.8%; orders by 15.5%.

Compared to the average corresponding week of 1935-39, production of reporting mills was 20.1% greater; shipments were 37.8% greater, and orders were 25.5% greater.

Revenue Freight Car Loadings During Week Ended April 1, 1944 Increased 8,600 Cars

Loading of revenue freight for the week ended April 1, 1944, totaled 787,525 cars, the Association of American Railroads announced on April 6. This was an increase above the corresponding week of 1943 of 15,423 cars, or 2%, but a decrease below the same week in 1942 of 41,513 cars or 5%.

Loading of revenue freight for the week of April 1 increased 8,600 cars, or 1.1% above the preceding week.

Miscellaneous freight loading totaled 383,757 cars, an increase of 11,011 cars above the preceding week, and an increase of 677 cars above the corresponding week in 1943.

Loading of merchandise less than carload lot freight totaled 109,005 cars, an increase of 2,289 cars above the preceding week, and an increase of 8,039 cars above the corresponding week in 1943.

Coal loading amounted to 165,834 cars, a decrease of 3,527 cars below the preceding week, but an increase of 8,408 cars above the corresponding week in 1943.

Grain and grain products loading totaled 41,110 cars, a decrease of 2,151 cars below the preceding week and a decrease of 2,216 cars below the corresponding week in 1943. In the Western Districts alone, grain and grain products loading for the week ended April 1, totaled 27,554 cars, a decrease of 1,311 cars below the preceding week and a decrease of 1,821 cars below the corresponding week in 1943.

Live stock loading amounted to 14,459 cars, a decrease of 32 cars below the preceding week, but an increase of 600 cars above the corresponding week in 1943. In the Western Districts alone loading of live stock for the week of April 1, totaled 10,487 cars, a decrease of 100 cars below the preceding week, and a decrease of 300 cars below the corresponding week in 1943.

Forest products loading totaled 41,119 cars, a decrease of 2,473 cars below the preceding week and a decrease of 776 cars below the corresponding week in 1943.

Ore loading amounted to 17,444 cars, an increase of 2,952 cars above the preceding week and an increase of 309 cars above the corresponding week in 1943.

Coke loading amounted to 14,797 cars, an increase of 531 cars above the preceding week, and an increase of 382 cars above the corresponding week in 1943.

All districts reported increases compared with the corresponding week in 1943 except the Southern. All districts reported decreases compared with 1942 except the Centralwestern and Southwestern.

The following table is a summary of the freight carloadings for the separate railroads and systems for the week ended April 1, 1944. During the period 74 roads showed increases when compared with the corresponding week a year ago.

	1944	1943	1942
5 Weeks of January	3,796,477	3,531,811	3,858,479
4 weeks of February	3,159,492	3,055,725	3,122,942
4 weeks of March	3,135,155	3,073,445	3,174,781
Week of April 1	787,525	772,102	829,038
Total	10,878,649	10,433,083	10,985,240

Railroads	Total Revenue Freight Loaded	Total Loads Received from Connections
Eastern District—		
Ann Arbor	232	267
Bangor & Aroostook	2,327	2,487
Boston & Maine	7,309	6,437
Chicago, Indianapolis & Louisville	1,320	1,640
Central Indiana	36	29
Central Vermont	1,085	1,093
Delaware & Hudson	6,038	6,316
Delaware, Lackawanna & Western	7,649	7,510
Delaware & Mackinac	241	230
Detroit, Toledo & Ironton	1,763	1,795
Detroit & Toledo Shore Line	307	307
Erie	13,766	12,850
Grand Trunk Western	3,813	3,507
Lehigh & Hudson River	167	182
Lehigh & New England	2,041	2,247
Maine Central	8,985	6,998
Monongahela	2,317	2,476
Montour	6,512	5,815
New York Central Lines	2,179	1,927
N. Y., N. H. & Hartford	47,993	52,671
New York, Ontario & Western	10,965	10,586
New York, Chicago & St. Louis	1,033	883
N. Y., Susquehanna & Western	6,237	6,155
Pittsburgh & Lake Erie	469	356
Pere Marquette	8,222	7,697
Pittsburg & Shawmut	4,932	4,807
Pittsburg, Shawmut & North	778	850
Pittsburgh & West Virginia	285	318
Rutland	988	562
Wabash	395	336
Wheeling & Lake Erie	5,405	5,521
Total	160,913	159,762

