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Over-The-Counter Dealers Must Unite

Newspaper Quotations Now Make It Impossible To Conduct Business At Profit

In our issue of December 18 we carried an article under the above heading. It disclosed the situation which has arisen under the new NASD system of preparing quotations on over-the-counter securities for publication in the press.

We concluded with a request that over-the-counter dealers write us their views on the subject.

On December 25 and January 1 we presented a number of replies received prior to that date.

Today we make room for others which have since come to hand. Further comments and suggestions are urgently asked. Requests that names not be printed will be scrupulously observed.

I have read with interest your article in the Dec. 18th issue of the "Chronicle" entitled "Over-the-Counter Dealers Must Unite" and the replies from dealers published in subsequent issues. I heartily agree that the Over-the-Counter dealers should unite and as quickly as possible, but I disagree on the reasons and motives. As I see our problem, it isn't a question of "narrow spreads in newspaper quotations" or "Over-the-counter dealers" versus "members of recognized Stock Exchanges." It's much bigger than that.

To get what I mean, let's take a look at ourselves collectively. We are engaged in the only legitimate industry which is still in disrepute with the general public, and we are not making any organized effort to rectify this condition. Instead of trying to increase our

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$59 Billion Budget For 1943 Debt Of $110 Billions Foreseen

President Roosevelt delivered his annual budget message before the Congress of the United States yesterday (Jan. 7). Expenditures in the fiscal year which starts next July 1 he estimated at $59,027,992,300 and for the current fiscal year which ends June 30, $30,675,796,162, which figures compare with $12,774,890,323 in the year ended last June 30. Needless to say the amounts projected are of unprecedented magnitude and are chiefly for purposes of carrying on the world wide war in which we are presently engaged.

Revenues to meet these expenditures after deducting the Federal Old Age and Survivors Insurance Appropriation were estimated by the President at $16,487,200,000 in the 1943 fiscal year and $11,943,993,000 in the 1942 year, and these figures compare with actual receipts in the 1941 fiscal year of $7,607,211,852. Receipts and expenditures in 1941 left a budget deficit to be provided for of $5,103,400,000, which seemed large at the time but is now dwarfed by the prospect of a deficit of $18,631,800,000 in 1942 and one of $42,440,800,000 in the fiscal year 1943. Tentatively Mr. Roosevelt estimated that by June 30, 1943, the public debt would approximate $110,000,000,000 or nearly double the present level.

The ultimate costs of the war Mr. Roosevelt said he could not forecast but he asserted "we are determined to pay whatever price we must to preserve our way of life." In the future details of war appropriations cannot be made public, the President said, but the public will be informed of the fiscal situation and progress of the war effort through publication of total figures of appropriations and expenditures.

The defense program including appropriations, contract authorizations, recommendations and commitments of government corporations increased from $29,000,000,000 on Jan. 3, 1941, to $75,000,000,000 at the close of 1941, he stated. There remains of the latter amount $24,000,000,000 for future obligations. Continuing, he said:

In this budget I make an initial request for a war appropriation of $13,600,000,000 for the fiscal year 1943. Large supplemental requests will be made as we move toward the maximum use of productive capacity. Nothing short of a maximum will suffice.

With respect to non-defense expenditures he said in part:

In the preparation of the present budget, expenditures not directly related to the war have been reduced to a minimum or reoriented to the war program.

We all know that the war will bring hardships and require adjustment. Assisting those who suffer in the process of transformation and taxing those who benefit from the war are integral parts of our national program.

It is estimated that expenditures for the major federal assistance programs—farm aid, work relief, youth aid—can be reduced by $600,000,000 from the previous to the current fiscal year, and again by $860,000,000 from the current to the next fiscal year. These programs will require $1,400,000,000 during the fiscal year 1943, about one-half of the expenditures for these purposes during the fiscal year 1941.

With respect to methods of obtaining funds to meet the proposed expenditures the President said in part:

Total receipts from existing tax legislation will triple under the defense and war programs. They are expected to increase from $6,000,000,000 in the fiscal year 1940 to $18,000,000,000 in the fiscal year 1943. This increase is due partly to the expansion of economic activities and partly to tax legislation enacted during the last 2 years. As we approach full use of our resources, further increases in revenue next year must come predominantly from new tax measures rather than from a greater tempo of economic activity. Taxes on incomes, estates, and corporate profits are showing the greatest increase. Yields from employment taxes are increasing half as fast, and the yields from excise taxes are increasing more slowly; customs are falling off. On the whole, our tax system has became more

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Regular Features

State of Trade

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BancOhio Name Now The Ohio Company

COLUMBUS, OHIO—The BancOhio Securities Company announces the change of its firm name to The Ohio Company, effective Jan. 1. There will be no change in management, personnel or location of the offices, which will continue at 51 North High Street, Columbus, Union Trust Building, Cincinnati, and Union Commerce Building, Cleveland.

The firm was originally organized in 1921 as the bond department of the Citizens Trust & Savings Bank; later the First Citizens Trust Company. In 1925, the First Citizens Corporation was formed as an affiliate of the First Citizens Trust Company and the First National Bank, taking over their investment departments. In 1930, the First Citizens Corporation, the Ohio National Corporation and the Will J. Thompson Company combined to form BancOhio Securities Company, the stock of which was owned by the BancOhio Corporation. However, since the passage of the Banking Act of 1933, the BancOhio Securities Company has operated as a private company, entirely separate from the BancOhio Corporation.

According to Ewing T. Boles, President of the company, the change is to remove all connection in the mind of the public between the BancOhio Securities Company and the BancOhio Corporation, since confusion from the similarity of the names has seemed to continue in spite of the separate ownership and operating personnel.

Officers of the Ohio Company are: Ewing T. Boles, President; Edward M. Battin, Henry F. Thierman, Dennis E. Murphy, Malcolm S. Rank, Vice-Presidents; Edgar S. Noland, Vice-President and Treasurer; John M. Waring, Assistant Vice-President: Arthur F. Johnston and George W. Hendrix, Assistant Treasurers.

New Officers Elected By Baltimore Traders

BALTIMORE, MD.—At the annual business meeting of the Baltimore Security Traders Association, the following were elected to office:


John T. Baldwin

John T. Baldwin of Alex. Brown & Sons, President; J. William Eggleston of Jenkins, Whedbee & Poe, Vice-President; Richard C. Annan of W. E. Hutton & Co., Secretary, and Floyd W. Bousman of Stirling, Morris & Martin, Treasurer.

William H. Boggs of Frank B. Cahn & Company, the retiring President, and Jack A. Kolscher of George G. Shriver & Co. were elected governors of the Association for three year terms.

The sixth annual Winter Dinner of the Association will be held at the Lord Baltimore Hotel, Friday, Jan. 9. A number of traders from Boston, New York, Philadelphia, Washington and other cities will attend.

J. P. Morgan Completes Fifty Years As Member Of Wall Street House

J. P. Morgan, Chairman of the Board of J. P. Morgan & Co. Incorporated, on Dec. 31 completed 50 years with the banking house that bears his name.

On Jan. 1, 1892, Mr. Morgan was admitted to partnership in the affiliated firms of Drexel & Co., Philadelphia, Drexel, Morgan & Co., New York, and Drexel, Harjes & Co., Paris, the London associate firm not having then been organized. Mr. Morgan became head of the firm on the death of his father in 1913.

On April 1, 1940, the house changed from a partnership to a State-chartered bank and the Philadelphia organization of Drexel & Co. began operation as a separate partnership, although the Morgan interests in Morgan, Grenfell & Co., Ltd., of London, and Morgan & Cie. of Paris, were continued.

E. A. Whiting Opens New Dept. For Peter Morgan Co.

Peter Morgan & Co., 31 Nassau Street, New York City, announce that Edmund A. Whiting has become associated with them. Mr. Whiting will open a department to deal in real estate and industrial securities. He was formerly with Mitchell & Co., and Amott, Baker & Co.

Richard Buechler Now With Lehman Brothers

Lehman Brothers, 1 William Street, New York City, members of the New York Stock Exchange and other leading exchanges, announce the establishment of a corporate bond trading department under the direction of Richard K. Buechler.

For the past six years, Mr. Buechler had been a partner in charge of the bond department at Newman Bros. & Worms, and prior to that he managed H. Hentz & Company's bond department.

To Address NJ Bond Club On Tax On Municipals

Lee W. Carroll, of John B. Carroll & Co., President of the Bond Club of New Jersey, has announced that a luncheon meeting will be held at the Robert Treat Hotel in Newark on Thursday, Jan. 22. Austin J. Tobin, Assistant General Counsel for the Port of New York Authority and Secretary of the Conference on State Defense, will speak on the subject of "Federal Taxation of Municipal Bonds."

Sheldon In San Francisco

SAN FRANCISCO, CALIF.—Willard H. Sheldon is now conducting a general securities business from offices in the Kohl Building. Mr. Sheldon formerly was active from offices in Palo Alto, Calif. The formation of his firm was previously reported in the "Financial Chronicle" of Dec. 18.

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Subscriptions in United States and Possessions $26.00 per year, $15.00 for 6 months; in Dominion of Canada, $27.50 per year, $15.75 for 6 months. South and Central America, Spain, Mexico and Cuba, $29.50 per year, $16.75 for 6 months; Great Britain, Continental Europe (except Spain), Asia, Australia and Africa, $31.00 per year, $17.50 for 6 months. NOTE: On account of the fluctuations in the rate of exchange, remittances for foreign subscriptions and advertisements must be made in New York funds.

E. H. Welch Rejoins Sincere & Co. Staff

CHICAGO, ILL.—Edward H. Welch has resigned as Vice-President of McGuire, Welch & Co., which is discontinuing its Chicago office, and has become associated with Sincere & Co., 231 South La Salle Street, members of the New York Stock Exchange and other leading Exchanges. In his connection with Sincere & Co., Mr. Welch will act as Chicago correspondent for McGuire, Welch & Co. of Des Moines. In the past he was affiliated with Sincere & Co. from 1931 to 1937 when McGuire, Welch & Co. was organized.


Edward H. Welch

Mr. Welch is a member of the Executive Council of the National Security Traders Association, having just completed his second term as national Secretary, and is a member of the Bond Traders Club of Chicago, of which he is a past President and director.

Merrill Hartman Now With Merrill Lynch Co.

DALLAS, TEX.—Merrill Hartman, formerly with Beckett Gilbert & Co., and Dallas Rupe & Son, has joined the local office of Merrill Lynch, Pierce, Fenner & Beane, First National Annex Building. Mr. Hartman will be in charge of the unlisted securities department in that office. He is a member of the National Security Traders Association and the Dallas Bond Club.

NY Trade Board Urges Lower Transfer Tax

Reduction of the New York State transfer tax and removal of the double tax on odd lots was urged by the New York Board of Trade in a telegram to Governor Lehman. Marshall W. Pask, a partner in Mackay & Co., New York Stock Exchange members, and Chairman of the Securities, Commodities and Banking Section of the Board of Trade, made the following statement in making the telegram public: "This month Governor Lehman will submit to the Legislature the executive budget, which will show anticipated tax receipts as well as disbursements which he recommends. The time is now opportune for the Governor to correct a gross inequity in our State tax structure.

"Most certainly this is not a case of business men seeking to avoid just and reasonable, though heavy, taxation. No American business man would attempt to do that in this present emergency. Everybody, and that includes the investment industry, is willing to pay to the last available dollar.

"But medical science does not draw blood from anemic and sick patients in order to increase the supplies in the blood banks. Our securities industry, in this instance, is the sick patient. It has consistently failed for the last several years to meet the quotas allotted to it in budget making.

"The flurry of the last few days is no indication of a recovery. Prices in relation to volume proves this conclusively. The selling was done largely for the purpose of computing taxes. The low prices prevailing completely refute any thought of a constructive investment market.

"One of the greatest contributions to our national defense would be strong stock, bond and commodity markets. These vital spots are watched by our enemies with great interest.

"Thin weak markets have a tendency to lower the loan value of securities in the banks and to lower the asset values of American business enterprises. Feverish markets do not show strength. There is a vast difference between runaway price markets, which nobody desires, and a confident American spirit expressed through firm and strong capital markets, which our country does need. No weapon would give our enemies more concern than an exhibition of American confidence expressed through a healthy and vigorous financial structure.

"The State of New York should do its utmost to heal this patient."

Ernest Reich Now Partner

Ernest Reich, who has been associated with Reich & Co., 52 Broadway, New York City, members of the New York Curb Exchange, for some years as manager of the Curb department, has been admitted to partnership in the firm.

Dempsey-Tegeler Co. Gets NYSE Membership

ST. LOUIS, MO.—Announcement is made by the investment firm of Dempsey-Tegeler & Co., 407 North Eighth Street, that they have been admitted to membership in the New York Stock Exchange. The firm is active as underwriters and distributors of Catholic Institutional Securities throughout the country, and recently their facilities were expanded to include corporation stocks and bonds. Now, with membership in the New York Stock Exchange, they can execute customers' orders for the purchase or sale of listed stocks and bonds.

The firm maintains a branch office in Chicago at 39 South La Salle Street. Partners are Timothy F. Dempsey and Jerome F. Tegeler, the Exchange member.

Raymond Gremp Forms Own Firm In St. Louis

(Special to The Financial Chronicle)

ST. LOUIS, MO.—Raymond Gremp has formed Gremp and Company with offices in the Boatmen's Bank Building, to engage in a general securities business. Mr. Gremp was formerly a partner in the firm of Neuwoehner, Gremp & Company, which has been dissolved.

Huff, Geyer & Hecht Add Cloyes In Chicago

CHICAGO, ILL.—Corwin Liston, of the New York office of Huff, Geyer & Hecht, Inc., specialists in insurance stocks, who recently opened a Chicago office at 135 South La Salle Street for the firm, announces that Fred O. Cloyes will be associated with that organization in the Chicago office as of Jan. 12.

Mr. Cloyes was previously with McMaster, Hutchinson & Co. and recently with Webber, Darch & Co. On or about Feb. 1, Mr. Liston will return to the New York office of Huff, Geyer & Hecht, at which time Mr. Cloyes will assume charge of the Chicago office.

"JOTTINGS"

Probably somebody in Washington is soon likely to point out that if Germany, Britain and Japan can spend 50% of their effort on arms we ought to be able to spend an even larger per cent—on three counts: first, because we have a civilian backlog of automobiles, clothes, etc., which they do not have; second, because our standard of living, being higher, can stand more shrinkage; and third, because the faster we convert and divert energy to war the sooner the war will be over.

Germany, for instance is reported to be spending already up to 60% for war. Those may be German propaganda figures, but on the record we have generally underestimated, not over-estimated Axis ability to supply their armed forces.

Notes on the rationing front. . . . The surprise element gets larger—naturally. Washington has to act fast, before civilians anticipate its rationing programs, just as the British had to spring their "point-rationing" system for clothing. So don't expect kindly hints to be passed out from Washington about shortages to meet which it intends to apply rationing after you have had plenty of time to stock up. . . . Incidentally, stocking up isn't going to be much use, either, in many lines, unless you are able to mastermind the arms program. You may stock up on the wrong things, or after stocking up you may have to declare what you own, as of tires for instance, under oath, or your foresight may not help your popularity.

The 50-50 arms program must mean enormous conversions of plant and requisitions of machinery. Otherwise we should have to build an arms plant almost equal to our recent peacetime industrial plant.

Hence, as to 1942 outlook, American industries may be roughly divided into three categories: first, those like steel, shipbuilding, and airplane building, which will go on building for the war, subject only to internal changes such as, in steel, from sheets to plates, and in aircraft from fighters to bombers or vice versa; second, those like textiles, which will go on producing essential civilian goods, subject only to internal changes from one type to another; and third, those now producing civilian nonessentials, like automobiles, which will have to be converted.

A 50-50 arms program, if it means $50 billions for arms and $50 billions for civilians, would take us back approximately to either 1934 or 1921—in dollars. With price adjustments we would be somewhat worse off than 1934, better off than 1921. But rationing is not going to cut out essentials. That means that the top of the higher living standards will be clipped off while the bottom will be shored up by increased employment. In fact they say the average Englishman's health is now better than it was before the war.

A lot will happen to rail operations, some good, some bad for earnings. OPM estimates 51,000,000 carloadings for the year—an average of nearly 1,000,000 a week. That will shove the October peak far over 1,000,000 cars. The roads will probably have to give up their short hauls to the trucks, but will probably be given all the long-haul business the trucks have taken; trucks are scarce and so is rubber. To save freight-cars considerable re-routing will have to be enforced, and the inland waterways will probably get a good deal of additional business, particularly down the Mississippi and up the Ohio. Passenger car and passenger locomotive production has already been stopped, and passenger train schedules will be very crowded, particularly with former automobile riders.

Too late, the Far Eastern picture shapes up economically in our disfavor in many respects. Japan has all the rubber she needs — from Indo-China and Thailand—and we haven't. Her merchant fleet, though somewhat smaller, is much newer, and the ships she loses average 1,000 tons smaller than ours. She has all the tin she needs, though since the British blew up the Penang smelters she will have to smelt it uneconomically by hand. She will get a considerable haul of sugar, hemp, and cocoanut products, minus what MacArthur has destroyed. She presumably still won't get the oil she needs, to judge by Dutch determination to pour cement down the wells, though she may—or may not—be able to sink new shafts quickly.

Miscellaneous. . . . The Navy in particular is dissatisfied with civilian handling of procurement, wants it turned over to the Joint Munitions Board, but until Pearl Harbor is explained, is itself under a cloud. . . . While the sending was good, the Dutch sent all the tin they could; the British were a little slow. They were reluctant to increase operations to capacity under the 100% excess profits tax, and let the U. S. pile up tin reserves which might back up on a post-war market. . . . It looks as though consumers will not have that "Economic Indian Summer" after all. . . . But on the other hand it also looks as though there won't be that anticipated employment let-down due to war-production changeover. . . . Parity as a basis for price-control seems absurd; it is too high for wheat and cotton, too low for meat and wool, etc. . . . New York Life will probably not lower its "expected return" or raise its premiums . . . it has been more conservative than some of the others . . . but instead it may lower dividends in 1942 . . . land war risk insurance is a headache for the fire companies, for they are "damned if they do and damned if they don't" undertake it. . . .

PERSONNEL ITEMS

If you contemplate making additions to your personnel, please send in particulars to the Editor of the Financial Chronicle for publication in this column.

(Special to The Financial Chronicle)
BOSTON, MASS.—**Joseph D. Knight** has been added to the staff of **Kendall G. Hathaway & Co.**, 31 State St.

(Special to The Financial Chronicle)
BREWER, ME.—**Merton E. Foster** has become connected with **R. H. Johnson & Co.**, 31 State St., Boston, Mass., and 64 Wall St., New York City. Mr. Foster was previously with Townsend, Anthony & Tyson and Eli T. Watson & Co.

(Special to The Financial Chronicle)
CHICAGO, ILL. — **J. Russell Wheeler**, for many years with Winthrop, Mitchell & Co., has become associated with **Hicks & Price**, Continental Illinois Bank Building.

(Special to The Financial Chronicle)
KANSAS CITY, MO. — **Louis Francis Howser and Alan LeRoy Weston** have joined the staff of **Barrett Herrick & Co., Inc.**, 1012 Baltimore Avenue. In the past Mr. Weston was connected with James A. Ross & Co.

(Special to The Financial Chronicle)
ST. LOUIS, MO.—**Thomas J. Hagan** has rejoined **Slayton & Co., Inc.**, Boatmen's Bank Building.

Wall Street—The Financial Backbone Of The Nation

For the past eight and more years we have had a National Administration at Washington which has, in every conceivable manner, attempted to destroy Wall Street, in New York. Those engaged in business there have been called every name in the catalogues of names except that of Americans and gentlemen. Those on the Street have "set steady in the boat," paid absolutely no attention to the assaults and bitter statements made about them and have prospered and kept their faith in the United States and its people. These assaults upon the Street and those engaged in business there were made by practical and unscrupulous politicians, and in many instances by just plain, every-day "crooks." But Wall Street withstood all the assaults made upon it, and today we find many people who abused those on the Street now admitting that *Wall Street is the financial backbone of the nation.* In this crucial time the Street and those engaged in business on it have undergone a real test of true Americanism and nowhere in all this country has *any* organization responded as liberally and as freely to the calls of distress from the Nation's Capital as has Wall Street. Without Wall Street bankers and business men at this time, we would soon find the Nation an "Oasis in the Desert," with nowhere to go and nobody to call upon. We personally know no one on Wall Street, but a thorough investigation by us proves that the Street is composed of *business men—real and genuine and loyal Americans—men who believe in the Constitution of the United States, the Declaration of Independence and the Bill of Rights.* And they were willing to go their limit, with life and property, to preserve all of them for the present generation and the generations yet unborn. *And that is far more than we can say about some of those who have heaped abuse and villification upon Wall Street and those engaged in business upon it.* Looking at Wall Street and its record of achievement we are forced to conclude that it is the real *financial backbone of this nation.* Futher than that, the Street and its operators are the *only safe barometer of business in the United States.* When Wall Street is prosperous the Nation's business is prosperous. When it is not prosperous it is "just too bad" for the business interests of the country. Personally, the editor of the "Gazette" wishes there were in places of power at Washington at this very hour some men of the foresight, the ability, the plain, practical common sense, and farsightedness that there are on Wall Street. We have no hesitancy in saying that this Nation would be far better off than it is if all its citizens were as loyal and true Americans as Wall Street is composed of and if a majority of the American people would give as liberally and as unselfishly to the cause of National Defense as Wall Street has done and will do in the future, there would never be any trouble in selling Defense Bonds and Stamps. Wall Street is today back of this Government's effort to preserve the *freedom and liberty* of the American people with all that it has, although it and the members of the organization have been insulted, abused, denounced and crucified upon the Cross of Hate by many of our people. *Long Live Wall Street!* Now it is at this very hour the *financial foundation and backbone of the United States.* Without the help of this much villified organization your Uncle Sam would be in a bad way financially in this hour of need. It is about time that the people of this Nation quit abusing Wall Street and begin to "pat it on the back" for what it has done and is doing, not only for their country, but for the business interests of *The Land of the Free and the Home of the Brave.*
—From "Mount Sterling Gazette" (Mt. Sterling, Ky.) of Jan. 2, 1942.

Chicago Bond Traders Elect New Officers

CHICAGO, ILL. — The Bond Traders Club of Chicago at a recent meeting unanimously elected the following officers for the year 1942:

President: Henri P. Pulver, Goodbody & Co.
Vice-President: Frederick J. Cook, Clement, Curtis & Co.
Secretary: Francis C. Woolard, Kneeland & Co., Inc.
Treasurer: Jerry Marquardt, Fuller, Cruttenden & Co.

The new officers will be presented to the club at the annual dinner, Feb. 3, to be held at the Palmer House.

Fox & Monteith Formed: New York Curb Firm

Andrew J. Fox, Jr., and Joseph E. Monteith, both members of the New York Curb Exchange, have formed Fox & Monteith, with offices at 52 Broadway, New York City. Both were formerly in business as individual Curb brokers, Mr. Monteith specializing in foreign bonds.

Tomorrow's Markets Walter Whyte Says

Signals have been given that presage not lower prices but higher prices; time has come to begin a gradual buying program; for details see below:

By WALTER WHYTE

Last week I wrote that the market was beginning to show signs of a pending reaction and that when, and if, this reaction came it would take back anywhere from 2 to 4 points of the recent gains. gains.

* * *

I have seen nothing to make me change that opinion.

* * *

The buying of last week or so has dwindled away to the point where what activity there is seems to be generated among floor brokers. You can see this in the volume.

* * *

Now the question comes up as to whether or not this market will go off the 2 to 4 points as a unit or in individual stocks. I lean to the latter belief. Not that the market as measured by averages won't go down too but rather whether it does, or doesn't, is at best academic.

* * *

Reducing the market to an average has its points, though most of these are overrated. For after all is said and done —and one can get quite pedantic about a favorite set of averages—the final choice of what to buy will still have to be answered by the individual and have to be limited to a specific security or a group of securities. Don't misunderstand me. I don't mean to say that the action of averages doesn't affect individual stocks. They do. Definitely. For no stock, no matter how strong, can withstand a general market decline. Though strange as it seems different stocks will, and do, refuse to participate in general market advances. There are sound reasons for this but their discussion has no place here.

* * *

It all comes down to this: if you want to buy stocks you have to buy them, and not averages.

* * *

As this is being written the big talk in the Street is the coming taxes, how high they'll be and how they'll hit the market. That taxes will be large is admitted. Still the talk of taxes reminds me of the talk about the market back in 1929. If you recall those days you remember you couldn't get a shoe shine without the boy offering you a market "tip." You couldn't ride in an elevator without the operator telling you "in strict confidence" about some stock or other that was in for a move. And all social gatherings invariably degenerated into a discussion of the market and stories of somebody who made killings, ad nauseum ad infinitum. The same condition exists today but instead of everybody talking about the market they talk about the impending taxes. I don't suppose the analogy is the same but I cannot help but feel that just as the almost universal talk about the market in 1929 forecast the break, so does the present talk about taxes forecast a "tax top." Putting it another way: Every body seems to think that the new and higher taxes will cast a blanket over the stock market. I think the opposite will be the case.

* * *

In any event enough signals have been given that presage not lower prices but higher prices.

* * *

Sometime between now and the next two weeks I expect the market to have another sell off but I don't think this sell off will carry prices beyond the 2 to 4 points that I mentioned above. I therefore believe that instead of sitting on the sidelines waiting for news to develop that a gradual buying program be instituted now.

* * *

Last week I recommended Intercontinental Rubber at just under 7. As this is written the stock is already across the 10 price. If you bought it, hold it. You still have two other stocks: Gulf, Mobile & Ohio, pfd., and Warner Bros. Both act well. Hold them too.

* * *

I also advise purchase of American Commercial Alcohol between 7½ and 8. This one seems to have been under accumulation since the middle of 1940 and is currently flirting with a 1939-40 top of 10-12.

* * *

Another alcohol is U. S. Industrial Alcohol which has already had a move. If, however, it reacts to about 27-28 I suggest buying it. So much for new purchases. I am not recommending the leaders yet because they look like they

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RAILROAD SECURITIES

The Shippers' Advisory Boards have released their estimates for the first quarter of 1942, revealing expectations of continued sizeable, although somewhat narrower, year-to-year gains in railroad traffic. For the country as a whole it is estimated that car loadings will be 8.1% above the opening 1941 quarter, with all regions participating. This will compare with an actual year-to-year gain of approximately 13% in the final quarter of 1941 when the Advisory Boards had estimated a rise of 11.8%. It may be expected that the current estimates are subject to a greater margin of error than normally, due to the war dislocations.

Effects of the stoppage of automobile production and conversion of automobile plants to the defense effort are almost impossible to judge for one thing. For another, it is possible that rationing of tires may cut seriously into highway transport thus throwing an additional burden on the rail carriers. Finally, weather conditions always have a relatively more important influence on rail traffic in winter months than during other seasons. Considering these factors, it is quite possible that final results may run appreciably above the current forecasts.

As usual, the outlook varies widely as between different sectors of the country even though all are expected to show some betterment. The following tabulation shows estimates for the individual regions, arranged in order of their respective gains:

	First Quarter Loadings (in cars) (estimated)	Percent Increase
Northwest	182,350	21.1
Southwest	418,095	17.0
Great Lakes	294,871	10.3
Midwest	883,219	9.5
Central Western	205,865	9.3
Southeast	778,787	9.0
Allegheny	1,052,239	7.6
New England	132,235	7.0
Trans-Missouri-Kansas	279,265	6.5
Atlantic States	665,693	6.2
Pacific Coast	231,299	5.7
Pacific Northwest	200,041	4.0
Ohio Valley	727,279	2.1

The Southwest, Midwest and Central Western continue in position close to the top of the list, while the great Lakes and Northwest have advanced sharply from their positions at the bottom of the list in the final quarter of last year. The Ohio Valley drops from second to last place. About half of the regions, Southwest, Ohio Valley, Allegheny, Atlantic States, New England and Southeast, are expected to carry a heavier volume of traffic than was estimated for the final 1941 quarter.

The outlook for the Great Lakes area is particularly gratifying in view of uncertainties with respect to the automobile industry; normally more automobiles are produced in this region than in any other section of the country. The Trans-Missouri-Kansas region is second to the Great Lakes in automobile production and here also the Board expects other gains to offset the wide decline looked for in automobile traffic. As a matter of fact, the various Boards were unwilling under the circumstances to make any estimate of loadings of assembled automobiles and trucks for the full quarter, confining the forecast of this item to the month of January. For the one month the individual commodity group estimates show a drop of 68.7% in the Great Lakes region and 70.4% in Trans-Missouri-Kansas.

Of the individual commodities, grains, gravel, sand and stone, chemicals and explosives, citrus fruits and machinery and boilers are expected to make the best showing with gains ranging from 21.1% to 26.6%. Building activity is apparently expected to hold to a high level, as such groups as cement, brick and clay products and paper, paper board and prepared roofing are all expected to do considerably better than average. Practically all food products, including fresh and canned products are well up on the list. Except for automobiles, for which no estimate was made, the only declines expected in the 28 commodity groups covered by the estimate are for agricultural implements and vehicles, other than automobiles (13.0%) and cotton seed and products, except oil (3.1%).

The revenue picture is somewhat mixed; but considering that high grade freight should continue moving in relatively greater volume, that installation of additional modern equipment allows heavier loading per car, and that the continued diversion of intercoastal steamships and increased shipments to the West Coast for the Pacific war mean a longer haul, it is logical to expect that gross receipts will again outrun the traffic gains. To this may well be added at least some selective freight rate increases towards the end of the period covered. There is only one disturbing factor and that does not affect the entire industry. Much of the traffic being moved (and probably the percentage will increase) is classified as Government freight and thus travels at lower rates over the land grant roads. It is hoped that land grant rates may be eliminated by legislative action this year.

Miami Party A Success

MIAMI, FLA.—A very successful Christmas party was held on a joint-account basis by all the municipal dealers in Miami, Fla., from 1 to 6 p.m. the afternoon of Christmas Eve. Buffet luncheon was served in addition to the usual refreshments.

Defaulted RR Bond Index

The defaulted railroad bond index of Pflugfelder, Bampton & Rust, 61 Broadway, New York City, shows the following range for Jan. 1, 1939, to date: High—34⅝, low—14¾, last—30⅞.

Bank and Insurance Stocks

This Week — Insurance Stocks

Although the final figures will not be known until the detailed annual statements are filed, general comment in insurance circles is available to indicate roughly the results of 1941 operations.

Fire Companies: Stimulated by Defense spending and projects, the volume picture was generally favorable for 1941. Fire premiums showed a large expansion for 1941, as compared with little or no gain in recent years. Automobile premiums, which in 1940 aggregated $236,000,000, or 50% of fire volume, expanded again to another probable high ratio of fire companies' volume. Despite dislocations in foreign trade, the large increase in imports of strategic materials has led to larger premium volume in cargo and war risk insurance, while the shipbuilding program and increase in value of existing tonnage have continued to expand hull insurance.

These increases in volume, however, have created a large rise in unearned premium liability, so that on a "statutory" (earned) basis, net underwriting operations will generally be lower or deficits for 1941. Loss ratios, too, will be higher, although lower expense ratios on the larger volume will help to keep down combined loss and expense ratios.

For the first 11 months of 1941, fire losses estimated by the National Board of Fire Underwriters aggregated $291,000,000, indicating an increase of $13,200,000 (5%) over 1940. Accident frequencies and loss ratios rose sharply in the automobile field in the last half of 1941. In the ocean marine field, losses were also sharply higher, one notable instance being the Fall River fire in October, 1941, which caused aggregate ocean marine losses estimated at over $5,000,000.

Higher losses are an inevitable accompaniment to higher premium volume in wartime. The important factor is not so much whether aggregate liability and losses increase but whether premium income keeps pace and preserves a reasonable margin. For this reason, adequacy of rates is of special importance to assure reasonable underwriting profits and strengthen surplus at a time of expanding liabilities. It is therefore to be hoped that the States will allow fairer rates and a reversal of the rate reductions in recent years.

Casualty Companies: The volume picture for 1941 was also favorable in the casualty field. The leading lines—liability, workmen's compensation and fidelity and surety—produced steady upturn in volume that may enable casualty companies to top their 11% increase in volume shown up to mid-year 1941.

While 1941 casualty operations will generally show good underwriting profits, the same tendency for losses to increase is apparent in the casualty field, especially in automobile lines. Automobile loss experience has been worse for 1941 in both the bodily injury and property damage classifications. Motor vehicle accident deaths in 155 large cities totaled 8,927 for the first 49 weeks of 1941, compared to 7,957 for 1940, with the week ending Dec. 6, 1941 alone showing a 19% increase over 1940.

Moreover, this tendency for automobile losses to increase was not helped by the broadening of the coverage of the automobile policy for both bodily injury and property damage.

Investment Results: In view of the uncertainties of both the stock and bond markets, most companies continued to add to cash and Governments during 1941, the larger portion of incoming funds. As a result, investment income, despite the larger volume available for investment, showed only small rise.

Such increase as occurred, however, has strengthened the safety of present scale of dividends, which, pursuant to the conservative insurance company practice, are generally limited to within investment income alone.

Dividends on corporate stocks made a strong showing in 1941. The year proved to be the best for dividend payments since 1937, when the undistributed profits tax abnormally influenced liberal payments.

Insurance companies for 1941, in order to expedite the task of security valuations, will use Dec. 1, 1941 quotations for both stocks and non-amortizable bonds, rather than Dec. 31, 1941 values. High grade bonds will continue to be carried at amortized values; but many companies voluntarily set aside reserve to actual market or mark down such amortizable bonds.

Thus, this change in valuation date will avoid the market decline occasioned by entry of the United States into the War, but it is not as serious as it sounds. Thanks to the year-end rally, the decline Dec. 1-Dec. 31 (measured by Standard-Poor's averages) was only 4% for stocks; 3% for long-term Governments (slight gain for short-terms); and 2% for corporate bonds.

For the period Dec. 31, 1940-Dec. 1, 1941, therefore, the companies in preparing their security values will find a 14% decline in stocks; and practically unchanged to slightly better levels in Government securities and corporate bonds. In gauging possible decline in liquidating values compared to Dec. 31, 1940, however, trends of the security markets alone are not a conclusive guide, as the increase in volume brings in new money to add to fiduciary funds or policyholders' surplus.

Conclusion: The year 1941, therefore, was on the whole a period of adjustment by the insurance companies to a war economy. Results for the year should not be conclusive of how the companies may fare under full wartime restrictions on industry. The new year, for example, already has threatened complete cessation of civilian automobile production, an industry which has contributed substantial additions to premium volume in recent years. The extent to which such losses in volume are offset by expansion in defense lines will depend on the aggressiveness of the particular group or company. Losses and operating expenses, including taxes, are headed upward, but if regulatory bodies continue their enlightened policy of permitting adequate rates, the heavier volume and liability should occasion no danger to safe and profitable operation.

The Securities Salesman's Corner

CAN YOU SELL OVER THE TELEPHONE? TRY THIS!

The telephone is one of the most valuable tools available to the securities salesman. The proper use of the telephone covers a phase of securities salesmanship which in itself is a very broad subject. Many salesmen abuse the telephone, probably because it is a lazy man's way of making calls. Properly fitted into a finished sales technique, the telephone can be one of the best aids in making sales that any competent salesman can have at his command.

Here is one way that the writer has used the telephone to advantage. First, he has called on his customer or prospect and during this interview has made a definite suggestion of some particular nature. In many cases, this has been a direct offering of a particular security. At another time, he has suggested an exchange of one security for another. Always, the interview has had a specific purpose and a stated objective as the basis for the discussion with the client. Sometimes, rather than suggesting that the client should come to a definite decision during the interview, the way has been purposely left open so that a decision could be reached by the client at a latter date. Something like this has been said: "Do you know, Mr. Jones, I would like to call you on this tomorrow. I think I might be able to do a little better on the price of the stock which I am suggesting you sell (or vice-versa—the price of the stock I am offering you)."

There are other perfectly logical variations of this technique. You might say, "I expect to get just one more point cleared up about this particular situation; if it checks to my satisfaction, I will telephone you and let you know. Then, I can feel more certain than ever that this is the logical procedure you should follow at this time."

These and other variations of the "delayed close" build up a psychological reaction in the customer's mind. Confidence is created. This confidence is a natural reaction to the lack of pressure, evidenced by the salesman's manner, and his definite leaning away from the normal desire to force a decision during the interview.

After such a build-up, the telephone call the next day or so has very much more meaning behind it, because the prospect is already conditioned for the telephone interview. Now here is the most important part of telephone selling.

Under such conditions, the salesman has his prospect at a point where attention has been assured by the previous personal interview already referred to.

Desire and action can be stimulated by the salesman's power of carrying conviction over a telephone wire. This is a very simple procedure despite the prevailing belief that telephone selling is exceptionally difficult. If the salesman honestly believes that the proposition he is presenting will be of real benefit to his customer, his voice will carry that story. It is not so much what you say over the telephone that is important, it is the way that you say it. Believe it or not, there are voices that have a "ring." There is a way that you can say, "Mr. Jones, I believe you should buy these bonds" that can mean more to your client when it comes to getting him to act, than all the statistics you can show him. As you sit in your office, with the telephone in your hand, get a mental picture of your client at the other end of the 'phone and talk to him in a convincing, straightforward tone of voice, as if you actually believed in what you are selling.

If you do believe in what you are selling, in the majority of cases, you will get the order.

It is easy to ask for an order over the 'phone, so go ahead and ask for it. The telephone was made for closing business.

Here, once again, you will see that we come back to the same fundamental principle we have always tried to stress in these various articles on securities salesmanship. That is, you can't sell anything unless you believe in it. The first problem is to convince and sell yourself. After this is done, you can sell others—whether they are sitting home at their firesides, at their offices, or at their clubs. But believe in a situation strongly enough so that you voice will "ring" with it. Put that sort of voice to work over a telephone and we believe you will do business. This is one suggestion that the writer can swear by. The telephone will close many a sale if you use it properly.

Arms For Defense

An interesting circular comparing the four leading "arms" companies has been prepared for distribution by Clokey & Miller, 52 Broadway, New York City, members of the New York Security Dealers Association. Copies of the circular will be sent by the firm upon request.

DIVIDEND NOTICES

DOMESTIC FINANCE CORPORATION

DIVIDEND NOTICES

COMMON STOCK

A quarterly dividend of 35c a share, plus an extra dividend of 10c a share, has been declared on the common stock of the company, payable Feb. 1, 1942, to holders of record Jan. 27, 1942.

53RD CONSECUTIVE DIVIDEND
Cumulative Preference Stock

The 53rd consecutive quarterly dividend on the Cumulative Preference Stock of the company and predecessor constituent company has been declared at the rate of 50c a share, payable Feb. 1, 1942, to holders of record Jan. 27, 1942.

L. E. MICKLE,
Vice-Pres. and Treasurer

36 OFFICES IN 9 STATES

COLUMBIA GAS & ELECTRIC CORPORATION

The Board of Directors has declared this day the following dividends:

Cumulative 6% Preferred Stock, Series A
No. 61, quarterly, $1.50 per share

Cumulative Preferred Stock, 5% Series
No. 51, quarterly, $1.25 per share

5% Cumulative Preference Stock
No. 40, quarterly, $1.25 per share

payable on February 15, 1942, to holders of record at close of business January 20, 1942.

DALE PARKER
January 6, 1942 Secretary

NATIONAL DISTILLERS PRODUCTS CORPORATION

The Board of Directors has declared a regular quarterly dividend of 50¢ per share on the outstanding Common Stock, payable on February 2, 1942, to stockholders of record on January 15, 1942. The transfer books will not close.

THOS. A. CLARK
December 23, 1941 TREASURER

N. Y. Stock Exchange Weekly Firm Changes

The New York Stock Exchange has announced the following weekly firm changes:

Vernon C. Brown, general partner in Vernon C. Brown & Co., New York City, became a limited partner on Jan. 1.

Gayer G. Dominick, a limited partner in Dominick & Dominick, New York City, became a general partner on Jan. 1.

Allen L. Wetmore, a general partner in Dean Witter & Co., San Francisco, became a limited partner on Dec. 31, 1941.

Charles V. Snedeker was reinstated as a member of the Exchange in good standing on Dec. 23, 1941.

Hamilton F. Kean, partner in Kean, Taylor & Co., New York City, died on Dec. 27, 1941.

Berliner & Co., New York City, dissolved on Dec. 31, 1941.

Herbert M. Dreyfus & Co., New York City, was dissolved as of Dec. 31, 1941.

H. G. Einstein Opening Dept. Under N. Edelson

H. G. Einstein & Co., 500 Fifth Avenue, New York City, members of the New York Stock and Curb Exchanges, announce the opening of a new investment management department under the direction of Norman H. Edelson. Mr. Edelson was publisher of the "Dow Theory Letter," investors' weekly trend analysis, which will be issued in the future by H. G. Einstein & Co.

THE BOND SELECTOR

KENTUCKY UTILITIES 4s, 1970

Traded over the counter, Kentucky Utilities 1st 4s, 1970, are currently quoted 104-105 to yield approximately 3.71% on the asked side. During 1941, this issue has ranged between a high of 108 and a low of 104¼. Offered in February, 1940, at 102, the high and low since that time have been, respectively, 108 and 98½. The present call price is 106½ which holds until Dec. 31, 1942; in 1943, the price recedes to 106.

Kentucky Utilities Company, a unit of the Middle West Corporation, is engaged principally in the generation, purchase and sale of electricity at retail in approximately 357 communities in southeastern, central and western Kentucky and 3 communities in Tennessee. The major communities served are Lexington, Paducah, Middlesboro, Winchester, Danville, Richmond, Paris, Somerset, Glasgow and Princeton. Population served with electricity at retail is estimated at 392,755. Company also furnishes ice, water, gas and bus service, but these are minor components of the business.

Since the company's system is within transmission distance of certain power sites of the Tennessee Valley Authority, there has naturally been some effect upon the company from competition and from some successful municipal ownership activity. Although there are unexpired franchises in most of the larger communities served (except Glasgow), since 1892 the State Constitution forbids the granting of a franchise for a period exceeding twenty years. In 1933, the city of Paris, whose franchise expired in 1929, installed a generating plant and competes with the company's electric service in that city. Middlesboro, in 1936, voted to construct a distribution system and the following year contracted to purchase power from the Norris Dam project, but so far no transmission line has been built by TVA to serve Middlesboro. In 1936, also, Glasgow voted in favor of building a generating and distribution system, but the company secured an injunction against the issuance of the necessary revenue bonds to finance the project. This proposition is now in litigation.

Several smaller communities also have shown tendencies toward municipal ownership. All in all, the competitive factors affecting Kentucky Utilities are not as severe as those encountered by many other Southern properties and should not be given undue weight in evaluating these bonds. Total gross revenues in 1940 from Middlesboro, Paris, Glasgow, and one or two other communities involved in competition with the company or which have indicated their desire to enter the electric business, were estimated at $485,000, or about 5.4% of the company's gross operating revenues from electricity.

Over 90% of the company's revenues are derived from sale of electric energy, the balance being fairly evenly divided between ice, gas and water, with bus operations contributing a negligible amount. For the 12 months ended Sept. 30, 1941, total operating revenues of $11,355,000 were up $857,000, or 8%, over the like 1940 period. However, a slight increase in operating expenses, larger purchases of power and gas, and a heavy increase in taxes kept net operating income of $3,185,000 some 10% below the $3,541,000 reported in the 1940 period. Interest requirements of $1,593,000 were thus covered 2.00 times; in the prior period, interest requirements of $1,759,000 were covered 2.02 times. Overall charges including all preferred dividends were earned 1.31 times in the 12 months ended Sept. 30, 1941, compared with 1.36 times in the comparable 1940 period. In every case these earnings are computed after Federal taxes.

The following shows some of the more important income items for the years ending Sept. 30th, 1941, and 1940:

	12 Months Ended Sept. 30 1941	1940
Operating revenues—		
Electric	$10,401,137	$9,573,705
Ice	319,226	291,465
Gas	268,995	272,433
Water	274,692	271,966
Bus	91,468	89,295
Total operating revenues	$11,355,518	$10,498,864
Operating expenses	3,141,073	2,866.120
Power and gas purchases	1,024,720	677,356
Maintenance	563.479	573.585
Depreciation	1,265,032	1,213.739
Taxes (including Federal)	2,117,042	1,620,691
Available for fixed charges	$3,184.956	$3,543 630
Times earned	2.00	2.02

Depreciation has been stepped up considerably in recent years, the amount above for the 1941 period representing 11.5% of gross and 2.52% of plant. Maintenance represented 4.96% of operating revenues.

The company's funded debt totals $30,795,000. The 1st 4s, 1970, are outstanding $20,000,000 and constitute a first lien on substantially all property of the company; there are, in addition, $5,840,000 of sinking fund mortgage 4½s, 1965, junior to the 1st 4s; $4,675,000 of serial notes, 1940-1946; $208,000 of subsidiary debt due in 1949. Total mortgage debt is equivalent to approximately 58% of net book value of plant account. There are also outstanding $13,010,900 of preferred stock—$7,601,100 of 6% $100 par, and $5,409,800 of 7% $50 par. The 102,946 common shares are all held by Middle West Corporation.

Investment Trusts

The open-end investment companies not knowing what direct part they may be called upon to play in our national effort are cooperating to the fullest in working out investment plans for the individual which will permit of substantial purchases of defense bonds and stamps. As a matter of cold fact most investors feel that they cannot afford the sacrifice of immediate income required for the purchase of most defense bonds.

The investor's problem, as always, is to secure adequate income and relative safety in capital. To place part of his funds in defense bonds will provide absolute *dollar* safety for that portion. But he must still consider the possibility of decline in the value of those dollars, and he still must make provision for the necessary immediate income.

The investment company solution is to provide through adequate diversification, a relatively safe investment in securities that, taken individually, might be too speculative for the taste of the individual investor.

This does not imply that all investment company portfolios are speculative. What it does mean is that the investor who would ordinarily consider only blue chips of the bluest hue can, if he puts part of his funds in defense bonds, get a higher rate of return than formerly from the remaining portion with about the same degree of safety by investing it in a well-diversified group of stocks of a slightly less brilliant blue through the investment company.

There is an investment trust to answer practically any investment requirement. When properly employed they form an unusually adaptable investment medium.

Investment Company Briefs

National Securities Series, not yet two years old, passed easily by the $2,000,000 sales mark during the last quarter of 1941. The National Low-Priced Bond Series led in volume, with National Income Series in second place. National Bond Series, National Preferred Stock Series, and National Low-Priced Common Stock Series follow in the order mentioned.

Dividend Shares reports that subscriptions for shares in December, 1941, exceeded those for any other month in the year, and represented the fifth consecutive month of increased subscriptions.

On Oct. 31, 1941—the end of the company's last fiscal year—its assets exceeded $35,000,000. Dividends paid since incorporation in 1932 have totalled over $17,400,000.

Manhattan Bond Fund has declared its 14th consecutive quarterly dividend payable on Jan. 15, 1942 to holders of record on Jan. 5th. The amount is 11 cents per share, plus an extra at the same time of 2 cents—a total of 13 cents per share. The 11 cents are derived from ordinary income (bond interest) less operating costs. The 2 cents extra results from net profits realized on the sale of portfolio bonds.

The Keystone Custodian Funds group reports that its series S-2 Income Common Stock Fund showed total assets of $873,161 equal to $10.44 on 82,807 shares outstanding on Nov. 30, 1941 compared with $754,935 equal to $10.77 on 70,077 shares outstanding at the close of the fiscal period ended May 31, 1941. The trustees' report states that the current high earnings reported for the companies whose stocks are held in the portfolio indicated the average stock was selling at only 6 times estimated 1941 earnings, after providing for increased taxes. "The distribution of 50 cents per share for the period was

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The 1st 4s, 1970 are rated at medium to better grade by Moody (Baa), Standard and Poor's (B1+) and Fitch (A).

Fifty Years On NYSE For J. S. Bache Co.

J. S. Bache & Co., 36 Wall St., New York City, is celebrating its 50th year as a New York Stock Exchange member. Founded in 1892 as a successor to a brokerage business established by the family of J. S. Bache in 1879, the firm has expanded from one office in the old Kelly Building at 43 Exchange Place, New York, until it today maintains offices in 40 principal cities of the Nation as well as representatives in numerous other localities. The firm opened the first out-of-town wire operated by a Stock Exchange house when it installed a wire to its Albany office in 1893. A member of leading stock and other exchanges throughout the country, the house holds the oldest active membership in the Chicago Stock Exchange.

In a letter to the 95,000 customers of the firm on the occasion of its anniversary, Jules S. Bache, senior partner, stated confidence that the United States will win the war and "emerge stronger, more unified and more progressive than ever."

NY Chamber Of Commerce To Hear Albert Hawkes

"Free Enterprise—the Foundation of Individual Freedom" will be the subject of an address delivered by Albert W. Hawkes, President of the United States Chamber of Commerce and President of Congoleum-Nairn, Inc., at the first meeting of the New Year of the Chamber of Commerce of the State of New York at 65 Liberty street today.

Percy H. Johnston, President of the Chamber will introduce Mr. Hawkes following the business session which begins at 12 o'clock noon.

Municipal News & Notes

Another drive is developing to force action by Congress to eliminate the tax immunity on municipal and state securities. In the past Congress has refused to pass such legislation but now that there are few, if any, untaxables for defense, it is reported that some Treasury officials sense a change in the Congressional attitude and believe that reciprocal taxation of bonds is just ahead. This would mean, of course, placing Federal and municipal securities on the same taxable basis. Passage of such a bill would mean litigation through all of the courts, but it is reported that the Treasury is prepared to do this.

At the present time there are several cases involving the collection of taxes on incomes from municipal bonds. These are being watched with interest. Heretofore, the Treasury has had difficulty getting test cases because the individuals involved went ahead and paid the tax. However, the bill embodying the reciprocal tax provisions is being drafted quite independently of any set case. For more than two decades every Secretary of the Treasury has called for the termination of exemptions.

The approach has been from three directions: Court decisions, Act of Congress, Constitutional amendment. The first obviously has failed, and many authorities on the Constitution state that it cannot be achieved by an Act of Congress, that such would be insufficient and unconstitutional. A specific Constitutional Amendment is believed to be the only method that will stand. But a Constitutional amendment, fought by most of the States and municipalities of the United States, would hardly be approved.

Although Treasury officials are determined to get State and local securities opened up for Federal taxation, they are not inclined to invade the domain of State and local taxation. If a State has a tax on gasoline sales, the Treasury is not in favor of asking the States to eliminate that tax simply because there is also a Federal gasoline tax. Nor is the Treasury opposed to the imposition of State income taxes because of the existence of Federal income taxes.

For anti-inflationary reasons, most officials would prefer to see State and local governments continue their present scale of taxes even though total receipts may be in excess of all expenditures. They would like to see the excess revenues used to reduce outstanding indebtedness so that States will get in better fiscal position for the post-war period. If it is possible for States to do so, all debt should be retired and surpluses built up.

Municipals Hit Record High In 1941

During 1941 this country witnessed the involvement in war of practically the whole of Europe, Asia and, recently, the major portion of the Western Hemisphere. Throughout this most trying period, with most of the victories being scored by the Axis powers, the financial markets in the United States have maintained an extremely even keel. True, after each new upheaval, there were recessions but, as reason and calm again prevailed,

(Continued on page 121)

Prime Minister Churchill Addresses Congress On Plans Of U. S. And Britain

Prime Minister Winston Churchill of Great Britain told the Congress of the United States on Dec. 26 that the Allied nations probably will be able "to take the initiative upon an ample scale" by 1943 against the Axis powers and that Japan will be "taught a lesson which they and the world will never forget."

While stating that "it would be reasonable to hope that the end of 1942 will see us quite definitely in a better position than we are now," the Prime Minister said he was certain that today "we are the masters of our fate" and that the task which has been "set for us is not above our strength." Mr. Churchill warned against underrating the "severity of the ordeal" which must be faced, saying that "the forces against us are enormous" and that "they will stop at nothing that violence or treachery can suggest." He added that while it is true that Allied resources in manpower and materials are far greater than theirs, nevertheless, only a portion of American resources are as yet mobilized and developed and much has to be learned in the "cruel art of war."

Stating that a time of tribulation is before us, Mr. Churchill asserted that "not all the tidings will be evil," since mighty strokes of war have already been dealt against the enemy. In this latter category he cited the defense of the Russian armies against Nazi tyranny, the loss by the "boastful Mussolini" of his African empire, the stand of the Allied armies in the East, the offensive taken in Libya, the steady flow of supplies across the Atlantic Ocean and lastly "the best tidings of all" the United States entry into the war. All these steps, he continued have led the subjugated peoples of Europe to "lift up their heads in hope" awaiting their liberation from the Nazi yoke.

With regard to the onslaught by Japan, the Prime Minister said that "if the United States has been found at a disadvantage at various points in the Pacific Ocean, we know well that it is to no small extent because of the aid which you have been giving us." He further said that it is difficult to reconcile Japan's action with "prudence or even sanity" but promised that "we shall never cease to persevere against them until they have been taught a lesson."

Turning from the present to the future, Mr. Churchill concluded his address to the Congress with a plea for closer cooperation between the British and American peoples in the days to come "for the good of all," explaining that if "we had stuck together after the last war" and taken common safety measures "this renewal of the curse need never have fallen upon us."

The text of the Prime Minister's talk follows:

Members of the Senate and of the House of Reprsentatives of the United States:

I feel greatly honored that you should have thus invited me to enter the United States Senate chamber and address the representatives of both branches of Congress.

The fact that my American forebears have for so many generations played their part in the life of the United States and that here I am, an Englishman, welcomed in your midst makes this experience one of the most moving and thrilling in my life, which is already long and has not been entirely uneventful.

I wish, indeed, that my mother, whose memory I cherish across the vale of years, could have been here to see. By the way, I cannot help reflecting that if my father had been an American and my mother British, instead of the other way around, I might have got here on my own. In that case, this would not have been the first time you would have heard my voice. In that case, I would not have needed any invitation; but if I had it is hardly likely that it would have been unanimous. So perhaps things are better as they are.

I may confess, however, that I do not feel quite like a fish out of water in a legislative assembly where English is spoken. I am a child of the House of Commons. I was brought up in my father's house to believe in democracy: "Trust the people," that was his message. I used to see him cheered at meetings and in the streets by crowds of working men, way back in those aristocratic, Victorian days when, as Disraeli said, the world was for the few, and for the very few. Therefore, I have been in full harmony all my life with the tides which have flowed on both sides of the Atlantic, against privilege and monopoly, and I have steered confidently toward the Gettysburg ideal of "government of the people, by the people, for the people."

I owe my advancement entirely to the House of Commons, whose servant I am. In my country, as in yours, public men are proud to be the servants of the state, and would be ashamed to be its masters. On any day, if they thought the people wanted it, the House of Commons could by a single vote remove me from my office. But I am not worrying about it at all. As a matter of fact, I am sure they will approve very highly of my journey here —for which I obtained the King's permission—in order to meet the President of the United States, and to arrange with him for all that mapping out of our military plans and for all those intimate meetings of the high officers of the armed services in both countries which are indispensable for the successful prosecution of the war.

I should like to say, first of all, how much I have been impressed and encouraged by the breadth of view and the sense of proportion which I have found in all quarters over here to which I have had access. Any one who did not understand the size and solidarity of the foundation of the United States might easily have expected to find an excited, disturbed, self-centered atmosphere with all minds fixed upon the novel, startling and painful episodes of sudden war as they hit America. After all, the United States have been attacked and set upon by three most powerfully armed dictator states, the greatest military power in Europe, the greatest military power in Asia—Japan, Germany and Italy have all declared and are making war upon you, and a quarrel is open, which can only end in their overthrow or yours. But here in Washingtin, in these memorable days, I have found an Olympian fortitude which, far from being based upon complacency, is only the mark of an inflexible purpose and the proof of a sure, well grounded confidence in the final outcome. We in Britain had the same feeling in our darkest days. We, too, were sure that in the end all would be well.

You do not, I am certain, underrate the severity of the ordeal to which you and we have still to be subjected. The forces ranged against us are enormous; they are bitter, they are ruthless. The wicked men and their factions who have launched their peoples on the path of war and conquest know that they will be called to terrible account if they cannot beat down by force of arms the people they have assailed. They will stop at nothing. They have a vast accumulation of war weapons of all kinds; they have highly trained and disciplined armies, navies and air services; they have plans and designs which have long been contrived and matured; they will stop at nothing that violence or treachery can suggest.

It is quite true that on our side, our resources in manpower and materials are far greater than theirs; but only a portion of your resources are as yet mobilized and developed, and we have both of us much to learn in the cruel art of war.

We have, therefore, without doubt, a time of tribulation before us. In this same time, some ground will be lost which it will be hard and costly to regain. Many disappointments and unpleasant surprises await us. Many of them will affect us before the full marshaling of our latent and total power can be accomplished.

For the best part of 20 years, the youth of Britain and America have been taught that war was evil, which is true, and that it would never come again, which has been proved false.

For the best part of 20 years, the youth of Germany, of Japan and Italy have been taught that aggressive war is the noblest duty of the citizen and that it should be begun as soon as the necessary weapons and organization have been made. We have performed the duties incident to peace. They have plotted and planned for war. This naturally, has placed us in Britain and now places you in the United States at a disadvantage which only time, courage and untiring exertion can correct.

We have, indeed, to be thankful that so much time has been granted to us. If Germany had tried to invade the British Isles after the French collapse in June, 1940, and if Japan had declared war on the British Empire and the United States at about the same date, no one can say what disaster and agonies might not have been our lot. But now, at the end of December, 1941, our transformation from easy-going peace to total-war efficiency has made very great progress. The broad flow of munitions in

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Winston Churchill Addresses Congress

(Continued from Page 106)

Great Britain has already begun. Immense strides have been made in the conversion of American industry to military purposes, and now that the United States is at war, it is possible for orders to be given every day which a year or 18 months hence will produce results in war power beyond anything that has yet been seen or foreseen in the dictator states. Provided that every effort is made, that nothing is kept back, that the whole man-power, brain power, virility, valor and virtue of the English-speaking world, with all its galaxy of loyal friendly or associated communities and states are bent unremittingly to the simple but supreme task, I think it would be reasonable to hope that the end of 1942 will see us quite definitely in a better position than we are now, and that the year 1943 will enable us to assume the initiative upon an ample scale.

Some people may be startled or momentarily depressed when, like your President, I speak of a long, hard war. Our peoples would rather know the truth, sombre though it be; and after all, when we are doing the noblest work in the world, not only defending our hearths and homes but the cause of freedom in every land, the question of whether deliverance comes in 1942, or 1943, or 1944, falls into its proper place in the grand proportions of human history. Sure I am that this day, now, we are the masters of our fate; that the task which has been set for us is not above our strength; that its pangs and toils are not beyond our endurance. As long as we have faith in our cause and unconquerable will power, salvation will not be denied us.

In the words of the Psalmist: "He shall not be afraid of evil tidings; His heart is fixed, trusting in the Lord."

Not all the tidings will be evil. On the contrary, mighty strokes of war have already been dealt against the enemy—the glorious defense of their native soils by the Russian armies and people have inflicted wounds upon the Nazi tyranny and system which have bitten deep and will fester and inflame not only in the Nazi body but in the Nazi mind.

The boastful Mussolini has crumpled already. He is now but a lackey and a serf, the merest utensil of his master's will. He has inflicted great suffering and wrong upon his industrious people. He has been stripped of all his African empire. Abyssinia has been liberated. Our armies of the East which were so weak and ill-equipped at the moment of the French desertion, now control all the regions from Teheran to Benghazi, from Aleppo and Cyprus to the sources of the Nile.

For many months we devoted ourselves to preparing to take the offensive in Libya. The very considerable battle which has been proceeding there for the last 6 weeks in the desert has been most fiercely fought on both sides. Owing to the difficulties of supplies upon the desert flank, we were never able to bring numerically equal forces to bear upon the enemy. Therefore, we had to rely upon superiority in numbers and qualities of tanks and aircraft, British and American. Aided by these, for the first time we have fought the enemy, with equal weapons. For the first time we have made the Hun feel the sharp edge of those tools with which he has enslaved Europe. The armored forces of the enemy in Cyrenaica amounted to about 150,000 men, of whom about a third were German. General Auchinleck set out to destroy totally that armed force, and I have every reason to believe that his aim will be fully accomplished.

I am so glad to be able to place before you members of the Senate and the House of Representatives at this moment, when you are entering the war, proof that with proper weapons and proper organization, we are able to beat the life out of the savage Nazi. What Hitler is suffering in Libya is only a sample and a foretaste of what we have got to give him and his accomplices wherever this war should lead us in every quarter of the globe.

There are good tidings also from blue waters. The lifeline of supplies which joins our two nations across the ocean, without which all might fail, is flowing freely and steadily in spite of all the enemy could do. It is a fact that the British Empire, which many thought 18 months ago was broken, is now incomparably stronger and is growing stronger with every month.