Railroads	Total Revenue Freight Loaded	Total Loads Received from Connections
Allegheny District—		
Akron, Canton & Youngstown	705	789
Baltimore & Ohio	42,985	39,971
Bessemer & Lake Erie	3,101	2,816
Buffalo Creek & Gauley	343	300
Cambria & Indiana	1,494	1,737
Central R. R. of New Jersey	7,041	6,868
Cornwall	591	91
Cumberland & Pennsylvania	163	312
Ligonier Valley	133	124
Long Island	1,256	1,262
Penn.-Reading Seashore Lines	1,772	1,602
Pennsylvania System	80,150	78,676
Reading Co.	14,623	16,077
Union (Pittsburgh)	20,373	20,925
Western Maryland	4,322	3,758
Total	179,052	175,308

Railroads	Total Revenue Freight Loaded	Total Loads Received from Connections
Pocahontas District—		
Chesapeake & Ohio	27,941	26,130
Norfolk & Western	21,584	20,432
Virginian	4,209	4,519
Total	53,734	51,081

Railroads	Total Revenue Freight Loaded			Total Loads Received from Connections	
	1944	1943	1942	1944	1943
Southern District—					
Alabama, Tennessee & Northern	247	308	409	465	332
Atl. & W. P.—W. R. R. of Ala.	820	785	967	2,348	2,525
Atlanta, Birmingham & Coast	576	641	702	1,640	1,367
Atlantic Coast Line	13,285	14,998	13,588	11,492	11,627
Central of Georgia	3,801	4,580	4,625	4,453	5,448
Charleston & Western Carolina	341	451	454	1,872	1,722
Clinchfield	1,601	1,615	1,681	3,417	3,246
Columbus & Greenville	207	320	366	199	263
Durham & Southern	103	106	80	875	593
Florida East Coast	4,191	2,800	2,581	2,069	1,609
Gainesville Midland	50	43	49	166	143
Georgia	1,031	1,578	1,766	2,688	2,466
Georgia & Florida	348	392	367	880	744
Gulf, Mobile & Ohio	3,845	3,716	4,433	4,188	5,051
Illinois Central System	25,742	25,165	28,794	18,557	16,796
Louisville & Nashville	23,862	23,433	26,191	11,451	11,496
Macon, Dublin & Savannah	179	206	183	1,011	961
Mississippi Central	220	251	183	705	462
Nashville, Chattanooga & St. L.	3,392	3,128	3,391	4,649	5,633
Norfolk Southern	886	1,147	1,267	1,765	1,581
Piedmont Northern	444	366	505	1,405	1,291
Richmond, Fred. & Potomac	407	371	542	12,196	10,684
Seaboard Air Line	10,977	10,704	11,215	9,319	9,761
Southern System	21,308	22,907	26,310	25,122	24,495
Tennessee Central	829	677	736	892	893
Winston-Salem Southbound	154	114	137	931	998
Total	118,851	120,802	131,522	124,745	122,187

Railroads	Total Revenue Freight Loaded			Total Loads Received from Connections	
	1944	1943	1942	1944	1943
Northwestern District—					
Chicago & North Western	15,447	15,147	20,911	14,152	12,491
Chicago Great Western	2,669	2,475	2,663	3,410	3,119
Chicago, Milw., St. P. & Pac.	19,784	18,793	19,805	10,389	11,071
Chicago, Et. Paul, Minn. & Omaha	3,207	3,112	3,304	4,172	3,735
Duluth, Missabe & Iron Range	2,706	935	16,379	171	203
Duluth, South Shore & Atlantic	688	521	695	575	471
Elgin, Joliet & Eastern	9,202	8,786	10,136	12,563	10,959
Ft. Dodge, Des Moines & South	399	421	571	103	80
Great Northern	12,051	10,719	18,660	5,774	5,251
Green Bay & Western	468	450	515	907	843
Lake Superior & Ishpeming	326	139	2,482	65	33
Minneapolis & St. Louis	1,975	1,918	2,111	2,644	2,300
Minn., St. Paul & S. S. M.	5,093	4,455	6,642	3,986	2,933
Northern Pacific	10,158	8,250	10,484	5,023	4,931
Spokane International	94	72	126	596	654
Spokane, Portland & Seattle	2,583	1,821	2,821	2,875	3,103
Total	86,856	78,014	118,305	67,405	62,177