Lastly, if you will forgive me for saying so, the best tidings of all, the United States—united as never before and who have drawn the sword for freedom and cast away the scabbard.

All these tremendous steps have led the subjugated peoples of Europe to lift up their heads again in hope. They have put aside forever the shameful temptation of resigning themselves to the conqueror's will. Hope has returned to the hearts of scores of millions of men and women, and with that hope there burns the flame of anger against the brutal, corrupt invaders and still more fiercely burn the fires of hatred and contempt for the filthy Quislings whom he has suborned. In a dozen famous ancient states, now prostrate under the Nazi yoke, the masses of the people, all classes and creeds, await the hour of liberation when they, too, will once again be able to play their parts and strike their blows like men. That hour will strike and its solemn peal will proclaim that night is past and that dawn has come.

The onslaught upon us, so long and so completely planned by Japan, has presented both our countries with grievous problems for which we could not be fully prepared. If people asked me, as they have a right to ask me in England, "Why is it that you have not got ample equipment of modern aircraft and army weapons of all kinds in Malaya and in the East Indies?" I can only point to the victory Gen Auchinleck has gained in the Libyan campaign. Had we diverted and dispersed our gradually growing resources between Libya and Malaya, we could have been found wanting in both theatres. If the United States has been found at a disadvantage at various points in the Pacific Ocean, we know well that it is to no small extent because of the aid which you have been giving to us in munitions for the defense of the British Isles and to the Libyan campaign, and, above all, because of your help in the Battle of the Atlantic, upon which all depends and which has in consequence been successfully and prosperously maintained.

Of course, it would have been much better, I freely admit, if we had enough resources of all kinds to be at full strength at all threatened points, but considering how slowly and reluctantly we brought ourselves to large-scale preparations and how long such preparations take, we had no right to expect to be in such a fortunate position. The choice of how to dispose of our hitherto limited resources had to be made by Britain in time of war and by the United States in time of peace, and I believe that history will pronounce that upon the whole—and it is upon the whole that these matters must be judged—the choice made was right.

Now that we are together, now that we are linked in a righteous comradeship of arms, now that our two considerable nations, each in perfect unity, have joined all their life energies in a common resolve, a new scene opens upon which a steady light will glow and brighten.

Many people have been astonished that Japan should, in a single day, have plunged into war against the United States and the British Empire. We all wonder why, if this dark design, with all its laborious and intricate preparation, had been so long filling their secret minds, they did not choose our moment of weakness 18 months ago. Viewed, quite dispassionately, in spite of the losses we have suffered and the further punishment we shall have to take, it certainly appears an irrational act. It is, of course, only prudent to assume that they have made very careful calculations and think they see their way through. Nevertheless, there may be another explanation.

We know for many years past the policy of Japan has been dominated by secret societies of subaltern and junior officers of the army and navy who have enforced their will upon successive Japanese Cabinets and Parliaments, by the assassination of any Japanese statesmen who opposed or who did not sufficiently further their aggressive policy. It may be that these societies, dazzled and dizzy with their own dreams of aggression and the prospect of early victory, have forced their country, against its better judgment, into war. They have certainly embarked upon a very considerable undertaking; for after the outrages they have committed upon us at Pearl Harbor, in the Pacific Islands, in the Philippines, in Malaya and the Dutch East Indies, they must now know that the stakes for which they decided to play are mortal. When we consider the resources of the United States and the British Empire compared to those of Japan, when we remember those of China, which has for so long valiantly withstood invasion, and, when also we observe the Russian menace which hangs over Japan, it becomes still more difficult to reconcile Japanese action with prudence or even with sanity. What kind of a people do they think we are? Is it possible they do not realize that we shall never cease to persevere against them until they have been taught a lesson which they and the world will never forget?

Members of the Senate and members of the House of Representatives, I turn for one moment more from the turmoil and convulsions of the present to the broader spaces of the future.

Here we are together, facing a group of mighty foes who seek our ruin. Here we are together, defending all that to free men is dear. Twice in a single generation the catastrophe of world war has fallen upon us; twice in our lifetimes has the long arm of fate reached out across the ocean to bring the United States into the forefront of the battle. If we had stuck together after the last war, if we had taken common measures for our safety, this renewal of the curse need never have fallen upon us. Do we not owe it to ourselves, to our children, to tormented mankind, to make sure that these catastrophes do not engulf us for the third time?

It has been proved that pestilences may break out in the Old World which carry their destructive ravages into the New World, from which, once they are afoot, the New World cannot by any means escape. Duty and prudence alike command first, that the germ centers of hatred and revenge should be constantly and vigilantly surveyed and treated in good time, and secondly, that an adequate organization should be set up to make sure that the pestilence can be controlled at its earliest beginnings, before it spreads and rages throughout the entire earth.

Five or six years ago, it would have been easy, without shedding a drop of blood, for the United States and Great Britain to have insisted on fulfillment of the disarmament clauses of the treaties which Germany signed after the great war. That also would have been the opportunity for assuring to the Germans those raw materials, which we declared in the Atlantic Charter should not be denied to any nation, victor or vanquished. The chance has departed; it is gone.

Prodigious hammer strokes have been needed to bring us together today, or if you will allow me to us other language, I will say that he must indeed have a blind soul who cannot see that some great purpose and design is being worked out here below, of which we have the honor to be the faithful servants.

It is not given to us to peer into the mysteries of the future; still I avow my hope and faith, sure and inviolate, that in days to come, the British and American peoples will, for their own safety and for the good of all, walk together side by side in majesty, in justice and in peace.

The Prime Minister's address was delivered in the Senate Chamber, those in attendance including House members, members of the President's Cabinet, members of the Supreme Court and chiefs of the Diplomatic Missions in Washington.

Insured Savings, Loan Associations In 1941

The nation's insured savings and loan associations set new records in 1941 both in investments of the public held by them and in the financing of small homes, Oscar Kreutz, General Manager of the Federal Savings and Loan Insurance Corporation, declared on Dec. 31. He stated that "during the past year the number of insured associations mounted to 2,326, while the combined resources they represent increased by $321,000,000, to a total of $3,221,000,000. Since the respective dates on which they were insured in the past seven years, the assets of these associations have grown by 87%," he said, and he added:

> There are now more than 3,000,000 small investors in these associations—most of them the heads of families. Their accounts average about $816 and since few are over $5,000, the maximum of insurance granted by the Insurance Corporation practically all of them are safeguarded in full.
>
> The other chief guage of savings and loan associations' services is their activity in meeting the demand for funds for the construction of new homes, for purchase of properties, or refinancing old-type loans. During the first nine months of 1941, insured associations made a total of $673,000,000 in home loans as compared with $559,000,000 for the same period the year before, a gain of $114,000,000 or 20%—even in the face of impediments to home building in non-defense areas in the last three months of that period.
>
> On the other hand, insured associations succeeded in reducing the amount of real estate on their books by 24% during the fiscal year 1941, disposing of their properties to individual home seeks.

Small Business Unit Set Up In Commerce Department—Congressional Hearings

The setting up of a small business unit in the Department of Commerce at Washington was announced on Dec. 25 by Jesse Jones, Secretary of the Department. The new unit will be headed by William Sheperdson of New York, former management consultant for manufacturers and distributors. The announcement in the matter said:

> Up to the present the most pressing problems of the small manufacturers have derived from their inability to get defense contracts or to convert to defense production. Under the war economy it is expected that there will be increasing problems in the distributive trades due to shortages of goods to sell, and later, problems of labor shortages in all classes. It is to cope with these future developments that the small business unit was created.

According to press advices from Washington on Dec. 25, the announcement said that it was estimated there were more than 2,750,000 small business establishments in the United States, with over 8,350,000 persons engaged as employees and employers. Of the total, 169,000 are industrial concerns, 72,000 are wholesalers, 1,614,000 are retailers, 638,000 are service organizations, 200,000 are construction companies, 40,000 are places of amusement and 25,000 hotels. It was further stated:

> The most pressing problems of the small manufacturers have derived from their inability to get defense contracts or to convert to defense production. Under the war economy it is expected there will be increasing problems in the distribution trades due to shortages of goods to sell, and later, problems of labor shortages in all classes. It is to cope with these future developments that the Small Business Unit was created.

In our issue of Dec. 4, page 1344, reference was made to the adoption by the Senate on Nov. 17 of a resolution requesting the Office of Production Management to submit a report on its policy of (1) assignment of priorities, (2) methods for allocation of materials and (3) program for protecting various business enterprises, particularly small business, affected by the priorities or allocation system. The resolution was sponsored by Senator O'Mahoney (Dem. of Wyoming).

On Dec. 29, Senator Mead of New York, a member of a special Senate committee to study the problems of small business, proposed that vastly increased powers be given the OPM Division of Contract Distribution in order to bring thousands of small plants into production for the Nation's armament program. As to this, Associated Press accounts from Washington on Dec. 29 said:

> In a statement he declared that with sufficient authority the Contract Distribution Division, headed by Floyd Odlum, could bring an additional 50,000 small plants into defense production. He urged that Mr. Odlum's division be given authority to make loans and grants, to wield a "big stick" on priorities, to require the breaking up of big contracts, to furnish technical aid where necessary and to establish field offices in every State and industrial section of the country.
>
> Such a program, he said, "would accelerate the war production of ships, planes, tanks, guns and all of the necessary and vital equipment required by our military organization. . . . Everything ordered for delivery in 1943 could be delivered by the end of 1942 if this universal enlistment of small business is made effective."

In the Senate on Dec. 15 the special Senate Committee, headed by Senator Murray (Democrat), of Montana, began hearings with a view to determining how the facilities of small business enterprises can be utilized in war. On Dec. 18, Federal Security Administrator Paul V. McNutt and C. C. Fichtner, Chief of Regional Economy of the Bureau of Foreign and Domestic Commerce, described small business as vital to military operations and to the future welfare of the Nation, and declared that they favored emergency action to assist such businesses. At the same time, according to the Associated Press, George Seedman, President of the American Business Congress, of New York City, advocated legislation to protect the capital investment of small industries unable to obtain war contracts.

On Dec. 4 the House agreed to a resolution authorizing an investigation of the national defense program in its relation to small business. The resolution, introduced by Representative Patman (Dem.) of Texas on Aug. 12, was favorably reported by the House Rules Committee on Dec. 3. It called for the appointment of seven members of the House, who were "authorized and directed to conduct a study and investigation of the national defense program in its relation to small business in the United States with a view to determining:

(1) Whether or not the potentialities of small business in the national defense program have been adequately developed, and if not, what factors have hindered such development;

(2) Whether or not adequate consideration has been given to the needs of small business engaged in non-defense activity, or engaged in the transition from non-defense to defense activity; and

(3) Whether or not small business is being treated fairly and the public welfare properly and justly served through the allotments of valuable materials, in which there is a shortage, or in the granting of priorities or preferences in the use, sale, or purchase of said materials.

Appearing on Dec. 2 before the Senate Naval Affairs Committee, conducting a hearing on Senator O'Mahoney's bill to create a special agency empowered to allocate raw materials to small manufacturers, Mayor Fiorello H. La Guardia of New York, said that, unless the free enterprise of small business is maintained, a system comparable to Europe's cartels will develop and "we are not ready for that." United Press accounts from Washington, Dec. 2, reporting this, added:

> He conceded that some civilian production must be sacrificed. But he insisted that some semblance of "normal life" must be maintained in the civilian population. He thought O'Mahoney's plan would bring only "theoretical relief" to the little operator, and suggested a formula under which raw materials would be allocated on a percentage basis.
>
> These allocations, he said, should be made after first consideration had been given to defense needs and to maintenance of the normal functions of State and local governments.
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> Mayor Edward J. Kelly of Chicago told the Committee that no additional defense contracts should be awarded to big plants which now are so busy "they cannot give early deliveries."
>
> Insisting that little business be given a greater part in the arms program or be allocated materials for restricted trade in civilian products, Mayor Kelly proposed this plan for Chicago: A certain percentage of contracts open to all plants on a competitive basis; a percentage open to small plants on a competitive basis, and a percentage open only to larger plants in distress on a cost-plus basis.
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> He pointed out that there are many plants throughout the nation which cannot be converted into defense production and that even on a full wartime economy basis civilian needs will demand at least 50% of this country's productive capacity.
>
> "If our small, independent businesses should cease to exist, our country as we know it will cease to exist," he said. "It is the initiative of the independent business man that has given the United States the highest standard of living the world has ever known. This must be preserved, and it can be preserved, without impairing the defense program."

OPM Widens Operation Of Priorities System

In a further step toward allocation of scarce materials, the Office of Production Management on Dec. 23 amended priorities regulation No. 1 to require all orders bearing a priority rating, including B ratings for essential civilian use, to be accepted by producers in preference to any unrated orders. Under the amendment B ratings are made mandatory priorities since they designate the relative importance of civilian uses of materials after war requirements have been met. In order to eliminate any confusion in the handling of previously unrated defense orders, a blanket A-10 rating, the lowest issued to defense orders, is assigned. The amended regulation also imposes a strict control on inventories in that it forbids producers from accepting delivery of materials for inventory in excess of "a practicable working minimum.

Regulatory Legislation In Canada Incident To War Time Basis Discussed By Madden

The shifting of the Canadian national economy from a peacetime to a wartime basis has resulted in Government regulation of practically every economic pursuit, according to a bulletin issued on Dec. 31 by Dean John T. Madden, Director of the Institute of International Finance of New York University. It is pointed out that it has also resulted in the levying of heavier taxes than the country has ever known and the creation of a multitude of new government departments, boards and agencies to administer the regulatory legislation. The bulletin continues:

The Canadian Government has, thus far been able to control foreign-exchange rates and transactions without serious interference with commercial relations with friendly nations, and to finance its requirements, including aid to Britain, without difficulty. Prices and wages, however, have presented problems. During the first two years of war the index of wholesale prices in Canada rose by 26.9% and the cost of living by 12.8%. Comparable data on wages are not published but increases of 70.3% in payrolls and 37.8% in employment indicate a substantial increase in wage rates.

During the first 27 months of war price-control efforts were limited to specified products and services. However, under the Maximum Prices Regulations of Nov. 1, 1941, prices of practically all goods and services were frozen at the maximum price charged for the same or similar goods or services during the four weeks ended Oct. 11, 1941. Difficulties which may arise out of this measure with respect to imports and exports have already been foreseen by the Canadian authorities and counteracting steps taken. On Dec. 5, 1941, the Wartime Prices and Trade Board announced that if prices in the United States rise above the Canadian level, thereby adversely affecting Canada's imports of essential goods, the newly created Commodity Prices Stabilization Corporation will provide subsidies or reduce tariffs to the extent necessary. It was also announced that the export-control machinery is being reorganized, but no details were given.

So long as commodity prices were rising the Government took no step toward wages except to endeavor to prevent stoppage of work by labor disputes. For this purpose it relied upon collective bargaining, and prewar Dominion and provincial legislation providing for fair wages, limited hours of labor, and mediation. This policy was abandoned with the issue on Oct. 24, 1941, of the Wartime Wages and Cost of Living Bonus Order. This Order froze basic wages at the rates prevailing on Nov. 15, 1941, but provided for fixed bonuses based upon the cost of living index as computed by the Dominion Bureau of Statistics. Adjustments are to be made every three months, beginning in February, 1942. The quarterly adjustments are to be based upon the change in the cost of living index between the month preceding the adjustment and October, 1941.

Control over transactions in foreign exchange was established shortly after the outbreak of hostilities. While numerous changes in regulations have been made, control has been administered by the Foreign Exchange Control Board with a minimum of interference with normal trade and financial relationships. The Board freely permits not only payments for imports, and interest and principal due in foreign currency, but also the transfer into foreign currencies of income in Canadian currency accruing to foreigners on their investments in Canada. However, the disposition by Canadians of their foreign-exchange holdings or assets convertible into foreign exchange is rigidly controlled.

As a result of war the Government's expenditures have risen rapidly. Expenditures in the fiscal years 1939-1940 and 1940-1941 were 23% and 126% respectively, larger than expenditures in 1938-1939 and the estimates for 1941-1942 are 219% higher than the 1938-1939 expenditures. More than 72% of the excess of expenditure in 1941-1942 over that of 1938-1939 is to be met by increased taxes. While many taxes were increased, the principal changes have been new taxes and higher rates of taxation on incomes. Thus the 1941 income of individuals will be taxed at 20% or 22% (depending upon marital status) on the first $1,000 of taxable income as compared with 3% on 1938 incomes. Exemptions have been reduced from $2,000 to $1,500 in the case of married persons and from $1,500 to $750 in the case of single persons. The corporation income-tax rate has been increased from 15% to 18%, but in addition an excess-profits tax of 75% on profits in excess of average earnings during the four years 1936 to 1939, inclusive, has been imposed. As a result of these and other changes total receipts from taxes on incomes rose from $142,000,000 in 1938-1939 to an estimated $674,500,000 in 1941-1942, an increase of 375%.

The budgetary deficit which amounted to $118,700,000 in 1939-1940 and $377,431,000 in 1940-1941 is estimated at $368,132,000 in 1941-1942. Funds for covering these deficits as well as for extra-budgetary loans and advances to various government undertakings have been borrowed, increasing the gross debt of the Dominion Government from $3,710,610,000 on Mar. 31, 1939, to $5,018,928,000 on Mar. 31, 1941.

In addition to its own requirements the Canadian Government has undertaken to supply the British Government with the Canadian dollars it needs to finance its purchases in Canada and which the British cannot provide out of their own resources. According to the Canadian Minister of Finance the British deficit on current account during the period September, 1939 to October, 1941, inclusive, amounted to $1,408,000,000. This was met in part by the transfer to Canada of $250,000,000 in gold and $512,000,000 in securities. The remainder of $646,000,000 was financed by Canada by the acquisition of sterling balances by the Canadian Foreign Exchange Control Board with funds advanced by the Canadian Government.

Canadian authorities have estimated that from November, 1941, to April, 1942, the British deficit in Canada will amount to more than $400,000,000. Of this amount about $200,000,000 will be obtained from the United States Government in the form of lend-lease aid, and delivered to Great Britain.

Cuban Bond Payment

J. P. Morgan & Co. Inc., New York, as fiscal agents, announce that $281,500 of Republic of Cuba external debt 5% gold bonds of 1941, due in 1949, have been drawn for redemption on Feb. 1, 1942, at 102½ and accrued interest. Holders may receive payment for the designated bonds by presenting them at the office of J. P. Morgan & Co. Inc. or at the office of Morgan Grenfell & Co. Ltd. in London on or after Feb. 2, 1942.

Industrial Inventories And Unfilled Orders Found Highest On Record In November

The Conference Board index of the value of manufacturers' inventories increased in November for the 26th consecutive month, and at the end of the month both it and the index of unfilled orders were the highest on record. The Board's index of shipments declined slightly from the all-time peak which it reached in October. The Board's index of new orders was unchanged. All of these indexes are adjusted for seasonal variation. Under date of Dec. 31, the Conference Board further reported:

Inventories

The index of inventories rose 1.7% from 154.3 in October to 156.9 in November (1935-1939 equals 100). Inventories of both durable and nondurable goods were higher in November than in October, although the increase was greater in nondurable goods. The inventories of the boot and shoe, housefurnishings, cement, and metal product industries showed the greatest gains. Automotive and railroad equipment inventories showed the largest declines.

The composite index of manufacturers' inventories was 26.2% higher in November, 1941, than in November, 1940.

Unfilled Orders

The index of unfilled orders was 2% higher at the end of November than at the end of October and was 108% higher than at the end of November, 1940. At the end of November it stood at 540, a new high record. The unfilled orders of both durable and nondurable goods producers were higher than in October, although a few individual industries showed declines. Unfilled orders for nondurable goods were below the peak reached last May.

New Orders

The index of new orders received by manufacturers in November was 237, unchanged from October and 11% higher than in November, 1940. The all-time high record was 262 for last July. Manufacturers of textiles, building equipment, metal products, and iron and steel reported increases in new orders, but new orders for machinery and electrical equipment declined.

Shipments

The index of the value of shipments declined 2% from October to November. Shipments of building equipment, cement, and glass, seasonally adjusted, increased; but shipments of automotive equipment, office equipment, and housefurnishings declined. The Board's index of shipments of durable goods consequently declined for the first time since last March. The index of shipments of nondurable goods also declined, owing largely to lower shipments by the clothing industry. Shipments by certain miscellaneous industries which are not classified as either durable or nondurable goods producers increased, so that the composite index of shipments declined less than the indexes of both durable and nondurable goods shipments.

The composite index of shipments was 34% higher than in November, 1940. The durable goods index was 37% higher and the nondurable goods index was 29% higher.

The following table gives The Conference Board's indexes of the value of manufacturers' inventories, shipments, new and unfilled orders for November and October, 1941, and November, 1940, with percentage changes. These indexes are based on the 1935-1939 monthly average as 100 and are adjusted for seasonal changes.

INDEXES OF INVENTORIES, SHIPMENTS AND ORDERS—NOVEMBER, 1941

(1935-1939 = 100)

	Nov., 1941	Oct., 1941 (revised)	Nov., 1940	Percent Change from Oct., 1941 to Nov., 1941	Percent Change from Nov., 1940 to Nov., 1941
Inventories	156.9	154.3	124.3	+1.7	+26.2
Durable goods	171.5	169.8	130.5	+1.0	+31.4
Non-durable goods	136.0	133.0	116.2	+2.3	+17.0
Shipments	201	206	150	—2	+34
Durable goods	228	235	166	—3	+37
Non-durable goods	169	175	131	—3	+29
New orders	237	237	213	0	+11
Unfilled orders	540	529	260	+2	+108

December Farm Prices Average 99% Of Parity

The general level of prices received by farmers and prices paid by farmers both advanced during the month ended Dec. 15. The net result was a general average of all prices received by farmers which stood at 99% of parity, the Department of Agriculture announced on Dec. 30. The Department reports that prices received by farmers rose eight points to 143% of the August, 1909-July, 1914, average—the highest point since January, 1930. The index, it states, was 42 points above that of mid-December, 1940. Grains and meat animals, with a nine-point rise since Nov. 15, made the strongest gains. Cotton prices advanced moderately. Fruit and dairy product prices were unchanged, and the seasonal decline in egg prices was less than usual. The Department further explained:

With production heavy in 1941, supplies of agricultural commodities are abundant. The feed grain harvest was the largest in nearly a decade and hay and forage crop production was the largest of record. Fruit and vegetable production, excluding Irish and sweet potatoes, was also of record proportions. The farm output of milk and eggs on Dec. 1 was at the highest rate in many years. Marketings of meat animals were only slightly under those of last year.

Demand, both for domestic consumption and for export, continues strong enough to support prices higher than in other years of large supply. Factory payrolls about 57% above 1940.

While the prices-received index was rising, farmers also were paying more for articles they bought, both for family maintenance and for production. The prices-paid index advanced two points during the month, entry of the United States in the war stimulating prices for even those commodities that had shown a tendency to level off in November. Feed prices, which had declined since September, rose five points during the month to the highest mark since August, 1937. At 123% of the 1910-14 average, the feed-price index on Dec. 15 was 23 points higher than a year earlier.

The combined index of prices paid by farmers, including interest and taxes payable per acre, rose one point during the month to 144% of the 1910-14 average. The index on Dec. 15, 1940, was 128.

Prices of leading farm products on Dec. 15, when expressed as percentages of parity, were: corn, 72%; cotton, 91%; butterfat, 87%; eggs, 89%; hogs, 98%; and beef cattle, 125%. Prices received for all farm products averaged 99% of parity, compared with 79% a year ago.

* * *

In a year-end summary of farm product prices, the Agricultural Marketing Service reported that prices received by farmers for agricultural commodities sold during 1941 averaged nearly a fourth higher than in 1940. The average index for the 12 months of 1941 was 122% of the 1909-14 average, compared with 98 in 1940. The 1941 level was the highest since 1930 when the index was 126. By this measurement, it is said, prices of agricultural commodities have regained most of the losses sustained during the last 10 years, although they are still some distance from the level maintained in the late 1920's. The improvement in prices during 1941 was general for all major commodity groups.

Prime Minister Churchill At Ottawa Sees Three Main Phases For Course Of War

In a speech before the Canadian Parliament at Ottawa on Dec. 30, Prime Minister Winston Churchill of Great Britain took a broad forward view of the war and outlined three main phases in the struggle that lies ahead, viz.—(1) the "period of consolidation, of combination and of final preparation," (2) the "phase of liberation," involving the recovery of lost territories and revolt of conquered peoples, and (3) the "assault upon the citadels and homelands of the guilty powers both in Europe and in Asia." Mr. Churchill said he considered it permissible to take a forward view of the war in view of the existing facts, "now that the whole of the North American continent is becoming one gigantic arsenal and armed camp; now that the immense reserve power of Russia is gradually becoming manifest; now that the long suffering, unconquerable China sees help approaching; now that the outraged and subjugated nations can see daylight at the end of the tunnel."

In forecasting the course along which we should seek to advance, the Prime Minister warned that "we must never forget that the power of the enemy and the action of the enemy may at every stage affect our fortunes." He did not place any time limits on the various phases, explaining that these "depend upon our exertions and upon our achievements and on the hazardous and uncertain course of the war." Mr. Churchill added that "while an ever-increasing bombing offensive against Germany will remain one of the principal methods by which we hope to bring the war to an end, it is by no means the only method which our growing strength now enables us to take into account." He added:

> Evidently the most strenuous exertions must be made by all. As to the form which these exertions take, that is for each partner in the grand alliance to judge for himself, in consultation with others and in harmony with the general scheme.

At the outset of his talk, the Prime Minister reviewed the major contributions made by Canada to the "Imperial war effort in troops, in ships, in aircraft, in food and in finance," describing it as "magnificent."

Explaining that "we did not make this war, we did not seek it, we did all we could to avoid it, we did too much to avoid it," Mr. Churchill further stated:

> We went so far in trying to avoid it as to be almost destroyed by it when it broke upon us. But that dangerous corner has been turned and in every month and every year that passes we shall confront the evildoers with weapons as plentiful, as sharp and as destructive as those with which they have sought to establish their hateful domination.

The Prime Minister went on to say that "Hitler and his Nazi gang have sown the wind—let them reap the whirlwind," adding that "neither the length of the struggle, nor any form of severity which it may assume, will make us weary or will make us quit."

Concerning his conversations with President Roosevelt, whom he described as "that great man whom destiny marked for this climax of human fortune," Mr. Churchill stated:

> We've been concerting the united pacts and resolves of more than 30 States and Nations to fight on in unity together, and in fidelity, one with another without any thought except the total and final extirpation of the Hitler tyranny, of the Japanese frenzy and the Mussolini flop.
>
> There will be no halting or half measure. There will be no compromise or parley. These gangs of bandits have sought to darken the light of the world, have sought to stand between the common people of all the lands, and thence march forward into their inheritance. They shall themselves be cast into the pits of death and shame, and only when the earth has been cleansed and purged of their crime and of their villainy will we turn from the task which they have forced upon us—the task which we were reluctant to undertake but which we shall now most faithfully and punctiliously discharge.

Mr. Churchill also took occasion to review the past history of the war, contrasting the "great French catastrope" with the "behaviour of the valiant, stout-hearted Dutch." He also cited the Empire's growing strength and asserted that "the tide has turned against the Hun," at the same time promising that the new war against Japan will be fought by the Allies together.

Farmers' Outlook Good

The spread of war to the Western Hemisphere has not materially changed the favorable economic outlook for agriculture in 1942, the U. S. Department of Agriculture indicated recently on the basis of "a continuation of the favorable trend in conditions affecting the domestic demand for farm products," forecast in the December demand and price analysis of the Bureau of Agricultural Economics. "Speculative and storage demand may be stimulated for products unaffected by price ceilings, food-for-defense buying will be expanded, and the total money income of consumers is expected to continue to increase," according to the analysis.

The expanding war effort and the prospective accompanying rise in industrial activity, employment, and wages were cited as the principal factors in the favorable outlook for domestic consumer demand.

In 1942, "the proportion of manufactured goods for war and export probably will increase to at least a third of the total and may even be double the estimated 20% required for defense and exports in 1941. In 1940, about 10% of factory production apparently was for defense or export." The Bureau's analysis also stated:

> Influences tending to reduce consumer demand will be a greater restriction of normal economic activities and rising taxes necessitated by war. The retarding effect of the former will be pronounced when the shift from a defense to a war economy is most active, probably early in 1942; but will be temporary; effects of the latter may arise more gradually and be progressive.
>
> Prospective 1942 needs of the British for United States farm products have been estimated at about double the 1941 shipments. The spread of hostilities may increase these needs if transportation from more distant points becomes relatively more difficult.
>
> The spread of hostilities may increase the upward pressure on commodity prices. Whether or not this will result in a rise in the general price level in 1942 greater than previously had been anticipated, will depend upon the nature of the various control measures which may be instituted.

Report Of Byrd Committee Calls For Cut In Non-Defense Outlays Of $1,301,075,000

In a preliminary report presented to the President and Congress on Dec. 26, recommendations were made by the Joint Committee on Reduction of Non-essential Federal Expenditures to effect savings of $1,301,075,000 in non-essential spending by the Government in the next fiscal year. The Committee, headed by Senator Harry F. Byrd (Chairman), Democrat, of Virginia, was created under the Revenue Act of 1941. Additional immediate savings of $415,890,061, says the report, would result, "if funds impounded by the Director of the Budget, were covered into the Treasury by legislative action, as this Committee recommends." Secretary of the Treasury Morgenthau, a member of the Committee, signed the report with a reservation as to the recommendations affecting agriculture, his proposal being that a reduction of $500,000,000 be made in the appropriation therefor. It was pointed out in the Associated Press accounts from Washington Dec. 26 that the Committee's specific recommendation under the head of agriculture called for deferment of land purchases, reduction in appropriations for exportation and domestic consumption of agricultural commodities, abolition of the farm tenant program and the farm security administration. In his letter to Senator Byrd expressing disagreement with the recommendations under "Agriculture," Secretary Morgenthau said in part:

> It is estimated that in 1941 the farmer's share of the national income will be 20% greater than in 1932, notwithstanding a reduction of almost 10% in the proportion of the farm population to the total population of the country. Although Governmental aid was necessary in order to bring the farmer's net income from three and one-quarter billion dollars in 1932 up to eight and one-half billion dollars or more in 1941, certainly after having reached this goal there does not appear to be any reason to continue spending at the same rate. The farmer is getting his share of the total expenditures made by the Government, as the increase in his net income indicates. In addition, there are substantial benefits that will accrue to the farmer from the lend-lease program.
>
> In view of all these circumstances I feel at this time that we should make drastic cuts in our agricultural expenditures and I would recommend that the Secretary of Agriculture be required to operate the agricultural program included in the Budget with an annual appropriation of $500,000,000 less than authorized for the current fiscal year.
>
> With respect to that part of the agricultural program carried on with funds borrowed from the Reconstruction Finance Corporation, I would want the Committee to make a more thorough investigation of these activities before I make any definite recommendation for reductions in the amounts available for this purpose.

Secretary Morgenthau also said:

> I also raise a question about the recommendation (paragraph 1 of item No. 7, "Reserves impounded") to cover into the Treasury all reserves set up by the Bureau of the Budget. Reserves are set up primarily to meet unforeseen contingencies and to avoid deficiencies. Many times these reserves result in large savings. It seems to me that if a general recommendation of this kind is adopted it would defeat the very purpose for which reserves are created.

The Byrd Committee report recommended that the Civilian Conservation Corps be abolished, effecting savings of $246,960,000; also that the non-defense activities of the National Youth Administration be abolished, bringing about savings of $91,767,000 and that $400,000,000 be saved through monthly reductions for the Works Projects Administration. The Committee's recommendations to effect savings of $1,301,075,000 were offered as follows:

Tabular Recapitulation

If the specific recommendations by the Committee are adopted, the appropriations for the next fiscal year will be less than in the current fiscal year by the following amounts:

	Savings
Civilian Conservation Corps (abolished)	$246,960,000
National Youth Administration (abolished) (non-defense)	91,767,000
Works Projects Administration (present appropriation $875,000,000 annually). Recommendation for quarterly appropriation, includ. defense activities for first 3 months of next fiscal year of $50,000,000 monthly and further reduction as employment improves due to defense expenditures should save at least for the year	400,000,000
Agriculture—	
Deferment of land purchases	3,000,000
Savings in overhead expenses of Department as indicated	50,000,000
Reduction in appropriation for "Exportation and domestic consumption of agricultural commodities"	100,000,000
Farm tenant program (abolished) (cash)	7,122,000
Farm tenant program (abolished) (loan authorization cancellation)	50,000,000
Farm Security Administration (abolished) (cash)	70,500,000
Farm Security Administration (abolished) (loan authorization cancell.)	120,000,000
Public Works and Federal highway one-third deferment in public roads	64,000,000
Other Public Works—	
Deferment of public buildings for non-defense	43,164,000
Deferment of Department of Interior items	26,727,000
Deferment of rivers and harbors and flood control items	27,835,000
Cash savings	$1,131,075,000
Cancellation of loan activities	170,000,000
Total	$1,301,075,000

In its recommendations regarding the Civilian Conservation Corps, the National Youth Administration, etc., the report said:

> The Committee recommends that the Civilian Conservation Corps, the National Youth Administration and the National Defense Training Activities of the Office of Education be abolished, effective as soon as possible and not later than July 1, 1942, and that there be established in some suitable agency facilities for training persons for work in defense occupations; this activity to be limited strictly to national defense work and confined to those fields and to numbers to be certified by the Secretary of War and the Secretary of the Navy as necessary for that purpose; also that there be merged in this new program any necessary part of defense training now under the Work Projects Administration as shall be certified by the Secretary of War or the Secretary of the Navy as necessary to national defense; and further that all portions of previously appropriated funds for these agencies now held in reserve by direction of the Bureau of the Budget (totaling $132,000,000) be covered into the Treasury.

From the report we also quote:

Government Corporations

> The Government, more and more, is relying upon the 30-odd Federal corporations for financing both defense and non-defense operations. Most of the funds thus used, amounting to many billion dollars, are not subject now to the usual budgetary and audit control, nor does Congress have control over disbursement of funds through these corporations, except in blanket authorizations. Receipts derived from collections on loans made by these corporations return to their credit. They are subject only to control by the corporations themselves outside of any Congressional jurisdiction.
>
> These corporations already have authorization substantially to obligate the credit of the Government. These obligations constitute an indirect Federal debt to the extent that they are guaranteed by the Federal Government and that they are not met by the institutions themselves.
>
> The Committee recommends coordination of these corporate activities, legislation subjecting the corporations to budgetary and audit control, and that Congress assume tangible and direct control over their funds by means of its constitutional appropriating machinery.
>
> The Committee will deal with the disbursements of Government corporations and make more specific recommendations in subsequent reports.
>
> * * *
>
> This preliminary report is based upon a great amount of factual information, testimony and other documentary evidence which will be incorporated from time to time in additional forthcoming reports.
>
> Harry F. Byrd, Chairman (member, Senate Finance Committee); Robert L. Doughton, Vice-Chairman (Chairman, House Committee on Ways and Means); Henry Morgenthau, Jr., Secretary of the Treasury, subject to qualifications as stated in his letter which follows; Carter Glass, Chairman, Senate Committee on Appropriations; Walter F. George, Chairman, Senate Committee on Finance (see attached comment); Kenneth McKellar, Democratic ranking member, Senate Appropriations Committee; Clifton A. Woodrum, Democratic ranking member, House Appropriations Committee; Thomas H. Cullen, Democratic ranking member, House Ways and Means Committee; Allen H. Treadway, Republican ranking member, House Ways and Means Committee; John H. Taber, Republican ranking member, House Committee on Appropriations; Gerald P. Nye, Republican ranking member, Senate Committee on Appropriations. See comment.
>
> Senator George's comment:
>
> "In my opinion the defense activities of the NYA and educational activities relating strictly to defense activities in the Bureau of Education should be continued in the agencies respectively unless a substantial saving could be made by combining the two."
>
> Senator Nye's exception:
>
> "I take exception respecting recommendation No. 5, relating to reductions in the Department of Agriculture.
>
> "While I am confident that large savings can be accomplished in that Department, I am not ready to recommend just where and in what amount the savings shall be undertaken, without chance for searching study of the subject of effect in each recommended reduction.
>
> "We must keep agriculture strong and ready for the adjustment that must follow the war. When we let agriculture down during and after the last war, we contributed largely to the economic breakdown which finally encompassed the whole country. We must not repeat that experience."
>
> Congressman Clarence Cannon, Chairman of the House Appropriations Committee, participated actively in the preparation of the report, and was unexpectedly called home. The opportunity was not available to present the report to him for signature.

A report embodying the minority views of the Committee, was submitted by Senator La Follette.

Washington, D. C., Adopts Rent Control Measure

The first measure enacted in this country to control rents will go into effect in Washington, D. C., on Jan. 1, next, the National Association of Housing Officials reported Dec. 16. The Act, it is was said, will peg rentals at their levels of Jan. 1, 1941, and will remain in operation until Dec. 31, 1945. A rent administrator, to be appointed by the District Commissioners, will be in full charge of the Act and his decisions will be final unless reversed by a court of law. Twice a year he must present Congress a report on activities of his office, according to the Association, which also reported as follows:

Before Jan. 1 every landlord, including hotel keepers, must under the new law, notify tenants of the rates they will be charged. A landlord who gives false information on rates charged last Jan. 1 will be liable for a $1,000 fine, one year's imprisonment, or both. Tenants who suspect they are being overcharged simply petition the Rent Administrator for an adjustment of rents, and a trial examiner conducts hearings of evidence from both landlord and tenant. After study of the evidence, the Examiner makes his recommendation to the Administrator, at the same time notifying the contesting parties. If neither party appeals to the Administrator for a review of the case within five days, the findings are considered final. Recourse to the courts is further possible in appealing the decision.

To avoid retaliatory measures by a landlord whose tenants protest rental rates, the Act places new restrictions on the former's right to evict. Increased services, but not minor renovations, will be the only basis for charging higher rent. The Capital had a type of rent control following the last war, when there was a heavy housing shortage. Standards for rates were defined merely as "fair and reasonable," however, and the Act failed to fulfill its purpose. Rent boosts written into recently signed leases will be invalid. The Jan. 1, 1941, "freezing point" for rents was chosen partly because the most rapid rent rises in Wasnington occurred since that date.

Although nalf a dozen States earlier this year considered enabling legislation to make possible municipal rent control regulations, no laws were enacted, and any regulations now in force in cities are directed by the "fair rent committees" suggested by the Rent Section of the Office of Price Administration and Civilian Supply. The price control bill now under Congressional consideration has a section on control of rents in defense areas.

U. S. Circuit Courts Hold Loft Buildings Service Employes Under Wages, Hours Act

An opinion rendered by U. S. Circuit Court of Appeals for the Third District at Philadelpnia upholds the contention of the Wage and Hour Division of the U. S. Department of Labor that elevators, watchmen, firemen and other employes of a building, housing firms producing goods for commerce, are covered by the Fair Labor Standards Act. The opinion confirms the decision in April last year of Judge William H. Kirkpatrick in the U. S. District Court at Philadelphia, which says the Wage and Hour Division of the Labor Department enjoined the A. B. Kirchbaum Co. of that city from further violating the wage and hour provisions of the act. The suit was instituted by the Division. The opinion extends the benefits of the 30 cents per hour and time-and-a-half for overtime beyond 40 hours per week provisions of the wage-hour law to the elevator operators, watchmen, firemen, engineers, etc. employed by the Kirchbaum Co.

Judge Kirkpatrick's opinion of last April was referred to in our April 19 issue, page 2483. In reporting the Circuit Court's opinion, the Wage & Hour Division says:

> The defendant argued that the employes involved are not entitled to the benefits of the Wage-Hour Law because they are employed in a service establishment, which is exempt. However, the Circuit Court dismissed this argument with the finding that "the rendering of some service is incidental to most businesses but they are not thereby necessarily stamped as 'service establishments.' That term may not be given so broad a meaning since it represents a special exception to the general coverage of the act."
>
> The Court reasoned that "it is fair to infer that the type of establishment meant by the Act is that which has the ordinary characteristics of a retail establishment except that it sells services instead of goods. In other words it is an establishment, the principal activity of which is to furnish service to the consuming public."

A decision upholding the contention of the Wage and Hour Division of the Department of Labor that building service employees engaged in servicing a loft building tenanted largely by manufacturers producing goods for interstate commerce, are themselves engaged in the production of goods for interstate commerce, and therefore are entitled to the benefits of the Federal Wage and Hour Law, was handed down on Dec. 31 by the U. S. Circuit Court of Appeals for the Second (New York) Circuit. The opinion of the court, written by Circuit Court Judge Learned Hand and concurred in by Judges Clark and Frank, reversed the judgment of Federal Judge John M. Woolsey in April of last year dismissing after trial a complaint filed by the Wage and Hour Division against the Arsenal Building Corporation and Spear & Co., Inc., owners and agents, respectively, of the 22-story loft building at 463 Seventh Avenue. The New York Regional Office of the Wage and Hour Division of the Labor Department reporting this said:

> The complaint charged that the owners and agents had failed to pay the maintenance men, including elevator operators and watchmen, employed by them to service the building, time-and-a-half overtime for all hours worked in excess of the statutory maximum workweek, as prescribed by the Wage and Hour Law. An injunction was sought restraining the corporation from continuing to violate the overtime provisions of the Wage and Hour Law with respect to its building service employees.

In reversing Judge Woolsey's ruling that dismissed the complaint and held that the employees in question were not engaged in the production of goods for commerce, or in commerce, and that the defendant corporation was a service establishment, the Circuit Court of Appeals held that the employees were engaged in the production of goods for commerce within the meaning of the law, and stated that in the court's opinion the Arsenal Building Corp. was not a service establishment, as defined in the law.

* * *

Stating that "we do not think defendant is a service establishment, the larger part of whose servicing is in intrastate commerce," the court's opinion declared, "Possibly it is not a service establishment at all. Perhaps that phrase should be limited to those who serve consumers directly, like tailors or garages or laundries. . . . It is enough for our purpose that if it is a service establishment at least its exemption must depend upon the extent to which its servicing is intrastate."

In holding that the servicing performed by employees of the Arsenal Building Corporation was in interstate commerce, the court cited the example furnished by manufacturers who sent their goods out to be pressed instead of pressing them themselves.

"The fact that the pressing took place in the same state as the cutting and stitching," the court stated, "would not, we think, exempt the pressers; their servicing would be in interstate commerce."

Judge Woolsey's findings of last April were also noted in our April 19 issue, page 2483.

N. Y. Stock Exchange Moves to Enlarge Privileges of Members In War Service

The Board of Governors of the New York Stock Exchange at its meeting on Dec. 30, 1941, approved two amendments to the Constitution of the Exchange to enlarge the privileges of members engaged in war service and to broaden the conditions under which these privileges may be granted. In a letter sent to members, Emil Schram, President of the Exchange, explained:

> A proposed amendment of Section 15 of Article IX would enable the Board of Governors to extend the privilege of having a partner act as a Floor alternate to a member "in the active military or naval service of any nation or State which is a belligerent against one or more of the enemies of the United States," as well as to a member in the United States Army or Navy or engaged in other service incident to the national defense. This section has also been so amended that a member who may be engaged in war work for protracted periods of time, although not assuming full time duties for an indefinite period, may be granted the privilege of having a partner act as a Floor alternate.
>
> A proposed amendment of the commission law of the Exchange, Article XV of the Constitution, would permit a member who is not a general partner in a member firm and whose principal business is that of executing orders on the Floor of the Exchange for other members or member firms, to share, during his absence in war service, in the commissions produced on his usual Floor business executed by another member during his absence, subject to the approval in each case of the Board of Governors.
>
> The purpose of these amendments is to make possible the maximum contribution by members of the Exchange to the national war effort.

It is pointed out by the Exchange that:

> The Constitution has provided, since Sept. 25, 1940, following the first call for Army and Navy reserves, that a member in the Army, Navy or defense service of the United States might have a partner as a floor alternate. At the present time 17 alternates have been approved. It is estimated that at least 50 other members are in the Army, Navy or other defense effort. The proposed amendments, it is expected, will permit other members now contemplating some form of war service to do so, while retaining some benefits of their present business.

The amendments are being sent to the membership for balloting and, if approved, will become effective on Jan. 13.

N. Y. Chamber Endorses Byrd Budget Report

Percy H. Johnston, President of the Chamber of Commerce of the State of New York which has taken a leading part in the movement for drastic reduction of unessential non-defense expenditures, commended on Dec. 23 the report of Senator Byrd's economy committee as paving the way for prompt and effective action by President Roosevelt and Congress to eliminate unnecessary spending by the Federal government. A statement by Mr. Johnston follows:

"Senator Byrd and his associates on the Congressional-Executive Department Joint Committee on Non-Essential Expenditures deserve the gratitude of the American people for pointing the way to war-time economy in non-defense expenditures of the government. The Committee has cleared the path of duty for the President and Congress. All non-essentials must give way to the supreme task to which this nation now is pledged.

"Every dollar of needless spending which is saved makes possible the contribution of just so much more for the relentless prosecution of the war against the forces which are seeking to destroy the ideals and traditions upon which the nation was founded and which today are the inspiration and hope of freedom, Christianity and democracy throughout the world.

"The preliminary report reveals that the Committee searched far and deep in its efforts to find economies which could be effected in Federal departments and agencies without disrupting the necessary functions and activities of Government to a point where they would work hardship on any group.

"The fact that the Committee, to all intents and purposes, was so largely united in its recommendations, except chiefly as to the extent of some proposed economies, should recommend the report to the President and to Congress, as should its conclusion that the proposed economies would be of material aid to checking inflation.

"Congress must recognize that at a time when the United States faces the greatest crisis in its history the people have a right to demand that the Government devote its full energies and resources to insuring the safety of the nation and the quickest possible overwhelming defeat of its enemies. Congress should recognize also that the people are united in insisting that no part of the money which their economy and sacrifice contribute to pay the cost of the war and the necessary upkeep of government be spent for social or economic experiments which have no immediate or prospective military value.

"It is gratifying to know that the committee is continuing its labors and also will extend its inquiry into defense expenditures with a view of recommending elimination of waste and inefficiency in administration, if evidence of such is revealed. While the people are willing to give their last dollar, if necessary, to finance the war, they will be the more eager to do so if they know that their defense dollars are being spent economically for the sole purpose of insuring ultimate victory.

"The Chamber of Commerce of the State of New York in presentations before Congress and in other public utterances repeatedly has urged the elimination of all non-defense spending not absolutely essential to public welfare and morale and it earnestly hopes that the labors of Senator Byrd's committee will meet with the prompt consideration and approving action they deserve."

Death Of R. S. Aldrich Former Representative

Richard S. Aldrich, former member of Congress and Vice-President and Director of the Providence Journal Co., died on Dec. 25 at his home in Providence, R. I., at the age of 57. Mr. Aldrich served five terms in the House of Representatives, during which time he specialized in the fields of taxation and tariffs. Born in Washington, D. C. Mr. Aldrich was the son of the late Nelson W. Aldrich, United States Senator from Rhode Island, co-author of the famous Payne-Aldrich Tariff Act. Richard S. Aldrich graduated from Yale University in 1906 and from Harvard Law School in 1909, and practiced law in New York City until 1913, when he returned to Providence. Mr. Aldrich entered the political field in 1914 when he was elected to the Rhode Island House of Representatives and two years later became a member of the State Senate. He was elected to the national House of Representatives in 1922 and served until 1932, when he retired from active political life. Mr. Aldrich was elected a Director of the Providence Journal Co. in 1918 and was named Vice President in 1938.

He was also a Trustee of the Providence Institution for Savings and a Director of the Anchor Insurance Co., Providence National Bank, Providence Washington Insurance Co.

President Signs New War Powers Bill

President Roosevelt signed on Dec. 18 the legislation giving him extraordinary wartime powers, including authority to impose censorship on all outgoing and incoming communications. The measure, cited as the First War Powers Act, 1941, gives the President virtually unlimited powers over defense contracts, the reorganization of Government agencies and alien property. It amounts to re-enactment of the Overman and Trading With The Enemy Acts; this latter revives the powers held by President Wilson in the first World War.

Both the Senate and House passed the measure on Dec. 16 but, due to minor differences in the two versions, final Congressional action was not completed until Dec. 17, when both branches approved the conference report on the bill. In advices Dec. 16 to the New York "Journal of Commerce" from its Washington bureau, it was stated:

The only complaint against the breadth of the powers conferred upon the President in the war power bill came in the Senate when Senators Taft (Rep., Ohio) and Vandenberg (Rep., Mich.) protested that the bill would permit the President to suspend all profit limitations on contracts. At the suggestion of Majority Leader Barkley the bill was amended to bar such a move.

Another amendment adopted to the bill requires the President to make a public record of all acts taken under the contract authority when deemed by him not incompatible with the public interest.

The added powers over contracts it was explained by the Judiciary Committee of the Senate, was needed to speed up the procurement of war material. The authority to suspend the restrictions now in existence, it was pointed out, will make it possible to bring the small business man into the defense program.

"In many cases he cannot make the goods at as low a price as the big corporations," the report said. "In many cases he cannot afford a performance bond. In still other cases he needs progress payments which cannot be made in the amounts and under the conditions needed. This bill will make it possible to give defense contracts to the small business man by making the terms and conditions such that he can do the job."

In addition to providing for censorship, the bill, according to the United Press, would:

1. Authorize the President to redistribute the functions of Governmental agencies, excluding the general accounting office, in the interest of efficient prosecution of the war.

2. Speed up Government procurement of war material by eliminating the requirement of competitive bidding on contracts where it still exists; waiving performance bonds and authorizing "progress" payments on contracts.

The latter provision is designed to aid small business concerns which are not in position to undertake Government contracts where the work must be completed before any payment is made.

3. Re-enact World War laws prohibiting trade with the enemy and expanding them to enlarge the current "freezing" control exercised by the Treasury over an estimated $7,000,000,000 of property owned in this country by Axis nations or nationals.

Savings And Loan Associations Becoming Fewer; Larger Units

Savings and loan associations—specialists in financing the small homes of the country—are developing into fewer and larger units, "more capable than ever of adjustment to the needs of the future," Fred W. Catlett, member of the Federal Home Loan Bank Board, said on Dec. 27. While the number of member savings and loan institutions of the Federal Home Loan Bank System has moved downward from 3,914 to 3,787 in the past three years, their assets have increased by nearly 26% and their average size by 30%, Mr. Catlett pointed out.

Assets of savings and loan associations of the Bank System on Oct. 31, 1938, it is stated, amounted to $3,753,000,000. Three years later the total had grown to $4,726,000,000, not including $646,000,000 represented by the resources of member insurance companies and savings banks. Mr. Catlett further stated:

The decline in the number of member savings and loan institutions is largely due to a continuing process of consolidation, resulting in the gradual elimination of inactive institutions and the emergence of larger, stronger associations better able to serve the nation's home seekers and small investors. Utilizing the mechanics of merger, purchase of assets and reorganization, this constructive trend has been supported by the Board in Washington, the 12 district Federal Home Loan Banks, State authorities and leaders of the savings and loan industry.

Green Coffee Ceiling

The Office of Price Administration at Washington issued on Dec. 28 a formal price schedule for green coffees replacing the emergency schedule of Dec. 11. The revised schedule takes in 39 grades imported from 28 foreign countries, whereas the temporary schedule covered only 15 grades. Maximum spot prices are increased one-quarter of a cent a pound from the previous price schedule and ceiling prices for future contracts traded on the New York Coffee and Sugar Exchange are retained at the levels of the close on Dec. 8. Price differentials for the various grades of green coffee are those agreed on at a conference in New York on Dec. 18 between representatives of the coffee industry and of the OPA. The temporary price schedule froze all coffee prices at those which prevailed at New York City on Dec. 8.

Hungary Pays

The Treasury received on Dec. 11 from the Government of Hungary, $19,656.32 in cash as a payment on account of the funded indebtedness of the Hungarian Government to the United States. The Treasury, in announcing this said:

Since Dec. 15, 1937, the Hungarian Government has been making semi-annual payments of $9,828.16 on account of its relief indebtedness to the United States. No payment had been made, however, as of June 15, 1941, and the present payment of $19,656.32 represents the amount payable under this practice for June 15, 1941, and Dec. 15, 1941.

Auction Sales

Transacted at R. L. Day & Co., Boston, on Wednesday, Dec. 31:

Shares	STOCKS	$ per Lot
250	Pioche Mining Co. (par $5)	13
200	Georgian, Inc., common (par $5); 50 Yarg Producing & Refining Corp. of Delaware (par $1)	7
500	National Service Cos., common (par $1)	10
40	Home Finance Trust (par $100)	$3¼ shr.
75	Waltham Watch Co., common B	$5 shr.
100	Utilities Power & Light, common (par $100)	1
24	Central States Electric Corp., common (par $1)	75c
150	Ozark Corp., common	1
20	Chicago & Northwestern RR., common (old) (par $100)	10c
5	Standard Power & Light Corp., common temporary certificate (par $1); 4 common (par $1); 5 common B temporary certificate	25c
135	Dispersion Products, Inc., preferred; 50 common A; 440 common B; 62 common B v.t.c.	19
100	Chicago & Northwestern RR., common (old) (par $100)	40c
6,000	American Ship & Commerce; 50 units International Power & Securities Corp.	105
500	Foreign Oil Co., common	50c shr.
216	Atlantic Midland Corp., units; 144 common	2
168	Pure Cheese Corp.	2
50	Western Dairy Products, class A	90
500	Fawn Mining Co., Ltd. (par 50 cents); 102 Manufacturers Trading Corp. (par $1)	37
3	Commonwealth Supplies Co., common B	1¼
1,142	Pure Cheese Co.	15
40	Robinson Steamship Co., Inc. (par $100)	6
15	Joseph Breck & Sons Corp, A	60c shr.
149 25/80	Central Public Utility Corp., class A; 139 Associated Gas & Electric Co., class A (par $1); 4 Associated Gas & Elec., common	4
9,000	Eureka Croesus Mining Co. (par $1)	2
100	Fox Theatres Corp., class A	1
$200	The Public Square Improvement Co., 6s, February, 1933; 5 S. Ulmer & Sons, preferred (par $100); 2½ S. Ulmer & Sons, com.	3
300	Fawn Mining Co., Ltd. (par 50 cents); 8 Associated Gas & Electric, A (par $1)	6½
5	Radio-Keith-Orpheum, A (old); 10 Commonwealth & Southern; 20 Guardian Investors Corp. (par $1); 20 Associated Gas & Electric, A (par $1)	6
6	Associated Gas & Electric, A (par $1); 3 common	15c
60	Cosmocolor Corp. (par $1)	5½
32	Associated Gas & Electric, A (par $1)	1
200	Chicago & Northwestern RR., common (old) (par $100); 100 Wabash RR., preferred A (old) (par $100)	3
110	Self Feeding Carburetor Co. (par $100)	1
250	Ozark Corp.	3
2,500	Kinner Airplane & Motor (par $1)	3
17 27/779	Aravaipa Mining Corp., common; 25 430/779 pref. (par $100)	1
6	Utilities Power & Light Corp., class A	10c
115	Cambridge Rubber Co., preferred (par $100)	$55 shr.
40	Ludlow Manufacturing Associates	$89 shr.
20	Brookside Mills (par $100)	$7 shr.
25	Rainbow Luminous Products, Inc., class A	1
400	Foreign Oil Co., Inc., common; 40 preferred (par $50)	60c
1,263	Pure Cheese Corp.	11
1,500	Andes Petroleum (par $1)	5
25	Lynn Realty Trust, preferred (par $100); 25 Lynn Realty Trust, common (par $100); 5 Electric Bond & Share (par $5); 10 New England Storage Warehouse Co. (par $100)	26
562	Royal Tiger Mines (par 1 cent); 94 Detachable Bit Corp. of America (par 10 cents)	7
28	Sterling Steel Foundry Co., common; 10 Sterling Steel Foundry Co., preferred (par $100); 3 Pittsburgh Terminal Warehouse & Transfer Co. (par $100)	19
2,000	Robert Fulton Distilleries, Inc., class B (par $1)	2
520	Longfellow Mining Co. (par $5)	3
100	Missouri Pacific RR., 5% preferred (old) (par $100)	3
50	Temblor Oil Co. (par $5)	1
5	Utility & Industrial Corp., common	11c
250	Nantasket Boston Steamboat Co. (par $10)	20
	BONDS	$ per Lot
$1,400	Bouve-Boston School of Physical Education, Inc., note October, 1949	8½
2,000	Straus Safe Deposit Co., 5½s, March, 1943, coupon March, 1933, and sub. on	2
800	Atlantic City Ambassador Hotel Corp., Inc., Jan. 1, 1956, reg. with 40 common	5
20,000	National Railways of Mexico, prior lien 4½s, 1957—coupon January, 1914, and sub. on; $10,000 general 4s, 1977—coupon April, 1914, and sub. on	625

Transacted at Barnes & Lofland, Philadelphia, on Wednesday, Dec. 31:

Shares	STOCKS	$ per Lot
95	First National Bank and Trust Co., Port Chester, N. Y. (par $20)	1
600	John Warren Watson Co., common (no par)	5
28	Associated Gas and Electric Co., common (no par)	1
200	Hires-Turner Glass Co., common (par $25)	$15 shr.
11	Philadelphia Life Insurance Co. (par $10)	$1½ shr.
66	Erben-Harding Co., common (par $100)	51
10	Stephen F. Whitman & Son, class A (no par)	$75 shr.
24 25/80	Central Public Utility Corp., A (no par)	1
25	Electric Finance Corp., common (no par) V. T. C.	1
60	Hamilton Finance Service, Inc., second preferred (par 5 cents)	1
5	Hamilton Finance Service, Inc., preferred (par $10)	1
10	Idaho Farms Co., capital (par $45)	23
10	Olean, Bradford and Salamanca Ry. Co., 7% preferred (par $100)	1
24	Olean, Bradford and Salamanca Ry. Co., common (par $100)	1
30	Petroleum Conversion Corp., capital (par $5), temporary certificate	2
20	Terminals and Transportation Corp., common (par $1)	3
400	Fiat (American Deposit receipts), common	1
122	Penn Heat Control Corp., common (no par)	1
10	Jacob Miller's Sons Co., first preferred (par $100)	1
20	Public Utilities Securities, $7 preferred	11
	BONDS	$ per Lot
$200	Hamilton Loan Society of Pennsylvania, Inc., 7s, 1953, Nov. 1, 1935, and S. C. A.	1
100	Twin Falls Oakley Land and Water Co., first mortgage, October, 1913, and S. C. A., C. D.	1
500	Twin Falls Salmon River Land and Water Co., first mortgage, December, 1913, and S. C. A., C. D. stamped	5

The London Stock Exchange

Quotations of representative stocks as received by cable each day of the past week:

	Saturday Dec. 27	Monday Dec. 29	Tuesday Dec. 30	Wednesday Dec. 31	Thursday Jan. 1	Friday Jan. 2
Boots Pure Drugs		36/3	36/3	36/3		36/3
British Amer. Tobacco		85/9	85/9	86/3		85/9
*Cable & W. ord.		£65½	£65½	£66		£66
Central Min. & Invest.		£13¼	£13⅜	£13⅜		£13⅜
Cons. Goldfields of S. A.		41/3	40/9	40/–		40/–
Courtaulds (S.) & Co.		33/6	33/6	33/6		34/–
De Beers		£8½	£8½	£8½		£8½
Distillers Co.		72/3	72/9	72/6		72/9
Electric & Musical Ind.	Closed	14/6	14/9	14/9	Holiday	14/9
Ford Ltd.		24/6	24/6	24/6		24/9
Hudsons Bay Company		25/–	25/–	24/9		24/9
Imp. Tob. of G. B. & I.		129/3	131/3	131/3		131/9
*London Mid. Ry.		£17¾	£18	£18¾		£19⅛
Metal Box		75/6	75/6	75/6		75/6
Rand Mines		£6⅞	£6⅞	£6⅞		£6⅞
Rio Tinto		£7	£7	£7		£7
Rolls Royce		90/–	90/–	90/–		90/–
Shell Transport		51/3	51/3	51/3		53/–
United Molasses		30/–	30/–	30/3		30/3
Vickers		16/6	16/6	16/9		16/9
West Witwatersrand Areas		£4½	£4½	£4⅝		£4 11/16

*Per £100 par value. †Ex-dividend.

November Automobile Production Below 1940

Factory sales of automobiles manufactured in the United States, including complete units or vehicles reported as assembled in foreign countries from parts made in the United States, for November, 1941, consisted of 352,347 vehicles, of which 256,101 were passenger cars and 96,246 commercial cars, trucks, and road tractors, as compared with 382,000 vehicles in October, 1941, 487,352 vehicles in November, 1940, and 351,785 vehicles in November, 1939. These statistics comprise data for the entire industry and were released Jan. 2 by Director J. C. Capt, Bureau of the Census, Department of Commerce.