Railroads	Total Revenue Freight Loaded			Total Loads Received from Connections	
	1944	1943	1942	1944	1943
Central Western District—					
Atch., Top. & Santa Fe System	21,540	21,941	22,683	11,760	12,927
Bingham & Garfield	2,828	3,073	3,531	4,179	3,836
Chicago & Burlington & Quincy	17,944	18,436	15,786	12,229	12,897
Chicago & Illinois Midland	2,795	3,192	2,747	960	874
Chicago, Rock Island & Pacific	10,577	12,878	11,403	13,370	13,963
Chicago & Eastern Illinois	2,644	2,438	2,501	6,686	5,834
Colorado & Southern	693	707	832	2,324	1,957
Denver & Rio Grande Western	3,355	3,174	2,569	5,953	5,523
Denver & Salt Lake	648	598	344	23	7
Fort Worth & Denver City	745	1,002	962	1,467	1,983
Illinois Terminal	2,035	1,899	1,996	2,024	1,602
Missouri-Illinois	1,139	1,030	1,328	462	513
Nevada Northern	1,826	2,057	2,009	115	143
North Western Pacific	768	791	1,051	681	719
Peoria & Pekin Union	9	22	18	0	0
Southern Pacific (Pacific)	29,286	26,921	27,778	15,281	12,954
Toledo, Peoria & Western	312	267	301	1,973	1,695
Union Pacific System	15,515	13,535	15,224	16,813	15,174
Utah	571	589	362	6	5
Western Pacific	2,016	1,703	1,727	4,208	3,790
Total	117,729	116,761	115,704	100,627	96,479

Railroads	Total Revenue Freight Loaded			Total Loads Received from Connections	
	1944	1943	1942	1944	1943
Southwestern District—					
Burlington-Rock Island	456	959	437	519	220
Gulf Coast Lines	7,684	5,305	4,800	2,468	2,379
International-Great Northern	2,123	2,014	1,987	4,082	3,564
Kansas, Oklahoma & Gulf	261	300	326	1,214	1,222
Kansas City Southern	5,891	5,119	4,378	2,881	3,033
Louisiana & Arkansas	2,939	2,795	3,071	2,438	2,620
Litchfield & Madison	288	222	391	1,109	1,040
Midland Valley	658	665	531	471	283
Missouri & Arkansas	185	176	228	429	525
Missouri-Kansas-Texas Lines	6,096	5,629	5,520	4,653	6,015
Missouri Pacific	15,446	16,227	15,748	21,182	16,979
Quanaah Acme & Pacific	110	98	146	332	399
St. Louis-San Francisco	7,620	8,628	8,037	9,413	9,113
St. Louis Southwestern	3,085	3,060	3,370	7,077	5,320
Texas & New Orleans	11,961	14,674	9,635	5,538	5,655
Texas & Pacific	5,484	4,379	4,569	7,675	6,731
Weatherford M. W. & N. W.	81	121	105	59	45
Wichita Falls & Southern	22	23	25	24	35
Total	70,390	70,374	63,304	71,564	65,178

*Previous week's figure.
Note—Previous year's figures revised.

Weekly Statistics Of Paperboard Industry

We give herewith latest figures received by us from the National Paperboard Association, Chicago, Ill., in relation to activity in the paperboard industry.

The members of this Association represent 83% of the total industry, and its program includes a statement each week from each member of the orders and production, and also a figure which indicates the activity of the mill based on the time operated. These figures are advanced to equal 100%, so that they represent the total industry.