Statistics for 1941 are based on data received from 69 manufacturers in the United States, 20 making passenger cars and 63 making commercial cars, trucks, or road tractors (14 of the 20 passenger car manufacturers also making commercial cars, trucks, or road tractors). It should be noted that those making both passenger cars and commercial cars, trucks, or road tractors have been included in the number shown as making passenger cars and in the number shown as making commercial cars, trucks, or road tractors, respectively. The figures for passenger cars include those for taxicabs. The figures for commercial cars, trucks, and road tractors include those for ambulances, funeral cars, fire apparatus, street sweepers, station wagons, and buses, but the number of such special purpose vehicles is very small and hence a negligible factor in any analysis for which the figures may be used. Canadian production figures are supplied by the Dominion Bureau of Statistics. Figures for previous months appear in our issue of Dec. 4, page 1350.

NUMBER OF VEHICLES (INCLUDING CHASSIS)

Year and month	United States (Factory Sales) Total (all vehicles)	Passenger cars	Trucks, etc.	Canada (Production) Total	Passenger cars	Commercial cars and trucks
1941—						
October	382,000	295,568	86,432	19,360	5,635	13,725
November	352,347	256,101	96,246	21,545	7,003	14,542
Total (11 mos. end. Nov.)	4,556,325	3,569,338	986,987	250,118	87,394	162,724
1940—						
October	493,223	421,214	72,009	21,151	7,056	14,095
November	487,352	407,091	80,261	23,621	10,814	12,807
Total (11 mos. end. Nov.)	3,985,787	3,295,797	689,990	199,620	98,473	101,147
1939—						
October	313,392	251,819	61,573	11,297	7,791	3,506
November	351,785	285,252	66,533	16,756	9,882	6,874
Total (11 mos. end. Nov.)	3,125,150	2,492,992	632,158	138,450	97,315	41,135

Tin Statistics For November

According to the current issue of the "Statistical Bulletin" published by the Tin Research Institute, London, world production for the first ten months has been revised to 209,500 tons, against 187,600 tons in the first ten months of 1940.

Exports from the countries signatory to the International Tin Agreement, and the position at the end of November 1941 are shown below in long tons of tin:

	September	October	November	End November
Belgian Congo	695	977	*	*
Bolivia	4,040	3,258	*	*
French Indo-China	†130	†130	†130	—†2,433
Malaya	8,214	5,242	*	*
Netherlands East Indies	3,902	5,320	4,481	+ 3,763
Nigeria	Nil	3,443	*	*
Thailand	1,518	1,342	*	*

*Not yet available. †Estimated.

The Institute's announcement of Dec. 31 added:

United States deliveries totaled 8,355 tons in November 1941, against 8,000 tons in October 1941. For the first eleven months of 1941, United States deliveries totaled 135,642 tons compared with 106,139 tons in the corresponding period of 1940.

Consumption of tin in the United Kingdom for the first ten months in 1941 amounted to 24,879 tons, against 24,904 tons for the same period in 1940.

World stocks of tin, including smelters' stocks and carry-over increased by 4,736 tons during October, 1941, to 51,465 tons at the end of the month. Stocks at the end of October, 1940 amounted to 53,890 tons.

The average cash price for standard tin in London was £256.9 per ton in November, 1941, compared with £256.0 in the previous month and £258.4 in November, 1940.

The average price for Straits tin in New York was unchanged at the controlled maximum of 52.00 cents per pound, in November, 1941.

President Proclaimed Jan. 1 Day of Prayer

New Year's Day was proclaimed on Dec. 22 as a day of prayer by President Roosevelt, who declared that the coming year "calls for the courage and the resolution of old and young to help win a world struggle in order that we may preserve all we hold dear." He urged that the day designated be devoted to asking "forgiveness for our shortcomings of the past," to "consecration to the tasks of the present," and "asking God's help in days to come." The proclamation follows:

The year 1941 has brought upon our nation a war of aggression by powers dominated by arrogant rulers whose selfish purpose is to destroy free institutions. They would thereby take from the freedom-loving peoples of the earth the hard-won liberties gained over many centuries.

The new year of 1942 calls for the courage and the resolution of old and young to help win a world struggle in order that we may preserve all we hold dear.

We are confident in our devotion to our country, in our love of freedom, in our inheritance of courage. But our strength, as the strength of all men everywhere, is of greater avail as God upholds us.

Therefore, I, Franklin D. Roosevelt, President of the United States of America, do hereby appoint the first day of the year 1942 as a day of prayer, of asking forgiveness for our shortcomings of the past, of consecration to the tasks of the present, of asking God's help in days to come.

We need His guidance that this people may be humble in spirit but strong in the conviction of the right, steadfast to endure sacrifices and brave to achieve a victory of liberty and peace.

Borrowers Pay Off Farm-Purchase Loans

Farm families who have received loans from the Farm Security Administration to buy their own farms have repaid 96.5% of the principal and interest due for the four years ending June 30, 1941, the U. S. Department of Agriculture said on Dec. 30. However, extra payments made by many of the families were greater than the total principal and interest delinquency. The Agriculture Department further said.

The borrowers are selected tenants or farm laborers who are being helped to buy farms of their own under the Bankhead-Jones Farm Tenant Act of 1937. With FSA guidance, these borrowers choose farms which, with proper management, are expected to pay for themselves within the 40-year period allowed by the Act.

More than 60% of the borrowers use the variable payment plan provided for in the Farm Tenant Act. This repayment schedule calls for large payments in good years, smaller payments in bad years. Over a 40-year period payments are expected to average out the same as charges made on rigid schedule that makes no allowance for the ups and downs of farm income.

The balance sheet for the first four years of the program shows 14,944 tenant purchasers lacked only $106,256, or 3.5% of meeting their required payments in full. They have paid $2,935,363 out of the $3,041,619 billed in principal and interest on loans totaling about $88,000,000. The interest rate is 3%.

Loans for more than 6,000 additional borrowers had been approved on June 30, 1941. This brought to over 21,000 the total number of families benefiting from the tenant purchase program. The total of loans made or pending at the end of the last fiscal year amounted to more than $117,000,000.

Regular repayments have been supplemented by an extra $671,014, which was applied to reduction of principal but does not appear as credit on billings. About one-fourth of this additional amount came from extra farm income, more than equaling delinquencies. Most of the remainder represented unused portions of loans.

About 10,000 tenant borrowers obtained operating capital through FSA rehabilitation loans during the year ending June 30, 1941. Rehabilitation loans outstanding on that date amounted to $8,392,312. Of this amount, $1,348,391 had been repaid on principal and $181,333 in interest. Delinquencies on operating loans, figured on a 5-year, fixed repayment basis, totaled $323,884, or 21.3%. However, $332,067—more than the total delinquencies—had been paid on operating loans in advance of maturity. These loans are in addition to the farm-purchase loans and are made for periods up to five years, with interest at 5%. Based on over-all farm and home operating plans, the loans are used to purchase feed, seed, livestock, workstock and home and farm equipment.

Delinquencies on debts of all kinds by tenant purchase borrowers totaled $430,140, or 9.4%. Total prepayments from farm income alone amounted to $457,333.

1942 Sugar Quotas

The Department of Agriculture announced on Dec. 31 that 6,666,890 short tons, raw value, will be needed from the various sugar-producing areas supplying the continental U. S. in 1942 in order to meet the normal sugar requirements of consumers. However, says the Department, since certain of the areas may be unable in 1942 to deliver the quantity of sugar ordinarily furnished by them, it is necessary to establish initial quotas totaling 8,032,074 tons, in order to make it possible to secure the required sugar from the other areas. The Sugar Act of 1937 requires the Secretary to establish quotas in December for the following calendar year and authorizes him to revise such quotas whenever necessary.

The initial 1942 quotas for the various areas with the 1941 comparative initial quotas are as follows:

(Short tons raw value)

Areas—	1942 Quotas	1941 Quotas
Continental Beet	1,862,811	1,549,898
Mainland Cane	504,995	420,167
Hawaii	1,127,420	938,037
Puerto Rico	959,088	797,982
Virgin Islands	10,716	8,916
Commonwealth of the Philippines	1,237,764	1,006,931
Cuba	2,297,533	1,869,060
Foreign countries other than Cuba	31,747	25,826
	8,032,074	6,616,817

The Department's announcement further said:

It is not anticipated at present that the Philippines will fill much, if any, of their 1942 quota, nor that Hawaii will meet its entire quota. Therefore, any part of the required 6,666,890 tons which those areas are unable to supply will have to be made up by sugar from other areas having sugar supplies in excess of their quotas. Officials pointed out, however, that the Western Hemisphere may be called upon to furnish the Allies with somewhat larger supplies of sugar in 1942 than in prior years.

On the basis of the recent sugar conservation order issued by the Office of Production Management, 1942 sugar distribution within this country will be limited to about 6,891,000 tons (the amount distributed in 1940) plus the supplies needed by the armed services of this country. The difference between this amount and the 6,666,890 tons could be made up from excess sugar stocks carried over into 1942.

It is estimated that sugar distribution in 1941 will total about 7,900,000 tons and that about half of the 1,000,000-ton increase over 1940 represents increased stocks held by wholesalers and retailers, and industrial, commercial and household users of sugar.

Chicago Loan Bank Oct. Home Financing

The 1941 wave of home-owner borrowings from all sources in Illinois and Wisconsin reached in October its peak for the past three years, the Federal Home Loan Bank of Chicago reports, on the basis of recordings of $20,000-and-under mortgages in counties with three-fourths of the non-farm population. A total of $41,365,000 was borrowed by 12,434 individuals, topping October a year ago by 36.9% in dollar volume, and September of this year by 5.8%. This was the third month of 1941 when more than $40,000,000 of home mortgages were recorded. A. R. Gardner, President of the Chicago bank, says that the record October volume in this district was in line with the national trend which also reached a new high for the month. He reported that $1 out of each $10.83 borrowed for home ownership purposes throughout the nation was in these two states.

Stocks Of Coal In Consumers' Hands On Dec. 1

The Bituminous Coal Division, United States Department of the Interior, in a report released on Jan. 3 reported that stocks of bituminous coal held by industrial consumers show a 1% increase during November, and on Dec. 1 stood at 52,004,000 net tons. Retail dealers stocks decreased 1.5%.

Industrial consumption shows a decrease of 10.2% during November.

At the daily rate of consumption prevailing in November, there was enough bituminous coal on hand at industrial plants on Dec. 1 to last 45 days. Retail dealers show reserves sufficient for 34 days supply.

STOCKS AND CONSUMPTION OF BITUMINOUS COAL IN THE UNITED STATES, INCLUDING RETAIL YARDS

(Determined jointly by W. H. Young, Research Section, Bituminous Coal Division, and Thomas W. Harris, Jr., Chairman, Coal Committee, National Association of Purchasing Agents)

	Nov., 1941 (preliminary)	Oct., 1941 (revised)	% of Change
Stocks, End of Month, at—	——Net Tons——		
Electric power utilities*	12,427,000	11,919,000	+ 4.3
Byproduct coke ovens†	8,326,000	8,371,000	— 0.5
Steel and rolling mills‡	899,000	909,000	— 1.1
Coal-gas retorts‡	372,000	364,000	+ 2.2
Cement mills†	714,000	720,000	— 0.8
Other industrials§	19,540,000	19,670,000	— 0.7
Railroads (Class I)¶	9,726,000	9,548,000	+ 1.9
Total industrial stocks	52,004,000	51,501,000	+ 1.0
Retail dealer stocks	9,750,000	9,900,000	— 1.5
Grand total	61,754,000	61,401,000	+ 0.6
Cunsumption by—			
Electric power utilities*	5,531,000	5,913,000	— 6.5
Byproduct coke ovens†	6,848,000	7,050,000	— 2.9
Beehive coke ovens†	835,000	968,000	—13.7
Steel and rolling mills‡	912,000	886,000	+ 2.9
Coal-gas retorts‡	143,000	143,000	-----
Cement mills†	628,000	676,000	— 7.1
Other industrials§	10,910,000	10,600,000	+ 2.9
Railroads (Class I)¶	8,747,000	8,742,000	+ 0.1
Total industrial	34,554,000	34,978,000	— 1.2
Retail dealer deliveries	8,500,000	8,500,000	-----
Grand total	43,054,000	43,478,000	— 1.0
Additional Known Consumption—			
Coal mine fuel	306,000	362,000	—15.5
Bunker fuel, foreign trade	††	††	-----
Days Supply, End of Month, at—	——Days Supply——		
Electric power utilities	67 days	62 days	+ 8.1
Byproduct coke ovens	36 days	37 days	— 2.7
Steel and rolling mills	30 days	32 days	— 6.2
Coal-gas retorts	78 days	79 days	— 1.3
Cement mills	34 days	33 days	+ 3.0
Other industrials	54 days	58 days	— 6.9
Railroads (Class I)	33 days	34 days	— 2.9
Total industrials	45 days	46 days	— 2.2
Retail dealer	34 days	36 days	— 5.6
Grand total	43 days	43 days	-----

*Collected by the Federal Power Commission. †Collected by the U. S. Bureau of Mines. ‡Collected by the Bituminous Coal Division. §Estimates based on reports collected jointly by the National Association of Purchasing Agents and the Bituminous Coal Division from a selected list of 2,000 representative manufacturing plants. The concerns reporting are chiefly large consumers and afford a satisfactory basis for estimate. ¶Collected by the Association of American Railroads. Includes powerhouse, shop and station fuel. ††Not available.

Industrial Anthracite

Stocks of anthracite at electric power utilities and general manufacturing plants declined in November, while those for Class I railroads showed a 10.4% advance. Anthracite consumption at electric power utilities also decreased but increased at general manufacturing plants and Class I railroads.

ANTHRACITE AT ELECTRIC POWER UTILITIES, RAILROADS, AND OTHER INDUSTRIAL PLANTS (Net Tons)

Electric power utilities*—	Nov., 1941§	Oct., 1941	Aug., 1941	Nov., 1940	% of Change From previous month	From year ago
Stocks, end of month	1,338,915	1,371,655	1,357,305	1,195,010	— 2.4	+12.0
Consumed during month	236,267	273,145	289.552	211,303	—13.5	+11.8
Days supply, end of mo.	170 days	156 days	145 days	175 days	+ 9.0	— 2.9
Railroads, (Class I)†—						
Stocks, end of month	239,465	216,977	117,778	142,564	+10.4	+68.0
Consumed during month	120.870	96.875	88,474	197,880	+24.8	—38.9
Days supply, end of mo.	59 days	69 days	41 days	22 days	—14.5	+168.0
Other industrial consumers— (Selected representative plants‡)						
Stocks, end of month	254.635	261,785	277,330	227,330	— 2.7	+12.1
Consumed during month	117,046	111,509	112,671	101.270	+ 5.0	+15.6
Days supply, end of mo.	65 days	80 days	76 days	67 days	—18.7	— 3.0

*Collected by the Federal Power Commission. †Collected by the Association of American Railroads. ‡73 firms reported for October and November, 1941; 71 firms for August, 1941, and 84 firms for November, 1940. §Subject to revision.

Domestic Anthracite and Coke

Stocks of anthracite and coke in the yards of 240 selected retail dealers and in producers' storage yards increased during November.

SUMMARY OF STOCKS OF DOMESTIC ANTHRACITE AND COKE

Retail stocks, 240 selected dealers—	Dec. 1, 1941‡	Nov. 1, 1941	Sept. 1, 1941	Dec. 1, 1940	% of Change From previous month	From year ago
Anthracite, net tons	498.759	470,573	380.860	348.002	+ 6.0	+43.3
Anthracite, days supply*	108 days	96 days	48 days	57 days	+12.5	+89.5
Coke, net tons	68.830	67.754	63.086	76,295	+ 1.6	— 9.8
Coke, days supply*	100 days	101 days	95 days	75 days	— 1.0	+33.3
Anthracite in producers' storage yards†	1,393,230	1,176,519	413,820	1,112,038	+18.4	+25.3

*Calculated at the rate of deliveries to customers in the preceding month. †Courtesy Anthracite Committee of the Department of Commerce of the Commonwealth of Pennsylvania. ‡Subject to revision.

English Financial Market--Per Cable

The daily closing quotations for securities, &c., at London, as reported by cable, have been as follows the past week:

	Saturday	Monday	Tuesday	Wednesday	Thursday	Friday
Silver, p. oz. d	Closed	23½d	23½d	23½d		23½d
Gold, p. fine oz.	168s	168s	168s	168s		168s
Consols, 2½%	Closed	£82½	£82¾	£82¾		£82¾
British 3½% W. L.	Closed	£104⅞	£105	£105	Holiday	£105
British 4% 1960-90	Closed	£114⅝	£114¾	£114¾		£114¾

The price of silver per oz. (in cents) in the United States on the same day has been:

Bar N. Y. (Foreign)	35⅛	35⅛	35⅛	35⅛		35⅛
U. S. Treasury (newly mined)	71.11	71.11	71.11	71.11		71.11

Federal Reserve Bank Appointments

The Board of Governors of the Federal Reserve System on Jan. 2 announced the following designations and appointments at the Federal Reserve Banks and Branches shown below:

Chairmen and Federal Reserve Agents for Year 1942

New York, Beardsley Ruml of New York, N. Y.; Philadelphia, Thomas B. McCabe of Swarthmore, Pa.; Cleveland, George C. Brainard of Youngstown, Ohio; Richmond, Robert Lassiter of Charlotte, N. C.; Atlanta, Frank H. Neely of Atlanta, Ga.; Chicago, Frank J. Lewis of Chicago, Ill.; St. Louis, Wm. T. Nardin of St. Louis, Mo.; Minneapolis, W. C. Coffey of St. Paul, Minn.; Kansas City, R. B. Caldwell of Kansas City, Mo.; San Francisco, *Henry F. Grady of San Francisco, Calif.

Deputy Chairmen for Year 1942

Boston, Henry S. Dennison of Framingham Centre, Mass.; New York, Edmund E. Day of Ithaca, N. Y.; Philadelphia, Warren F. Whittier of Douglassville, Pa.; Cleveland, R. E. Klages of Columbus, Ohio; Richmond, W. G. Wysor of Richmond, Va.; Atlanta, J. F. Porter of Williamsport, Tenn.; Chicago, *Simeon E. Leland of Chicago, Ill.; St. Louis, Oscar Johnston of Scott, Miss.; Minneapolis, Roger B. Shepard of Newport, Minn.; Kansas City, *Robert L. Mehornay of Kansas City, Mo.; Dallas, Jay Taylor of Amarillo, Tex.; San Francisco, St. George Holden of San Francisco, Calif.

Class C Directors

(Appointed for three-year terms beginning Jan. 1, 1942, unless otherwise stated)

New York, Beardsley Ruml of New York, N. Y.; Philadelphia, Winfield W. Riefler of Princeton, N. J.; Cleveland, Walter H. Lloyd of Cleveland, Ohio; Richmond, Charles P. McCormick of Baltimore, Md.; Atlanta, Frank H. Neely of Atlanta, Ga.; Chicago, Simeon E. Leland of Chicago, Ill.; Chicago, *W. W. Waymack of Des Moines, Iowa, for unexpired portion of three-year term ending Dec. 31, 1942; St. Louis, Douglas W. Brooks of Memphis, Tenn.; Minneapolis, Roger B. Shepard of Newport, Minn.; Kansas City, *Robert L. Mehornay of Kansas City, Mo.; San Francisco, *Henry F. Grady of San Francisco, Calif.

Branch Directors

(Appointed for 3-year terms; except at the Branches of the Federal Reserve Banks of Cleveland, Minneapolis and San Francisco where the appointments are for 2-year terms; beginning Jan. 1, 1942, unless otherwise stated):

New York, (Buffalo) M. B. Folsom of Rochester, N. Y.; Cleveland (Cincinnati) *Francis H. Bird of Cincinnati, Ohio; (Pittsburgh) *Robert E. Doherty of Pittsburgh, Pa. Richmond (Baltimore) W. Frank Thomas of Westminster, Md.; (Charlotte) Chas. L. Creech, Sr., of Winston-Salem, N. C. Atlanta, (Birmingham) Donald Comer of Birmingham, Ala.; (Jacksonville) *Walter J. Matherly of Gainesville, Fla.; (Nashville) Clyde B. Austin of Greeneville, Tenn.; (New Orleans) Alexander Fitz-Hugh of Vicksburg, Miss.. Chicago, (Detroit) L. Whitney Watkins of Manchester, Mich. St. Louis, (Little Rock) *S. M. Brooks of Little Rock, Ark.; (Louisville) *E. J. O'Brien, Jr., of Louisville, Ky.; (Memphis) J. Holmes Sherard of Sherard, Miss. Minneapolis, (Helena) H. D. Myrick of Square Butte, Mont. Kansas City, (Denver) J. B. Grant of Denver, Colo.; (Denver) *M. E. Noonen of Kermmling, Colo. for unexpired portion of 3-year term ending Dec. 31, 1943; (Oklahoma City) Neil R. Johnson of Norman, Okla.; (Omaha) *L. E. Hurtz of Omaha, Neb. Dallas, (El Paso) F. M. Hayner of Las Cruces, N. M.; (Houston) H. Renfert of Galveston, Tex.; (San Antonio) J. M. Odom of Austin, Tex. San Francisco, (Los Angeles) C. V. Newman of Los Angeles, Calif.; (Portland) George T. Gerlinger of Portland, Ore.; (Salt Lake City) Herbert S. Auerbach of Salt Lake City, Utah; (Seattle) Charles F. Larrabee of Bellingham, Wash.

*All positions not preceded by an asterisk were filled by reappointment of the present incumbents.

Weekly Statistics of Paperboard Industry

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

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

STATISTICAL REPORTS—ORDERS, PRODUCTION, MILL ACTIVITY

Period	*Orders Received Tons*	*Production Tons*	*Unfilled Orders Remaining Tons*	*Percent of Activity*	
				Current	*Cumulative*
1940—*Month of—*					
January	528,155	579,739	167,240	72	71
February	420,639	453,518	137,631	70	71
March	429,334	449,221	129,466	69	70
April	520,907	456,942	193,411	70	70
May	682,490	624,184	247,644	76	72
June	508,005	509,781	236,693	79	73
July	544,221	587,339	196,037	72	73
August	452,613	487,127	162,653	74	73
September	468,870	470,228	163,769	72	73
October	670,473	648,611	184,002	79	73
November	488,990	509,945	161,985	77	73
December	464,537	479,099	151,729	71	73
1941—*Month of—*					
January	673,446	629,863	202,417	75	--
February	608,521	548,579	261,650	81	--
March	652,128	571,050	337,022	82	--
April	857,732	726,460	447,525	83	--
May	656,437	602,323	488,993	84	--
June	634,684	608,995	509,231	88	--
July	509,231	807,440	737,420	86	--
August	659,722	649,031	576,529	94	--
September	642,879	630,524	578,402	94	--
October	839,272	831,991	568,264	99	--
November	640,188	649,021	554,417	98	--
1941—*Week Ended—*					
July 5	149,197	129,019	529,633	74	82
July 12	147,365	131,531	542,738	77	82
July 19	168,431	156,989	550,902	92	81
July 26	182,603	160,609	572,532	92	82
Aug. 2	159,844	159,272	572,635	93	83
Aug. 9	174,815	159,894	587,498	91	83
Aug. 16	169,472	162,889	592,840	92	83
Aug. 23	158,403	162,964	584,484	94	83
Aug. 30	157,032	163,284	576,529	97	84
Sept. 6	147,086	133,031	591,414	80	84
Sept. 13	164,057	166,781	589,770	98	84
Sept. 20	176,263	166,797	583,716	99	84
Sept. 27	155,473	163,915	578,402	98	85
Oct. 4	176,619	168,256	582,287	100	85
Oct. 11	159,337	164,374	575,627	99	85
Oct. 18	167,440	165,795	574,991	98	86
Oct. 25	165,279	168,146	568,161	100	86
Nov. 1	170,597	165,420	568,264	99	86
Nov. 8	169,585	159,860	576,923	97	86
Nov. 15	156,394	165,397	570,430	99	87
Nov. 22	145,098	160,889	550,383	96	87
Nov. 29	169,111	164,875	554,417	101	87
Dec. 6	181,185	166,080	567,373	102	87
Dec. 13	149,021	163,226	553,389	101	88
Dec. 20	149,874	166,948	535,556	101	88
Dec. 27	116,138	124,258	523,119	76	88

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

MBA Sees Higher Prices For Apartment Houses

Selling prices for single-family houses and apartment properties are going to be higher in 1942 and the increase for the former may likely be double that of the latter, according to a survey of members of the Mortgage Bankers Association of America recently completed. From the Association's advices we quote:

Members in 55 of 57 principal cities reporting the survey expect increased prices for single-family houses and the increase in 46 of these cities averages around 22%.

MBA members in 44 of 53 principal cities report that price increases for apartment properties is to be expected in 1942 and the average increase in these 44 cities will be around 11%—half the anticipated gain for single-family houses, according to the Mortgage Bankers Association data.

The trend forecast by the survey would indicate, said Frederick P. Champ, Association President, that real estate will continue in the immediate future to be a good medium for investment funds as has been the case in recent years.

President Promises All Aid To Philippines

President Roosevelt, in a message which was broadcast to the people of the Philippine Islands, pledged on Dec. 28 the entire resources of the United States that "their freedom will be redeemed and their independence established and protected." This message was supplemented by a later Navy Department statement that the American Pacific Fleet is following an intensive campaign against the Japanese forces which will result in "positive assistance to the defense of the Philippine Islands." Both anouncements were made in an effort to offset false propaganda put out by the Japanese Government and directed at the Philippines. The Navy explained that the Japanese had been circulating rumors for the obvious purpose of tricking the United States into disclosing the location and intentions of the fleet.

The text of the President's message follows:

The People of the Philippines:

News of your gallant struggle against the Japanese aggressor has elicited the profound admiration of every American. As President of the United States I know that I speak for all our people on this solemn occasion.

The resources of the United States, of the British Empire, of the Netherlands East Indies and of the Chinese Republic have been dedicated by their people to the utter and complete defeat of the Japanese war lords. In this great struggle of the Pacific, the loyal Americans of the Philippine Islands are called upon to play a crucial role.

They have played, and they are playing tonight, their part with the greatest gallantry.

As President I wish to express to them my feeling of sincere admiration for the fight they are now making.

The people of the United States will never forget what the people of the Philippine Islands are doing this day and will do in the days to come. I give to the people of the Philippines my solemn pledge that their freedom will be redeemed and their independence established and protected.

The entire resources, in men and material, of the United States stand behind that pledge.

It is not for me or for the people of this country to tell you where your duty lies. We are engaged in a great and common cause. I count on every Philippine man, woman and child to do his duty. We will do ours.

Lumber Movement Week Ended Dec. 27, 1941

Lumber production during the holiday week ended Dec. 27, 1941, was 41% less than the previous week; shipments were 25% less; new business 14% less, according to reports to the National Lumber Manufacturers Association from regional associations covering the operations of representative hardwood and softwood mills. Shipments were 20% above production; new orders 96% above production. Compared with the corresponding week of 1940 production was 13% less, shipments 15% less, and new business 37% greater. The industry stood at 119% of the average of production in the corresponding week of 1935-39 and 110% of average 1935-39 shipments in the same week.

Year-to-Date Comparisons

Reported production for the 52 weeks of 1941 to date was 10% above corresponding weeks of 1940; shipments were 9% above the shipments, and new orders 6% above the orders of the 1940 period. For the 52 weeks of 1941 to date, new business was 5% above production, and shipments were 5% above production.

Supply and Demand Comparisons

The ratio of unfilled orders to gross stocks was 36% on Dec. 27, 1941, compared with 31% a year ago. Unfilled orders were 9% greater than a year ago; gross stocks were 7% less.

Softwoods and Hardwoods

Record for the current week ended Dec. 27, 1941, for the corresponding week a year ago, and for the previous week, follows in thousand board feet:

Softwoods and Hardwoods

	1941 Week	1940 Week	1941 Previous Wk. (rev.)
Mills	442	442	468
Production	132,617	152,433	223,424
Shipments	159,367	187,477	213,871
Orders	259,460	189,535	300,335

	Softwoods 1941 Week	Hardwoods 1941 Week
Mills	368	89
Production	125,116—100%	7,501—100%
Shipments	152,079—122%	7,288— 97%
Orders	253,158—202%	6,302— 84%

SEC Issues Two Industry Reports

The Securities and Exchange Commission has made public the seventh and eighth of a new series of industry reports of the Survey of American Listed Corporations. These reports on the oil refining and non-ferrous metals industries cover the calendar years of 1939 and 1940 and extend earlier reports which generally covered the period 1934-1939. Balance sheets and profit and loss statements, expressed both in dollars and percentages, as well as surplus statements and financial ratios are presented for individual companies and for the industry group as a whole in uniform tabular form which permits easy reference and comparisons.

As to the petroleum report the Commission said:

> The majority of the 37 companies classified in this industry, all of which had securities registered under the Securities Exchange Act of 1934 at Dec. 31, 1940, are primarily of the integrated or semi-integrated type. The integrated companies operate in all the important branches of the petroleum industry, that is, crude oil production, transportation, refining, and marketing. The semi-integrated companies do not engage in all these operations but engage in more than one of which refining is the common characteristic.

The 37 companies included in this group are:

Ashland Oil & Refining Co.
The Atlantic Refining Co.
The Canfield Oil Co.
Consolidated Oil Corp.
Continental Oil Co.
Cosden Petroleum Corp.
Crown Central Petroleum Corp.
The Derby Oil & Refining Corp.
Empire Gas and Fuel Co.
Exeter Oil Co., Ltd.
The Hancock Oil Co. of Calif.
Indian Refining Co.
Lion Oil Refining Co.
Mid-Continent Petroleum Corp.
The National Refining Co.
The Ohio Oil Co.
Pan-Am Petroleum & Transport Co.
Panhandle Producing & Refining Co.
Phillips Petroleum Co.
The Pure Oil Co.
Quaker State Oil Refining Corp.
Richfield Oil Corp.
Root Petroleum Co.
The Shamrock Oil & Gas Corp.
Shell Union Oil Corp.
Skelly Oil Co.
Socony-Vacuum Oil Co., Inc.
Standard Oil Co. of California
Standard Oil Co. (Indiana)
Standard Oil Co. (New Jersey)
The Standard Oil Co. (Ohio)
Sun Oil Co.
The Texas Corp.
Tide Water Associated Oil Co.
Union Oil Co. of California
Waverly Oil Works Co.
H. F. Wilcox Oil & Gas Co.

The combined sales reported by the group were $3,830,000,000 in 1940 compared with $3,938,000,000 in 1939. Net profit after all charges totaled $349,000,000 in 1940 against $300,000,000 in 1939, equivalent to 9.1% and 7.6% of sales or 6.3% and 5.4% of net worth at book value. Total dividends paid out by these enterprises were $196,000,000 in 1940 compared with $191,000,000 in 1939. The combined assets of these 37 enterprises totaled $7,947,000,000 at the end of 1940 compared with $7,865,000,000 at the end of 1939, while surplus increased less than one million from $2,197,000,000 at the end of 1939.

The 41 companies included in the report on the non-ferrous metals industry, all of which had securities registered under the Securities Exchange Act of 1934 at Dec. 31, 1940, have been classified into two groups on the basis of their principal activity.

The following 25 corporations are classified as engaged in the production of non-ferrous metals including smelting, refining or other related metallurgical process, according to the SEC:

The American Metal Co., Ltd.
American Smelting & Refining Co.
American Zinc, Lead & Smelting Co.
Anaconda Copper Mining Co.
Andes Copper Mining Co.
Calumet and Hecla Consolidated Copper Co.
Cerro De Pasco Copper Corp.
Chile Copper Co.
Climax Molybdenum Co.
Copper Range Co.
The Eagle-Picher Lead Co.
Fansteel Metallurgical Corp.
Hudson Bay Mining and Smelting Co. Ltd.
Illinois Zinc Co.
The International Nickel Co. of Canada, Ltd.
Kennecott Copper Corp.
Magma Copper Co.
Molybdenum Corp. of America
National Lead Co.
Phelps Dodge Corp.
Reynolds Metals Co.
St. Joseph Lead Co.
United States Smelting, Refining and Mining Co.
Vanadium Corp. of America
The Vulcan Detinning Co.

From the Commission's announcement we also quote:

> The combined sales reported by the group were $1,186,000,000 in 1940 compared with $1,038,000,000 in 1939. Net profit after all charges totaled $185,000,000 in 1940 against $162,000,000 in 1939, equivalent to 15.6% of sales in both years. Total dividends paid out by these enterprises were $133,000,000 in 1940 compared with $117,000,000 in 1939. The combined assets of the group totaled $2,259,000,000 at the end of 1940 compared with $2,170,000,000 at the end of 1939, while surplus increased from $786,000,000 to $820,000,000 during the same period.

The following 16 corporations classified as engaged in the production and fabrication of non-ferrous metal products (excluding those having smelting, refining or other related metallurgical processes):

Akron Brass Mfg. Co., Inc.
Anaconda Wire and Cable Co.
Belden Manufacturing Co.
Bridgeport Brass Co.
Callite Tungsten Corp.
Driver-Harris Co.
General Cable Corp.
The Hoskins Manufacturing Co.
International Silver Co.
Mueller Brass Co.
National Bearing Metals Corp.
Ontario Manufacturing Co.
Revere Copper and Brass Inc.
Rome Cable Corp.
The Udylite Corp.
Wolverine Tube Co.

The combined sales reported by the group were $254,000,000 in 1940 compared with $183,000,000 in 1939. Net profit after all charges totaled $13,000,000 in 1940 against $7,700,000 in 1939, equivalent to 5.3 and 4.2% of sales. Total dividends paid out by these enterprises were $5,000,000 in 1940 compared with $2,400,000 in 1939. The combined assets of this group totaled $174,000,000 at the end of 1940 compared with $151,000,000 at the end of 1939, while surplus increased from $28,000,000 to $35,000,000 during the same period.

Reappointed Chairman Of Chicago Reserve Bank

Frank J. Lewis, Chairman of the F. J. Lewis Manufacturing Co. of Chicago, has been reappointed Chairman of the Board of Directors of the Federal Reserve Bank of Chicago and Federal Reserve Agent for 1942. Simeon E. Leland, Chairman of the Department of Economics at the University of Chicago, will be Deputy Chairman. He was also appointed a Class "C" Director for a full three-year term ending Dec. 31, 1944. W. W. Waymack, Editor, Des Moines, "Register-Tribune," of Des Moines, Iowa, will be the third Class "C" Director, having been appointed to fill an unexpired term ending Dec. 31, 1942. In announcing this the Federal Reserve Bank of Chicago adds:

> These three directors who are appointed by the Board of Governors are designated as Class "C" Directors. They are chosen to represent the public and must not be bankers nor may they own stock in any bank. Six other directors are elected by the member banks. The term of one Class "A," one Class "B," and one Class "C" director expires each year.

Several appointments for the Detroit branch of the Chicago Federal Reserve Bank were also made. L. Whitney Watkins, a farmer at Manchester, Mich., was reappointed by the Board for a three-year term ending Dec. 31, 1944.

The directors of the Federal Reserve Bank of Chicago reappointed Harlan J. Chalfont managing director of the Detroit branch for 1942.

Harold L. Diehl, assistant cashier, was appointed Cashier. Joseph M. Dodge was reappointed to a three-year term as director. Mr. Dodge is President of the Detroit Bank, Detroit, Mich.

Labor Bureau's Wholesale Price Index Recedes Slightly In Last Week Of Year

The Bureau of Labor Statistics, U. S. Department of Labor, announced on Jan. 1 that a reaction in agricultural commodity markets during the last week of the year caused the Bureau's index of nearly 900 price series to recede slightly—by 0.2%—from the 12-year peak reached the preceding week. The all-commodity index, at 93.8% of the 1926 average, is 1.6% above a month ago and 17.4% above a year ago.

The Bureau's announcement further stated:

> In addition to a decline of 0.5% for farm products, foods dropped 0.4% and miscellaneous commodities fell 0.1%. Average wholesale prices for building materials rose 0.6% and hides and leather products and textile products were up 0.1%. Wholesale prices for raw materials declined 0.9% during the week largely because of weakening prices for farm products, while prices for partially manufactured and fully manufactured commodities rose slightly.
>
> Sharp declines in prices for livestock, including 7% for lambs, about 4 % for hogs and steers and 3% for cattle, together with lower prices for wheat, corn and oats, were mainly responsible for the decrease in the farm products group index. Higher prices were reported for barley, rye, cotton, hops, seeds, potatoes and citrus fruits. Although the farm products group index dropped 0.5% during the week, it was 4.8% above the level of last month and 36.6% above last year.
>
> Food prices in wholesale markets declined slightly during the week. Lower prices were reported for cereal products, for butter, fresh pork, lamb and mutton, for eggs and pepper, and for coffee and cocoa beans under the revised ceiling prices established by the Office of Price Administration. Quotations were higher for most dried fruits, for cured pork, dressed poultry, and for powdered cocoa, canned salmon and peanut butter. Average prices for cattle feed dropped 2.1%.
>
> Prices for most cotton yarns and textiles advanced about 1% during the week and quotations for goatskins, artificial leather and cordage were higher.
>
> Prices for metals and metal products were steady except for an increase of 1% to $212 a flask for quicksilver. Higher prices for lumber, prepared roofing, rosin and turpentine caused the index for building materials to rise to the highest level since July 1923.
>
> Quotations for creosote oil rose over 14%. Inedible tallow, on the other hand, declined nearly 8%.
>
> The following tables show (1) index numbers for the principal groups of commodities for the past 3 weeks, for Nov. 29, 1941 and Dec. 28, 1940 and the percentage changes from a week ago, a month ago, and a year ago (2) percentage changes in subgroup indexes from Dec. 20 to Dec. 27, 1941.

(1926 = 100)

Commodity Groups	12-27 1941	12-20 1941	12-13 1941	11-29 1941	12-28 1940	Percentage changes to Dec. 27, 1941 from— 12-20 1941	11-29 1941	12-28 1940
All Commodities	93.8	94.0	93.1	92.3	79.9	—0.2	+1.6	+17.4
Farm products	95.5	96.0	92.8	91.1	69.9	—0.5	+4.8	+36.6
Foods	91.2	91.6	90.4	89.2	73.1	—0.4	+2.2	+24.8
Hides and leather products	115.6	115.5	115.4	115.4	102.7	+0.1	+0.2	+12.6
Textile products	91.5	91.4	91.0	90.6	74.2	+0.1	+1.0	+23.3
Fuel and lighting materials	79.0	79.0	79.0	79.4	72.9	0.0	—0.5	+ 8.4
Metals and metal products	103.4	103.4	103.4	103.3	97.8	0.0	+0.1	+ 5.7
Building materials	108.1	107.5	107.8	107.4	99.6	+0.6	+0.7	+ 8.5
Chemicals and allied products	91.7	91.7	91.5	89.7	77.8	0.0	+2.2	+17.9
Housefurnishing goods	102.3	102.3	102.3	101.9	90.2	0.0	+0.4	+13.4
Miscellaneous commodities	87.4	87.5	87.5	87.1	77.1	—0.1	+0.3	+13.4
Raw materials	92.5	93.3	91.4	90.2	73.5	—0.9	+2.5	+25.9
Semi-manufactured articles	90.2	90.0	90.1	89.6	80.8	+0.2	+0.7	+11.6
Manufactured products	95.2	95.1	94.6	93.9	83.2	+0.1	+1.4	+14.4
All commodities other than farm products	93.4	93.5	93.2	92.6	82.1	—0.1	+0.9	+13.8
All commodities other than farm products and foods	93.9	93.9	93.8	93.7	84.5	0.0	+0.2	+11.1

PERCENTAGE CHANGES IN SUBGROUP INDEXES FROM DEC. 20 TO DEC. 27, 1941

Increases

Lumber	1.6	Hides and skins	0.3
Other farm products	1.2	Fertilizer materials	0.3
Chemicals	0.7	Other textile products	0.2
Cotton goods	0.6	Paint and paint materials	0.2
Meats	0.4	Other building materials	0.1

Decreases

Livestock and poultry	2.5	Cereal products	1.0
Oils and fats	2.3	Other foods	0.9
Cattle feed	2.1	Fruits and vegetables	0.8
Grains	2.0	Dairy products	0.2

Says War Finds U. S. Well On Road To Full Preparedness

In the Dec. 29 issue of its monthly review, "The Guaranty Survey," the Guaranty Trust Co. of New York discusses "A Year of Transition from Peace to War," and says in part:

The advent of total war between the United States and the Axis powers finds this Nation well advanced on the road to complete preparedness, with its emergency powers organized and functioning, its incomparable productive strength greatly increased and still expanding swiftly in the necessary directions, and its people exhibiting a new spirit of unity and determination to work together in meeting and overcoming the common danger.

Any dislocations or hardships that may be occasioned by the enormous cost of modern warfare are of secondary importance beside the supreme task that now confronts the Nation. That task is, to a great extent, an economic one: to make industry and finance, producer and consumer, employer and employe, contribute their utmost to our military strength and that of our Allies. In facing this task, the American people have three enormous advantages: they know what they are fighting for; they are a united people, and they are keeping their heads. To translate these elements of strength into the maximum tangible contribution to the common cause will be the primary concern of business in the year that is now about to begin.

The outbreak of war has climaxed a year in which the influence of military activities on economic life has become steadily broader and more powerful. The last 12 months have witnessed the transition from a state of limited national emergency to one of open belligerency. The momentum of our defense program and the scope of our aid to foreign governments resisting aggression have increased without interruption and have forced industry, commerce and finance into ever closer conformity with the rapidly developing national effort.

Thus far, the net effect of the emergency on our economy has been stimulating, rather than the reverse. As nearly as can be judged from the available data, industrial production, employment, payrolls and total income payments have risen to the highest levels on record; and retail trade has been considerably larger than in any other year since 1929, despite restrictions that have been placed on some types of consumers' goods. In recent months, however, the advance of the general business level has been much slower than it was during the early part of the year, reflecting declines in non-essential branches of industry and trade nearly sufficient to offset the continued rise in output of defense materials; and surveys of broad sections of industry indicate that these unfavorable consequences of emergency needs will become considerably more severe in the next few months.

Weekly Coal And Coke Production

The Bituminous Coal Division, U. S. Department of the Interior, in its latest coal report stated that the total production of soft coal in the week ended Dec. 27 is estimated at 8,100,000 net tons. The decline from the preceding week, 2,650,000 tons, was due largely to the Christmas holiday.

The total production of soft coal in the 52 full weeks ended Dec. 27 amounted to 499,657,000 net tons. This indicates that when figures are adjusted to the calendar year, 1941 production will be slightly above 500,000,000 tons.

The U. S. Bureau of Mines reported that the estimated production of Pennsylvania anthracite for the week ended Dec. 27 was 840,000 tons, a decrease of 215,000 tons from the preceding week. Output in the corresponding week of 1940 amounted to 890,000 tons.

ESTIMATED UNITED STATES PRODUCTION OF SOFT COAL (IN THOUSANDS OF NET TONS), WITH COMPARABLE DATA ON PRODUCTION OF CRUDE PETROLEUM

	Week Ended			Calendar year to date c		
	Dec. 27, 1941	Dec. 20, 1941	Dec. 28, 1940	d1941	1940	1929
aBituminous coal:						
Total, including mine fuel	8,100	10,750	7,956	499,657	449,484	532,591
Daily average	1,620	1,792	1,591	1,652	1,476	1,738
bCrude petroleum:						
Coal equivalent of weekly output	6,537	6,910	5,423	319,324	305,596	228,684

a Includes for purposes of historical comparison and statistical convenience the production of lignite. b Total barrels produced during the week converted into equivalent coal assuming 6,000,000 B.t.u. per barrel of oil and 13,100 B.t.u. per pound of coal. Note that most of the supply of petroleum products is not directly competitive with coal ("Minerals Yearbook," 1939, page 702). c Sum of 52 full weeks ended Dec. 27 1941, and corresponding 52 weeks of 1940 and 1929. d Subject to current adjustment.

ESTIMATED PRODUCTION OF PENNSYLVANIA ANTHRACITE AND BEEHIVE COKE (IN NET TONS)

	Week Ended			Calendar year to date		
Penn. Anthracite—	Dec. 27, 1941	Dec. 20, 1941	Dec. 28, 1940	1941	a1940	a1929
b Total, including colliery fuel	840,000	c1,055,000	890,000	53,735,000	50,535,000	72,962,000
dComm'l production	798,000	c1,002,000	846,000	51,053,000	48,008,000	67,709,000
Beehive Coke—						
U. S. total	146,700	149,300	113,300	6,280,500	2,988,100	6,429,500
Daily average	29,340	24,883	22,660	20,391	9,702	20,875

a Adjusted to comparable periods in the three years. b Includes washery and dredge coal, and coal shipped by truck from authorized operations. c Revised. d Excludes colliery fuel.

ESTIMATED WEEKLY PRODUCTION OF COAL, BY STATES (In Thousands of Net Tons)

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

	Week Ended					Dec.
State—	Dec. 20, 1941	Dec. 13, 1941	Dec. 21, 1940	Dec. 23, 1939	Dec. 21, 1929	average e1923
Alaska	3	3	4	3	(f)	(f)
Alabama	373	370	349	317	417	349
Arkansas and Oklahoma	82	83	105	64	138	83
Colorado	164	170	200	145	268	253
Georgia and North Carolina	1	1	1	*	(f)	(f)
Illinois	1,258	1,239	1,269	1,167	1,511	1,535
Indana	513	506	498	414	420	514
Iowa	56	57	79	85	110	121
Kansas and Missouri	173	165	192	164	155	159
Kentucky—Eastern	786	775	732	684	959	584
Western	251	259	223	216	338	204
Maryland	38	37	35	38	60	37
Michigan	6	7	9	13	12	21
Montana	83	91	77	64	83	64
New Mexico	28	28	29	26	49	56
North and South Dakota	76	74	72	55	f69	f27
Ohio	650	r664	469	436	572	599
Pennsylvania bituminous	2,522	r2,697	2,413	2,339	2,756	2,818
Tennessee	146	136	130	121	118	103
Texas	9	8	10	16	16	21
Utah	96	93	119	72	115	100
Virginia	395	368	303	296	274	193
Washington	34	38	47	35	60	57
West Virginia—aSouthern	2,097	2,078	1,746	1,750	2,947	1,132
bNorthern	758	799	660	640	666	692
Wyoming	152	154	162	113	138	173
cOther Western States	*	*	1	1	f9	f5
Total bituminous coal	10,750	10,900	9,934	9,274	11,360	9,900
dPennsylvania anthracite	1,051	832	1,187	1,249	1,795	1,806
Total, all coal	11,801	11,732	11,121	10,523	13,155	11,706

a 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. b Rest of State, including the Panhandle District and Grant, Mineral, and Tucker Counties. c Includes Arizona, California, Idaho, Nevada, and Oregon. d Data for Pennsylvania anthracite from published records of the Bureau of Mines. e Average weekly rate for entire month. f Alaska Georgia, North Carolina, and South Dakota included with "other Western States." * Less than 1,000 tons. r Revised.

Campaign Is Launched To Prevent Rising Prices

A nationwide campaign to mobilize manufacturers, wholesalers, retailers and consumers into a movement to prevent a rising price level will be launched by the National Committee To Keep Prices Down, organization of which was announced on Dec. 30 by the Committee's executive Advisory Council. It is the opinion of the Advisory Council, consisting of some of the country's outstanding economists, that a skyrocketing of prices will bring 'disaster to the economic structure of the nation." Serving on the Advisory Council of the Committee, which is a non-profit organization, are:

Dr. Wesley C. Mitchell, Professor of Economics at Columbia University and Director of Research of the National Bureau of Economic Research; Dr. Frank D. Graham, Professor of Economics at Princeton University; Dr. Willford I. King, Professor of Economics at New York University, and Dr. Ray B. Westerfield, Professor of Economics at Yale University. Julian Goldman, President of the Goldman Stores Corp., New York, is national Chairman of the Committee.

In connection with the organization of the Committee, the following statement was issued by Mr. Goldman:

Business men generally, the Committee finds, are eager to keep the price level as low as possible and to stabilize it at a point fair to the buying public. The Committee's objective, therefore, is to unify and crystalize this universal desire for reasonable prices so that the retail and wholesale outlets of all the nation's industries may join in a voluntary, patriotic effort to combat any trend toward higher prices.

The Committee's program ties in with the public's antagonism toward unnecessarily high prices. The program also ties in with the views of those industrialists, financiers and economists who are opposed to a rising scale of prices and who are seeking a solution to the problem.

One of the aims of the Committee is to cooperate with the Government in its efforts to curb a rise in prices. It is the belief of the Committee that every effort should be made by the public at large to supplement legislation to obtain the desired results.

The immediate plan of the Committee is to enlist individuals and companies, representing all lines of business where goods are sold, each member striving to keep prices down in his own field of operation.

Results Of Treasury Bill Offering

Secretary of the Treasury Morgenthau announced on Jan. 5 that the tenders for $150,000,000 or thereabouts, of 71-day Treasury bills, to be dated Jan. 7 and to mature March 19, 1942, which were offered on Jan. 2, were opened at the Federal Reserve Banks on Jan. 5. The following details of this issue are revealed:

Total applied for --$351,600,000
Total accepted ----- 150,230,000
Range for accepted bids excepting two tenders totaling $640,000):

High—99.952. Equivalent rate approximately 0.243%.

Low—99.934. Equivalent rate approximately 0.335%.

Average Price—99.940. Equivalent rate approximately 0.304%.

(12% of the amount bid for at the low price was accepted.)

There was a maturity of a similar issue of bills on Jan. 7 in amount of $100,433,000.

Dyer Index Of Sugar Distribution Advances

The November distribution of 524,174 short tons as preliminarily reported by the AAA was approximately 115% of a normal November distribution, according to the Index of Sugar Distribution prepared by B. W. Dyer and Co., New York, sugar economists and brokers.

Their November 1941 figure is a rise of 15 points from the October level of 100, but a decline of 10 points from the November 1940 figure of 125.

The Dyer firm states that because of the increased level of consumer purchasing power, the rate of actual consumption of sugar is above normal. However, deliveries of sugar during November were even higher than the rate of consumption. Thus invisibles (trade and consumer inventories) increased slightly during the month.

Motor Freight Volume In Nov. Drops 14%

The volume of revenue freight transported by motor truck in November took a sharp drop of 14% under the record-breaking tonnage transported in October but increased 7.6% over November, 1940, according to reports compiled and released by the American Trucking Associations. While the reduction under October was in line with seasonal trends of previous years, it was believed to be due in part to shifting of peace-time production facilities for manufacture of armaments.

Comparable reports were received by ATA from 205 motor carriers in 38 States. The reporting carriers transported an aggregate of 1,202,991 tons in November, as against 1,398,321 tons in October, and 1,118,496 tons in November, 1940.

The ATA index figure, computed on the basis of the average monthly tonnage of the reporting carriers for the 3-year period of 1938-1940 as representing 100, was 147.78 for November. The index figure for October was 172.37.

Almost 75% of all tonnage transported in the month was reported by carriers of general freight. The volume in this category decreased 15% under October, and increased 10.9% over November of the previous year.

Transporters of petroleum products, accounting for a little more than 8% of the total tonnage reported, showed a decrease of 5.2% under October, but held 11.8% over November of last year.

Movement of new automobiles and trucks constituted a little more than 6% of the total tonnage reported. Tonnage in this class showed a slight decline of 0.3% under October, and a decrease of 20% under November, 1940.

Haulers of iron and steel products reported almost 5% of the total tonnage. The volume of these commodities decreased 22.5% under October and 5.6% under November of last year.

A little more than 6% of the total tonnage reported was miscellaneous commodities, including tobacco, milk, textile products, bricks, building materials, cement and household goods. Tonnage in this class decreased 15.6% under October, but held 12.1% over November, 1940.

President Thanks U. S. Chamber of Commerce For Its Assurances

President Roosevelt on Dec. 15 in a letter to Pres. Albert W. Hawkes of the United States Chamber of Commerce, expressed appreciation for the pledge of cooperation from the Chamber and other organizations in the national war effort. In his letter to Mr. Hawkes, President Roosevelt said:

I have just received your fine letter of Dec. 13 with the telegrams from your membership.

May I express to you not only my official appreciation of the unanimous and whole-hearted support of the business interests of the country represented by your great organization but, also, my personal gratification over this genuine and spontaneous pledge of all-out support. It is heartening in these grave times to have the voluntary assurances that are pouring in from all walks of life that the country stands together as one man in its determination to spare no efforts, shirk no responsibilities and to assume every sacrifice necessary to the successful outcome.

The response from the U. S. Chamber of Commerce throughout the United States is identical with that from practically every other great organization in the country. The great farm groups, religious organizations, labor units and, in fact, all of America, are cooperating loyally in a united front. All of this gives a guarantee of solidarity on the home front and a unity of effort that will ensure the success of our fighting forces.

Hobbs Opposes Common Stock Investment By Insurance Companies

Recent suggestions that life insurance companies invest in common stocks were opposed on Dec. 11 by Charles F. Hobbs, President of the National Association of Insurance Commissioners and Commissioner of Insurance of Kansas, in addressing the 35th Annual Convention of the Association of Life Insurance Presidents at its Dec. 11 session. Commissioner Hobbs said:

The primary objective of life insurance is to meet its policy obligations. Since life insurance is based solely upon the theory of conservative long-term investments, profits or losses from speculation have no place in sound life insurance investments. You men who are charged with the duty of investing the funds of life insurance companies can not speculate with such funds and properly discharge your obligations to your policyholders and the public. This is one of the fundamental principles upon which most of the State insurance laws are based. Historically, this principle is one of the important steps in the evolution of American life insurance.

The possibility of inflation is one of the serious problems facing both the companies and the supervisors of insurance during the national emergency, Commissioner Hobbs declared. "Obviously, life insurance must take some steps to prepare itself to meet the problems which inflation will bring," he said. "Market values, or values based principally upon market values, if they include an element of speculation, cannot be a safe measure of the financial structure of a life insurance company during a period of inflation," he continued. Asserting that some other measure of values must be employed if life insurance is to discharge properly its trust to its policyholders, he said, experience has proven that amortized values, based upon the return a long-time investment is purchased to yield, are sound. He continued:

Amortized values are protection against an inflated as well as a depressed market. The necessity for the absorption of heavy depreciation losses during critical times may be greatly reduced by a valuation basis which does not reflect inflated values. In my opinion, companies which have not already taken this precaution should do so at once.

Asserting that life insurance "is on trial by those who desire complete centralization of all political and economic control," the speaker declared that any serious threat to the financial security of life insurance would afford an opening wedge for Federal supervision. He added:

I am opposed to Federal supervision as I do not believe that the institution of life insurance should be subjected to the influence of the partisan policies of government which centralized control would entail. While State supervision has had its faults, nevertheless, from the standpoint of supervision, the decisions and recommendations of the National Association of Insurance Commissioners, tempered by the personal knowledge of the needs of each separate part of this great nation, have successfully met every crisis that has arisen.

In conclusion the speaker said:

Life insurance in the United States has reached its present pinnacle as a democratic American institution—supervised but not regimented. That is the heritage that was passed on to you men by your predecessors. It has survived war, depression, inflation, and every other crisis that has faced this nation. Through all this it has gained in experience and strength.

Security, that age-old desire of man, is one great source of national morale. Life insurance is a symbol of security to many millions of Americans. This morale—this intangible something that we Americans have in such abundance—stands us in good stead in this present crisis and will be the rock upon which our democratic way of life can continue to rest.

Banks Increase Support Of Greater New York Fund

More than a 14% increase to date in gifts to the Greater New York Fund by the bank and trusts section of that organization is announced by W. Randolph Burgess, Vice Chairman of the Board of the National City Bank of New York, who is Chairman of the section. Mr. Burgess recently announced that banks and trusts contributed $278,684 to the 1941 campaign of the Fund, compared with $242,014 in 1940. The Chairman broke down these figures as follows: Firms this year contributed $245,320, and employee groups $33,364.

This recognition of the obligation of business to help support agencies that meet the needs of two million New Yorkers a year, is regarded as a great credit to the banking and trust field.

In announcing the latest figures, Mr. Burgess said:

Of course we of the banks and trust section are proud of what we accomplished this year, but what particularly pleases us is that it is an omen of greatly increased support for the Fund in 1942.

The support of home welfare and health is now a vital part of the defense and war effort of America. New York, with its vast wealth is the financial center of the world, and I know that this great city will not fail to take care of the needs at home, while they are also contributing generously in an all-out effort to care for the war needs of the nation as a whole. The banking and trust field will do its share in the future, as it has in the past.

Netherlands Pledges Cooperation With U. S.

Queen Wilhelmina of the Netherlands has pledged the cooperation of her country's armed forces with the United States in the war against Japan. This was made known on Dec. 13 by the State Department, which made public her telegram to President Roosevelt and also the latter's reply of thanks. The Queen's message follows:

London, Dec. 8, 1941

The President:

It is a gratifying thought to me, Mr. President, that now that an armed conflict has broken out as a result of Japan's wanton attack against the United States, the army and navy and the air force of the Netherlands will fight as comrades in arms and in the same good cause as the military, naval and air forces of the United States. My thoughts are with you and with the American Government and people in this hour of our common trial from which, with God's help, we shall arise victorious.

WILHELMINA

President Roosevelt replied as follows:

Dec. 11, 1941

Your Majesty Queen Wilhelmina, London:

My most sincere thanks for your message. It is indeed gratifying that the American people will have beside them in the trials ahead your heroic people who have shown such courage and determination. The strength of freedom is a sure sword which, with God's help, cannot fail.

FRANKLIN D. ROOSEVELT

Municipal News And Notes

(Continued from page 104)

the markets rose to even higher levels than previously recorded, prior to Pearl Harbor, reports Samuel W. Parke, partner in Schmidt, Poole & Co., 123 S. Broad St., Philadelphia, Pa.

It is of interest that municipal bond prices reached their all-time high in 1941. The reasons for this are many, but the three primary motivating forces have been the recognized investment merit of municipal bonds, the plethora of surplus money and the present high level of Federal income taxes. On the basis of the 1941 Revenue Act, many individuals in the medium income brackets, who heretofore have purchased only corporate bonds and stocks, will find it profitable to purchase tax exempt securities.

It is argued by proponents of Federal taxation of local unit securities that wealthy individuals are reducing their share of the burden of taxation through their purchases of these bonds. However, a report prepared by the Secretary of the Treasury in January, 1941, clearly shows that wealthy individuals have not been the main purchasers of municipal bonds.

The estate tax records prepared by the Treasury Department indicate that only 5.63% of the capital in large estates has been invested in State and local securities. It is definitely established that the tax exempt feature is always reflected in the market price of bonds and the investor pays for it.

Public Revenue Bonds Discussed

"During 40 years of revenue bonds in the United States, excepting loans made through Federal agencies, there are only 11 known instances of default and that is under the comparatively rigid definition that any delay in payment of interest or principal beyond the due date constituted a default," according to C. Carroll Seward, of John Nuveen & Co., 135 S. La Salle St., Chicago, writing for the annual financial review of the Philadelphia "Inquirer."

"In discussing revenue bonds," he said, "it is necessary, first, to define, within relatively narrow limits, what is meant.

"Revenue bonds are those which, by their terms, are payable from the earnings derived from operation of the revenue-producing enterprise created or purchased by the funds received from sale of the bonds.

"The pledging of specific revenues to the repayment of particular loans is not, by many years, a new device. One of the earliest issues of this type, of record, was a Venetian loan made in 1187 which carried a pledge of income from salt and seigniorage. During the ensuing years many other similar issues can be found. In the early 18th century, in England, toll road mortgage revenue loans appeared. These were made by the public turnpike trusts, the first of which were created by statute in 1706.

"The toll roads were quickly followed by toll bridges and, about 1815, by the first of a long line of harbor commissions. It is interesting to note that out of the latter evolved our own Port of New York Authority which was patterned after the Port of London Authority. On Dec. 31, 1939, the Port of New York Authority had over $192,000,000 of revenue bonds outstanding.

"In the United States, the first purely revenue bonds appear to have been issued by Spokane in 1895. These bonds carried a pledge of water works revenues.

"After the Spokane financing revenue obligations were issued at a constantly accelerating rate until in 1937 this type of security occupied over 7% of the total outstanding municipal debt and constituted 12% of the municipal offerings made in the year. Based on preliminary figures for 1940, moreover, in that year revenue issues totaled over 20% of new offerings in the municipal field."

Mid-South Has Best Business Year In History

Throughout the Mid-South area the year 1941 was not merely "the best year since the 1929 boom," it was also the best business year in that region's history according to Robert Talley, editor of the "Mid-South Business Survey Section."

In Memphis, business capital of the Mid-South, he reports that all standard indices showed soaring increases over the previous year—bank clearings, bank debits, postal receipts, industrial electrical consumption, building permits, department store sales, real estate transfers. The only exception was the sale of new automobiles which slumped greatly; the reason for that was that the dealers simply couldn't get cars from the war-pressed factories.