Period	STATISTICAL REPORTS—ORDERS, PRODUCTION, MILL ACTIVITY			Percent of Activity	
	Orders Received Tons	Production Tons	Unfilled Orders Remaining Tons	Current Cumulative	
				Current	Cumulative
1944—Week Ended					
Jan. 1	121,212	92,328	589,815	63	93
Jan. 8	160,567	138,381	612,043	86	86
Jan. 15	153,097	146,596	614,215	93	90
Jan. 22	131,940	140,457	602,930	93	91
Jan. 29	145,735	147,423	597,011	95	92
Feb. 5	185,069	151,102	628,048	97	93
Feb. 12	154,797	151,870	630,449	97	94
Feb. 19	130,252	148,533	609,429	96	94
Feb. 26	151,980	139,044	621,875	93	94
March 4	178,375	146,926	650,606	95	94
March 11	152,627	144,761	655,882	95	94
March 18					

Items About Banks, Trust Companies

Percy H. Johnston, Chairman of the Chemical Bank & Trust Co. of New York announces the election of Daniel H. Haynes and Howard L. Sanders to the Advisory Board of the Madison Avenue at 46th Street Office of the Bank. Mr. Haynes is President and a Director of International Cigar Machinery Co. and Vice-President and a Director of the American Machine & Foundry Co. Mr. Sanders is the Treasurer of the Commercial Solvents Corp.

The statement of the Chase National Bank of New York City for March 31, 1944, shows deposits on that date of \$4,457,582,000, the largest deposit figure yet reported by the bank, and comparing with \$4,375,582,000 on Dec. 31, 1943, and \$4,203,291,000 on March 31, 1943. Total resources amounted at the latest date to \$4,766,000,000, compared with \$4,679,974,000 on Dec. 31 and \$4,482,656,000 a year ago; cash in the bank's vaults and on deposit with the Federal Reserve Bank and other banks, \$936,854,000, compared with \$1,050,012,000 and \$1,025,488,000 on the respective dates; investments in United States Government securities, \$2,691,990,000, compared with \$2,603,172,000 and \$2,403,236,000; loans and discounts, \$878,952,000, compared with \$791,980,000 and \$727,477,000.

Comparative figures of capital, surplus and undivided profits for the three respective dates follow:

	Mar. 31, '44	Dec. 31, '43	Mar. 31, '43
Capital	\$111,000,000	\$111,000,000	\$111,000,000
Surplus	124,000,000	124,000,000	124,000,000
Undivided profits	43,107,000	43,107,000	43,107,000
Total	\$278,107,000	\$278,107,000	\$278,107,000
Capital	\$100,270,000	\$100,270,000	\$100,270,000
Surplus	134,730,000	134,730,000	134,730,000
Undivided profits	37,878,000	37,878,000	37,878,000
Total	\$272,878,000	\$272,878,000	\$272,878,000
Capital	\$100,270,000	\$100,270,000	\$100,270,000
Surplus	100,270,000	100,270,000	100,270,000
Undivided profits	49,353,000	49,353,000	49,353,000
Total	\$249,893,000	\$249,893,000	\$249,893,000

Comparative earnings figures for the first quarter ending March 31, are:

	1944	1943
Net curr. oper. earns.	\$0.62	\$0.46
Net profits on securities	0.09	0.12
Net earns. per share	\$0.71	\$0.58

The statement of condition of the United States Trust Company of New York on March 31, 1944, shows total resources of \$157,822,621 and deposits of \$125,305,606, compared with \$147,412,756 and \$114,707,133, respectively, on Dec. 31, 1943. Cash in banks amounted to \$27,665,687, against \$26,106,160; holdings of United States Government obligations are shown as \$83,497,287, compared with \$74,702,667, and loans and bills purchased March 31 were \$28,825,414, against \$30,279,347. The bank's capital stock and surplus are unchanged at \$2,000,000 and \$26,000,000, while undivided profits are now \$2,387,567, compared with \$2,349,980 on Dec. 31, 1943.

The Public National Bank and Trust Co. of New York reported as of March 31, 1944, total deposits of \$339,687,845 and total assets of \$363,329,469, compared, respectively, with \$325,343,792 and \$349,066,439 on Dec. 31. Cash on hand and due from banks amounted to \$68,681,264, against \$68,078,079; holdings of United States Government securities to \$193,481,819, against \$195,284,344, and loans and discounts to \$88,465,039, against \$73,777,932. Capital and surplus were unchanged at \$7,000,000 and \$9,000,000, respectively, but undivided profits were \$3,572,738 after allowing for \$150,000 dividend payable April 1, against \$3,321,129 at the end of December.