What brought about this record-breaking wave of prosperity that made 1941 the best business year the Mid-South has ever known? Well, the huge Government expenditures for new national defense plants, air bases, etc., in this area naturally played an important part. So did the progress of farm diversification and the rise of such new sources of income as beef cattle, dairying and food and feed crops. So did the revival of the defense-spurred lumber industry. So did the extra payrolls of factories turning out national defense orders of a thousand kinds. All these things brought millions of dollars into the area.

But the real answer can be given in one word—Cotton.

Conference Of Mayors To Meet

The United States Conference of Mayors will hold its annual conference in Washington, D. C., beginning next Monday and running through Wednesday. Emphasis on the subject of "National Defense and the Cities" will feature the discussion, with outstanding and distinguished Federal officials participating.

Leaders from practically every important city in the Nation are expected to attend this conference, which attains added importance because of current troublous developments.

New Jersey's Debt Reduced

Reduction of New Jersey's gross bonded debt from $148,615,000 to $107,000,000 since Dec. 30, 1940, was reported last Friday by State Treasurer William H. Albright. He said about $44,000,000 in investments held by the State sinking fund placed the net debt at $63,000,000. The gross debt is the lowest since 1930, when it stood at $98,000,000.

Kansas City Finds Good Government Pays

In two dizzyingly swift years of political reform, Kansas City has proved that honest, efficient local government is not only better than haphazard, corrupt, out-of-the-hat political machine rule, but also cheaper, writes Gladwin Hill for "Wide World," in a recent series on the big Missouri city.

Kansas City's budget for this year was $1,500,000 less than the last year of Tom Pendergast machine rule.

For less money, the 400,000 people of Kansas City have been getting immeasurably more in municipal services, have purged graft, and have halted maladministration that was heading the city toward bankruptcy.

The virtues of honest, efficient government are not a new discovery. But the job is to keep them in practice. It's so easy to slip into easy going political favoritism.

Detroit Considers Refunding

Although it may not occur until the municipal market is in a highly receptive condition, the prospective refunding being considered by the City of Detroit is arousing attention in bond circles. This financing would aggregate $29,000,000, and would represent one of the most important flotations in several months.

The object of this refunding would be to level off the city's debt service charges to approximately $17,000,000, from $19,000,000 annually, by cutting rates to 2¼% from 4½%. Assuming that market conditions are right, such an offering would attract at least one or two important syndicates into bidding.

Milwaukee County Issue Proposed

The issuance of $11,000,000 bonds and notes by Milwaukee County, Wis., has been recom-

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Municipal News And Notes

(Continued from page 121)

mended to the County Board by Frank Bittner, County Auditor. The offering would consist of $7,200,000 relief bonds and $3,800,000 corporate purpose notes, to offset delinquent taxes accumulated since 1929. The Auditor's report urged that these obligations be dated as of Feb. 20. If approved, this offering would be the largest single financing operation undertaken by the county.

Albany County Sells Bonds

A group composed of Halsey, Stuart & Co., Inc., Blair & Co., Inc., and Hemphill, Noyes & Co., submitted the successful bid on Tuesday for $1,021,000 refunding bonds of Albany County, N. Y., receiving the award on a tender of 100.16 for 1.90s. The bonds, dated Dec. 1, 1941, and maturing serially on Dec. 1 in 1942 to 1961, were reoffered for investment at prices to yield from 0.50 to 2.00%, according to maturity.

Trend Of The Market

Although municipal bond prices have made some progress toward stabilization in the past several days, continuing the adjustments that have been in process since the Japanese attack, the lack of any business volume makes it difficult to establish any definite trend, according to dealers in tax-exempts.

They aver that no signs of particular weakness have developed aside from a decline in certain revenue bonds which are dependent on motor travel. Concern over the possible curtailment of motor travel because of tire shortages, the ban on sale of new cars and other factors brought declines of 3 to 4 points for the week in such authority obligations as the Triboroughs and the Pennsylvania Turnpike.

The Port of New York Authority bonds, on the other hand, were more resistant as this Authority has accumulated excess cash believed to be sufficient to carry interest payments over a considerable period of possibly lower traffic.

The year-end found municipal prices approximating their levels of March, 1941, having lost the ground gained in October and November.

The Standard & Poor's index of the yield of 15 representative municipal bonds was 2.32% in the final week of December, compared with an average of 1.90% in November and 1.92% in October. This index was around 2.32 and 2.31% in the last two weeks of February and the first two weeks in March last year.

Major Sales Scheduled

We list herewith the more important municipal offerings ($500,000 or over — short term issues excluded), which are to come up in the near future. The names of the successful bidder and the runner-up for the last previous issue sold are also appended.

Jan. 15th

$4,250,000 Birmingham, Ala.

Last March this city awarded bonds to a syndicate headed by Blyth & Co., Inc., of New York. Second highest bid was entered by Blair & Co., Inc., of New York, and associates.

Feb. 2nd

$920,000 Baltimore Co., Md.

This twelfth issue of Metropolitan District bonds follows the preceding issue awarded in April, 1941, to a syndicate headed by Shields & Co. of New York. Runner-up in the bidding was the Harris Trust & Savings Bank of Chicago, and associates.

Feight With Greene-Brock

(Special to The Financial Chronicle)

DAYTON, OHIO — Howard W. Feight has joined the staff of Greene & Brock, Third National Building, members of the New York Stock Exchange. Mr. Feight was previously a partner of Howard W. Feight & Co. and prior thereto was an officer of Feight-Yager & Co., Inc. and was with Brown Brothers Harriman & Co.

Investment Trusts

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at the rate of approximately 8.7% of the Nov. 30 offering price," the current report states.

Incorporated Investors reports that as of Dec. 31, 1941 approximately 6% of its assets were in cash and United States Governments, approximately 75% in companies that should directly or indirectly benefit from war activity and approximately 34% in companies that should benefit from peace. (Certain companies have been included in both classifications).

Brevits reports: "The declaration of a distribution of 40 cents per share by the Trustees of Massachusetts Investors Trust to shareholders of record as of Dec. 31, 1941, brings to $1.02 per share the total of all distributions declared during 1941. Recent yearly declarations, all from investment income—excluding capital gains—are shown below, together with Dow-Jones Industrial Averages at the end of each year,

Year	Declarations	D-J Ind. Avg.
1941	1.02	111.31
1940	.94	131.13
1939	.85	150.24
1938	.71	154.76
1937	1.10	120.85
1936	1.07	179.90

"In spite of sharply increased corporate tax rates, dividend payments received by the Trustees thus are seen to be the highest since the boom years 1936-37. The stock market is at the lowest year-end level during the period, thus emphasizing emphatically the relatively favorable situation existing in the equity market."

Nominating Group Names Curb Exchange Slate

The Nominating Committee of the New York Curb Exchange, of which Frank J. McCormack is Chairman, on Jan. 5 designated its nominees for the annual election of the Exchange to be held on Feb. 9. Fred C. Moffatt, Chairman of the Board of Governors during the past year and former President of the Exchange, was renominated as Chairman for a one-year term.

Other nominees, term and offices for which they have been nominated follow:

MEMBERS OF THE BOARD OF GOVERNORS (CLASS "A")

Three-Year Term

Thomas W. Bartsch, W. R. K. Taylor & Co.; William H. Hassinger, Garvin, Bantel & Co.; Mortimer Landsberg, Brickman, Landsberg & Co.; William S. Muller; Frederick J. Roth, H. L. Buchanan & Co.

TRUSTEE OF THE GRATUITY FUND

One-Year Term

George Herrel, Wagner, Stott & Co.

TRUSTEES OF THE GRATUITY FUND

Three-Year Term

E. I. Connor, Wilcox & Co.; E. M. Williamson, Thomas Marsalis & Co.

MEMBERS OF THE BOARD OF GOVERNORS (CLASS "B")

One-Year Term

Benjamin B. McAlpin, Jr., Laird & Co.

Two-Year Term

Charles E. Judson, C. E. Judson & Co.

Three-Year Term

W. Palmer Dixon, C. M. Loeb, Rhoades & Co.; Allen J. Nix, Riter & Co.; James G. Tremaine, Gude, Winmill & Co.; Herbert L. Wisner, Penington, Colket & Wisner.

Over-The-Counter Dealers Must Unite

(Continued from First Page)

collective volume through unity and intelligent, concerted effort, we are fighting among ourselves.

We are the only industry in the world which is denied the right to sensibly advertise its merchandise through the mediums of interstate commerce. What are we doing about it? We are the only industry which is not training new salesmen or developing a sales force. We tell ourselves it is too costly, but each one of us knows in his heart the effect that ten more good salesmen would have on his volume and his profits, not to mention the benefit to the industry as a whole.

We are the only industry where Federal regulations divide our merchandise into bastard and legitimate classes. I refer to Regulation U of the Federal Reserve Board, which prohibits us from carrying unlisted securities on margin for customers. But are we doing anything to make the FRB realize that the formula should be "marketability plus merit" and not just "listing," which is no assurance of either marketability or merit.

I could continue to enumerate our handicaps through many more pages, but I believe you see my point. Yes, we need to organize and we need young leaders who believe our capitalistic, corporate-structure will survive. We need to contribute part of our capital or annual income to the revival of our business and to the recapture of respect for our merchandise. When we start thinking and acting along these lines, the lesser things like newspaper quotations and split commissions will take care of themselves.—*Irwin R. Harris, (St. Louis).*

Here's one for the book. In the newspapers, Eagle Fire Insurance is quoted ½ bid, 1 asked. Suppose I had some stock for sale on an order which I worked on and I found 65c bid in inside dealers market. If I paid the account 50c I would be taking 13%. Then the Government and state tax fellows share in my profit of 15c per share by taking slightly more than 3c per share or about 20% of my profit and they do no work before, at time or after trade. Who is making the exorbitant profit? Or should we all be taken to task. If it's going to be done let's do it right and set the whole works straight if something is really wrong with this percentage of profit angle.

Now then, suppose I did not feel I should sell the stock to a dealer for him to peddle out through his shop at perhaps the newspaper quote on asked side of 1 and I found a man who would buy it from me at 1. I sure would be in one hell of a spot according to the percentage arguments for the buying at 50c and the selling at $1 would constitute 100% profit before taxes. It looks like hell doesn't it, to you and to me, too, but after all they are trying to get us to work according to published quotations and this would have been according to their intimated wishes. Or are we only supposed to work according to quotations on the higher priced stuff and if only a non-profitable differential remains we should just take it and like it. We have just as much expense in solicitation, etc. one way as the other. Rather than subject myself to too much criticism I would have handled the Eagle trade just on the one side by selling it and not trying to find an individual investor buyer for that would have entailed extra trying and expense and no one will give it back to me if the individual turned me down so I take no chances and let the dealer who buys it from me try that angle. Chances are that if I tried I could sell the stock to an individual but I fear criticism so stay away from the other side of the transaction. But whether I sell it to an individual or another dealer does, it makes the same difference at the end. This situation would not happen too often but it could happen and it is only fair to dealers that they know where they stand before they have the matter in hand rather than after that being subject to criticism. Of course I would give a break in between to my buyer and seller but that is not the point, the point is, what is a fair profit and tell me now and don't wait to arbitrarily criticize me later. I think that the subject is too cumbersome for decision as to a fair profit and that therefore either no limit should be set (for I don't believe in arbitrary rulings) or else a percentage should definitely be set beyond which a dealer cannot go and then we would all know whence we are going and have peace of mind.

Please excuse the anonymous request I make of the usage of this but I am a firm believer in the fact that when you rub anybody the wrong way he gets angry at you and will try to take it out on you some time and even though you run an honest shop nevertheless there is always something which could arbitrarily be ruled against you. Particularly, in this day and age when they only pick on an item and don't give a man a chance to show his whole shop and what a pittance he makes *on the average*. I am a firm believer in averages. All business should be considered on the average basis. We don't only have customers whom we make money on we also have some who give us a swell kicking around and frankly we always hope for the next time when we might be able to make up some of our past expenses on them. There is no rule or law against this type customer who takes all he can get from you, etc. in way of service and originations of thought from us and then shops around for the cheapest place to do the business and invariably he will find a New York Stock Exchange house who did no work and will execute it for a measly commission. I very definitely say that there should either be a segregation of members and unlisted orders for handling by those houses and that neither should be able to execute both or there should not be a *private club* such as a New York Stock Exchange member has, run as such, but that there should be a NYSE and other exchanges only that they should be more publicly run and no group should be members thereof. The whole recognized dealers/brokers world (in the USA I mean) should have the right to execute their orders there and should have the right to charge a specified commission on those executions and should deduct a percentage of their commission for maintenance of the Exchanges just as the registration fee is now deducted except on a larger scale of course. In this way we so-called, up until that time, unlisted dealers/brokers, would have our results of our solicitation of orders to ourselves and we would not have to stretch for extra profits on unlisteds to help defray the expense.

I wanted to tackle this from the most unbiased and honest angle and I hope you will print it as food for thought for everybody in this security field to stop the animosity and selfishness and gunning for one another and shaking hands at the same time. Let's try to be friendly, all of us, the SEC, NASD and all dealers and brokers and I bet we will, if you adopt the latter paragraph last idea, have little or no further—percentage of profit taken—troubles. We small dealers work hard and can't compete with the large fellows (members) if they are in all of the lines * * * but we can compete if we are on an even footing with them where every order we get counts just on the same percentage basis as it counts for them, for proportionately we will have approximately the same expense of solicitation from whence it becomes a case of personal ability as an investment man.—*Anonymous, (New York City).*

This letter is a protest * * * concerning the recent tightening up of markets in insurance and bank stocks.

I am not interested in trading; that is, transactions between dealers. I have no colleges or other institutions as clients that buy 500 or 1,000 shares of some insurance stock. I have no wealthy customers that buy 25 shares of First National. Long before the IBA gave its first wail of infancy—there was no SEC there to give it a real smack on the behind—I was following its recent pompous pronouncement that more attention should be given to the small investor. Why, that's all I have been doing for more years than they have existed, but before any of you suckers start doing the same, incline your ear to some good advice—don't bother with insurance and bank stocks.

I have been boosting insurance stocks—not so much bank stocks —for more years than 95% of you have been in business, because my business was with small investors and I believed then, as I believe now, that insurance stocks are probably the best all round investment for the small guy, as distinguished from the fall guy. I tried to figure 4% to 5% gross, split half and half with my salesmen. This just about paid overhead, but I liked the feeling of giving people something substantial, and maintaining my self respect.

What is the situation now? Let's assume my man up in Fulton, N. Y., which isn't the place, starts out on his ten to fifteen calls a day, and about one o'clock finds a dentist who exhibits some interest in insurance stock. After struggling with him for an hour, meanwhile breaking eleven separate SEC regulations, he persuades him to buy 15 shares of Home according to quote in morning paper 26-27. He struggles home driving perhaps fifty miles through snow and ice, and sends in his order. I get it, call a broker and am quoted 26⅜-26⅝. I buy the 15 shares at 26⅝, go through the you-know-what for which I pay rent, salaries, insurance, mailing costs, etc., get my stock, and bill it out at 27. My profit is \$5.62½, my taxes are 66 cents, making the net \$4.96½. I send my salesman \$2.48½, being a generous employer.

Imagine the joy that floods the household of that salesman when he receives the check! He has driven perhaps fifty miles through winter weather, he has made a dozen calls, he has pleaded, cajoled, wept, and finally persuaded his customer to loosen up on some \$400 —to what purpose—\$2.48!

What is he going to do? Protest? He has protested, and what can I do? Is he quitting? Not yet, but believe me, if he can get a job selling clothpins he is going to take it. In the meantime is he trying to sell insurance and bank stocks? Not he! (That Harvard touch). He is merely trying to sell everybody—men, women, children, orphans, widows, lame, halt, and blind, a stock retailing at \$4.25 and carrying a commission of 45 cents a share—all with the blessing of the SEC, and a brand new prospectus hot off the press.

The investment business is glad to see the rats exterminated, but the collapse of the building is more apt to kill the workers than the rodents. We protest—industry, as shown by the recent hearings in Washington, recognizes the dangers in the situation and the reasons—eventually perhaps even the investors will begin to realize the reasons for what has happened and will happen to them. But shall we be here to give a damn?

But what of the small investor whom I have been trying to take care of and who is supposed to be the special chick under the wing of the SEC? He will be left to the mercy of the jackals and the jackasses unless the protest of the laborer in Wall Street receives the attention so promptly given to the laborer in the vineyard and the coal mine.—*Anonymous.*

P. S.—This morning I received an order for 10 shares Massachusetts Bonding & Insurance. Two houses in New York and Boston offered at 57, one at 57¾. I bought at 57. The newspaper quote was 54¾-56¾.

Shall I bill at 56¾, take \$2.50 loss plus taxes and assess the salesman for his half? Or should I damn the torpedoes and go ahead with a billing at 58¼. You guess which I am going to do!

Our Reporter On "Governments"

Out of all the annual reviews and forecasts, two points of primary interest to holders of U. S. Government obligations stand out clearly. . . . (1) Interest rates will not harden to any appreciable extent, no matter what the course of the war. If present conditions are to be the gauge, the level will remain around where it is today—2½% for long-term money. . . . (2) The prices of Government bonds will remain stable around current levels. If any declines do occur, they will be temporary, not of great importance, well controlled. . . .

While other nations have been at war, their money markets actually have become "easier." . . . In France, for instance, interest rates today are at the lowest marks in history. . . . In England, interest rates have dropped steadily in recent months. . . . Perhaps the situation here will be different—for here, the desire for capital to hide may not be so pressing and business demands may alter the conditions now existing. . . . But a major reversal in the trend of money rates at so crucial a time? . . .

The answer, according to authorities from many quarters, is "no." . . .

To the bank or institutional investor, these are the points of significance. . . . All other financial considerations may be considered secondary after that one conclusion—"the money market is under control." . . .

The Debt Limit

And now to get on to other points, not taken up in exhaustive detail in the annual reviews. . . .

One angle is the near-term action necessary to raise the public debt limit to a new, all time high. . . .

With the war on and the Treasury selling defense bonds and borrowing in the open market on a large scale, there isn't any question about the need for boosting the debt limit soon. . . . It may be that action will be necessary by spring, as a matter of fact. . . . For the defense bond sale is to get up to \$1,000,000,000 a month in the near future (and it may be pushed up higher). . . . And the Treasury's program of consolidating the indirect and direct debt means a shift of \$7,000,000,000 from the "hidden" guaranteed section of the market to the direct debt figures. . . . And Secretary Morgenthau will be back to market with large borrowings, such as the two already managed—\$1,300,000,000 last October, \$1,500,000,000 last December. . . .

Consider that picture in light of the fact that the gross debt today is nearing the \$58,000,000,000 mark, and you'll realize fully how narrow the margin between the total outstanding debt and the \$65,000,000,000 legal maximum is becoming. . . .

Incidentally, in case the statistics may impress yu, the debt has climbed nearly \$9,000,000,000 since the start of the fiscal year, July 1. . . . It has risen \$13,000,000,000 in the last 12 months. . . . Statisticians figure the debt is going up at the rate of about \$300 a second. . . . And the peak debt in the first World War was considerably less than half the debt now. . . . It was \$26,596,701,648. . . .

So, figure on a big debt limit rise this time. . . . To a total we may be sure won't be reached for a while. . . . (Say, \$100,000,000,000 or \$125,000,000,000). . . . Or perhaps the solution chosen will be a suspension of the debt ceiling for the duration. . . . That might be the most sensible course, for no one is going to argue with the Treasury's justification for building the debt rapidly now. . . . And there's little point in fixing statistical maximums that no one pays any attention to or has any respect for. . . .

How Big?

There doesn't appear to be any worry in the minds of economists today about the Government's ability to carry a debt much larger than we now have. . . . The only concern is over its willingness to honor that debt eventually—in money worth what it's worth today. . . . But that's another point, far away from statistics and into the realm of ethics and national honesty. . . .

To dwell on the figures alone for the moment, predictions of authorities concerning the ultimate total of the American public debt vary all the way from \$90,000,000,000 to \$200,000,000,000. . . . It's taken for granted by most that the debt will cross the hundred-billion mark before the war is over. . . . (H. W. Prentis, Jr., former Chairman of the National Assn. of Manufacturers, expects a debt of \$150,000,000,000; Federal Loan Administrator Jones forecast a \$90,-000,000,000 debt early in 1941, undoubtedly has raised his estimate since then). . . .

Can we stand it? . . . Of course, we can. . . . America is one of the few nations that still has a national income far in excess of its national debt. . . .

And while a debt increase here of 45% since September, 1939, is enough to chill the blood of an orthodox economist, the fact is

(Continued on page 124)

Arthur Zuber Et Al Join Goodbody & Co.

(Special to The Financial Chronicle)

DETROIT, MICH.—Arthur J. Zuber, Raymond L. Templin, Edward O. Patterson, and John T. Dinan have become associated with Goodbody & Co., New Penobscot Building. Mr. Zuber was previously manager of the trading department of the local office of W. E. Hutton & Co., with which Mr. Patterson and Mr. Dinan were also connected. Mr. Templin was for a number of years with S. R. Livingstone & Co., and prior thereto with Fenner & Beane.

Edmund McGreenery Is With Jackson & Curtis

(Special to The Financial Chronicle)

BOSTON, MASS.—Edmund J. McGreenery has become affiliated with Jackson & Curtis, 10 Post Office Square, members of the New York Stock Exchange and other leading national exchanges. Mr. McGreenery has been in business in Boston for many years, recently as proprietor of McGreenery & Co.

Rudd Becomes Partner In Bernard, Winkler & Co.

Irving G. Rudd, effective today, becomes a limited partner in the firm of Bernard, Winkler & Co., 11 Wall St., New York City, members of the New York Stock Exchange. Mr. Rudd was formerly a partner in the dissolved firm of D. M. Minton & Co.

Tomorrow's Markets Walter Whyte Says—

(Continued from page 101)

can react anywhere from 3 to 5 points.

* * *

As far as the war news is concerned I feel if Singapore holds the market will rally—strongly. If it falls, the market will react but even then I don't think the reaction will carry under recent lows.

J. C. P., Phila, Pa. In recent thin markets I agree "stops" are not the best things in the world. Personally I prefer "mental" stops. That is to say, sell a stock when it has broken a previously determined support point, and even then certain actions may cause me to change my mind. Unfortunately in advising readers such a method is not practical. Actual stops have to be given even at the risk of losing a good position. Until another means of "insurance" is devised traders must determine on a figure beyond which losses must be cut. . . . **E. L. D., N. Y. C.**—"Old liners" of today are the dogs of tomorrow just as the dogs of today may be the blue chips of next year. Just because a security has a favorable past record is no guaranty of the future. With the world at war old rules applying to purchase of staid, respectable stocks cannot apply.

More next Thursday.
—Walter Whyte.

[The views expressed in this article do not necessarily at any time coincide with those of the Chronicle. They are presented as those of the author only.]

Our Reporter On Governments

(Continued from page 123)

Germany's public debt has gone up 146% since the outbreak of war. . . .

The Territorials

And now to another angle that wasn't touched in the annual forecasts. . . . Another story of interest to thousands of institutional investors in every section of the country — the fate of the territorials. . . .

You know what has been happening at Manila. . . . You know what happened at Pearl Harbor. . . . You are aware of the delicacy of the situation in the Pacific. . . . And if you own any of the securities of the Philippines, Hawaii or Puerto Rico, you know what has been happening to the territorial section of the market, too. . . .

Since Dec. 7, Philippine bonds have gone down as much as 16 points (the Philippine Government 4½s of 1956 are off from 114 to 98). . . . Hawaiian bonds have gone down as much as 15 points (the Territory of Hawaii 4½s of 1956 are down from 130 to 115). . . . Puerto Rican bonds have dropped as much as 10 points (the Government of Puerto Rico 4½s of 1956 are down from 128 to 118). . . .

Fear that debt repudiation will follow the catastrophes in the Philippines and in the Pacific generally is mainly responsible for these crashes. . . . Lack of knowledge of the true situation lies behind the scare-selling. . . . Liquidation in Puerto Rican bonds has been extremely small because this island is not in the war area and the declines have been mostly "sympathetic." . . . Liquidation in Philippine issues hasn't been as heavy as in Hawaiian bonds either, because the trouble at the Philippines followed Pearl Harbor and by that time, investors had regained their confidence somewhat. . . . But selling in Hawaiians was heavy in the first week of war. . . . It came in from all sections of the country. . . .

Let's put it bluntly at the start:

There is not a single possibility of a default on the territorial and insular securities outstanding in this country. . . . Even if the worst comes to the worst and the Governments themselves find payment of interest or principal difficult, the U. S. Treasury certainly will step in and take over the pledges. . . . There is no "legal responsibility" to justify this forecast. . . . But the U. S. Treasury has an implied responsibility toward seeing that pledges on the territorials are honored that is as great as any explicit or legal responsibility could be. . . .

In the last 30 years, the Philippines, Hawaii and Puerto Rico have issued millions of dollars of bonds—under authority of Acts of Congress. . . . At the moment, the outstanding securities total $140,000,000, divided as follows:

Hawaii—$38,000,000; The Philippines—$47,000,000; Puerto Rico—$30,000,000; Honolulu—$10,000,000; various Puerto Rican municipalities—$15,000,000. . . .

As these territories and insular possessions have at least $22,000,000 of cash and bonds in sinking funds, the net outstanding debt is only about $118,000,000. . . .

Payment

There's only a remote chance that the U. S. Treasury will be called upon to back up the pledges of these Governments, as a matter of fact, for the issuers are in excellent financial shape. . . .

The Philippine Government alone has $175,000,000 in cash on deposit at the U. S. Treasury—free cash, represented by $100,000,000 of currency reserve, $60,000,000 of surplus and $15,000,000 of working funds. . . . That's almost four times the total of its outstanding debt. . . .

The weakness in all these bonds recently has been mostly psychological. . . . It cannot be justified on the basis of facts concerning the safety of the bonds. . . . Declines of 15 and 16 points in bonds as safe as these appear nonsensical. . . .

If you own any—or are intending to sell any—check up on the facts and the U. S. Government's position before you reach a decision. . . .

Bank Offers Plan For Paying 1942 Income Tax Month By Month

A means by which income tax payers can spread their 1942 payments to the government over a 12-month period and provide the money from their current monthly income, instead of being compelled to make quarterly or less frequent payments of much larger amounts, is provided by a new plan just developed by The Peoples-Pittsburgh Trust Company, Pittsburgh, Pa.

"Since 1941 income tax laws were not enacted until late in the year, citizens did not have an opportunity to fully anticipate and budget the amount required for the increases," says Gwilym A. Price, President of the bank. "Many persons are in need of a means of catching up with payments, particularly those whose incomes fall in the brackets where tax increases are greatest. This plan has been created in anticipation of the needs of those who may find themselves without easily available funds as income tax payment time draws near.

"This development is in line with the present-day policy of banks to meet changing conditions with new services and to do a constructive job of presenting these services to the public," states Mr. Price. "It follows the practice of consumer merchandising in offering a convenient package to meet the specific requirements of a customer," said Mr. Price, "and it acts as an aid in promoting thrift among borrowers."

As an example of how the method will operate, Mr. Price cited an individual who will need $1,000 for income tax payments in 1942: The bank provides the money as needed for each quarterly payment through a special account so that the taxpayer has only to issue his personal check for each payment. The individual begins paying into the income tax budget fund on April 15, and makes 12 equal monthly payments, a total of $1,020, which includes $20 interest. Taxpayers who wish to increase their budget to include the tax payment for the first quarter of 1943, can pay $1,265 into the fund over a 12-month period, including $1,250 for taxes and $15 for interest. There is no interest charge on the additional $250.

The method can be employed for other amounts than $1,000 and is suitable for corporations as well as individuals, it is stated. Life insurance is available on all such loans to pay off unpaid balances in the event of the borrower's death.

Dart With Ryan-Nichols

(Special to The Financial Chronicle)

CHICAGO, ILL.—Raymond H. Dart has become affiliated with Ryan-Nichols & Co., 105 South La Salle St.

UP-TOWN AFTER 3

NEW MOVIES

"Lady For a Night" (Republic), starring Joan Blondell and John Wayne; supported by such luminaries as Philip Merivale, Ray Middleton, Blanche Yurka, Montague Love and Carmel Myers. Directed by Leigh Jason.

Last week, being one of those weeks, I didn't manage to see many new pictures, with the exception of "Lady For a Night." In this one Republic put in a name cast, but unfortunately it neglected to give it a story; or a plot that even smacks of originality. It tells an involved yarn about a Jenny Blake who runs a combination dance hall and gambling place but who has hidden desires to marry into local society. After some maneuvering she manages to do just that, but finds that life on the other side of the tracks isn't what it's cracked up to be. First, there is a murdering sister-in-law, then there is a weak drunken husband, and to top it all off the friends of the family will have nothing to do with her. Of course, you know how it all works out. The snooty friends and relations get their come-uppance; the weak sodden husband gets conveniently killed and the little lady finds happiness with the man she loved all along. There is some excellent singing by the Hall Johnson Choir, but it doesn't appear often enough to make anything of the picture. It's just another one of these things you'll come across in your local theatre as part of a double feature.

About a month ago I wrote a piece about the **Penthouse Club**, atop 30 Central Park South, in which I hinted at the kind of a time anybody who is an extrovert could have there. Of course if one isn't constituted that way a little artificial stimulus goes a long way to breaking down an inferiority complex. With that in mind I visited the place again last week and George, the man who officiates at the bar, took me for a tour through the Penthouse Cellars.

I suppose other restaurants or night clubs can show equally varied ingredients and potions, but as this was the first "cellar" I ever saw I can safely say I was awed. Stack upon stack of giggle water, ranging from rare imported wines to domestic ryes rose from the floor to the high ceiling. The whole thing gave me quite a thirst. So much so that I drank four glasses of water—yes, that's what I said, water—in quick succession.

Completely waterlogged, I returned to the Club proper just as **Haleh Linda**, the red-headed songstress, was giving our with sultry lyrics. I later learned that Miss Linda is a Dane (a native, not a breed), who began life in show business as an actress. When starting her American career in Hollywood (she was in pictures), Billy Rose saw her and signed her as a singer for his Hollywood Casa Manana. Apparently she succeeded, for today her voice has a peculiar tonal quality that gets attention.

While sitting there looking at the flames in the open fireplace your reporter looked up and there was **Phil Baker**. He stopped and introduced me to his companion, **Louella Pakin**, the English opera singer. She didn't look like an opera singer any more than I resemble a Don Juan. Opera singers are usually on the robust side. Miss Pakin is slim, blonde and as pretty as a picture. This guy Baker certainly knows how to pick 'em! In any case, Phil, who now runs the Eversharp "Take It or Leave It" program, became reminiscent. His first job, he explained, was office boy to film producer, Carl Laemmle. Nights, he studied piano and accordian and began to win prizes amateur nights. One day he failed to appear when the boss's buzzer sounded. Baker was out getting a haircut. "What right have you to get a haircut on company time?" stormed Mr. Laemmle. "It grew on company time, didn't it?" flipped Baker. After picking himself off the sidewalk he decided to devote his full time to the theatre. He teamed up with an obscure violinist, Ben Bernie, and they toured the country as a vaudeville act. It was while Baker was in the Navy (World War I) that he got the idea for the hecklers. Petty officers in the audience gave him the idea.