Brown Brothers Harriman & Co., private bankers, in their financial statement as of March 31, 1944, show total assets of \$161,380,509, compared with \$167,555,691 on Dec. 31, 1943, and \$166,

477,869 on March 31, 1943. Deposits amounted to \$139,204,936, compared with \$147,304,540 at the end of 1943 and \$145,930,119 on March 31, 1943. Capital and surplus of \$13,545,553 compared with \$13,525,284 three months ago and \$13,465,913 a year ago. Loans and discounts were \$39,709,313, against \$41,522,247 on Dec. 31, 1943, and \$33,260,995 on March 31, 1943. Other important asset items compare as follows with the figures of three months ago and a year ago: Cash \$33,012,725 against \$36,579,482 and \$41,989,234, respectively, and United States Government securities \$52,514,532 against \$59,531,362 and \$63,660,603.

The First National Bank of the City of New York, in its report of conditions at the close of business March 31, 1944, shows total resources of \$1,091,020,303 and total deposits of \$939,720,778, compared with \$1,073,242,894 and \$942,358,691 on Dec. 31, 1943; cash and due from Federal Reserve banks and other banks, including exchanges, is listed at \$135,448,279 against \$144,675,789 three months ago; holdings of U. S. obligations, \$763,905,901 compared with \$773,541,537; and loans and discounts, \$83,455,054 against \$50,548,164; capital and surplus remain unchanged at \$10,000,000 and \$100,000,000, respectively. Undivided profits are given as \$15,026,808, after making provision for the April 1 dividend of \$2,000,000, compared with \$14,660,318 on Dec. 31, after providing for the Jan. 3 dividend of \$2,000,000.

Federation Bank and Trust Co. of New York announces that at the meeting of its Board of Directors on April 11, Thomas J. Shanahan was elected President of the bank to succeed Jeremiah D. Maguire, who will continue active in the management in his new capacity as Chairman of the Board of Directors. Mr. Shanahan had previously served as Senior Vice-President of the institution and has a background of over 20 years in Metropolitan banking. It is further announced that P. L. Roraback was elected Executive Vice-President; Robert E. Rosenberg, Vice-President, and John E. Varley, Treasurer and Comptroller of the bank.

Arthur S. Kleeman, President, Colonial Trust Company of New York, announces the appointment of Arthur B. Stewart, as Manager of the Personal Loan Department. Mr. Stewart is located at the Rockefeller Center Office.

The election of George Adams Ellis, partner of the law firm of Clark, Carr & Ellis, of 120 Broadway, as a director of the Continental Bank & Trust Co. of New York, was announced on April 6. Mr. Ellis is a member of the Executive Committee and a director of the Illinois Central Railroad Co. A graduate of the Columbia Law School, 1907, he is a trustee of the Columbia Law Review and Bard College and also holds directorships in the following companies, among others: New York Shipbuilding Corp., Yazoo & Mississippi Valley RR., Steamship Terminal Operating Co., Natural Gas Pipe Line Co. of America and the Lawrence Engineering & Research Corp.

Eighty-five years ago, on April 12, 1859, the Union Dime Savings Bank was incorporated, and the following month opened for business in a small store building in lower Manhattan. Following the trend of business, the bank moved uptown, and on its 50th anniversary—in 1909—moved to its present location at Sixth Avenue and 40th Street. At that time deposits totaled \$28,000,000. The bank has grown steadily, and at the present time is thirteenth in amount of deposits of all mutual savings banks in the United States—hav-

ing total deposits of over \$153,500,000. In commenting on this, Mr. William L. DeBost, President of the bank, said:

"Mutual savings banks, both in time of war and peace, play an important part in the economic life of the country. The present increase in savings is most encouraging, for it serves as a bulwark against inflation. Every dollar put into savings and into War Bonds helps to keep prices down, and will be available for future use.

"The Union Dime Savings Bank was one of the first savings banks in Manhattan to establish a payroll savings department for the purchase of War Bonds. At the present time it is handling about 8,000 payroll savings accounts for some 300 companies in the neighborhood of the bank. Approximately 80,000 bonds, having a maturity value of about \$3,500,000 have been issued to these accounts. Since May 1, 1941, we have sold over 182,000 bonds, having a maturity value in excess of \$17,500,000."

Clyde S. Stillwell, Vice-President, National Biscuit Co., and a director of the National Better Business Bureau, has been elected a trustee of the New York Savings Bank of New York.

The statement of condition of the Brooklyn Trust Company of Brooklyn, N. Y., as of March 31, 1944, shows total deposits of \$193,401,258, comparing with \$194,151,642 on Dec. 31, 1943. Total resources were \$209,393,083 against \$210,007,804. Cash on hand and due from banks was \$38,072,764 against \$45,374,500 at the year-end, while holdings of United States Government securities were \$127,229,752 against \$120,377,755. Total loans and discounts were \$30,231,325 against \$31,360,256. Undivided profits of \$1,454,784 were shown, comparing with \$1,452,590 on Dec. 31, last. Capital and surplus were unchanged.

Charles W. Millard, Jr., and Neil D. Callanan have been elected Vice-Presidents of the Manufacturers & Traders Trust Company of Buffalo, N. Y., President Lewis G. Harriman, announced on April 6, according to the Buffalo "Evening News." Both Mr. Millard and Mr. Callanan have been Assistant Secretaries, it is stated.

According to the Rochester (N. Y.) "Times Union," the East Side Savings Bank and the Mechanics Savings Bank announced on April 5, subject to approval of the State Superintendent of Banks, the merger of the two institutions as the Community Savings Bank of Rochester. Combined resources of the bank, a statement said, will be "over \$52,000,000 which will make it the second savings bank in Rochester as to both resources and deposits."

The Philadelphia National Bank, Philadelphia, Pa., reported as of March 31, 1944, total deposits of \$682,002,754 and total assets of \$741,331,631, compared, respectively, with \$710,665,228 and \$768,390,934 on Dec. 31. Cash and due from banks on March 31 amounted to \$171,887,883 against \$194,923,457; holdings of U. S. Government securities to \$422,360,167 against \$431,727,627, and loans and discounts to \$94,882,036 against \$92,136,574. Capital and surplus were unchanged at \$14,000,000 and \$21,000,000, respectively, and undivided profits were \$15,113,754 against \$14,681,252 at the end of December.

The Philadelphia National Bank of Philadelphia, Pa., has appointed Harold K. Koch an Assistant Cashier. Harold W. Wallgren, for the past several years an Assistant Cashier, is leaving shortly for service in U. S. Navy.

Stockholders of the National City Bank of Cleveland voted on April 5 to increase the bank's

capital by \$3,375,000 through the issuance of 112,500 new shares of capital stock at \$30 per share. Present shareholders will be given first purchase options, which expire April 18, on the basis of one new share for each four old shares held. In referring in our issue of March 23, page 1240, to the proposal incident to the changes in the capital structure, it was noted that the net effect will be to increase the surplus from \$5,625,000 to \$9,000,000, a sum equal to the capital stock outstanding. This would make capital, surplus and undivided profits \$19,563,120 with reserves of \$2,726,698 as of March 15. Stockholders also voted to reduce the par value of all stock from \$20 to \$16 a share.

The Board of Directors of the Union Bank of Commerce of Cleveland, Ohio, authorized the following statement on April 7: John K. Thompson has been elected President and a member of the Board of Directors of the Union Bank of Commerce, effective April 15, to fill the vacancy created by the resignation of Oscar L. Cox, whose experience will be retained in an advisory capacity.

The bank is deeply indebted to Mr. Cox for the outstanding work he has done in developing the Union Bank of Commerce and his loss will be keenly felt. The Board hopes that his release from active responsibility at the bank will aid him immeasurably in recovering his health.

Mr. Thompson comes to the Union Bank of Commerce with a wealth of financial and business experience. The Board is confident that under his direction the progress and prosperity of the bank and its usefulness in the community will be most efficient and soundly developed.

The Hermann Bank, Hermann, Mo., became a member of the Federal Reserve Bank on April 7. The Federal Reserve Bank of St. Louis, in announcing this, says:

"The new member was chartered in 1935. It has a capital of \$30,000, surplus of \$21,000 and total resources of \$1,008,345. Its officers are: John H. Helmers, President; Arlie L. Scharnhorst, Vice-President and Cashier, and B. A. Wagner, Assistant Cashier and Secretary. The addition of the Hermann Bank brings the total membership of the Federal Reserve Bank of St. Louis to 461. These member banks hold over 70% of the net deposits of all banking institutions in the Eighth (St. Louis) District.

The Board of Governors of the Federal Reserve System announce that the Citizens Bank & Trust Co. of Concord, N. C., a State member bank, has converted into a national bank under the title of Citizens National Bank of Concord, effective April 1.

F. D. R. Lauds Yugoslavs

President Roosevelt's "admiration and friendship" for the Yugoslavs was expressed in a message to King Peter on the third anniversary of that nation's entry into war. Advices from London (Associated Press) reporting this on March 28, stated that the President's message, dated March 27, and released March 28 by the Yugoslav Government—in-exile, said:

"Three years ago today the Yugoslav people rallied to begin their gallant struggle against the forces of oppression and tyranny, a struggle that has become an epic in the minds and hearts of Americans. In greeting your Majesty on this anniversary, I extend to the embattled people of Yugoslavia an expression of America's admiration and friendship."

NYSE Borrowings Show Decrease

The New York Stock Exchange announced on April 6 that the total of money borrowed as reported by Stock Exchange member firms as of the close of business March 31 was \$747,461,221, a decrease of \$63,783,152 below the February 29 total of \$811,361,133.

The following is the Stock Exchange's announcement:

The total of money borrowed from banks, trust companies and other lenders in the United States, excluding borrowings from other members of national securities exchanges, (1) on direct obligations or obligations guaranteed as to principal or interest by the United States Government, \$260,150,550; (2) on all other collateral, \$487,310,671; reported by New York Stock Exchange member firms as of the close of business March 31, 1944, aggregated \$747,461,221.

The total of money borrowed, compiled on the same basis, as of the close of business Feb. 29, 1944, was (1) on direct obligations or obligations guaranteed as to principal or interest by the United States Government, \$308,945,050; (2) on all other collateral, \$502,299,323; total, \$811,244,373.

February Steel Payrolls Show Sharp Daily Gain

Steel industry payrolls during the month of February were below January in total, but the average paid out per day in February was substantially above daily payrolls in the month before, the American Iron and Steel Institute announced on April 12. The Institute's report further stated:

"February steel payrolls totaled \$137,615,000, or an average of about \$4,750,000 per day. In January, the total payroll was \$141,794,000, approximately \$4,580,000 per day. In February 1943, steel industry payrolls amounted to \$122,759,000, and averaged about \$4,380,000 per day.

"Employment in the industry averaged 583,000 in both January and February of this year. In February 1943 the industry employed a total of 635,000 men and women, a figure which is not directly comparable with the 1944 figures which represent average employment during the months rather than the total.

"Wage earners in the steel industry worked an average of 47.0 hours per week in February, as against 45.7 hours per week in January and 41.6 hours per week in February a year ago. The increase is chiefly due to the dwindling supply of available manpower as a result of the draft.

"Wage-earning employees earned an average of 116.1 cents per hour in February, compared with 116.5 cents per hour in January and 110.5 cents per hour in February 1943."

War Bond Radio Program

Mrs. Franklin D. Roosevelt and Secretary of the Treasury Henry Morgenthau, Jr., will participate in a 15-minute special War Bond radio program Friday, April 14 (NBC, 7:30 to 7:45 p.m., EWT, except WEA, which will carry a re-broadcast by transcription at 11:30 p.m., EWT).

The broadcast will be the feature of a Fifth War Loan rally of Federal Government workers in Washington, citing them for the fact that nearly all these employees are now allotting 10% of their pay for War Bonds. Mrs. Roosevelt is expected at this time to give the nation a brief report of her recent Caribbean trip.