To get back to the **Penthouse Club:** It actually is one of the finest restaurants in town dating back to the days when one had to knock on slotted doors and say, "Charlie sent me." On cold, snowy nights its huge fireburning fireplace gives the place a coziness that is all its own. The food, as might be expected in such surroundings, is excellent. . . . **SCENES-ABOUT-TOWN: H. V. Kaltenborn** at the **Holland House Tavern**, making last minute revisions in his script over a mug of beer. . . . **Monte Wooley** at the **Cafe Francais** signs autograph book for youngster who asks for "your signature please, Mr. Woolcott." . . . **Eddie Cantor** at **Leone's** letting hat-check girl remove a spot of blackface makeup from behind his ear. . . . **Joan Crawford** and **Simone Simon** at the **English Grill** eating alone and at separate tables. Your reporter wondering how one goes about joining either one and while planning campaign both walk out and leave him with nothing but a set of swell ideas and nobody to practise them on.

E. S. Ladin Joining Steiner, Rouse & Co.

Steiner, Rouse & Co., members of the New York Stock Exchange and other leading exchanges, announce the opening of a department to deal in industrial and reorganization securities with Edward S. Ladin as manager, in their main office, 25 Broad St., New York City.

Mr. Ladin has been in the securities business for 25 years, for the past 17 years operating his own firm, E. S. Ladin & Co., which has just been dissolved. He is an active member of the National Security Traders Association and the New York Security Dealers Association.

Calendar of New Security Flotations

OFFERINGS

KANSAS-NEBRASKA NATURAL GAS CO., INC.

Kansas-Nebraska Natural Gas Co., Inc., registered with SEC 48,468 shares common stock, $5 par value

Address—Phillipsburg, Kan.

Business—Company is an operating public utility company engaged in the purchase of natural gas in Kansas, and in its transmission and wholesale and retail distribution in the States of Kansas and Nebraska

Underwriting—Names of underwriters, and number of shares underwritten by each, are as follows: First Trust Co., Lincoln, Neb., 11,108 shares; Harold E. Wood & Co., St. Paul, Minn., 15,132; Estes, Snyder & Co., Inc., Topeka, Kan., 10,012; United Trust Co., Abilene, Kan., 5,552; Beecroft, Cole & Co., Topeka, Kan., 6,664

Offering—The 48,468 shares are subject to purchase, under certain options, by the above underwriters, from the company, at a price of $5.4545 per share for a block of 8,468 shares, and at a price of $5.50 per share for the remaining 40,000 shares. The underwriters, upon exercise of their various options, propose to reoffer such shares to the public at a price of $6.50 per share

Proceeds will be added to working capital of company

Registration Statement No. 2-4894. Form A2. (11-24-41)

Effective—4:45 p. m., E.S.T., on Dec. 11, 1941

Offered—Dec. 12, 1941 at $6.50 per share

RAILROAD EMPLOYEES CORP.

Railroad Employees Corp. registered with SEC $750,000 5% convertible sinking fund debentures, due Dec. 1, 1956; and undetermined number of shares $1 par class A common stock, reserved for issuance on conversion of the debentures

Number of shares reserved for conversion purposes, 107,142

Address—155 E. 44th St., N. Y. City

Business—Through subsidiaries, engaged in the "small loans" business in New York and New Jersey

Underwriters—E. H. Rollins & Sons, Inc., New York, is principal underwriter; others are Coffin & Burr Inc., Bioren & Co., and Bond & Goodwin Inc.

Offering—Debentures will be offered to public, at price to be supplied by amendment

Price supplied by amendment, $98

Proceeds will be added to general funds, and used in part to reduce bank loans and commercial paper

Registration Statement No. 2-4891. Form A2. (11-19-41)

Offered—Jan. 7, 1942 at 98 and int.

Following is a list of issues whose registration statements were filed less than twenty days ago. These issues are grouped according to the dates on which the registration statements will in normal course become effective, that is twenty days after filing except in the case of the securities of certain foreign public authorities which normally become effective in seven days.

These dates, unless otherwise specified, are as of 4:30 P.M. Eastern Standard Time as per rule 930(b).

Offerings will rarely be made before the day following.

THURSDAY, JAN. 8

ALABAMA POWER CO.

Alabama Power Co. filed a registration statement with the SEC for $80,000,000 of first mortgage bonds, due Jan. 1, 1972. The interest rate will be supplied by post-effective amendment to the registration statement

Address—600 N. 18th St., Birmingham, Ala.

Business—A subsidiary of the Commonwealth & Southern Corp.; this company is engaged, in the State of Alabama, in the generation and purchase of electricity and its distribution and sale at retail in 582 communities and rural areas, and sale at wholesale of electricity to other companies and municipalities. Also, purchases and sells natural gas in Phenix City, provides transportation service in Tuscaloosa and vicinity. About 99% of total gross operating revenues is derived from electric operations

Underwriting and Offering—The bonds will be sold under competitive bidding, pursuant to Rule U-50 of the Public Utility Holding Company Act of 1935, of the SEC. Names of underwriters and the public offering price, will be supplied by post-effective amendment to the registration statement

Proceeds from sale of the new bonds, together with the proceeds of bank loans aggregating $12,000,000 and treasury funds of the company to the extent necessary, will be used for the redemption or provision for payment of the entire outstanding mortgage debt of the company

Registration Statement No. 2-4917. Form A2. (12-20-41)

Declarations and applications filed with SEC in regard to the sale of $80,000,000 first mortgage bonds through competitive bidding permitted to become effective Dec. 30, 1941

TUESDAY, JAN. 13

CONNECTICUT LIGHT & POWER CO.

Connecticut Light & Power Co. has filed a registration statement with the SEC for 336,088 shares of cumulative preferred stock, no par

Address—36 Pearl St., Hartford, Conn.

Business—Business of company consists principally of production, purchase, transmission, distribution and sale of electricity and gas for residential, commercial, industrial and municipal purposes in Connecticut

Underwriters—Principal underwriters are Putnam & Co., Hartford, Conn.; Chas W. Scranton, New Haven; and Estabrook & Co., Boston; names of the other underwriters will be supplied by amendment

Offering—Company proposes to offer a maximum of 136,088 shares of the preferred stock, bearing a dividend rate of $2.25 per share per annum, in exchange for the outstanding shares of 5½% cumulative preferred stock, $100 par, on the basis of 2 shares of $2.25 preferred for each share of 5½% preferred stock held (excludes holders in Minnesota, Wisconsin, Maine, New Hampshire and California); the exchange offer expires Jan. 16, 1942. It is further proposed to offer publicly through the underwriters 200,000 shares of the preferred stock, bearing a dividend rate of $2 per share per annum, plus an additional number of shares of $2 preferred stock equal to twice the number of shares of 5½% preferred stock as are not exchanged. Public offering price will be supplied by amendment

Proceeds will be used to finance, to the extent of about $10,000,000, the company's construction program calling for installation of two 45,000 kilowatt generating units, payment of $300,000 bank loans, and to redeem on March 1, 1942, at $112 per share, all of the 5½% preferred stock not exchanged for the new $2.25 preferred stock

Registration Statement No. 2-4918. Form A2. (12-24-41)

PANHANDLE EASTERN PIPE LINE CO.

Panhandle Eastern Pipe Line Co. filed registration statement with SEC for $10,000,000 first mortgage and first lien series "C" 3% bonds, due Jan. 1, 1962, and 150,000 shares cumulative preferred stock, $100 par value. Dividend rate on the preferred stock will be supplied by amendment

Address—1221 Baltimore Ave., Kansas City, Mo.

Business—Engaged in the production, purchase, transmission and sale of natural gas, major part of which is sold to gas transmission and gas distribution companies for resale

Underwriting and Offering—Approximately 14,000 shares of the preferred stock will be offered for subscription to holders of 63,566 shares of its outstanding common stock who have not waived their preemptive rights to subscribe for the new preferred stock, at the rate of one share of the preferred for each 5⅓ shares of common stock; the subscription price will be supplied by amendment. The remaining shares of preferred stock not required for such exchange offer, together with all of the bonds, will be sold by company under competitive bidding, pursuant to Rule U-50 of the SEC's Public Utility Holding Company Act of 1935. Names of underwriters and the public offering prices, will be supplied by amendment

Proceeds will be applied to the redemption of all the company's outstanding class A preferred stock; to the purchase from Columbia Gas & Electric Corp. of all the outstanding securities (stock and debt) of Michigan Gas Transmission Corp. and Indiana Gas Distribution Co.; to purchase from Ohio Fuel Gas Co. of natural gas pipe lines in Indiana and Ohio; and the balance to pay part of the cost of authorized construction work

Registration Statement No. 2-4919. Form A2. (12-24-41)

WEDNESDAY, JAN. 14

MILLER TOOL & MFG. CO.

Miller Tool & Manufacturing Co. has filed a registration statement with the SEC for 92,792 shares of common stock, $1 par value

Address—Detroit, Mich.

Business—Company is engaged in the manufacture and sale of service tools for use by the automotive industry

Underwriters—Baker, Simonds & Co., is named the principal underwriter

Offering—24,875 shares of common stock will be sold to the public for the account of the company; the remaining 67,917 shares registered are already issued and outstanding, and will be sold to the public for the account of certain selling stockholders. The public offering price is $4.20 per share

Proceeds will be used for the purchase of machinery and equipment and for working capital

Registration Statement No. 2-4920. Form S2. (12-26-41 Cleveland)

THURSDAY, JAN. 15

IOWA SOUTHERN UTILITIES CO. OF DELAWARE

Iowa Southern Utilities Co. of Del. has filed a registration statement with the SEC for $10,000,000 first mortgage 3½% bonds, due Dec. 1, 1971, and $5,160,000 of 4½% sinking fund debentures, due Dec. 1, 1971

Address—Centerville, Ia.

Business—Principal business of this public utility operating company is that of generating, distributing and selling electrical energy for light, heat and power, serving 134 communities at retail in 24 counties in the southern and southeastern parts of Iowa. Also, manufactures and sells artificial gas to several communities in that area, as well as steam heat

Underwriters—W. C. Langley & Co., New York, and Halsey, Stuart & Co., Inc., Chicago, are named principal underwriters; the names of the other underwriters will be furnished by later amendment to the registration statement

Offering—The bonds and debentures will be sold to the public, at prices to be supplied by amendment to the registration statement

Proceeds, together with other funds of the company will be used to redeem the following issues of bonds of the company; $10,000,000 first mortgage 4s, due May 1, 1970; $2,660,000 general mortgage sinking fund 4½s, due May 1, 1950; and $2,500,000 of 6% series A debentures, due May 1, 1950, requiring an aggregate of $15,854,700, exclusive of accrued interest on the bonds to be redeemed

Registration Statement No. 2-4921. Form A2. (12-27-41)

SATURDAY, JAN. 17

DOMESTIC FINANCE CORP.

Domestic Finance Corp. has filed a registration statement with the SEC for 61,484 shares common stock, no par value

Address—231 S. La Salle St., Chicago, Ill.

Business—Engaged, through subsidiaries, in the small loans business, operating 36 offices in 9 states.

Underwriting and Offering—The shares registered are outstanding and owned by Merchants & Manufacturers Securities Co., and are being offered solely for the purpose of exchanging the same for the 30,742 outstanding shares of participating preferred stock of Merchants & Manufacturers Securities Co., on the basis of two shares of common stock of Domestic Finance Corp. for one share participating preferred stock of Merchants & Manufacturers Securities, plus cash adjustment for dividends. Latter company reserves the right at any time to pay to dealers and others not to exceed 50 cents for each share of common stock of Domestic Finance Corp. delivered in such exchange as compensation for services in assisting Merchants & Manufacturers Securities Co., in consummating such exchanges

Registration Statement No. 2-4922. Form A2. (12-29-41)

WEST INDIES SUGAR CORP.

West Indies Sugar Corp. filed a registration statement with the SEC for 453,691 shares of common stock, $1 par

Address—60 E. 42nd St., New York City

Business—Company, organized in 1932 pursuant to the plan of reorganization of Cuban Dominican Sugar Corp. and certain of its subsidiaries, is solely a holding company owning the securities of several operating subsidiaries engaged principally in the production of raw cane sugar and invert and blackstrap molasses in the Dominican Republic and Cuba

Underwriters will be named by amendment

Offering—The shares registered are already outstanding, and are owned by City Company of New York, Inc., In Dissolution, to the extent of 436,691 shares; National City Bank of New York, parent of the former company, is the holder of the remaining 17,000 shares registered. The aggregate of the shares registered represents 47.7% of the outstanding common stock of the company, and will be offered to the public, at a price to be supplied by amendment

Proceeds will be received by the selling stockholders

Registration Statement No. 2-4923. Form A2. (12-29-41)

CORNELL-DUBILIER ELECTRIC CORP.

Cornell-Dubilier Electric Corp. filed a registration statement with the SEC covering $1,500,000 convertible sinking fund debentures; 30,000 shares of 5% cumulative convertible preferred stock, $50 par; and an unstated amount of common stock, $1 par, the latter to be reserved for issuance upon conversion of the debentures or the preferred stock. Interest rate and maturity date of the debentures will be supplied by amendment.

Address—333 Hamilton Blvd., S. Plainfield, N. J.

Business—Engaged in manufacture and sale of various types of capacitors, known also as fixed electrical condensers, devices for storing electrical energy between two or more conducting surfaces separated by a dielectric or non-conductor

Underwriting—McDonald-Coolidge & Co., Cleveland, and Eastman, Dillon & Co., New York, are named principal underwriters

Offering—Company states that because of the present uncertainty of wordwide conditions, it is impossible to determine at this time whether it will be more advisable for the proposed financing to be effected by means of an offering of debentures or preferred stock. It is not expected that both the types of securities will be registered, but that later either the debentures, or the preferred stock, will be sold to the public, and the other type of security will be eliminated from registration. Public offering price will be supplied by amendment

Proceeds will be used to pay $400,000 bank loans, reimburse company's treasury for expenditures made and to be made for plant, machinery and equipment during past and current years, and for working capital

Registration Statement No. 2-4924. Form A2. (12-29-41)

SUNDAY, JAN. 18

SCHENLEY DISTILLERS CORP.

Schenley Distillers Corp. filed a registration statement with the SEC for $10,000,000 10-year sinking fund debentures, due Jan. 1, 1952, and $17,500,000 15-year sinking fund debentures due Jan. 1, 1957. Interest rates will be supplied by amendment to registration statement

Address—350 Fifth Ave., New York City

Business—Company and its subsidiaries are engaged generally in the distilling, blending, rectifying, producing, warehousing, bottling, buying, selling, exporting and importing alcoholic products for beverage purposes, principal business being production and sale of rye, bourbon and blended whiskies in the United States

Underwriting—Mellon Securities Corp., Pittsburgh, is named principal underwriter; names of others will be supplied by amendment

Offering—The debentures will be offered to the public, at a price to be supplied by amendment

Proceeds from sale of the debentures, together with the net proceeds of unstated amount of short-term bank loans to be procured by company prior to or concurrently with the issue of the debentures, will be applied to payment of all the present bank loans of company. Amount of such bank loans outstanding on Aug. 31, 1941, was $24,000,000

Registration Statement No. 2-4925. Form A2. (12-30-41)

HAMILTON WATCH CO.

Hamilton Watch Co. filed registration statement with SEC for 39,382 shares 4½% cumulative preferred stock, $100 par

Address—Lancaster, Pa.

Business—Company manufactures and sells various models of high grade (17 to 23 jewel) pocket and wrist watches for men and wrist watches for women

Underwriting and Offering—Company is making a conditional offer to holders of its 32,054 shares of outsanding 6% preferred stock of the privilege of exchanging such stock for 33,054 of the 39,382 shares of 4½% preferred stock on basis of one share of 4½% preferred stock, plus $1.50 (equal to current quarterly dividend payable March 1, 1942, on one share outstanding 6% preferred stock), plus an unstated amount (difference between the public offering price of one share 4½% preferred stock and $105, the redemption price of the 6% preferred), for each share of outstanding 6% preferred stock. Exchange offer expires Jan. 22, 1942. Any shares of 4½% preferred not issued under the exchange offer, plus the 6,328 shares not reserved for such exchange offer, will be offered to the public, at a price to be supplied by amendment. Harriman Ripley & Co., Inc., Philadelphia, is named principal underwriter; other underwriters will be supplied by amendment.

Proceeds will be used to redeem, on March 1, 1942, at $105 per share, all outstanding 6% preferred stock; balance for expenditures in connection with construction and equipment of plant additions

Registration Statement No. 2-4926. Form S2 (12-30-41)

UNION OIL CO. OF CALIFORNIA

Union Oil Co. of California filed a registration statement with the SEC for $15,000,000 3% Debentures, due Jan. 1, 1967

Address—Union Oil Bldg., Los Angeles, Cal.

Business—Company is engaged in substantially all branches of the oil business, including, acquisition and development of prospective and proved oil lands; production, purchase, transportation and sale of crude oil and natural gasoline; refining of crude oil; production, treatment and sale of natural gas; and the manufacture, transportation and wholesale and retail marketing of pertroleum products. Its business is conducted chiefly on the Pacific Coast, particularly California.

Underwriters, and the principal amount of Debentures severally to be purchased by each, are as follows:

Name	Amounts
Dillon, Read & Co.	$3,000,000
Blair & Co., Inc.	300,000
Blyth & Co., Inc.	1,500,000
Brush, Slocumb & Co.	100,000
Elworthy & Co.	150,000
The First Boston Corporation	1,000,000
Goldman, Sachs & Co.	500,000
Harriman Ripley & Co., Inc.	500,000
Lehman Brothers	500,000
Mellon Securities Corporation	1,200,000
Mitchum, Tully & Co.	200,000
O'Melveny-Wagenseller & Durst	100,000
Otis & Co.	125,000
Pacific Company of California	150,000
Page, Hubbard & Asche	100,000
Riter & Co.	250,000
Schwabacher & Co.	200,000
Shields & Company	500,000
Smith, Barney & Co.	1,000,000
William R. Staats Co.	500,000
Stone & Webster and Blodget, Inc.	500,000
Union Securities Corporation	500,000
Weeden & Co.	125,000
White, Weld & Co.	500,000
Dean Witter & Co.	1,500,000

Offering—The Debentures will be offered to the public, at a price to be supplied by amendment to registration statement

Proceeds will be used for general corporate purposes, including expenditures of substantial amounts with respect to its refining and marine transportation facilities

Registration Statement No. 2-4927. Form A2 (12-30-41)

DATES OF OFFERING UNDETERMINED

We present below a list of issues whose registration statements were filed twenty days or more ago, but whose offering dates have not been determined or are unknown to us.

AIR ASSOCIATES, INC.

Air Associates, Inc., registered with SEC 50,000 shares $1.37½ Cumulative Convertible Preferred Stock, no par; and maximum of 100,000 shares $1 par common stock, latter reserved for issuance upon conversion of the preferred.

Address—Bendix Airport, Bendix, N. J.

Business—Company is manufacturer and distributor of airplane parts, equipment, material, supplies and accessories.

Underwriter—White, Weld & Co., New York, is principal underwriter; others to be named by amendment. Underwriting commission is $2.25 per share.

Offering—Preferred stock to be offered amendment.

Proceeds—$300,000 to prepay outstanding bank loans; $200,000 for purchase of additional machinery; balance for plant additions and working capital.

Registration Statement No. 2-4851. Form A-2. (9-27-41).

The company has filed an amendment to its registration statement with the Securities and Exchange Commission disclosing that its 50,000 shares of $1.37½ cumulative convertible preferred stock will be offered to the public by the following underwriters:

	Shares
White, Weld & Co.	12,500
Jackson & Curtis	10,000
Merrill, Lynch, Pierce, Fenner & Beane	10,000
Stern, Wampler & Co.	5,000
E. H. Rollins & Sons	4,000
Pacific Co. of California	4,000
Mitchum, Tully & Co.	1,500
Cohu & Torrey	1,000
Fuller, Cruttenden & Co.	1,000
Vietor Common & Co.	1,000

Amendments filed Nov. 25 and Dec. 13. and Dec. 30 1941, to defer effective date

CHAMPION PAPER & FIBRE CO.

Champion Paper & Fibre Co. registered with SEC $8,500,000 of first mortgage bonds, due Nov. 1, 1956 (interest rate to be filed by amendment); 40,000 shares $5 cumulative convertible preferred stock, no par; and an indeterminable number of shares of no par common stock, to be reserved for issuance upon conversion of the preferred stock

Address—Hamilton, O.

Business—Largest domestic manufacturer of the types of paper known in the trade as white papers and book papers, and is one of the largest domestic manufacturers of coated papers

Underwriters are W. E. Hutton & Co. and Goldman, Sachs & Co., both of New York, N. Y.

Offering—The bonds and preferred stock will be offered to the public, at prices to be supplied by amendment

Proceeds will be used to redeem the outstanding aggregate of $8,660,000 of 4¾% sinking fund debentures ($4,125,000 principal amount due 1950, at 104½; $4,535,000 principal amount of the 1938 Issue at 102¼), requiring $8,947,663. Balance of net proceeds will be added to working capital

Registration Statement No. 2-4867. Form A2. (10-25-41)

Amendment Filed—Company has filed an amendment with the SEC to its registration statement disclosing that the bonds would bear interest at the rate of 3½% per annum. The public offering price of the bonds and the preferred stock will be supplied by later amendment

Also disclosed in the amendment is the names of the underwriters for the bonds and preferred stock, together with the amount of each issue underwritten by each, as follows (all of New York City, unless otherwise indicated):

	Prin. amt. of bonds	No. of shs. of pref. stk.
W. E. Hutton & Co.	$1,700,000	8,000
Goldman, Sachs & Co.	1,700,000	8,000
R. S. Dickson & Co.	127,000	600
Drexel & Co., Phila.	425,000	2,000
Field, Richards & Co., Cincinnati	85,000	400
First Boston Corp.	425,000	2,000
Harriman Ripley Co.	425,000	2,000
Hemphill, Noyes Co.	255,000	1,200
Hornblower & Weeks	340,000	1,600
Johnson, Lane, Space & Co., Savannah	85,000	400
Kidder, Peabody Co.	765,000	3,600
Kuhn, Loeb & Co.	850,000	4,000
W. C. Langley & Co.	340,000	1,600
Lee Higginson Corp.	511,000	2,400
Piper, Jaffray & Hopwood, Minneapolis	127,000	600
White, Weld & Co.	340,000	1,600

Amendments filed Dec. 9 and Dec. 27, 1941, to defer effective date

CHESAPEAKE CORPORATION OF VIRGINIA

Chesapeake Corporation of Virginia registered with the SEC an unstated number of shares of common stock, $5 par value. Company estimates that the number of shares to be involved is 135,000 shares

Address—West Point, Va.

Business—Company is engaged in the manufacture and sale of sulphate pulp, Fourdrinier kraft board and kraft specialties

Underwriting — Principal underwriters named are: Scott & Stringfellow, Richmond, Va., and Blyth & Co., Inc., New York. Names of other underwriters will be supplied by amendment to the registration statement

Offering—The shares of common stock to be offered under this registration statement are already issued and outstanding, and are to be offered to the public for the account of certain selling stockholders. Public offering price will be supplied by amendment

Proceeds will be received by the selling stockholders

Registration Statement No. 2-4895. Form A2. (11-24-41)

Amendment to defer effective date filed Dec. 24, 1941

COLUMBIA GAS & ELECTRIC CORP.

Columbia Gas & Electric Corp. registered $28,000,000 serial debentures, due 1942 to 1951, and $92,000,000 sinking fund debentures due 1961

Address—61 Broadway, N. Y. C.

Business—Public utility holding company

Offering—Both issues will be publicly offered at prices to filed by amendment

Proceeds—To redeem $50,000,000 Deb 5s, 1952; $4,750,700 Deb. 5s, due April 15, 1952; $50,000,000 Deb. 5s, 1961; to purchase $3,750,000 4% guaranteed serial notes due 1942-46 of Ohio Fuel Gas Co., a subsidiary, and $3,750,000 guaranteed serial notes of United Fuel Gas Co., a subsidiary, from the holders thereof; and to make a $3,402,090 capital contribution

Calendar of New Security Flotations

to Cinn., Newport & Covington Ry Co. to enable that Company to redeem its outstanding $3,303,000 1st & Ref. 6s, 1947

Registration Statement No. 2-4736. Form A-2. (4-10-41)

Amendments filed Nov. 18, Dec. 6 and Dec. 24, 1941, to defer effective date

COMPOSITE BOND FUND, INC.

Composite Bond Fund, Inc., registered with SEC 32,500 shares $1 par common stock.

Address—601 Riverside Ave., Spokane, Wash.

Business — Open-end investment trust, limited to investments in bonds.

Underwriting—Murphey, Favre & Co., Spokane, Wash., is underwriter and distributor, purchasing said shares at the net asset value then in effect for distribution to public at such net asset value plus 8½%.

Offering—To be offered to the public at the then prevailing market price.

Proceeds—Will be used for investment purposes.

Registration Statement No. 2-4825 Form A-1. (8-28-41)

Amendments filed Nov. 8, Dec. 15, 1941 and Jan. 2, 1942

FLORIDA POWER & LIGHT CO.

Florida Power & Light Co. registered with SEC $45,000,000 First Mortgage bonds, due Oct. 1, 1971; $10,000,000 Sinking Fund Debentures, due Oct. 1, 1956; and 140,000 shares Cumulative Preferred Stock, $100 Par. Interest rates on the Bonds and Debentures, and the dividend rate on the preferred stock, will be supplied by amendment

Address—25 S. E. Second Ave., Miami, Fla.

Business—This subsidiary of American Power & Light (Electric Bond & Share System) is an operating public utility engaged principally in generating, transmitting, distributing and selling electric energy (also manufacture and sale of gas), serving most of the territory along the east coast of Florida (with exception of the Jacksonville area), and other portions of Florida

Underwriting and Offering—The securities registered are to be sold by company under the competitive bidding Rule U-50 of the SEC's Public Utility Holding Company Act. Names of underwriters and price to public, will be supplied by post-effective amendment to registration statement

Proceeds will be applied as follows: $53,170,000 to redeem at 102¼, the $52,000,000 of company's First Mortgage 5s of 1954; $15,693,370 to redeem at $110 per share, the 142,667 shares of company's $7 preferred stock, no par. Further details to be supplied by post-effective amendment

Registration Statement No. 2-4845. Form A2. (9-17-41)

Amendments filed Nov. 27, Dec. 15, 1941 and Jan. 2, 1942 to defer effective date

HASTINGS MANUFACTURING CO.

Hastings Manufacturing Co. registered with SEC 140,400 shares common stock, $2 par value

Address—Hastings, Mich.

Business—Manufactures and sells piston rings and expanders

Underwriters—Schroder, Rockefeller & Co., Inc., are principal underwriters. Other underwriters are Smith, Hague & Co. and Carlton M. Higbie Corp., Detroit, Mich.

Offering—23,100 shares are unissued and are to be offered to the public for the account of the company; remaining 117,300 shares are outstanding and are to be sold to public for account of certain selling stockholders

Proposed offering as amended: 23,100 shares by company, 105,756 shares by certain stockholders

Public offering price is $9.50 per share

Proceeds to company will be used for general corporate purposes, including purchase of new equipment and for working capital

Registration Statement No. 2-4890. Form A2. (11-19-41 Cleveland)

ILLINOIS COMMERCIAL TELEPHONE CO.

Illinois Commercial Telephone Co. registered with SEC $5,750,000 of first mortgage 3⅜% bonds, due Oct. 1, 1971; and 24,000 shares of $5 cumulative preferred stock no par

Address—607 E. Adams St., Springfield, Ill.

Business—This subsidiary of General Telephone Co. is engaged in providing, without competition, telephone service to 180 communities and surrounding territories in Illinois, including Kewanee, Monmouth, Macomb, Lincoln, Belvidere, Harrisburg, Olney, Mendota and Mt. Carmel

Underwriters, and amount of bonds and preferred stock underwritten by each, follow:

	Amt. of Bonds	No. of Shs. of pfd. stk.
Bonbright & Co., Inc., New York	$2,875,000	12,000
Paine, Webber & Co., New York	2,156,000	9,000
Mitchum, Tully & Co., Los Angeles	719,000	3,000

Offering—Bonds and preferred stock to be offered to the public at a price to be supplied by amendment to the registration statement

Proceeds from sale of the bonds and preferred stock, together with $105,000 received from sale of 7,000 additional shares common stock, will be used in part to retire following securities of company: $5,750,000 First Mortgage Series A 3¾% bonds, due June 1, 1970, at 105½; 17,098 shares $6 preferred stock, at $110 per share; 1,108 shares $6 preferred stock, owned by parent company, at latter's cost Balance of net proceeds will be used to purchase from General Telephone Corp the outstanding capital stocks of Central Illinois Telephone Co. and Illinois Standard Telephone Co., to make additions and betterments to company's plant and property, and for other corporate purposes

Registration Statement No. 2-4866. Form A2. (10-24-41)

Amendments filed Nov. 26, Dec. 15, 1941 and Jan. 2, 1942 to defer effective date

LA CROSSE TELEPHONE CORP.

La Crosse Telephone Corp. registered 32,080 shares of common stock, $10 par

Address—La Crosse, Wisconsin

Business—Telephone service to La Crosse Wis.

Underwriter—Alex. Brown & Sons

Offering—All stock registered will be publicly offered at price to be filed by amendment, except that 2,406 shares will be sold to Central Electric & Telephone Co.

Proceeds—Stock registered is owned by parent company, Middle Western Telephone Co., which will donate a portion to La Crosse Telephone Corp. and latter will use proceeds to retire outstanding preferred stock

Registration Statement No. 2-4717. Form A-2. (3-29-41)

Amendments filed Nov. 19, Dec. 8 and Dec. 26, 1941 to defer effective date

NORTHERN NATURAL GAS CO.

Northern Natural Gas Co. registered 710,500 shares of common stock, $20 par

Address — Aquila Court Bldg., Omaha, Nebraska

Business—Production and transmission of natural gas

Underwriter—Blyth & Co., and others to be named by amendment

Offering—Stock will be publicly offered at price to be filed by amendment

Proceeds—All proceeds will be received by selling stockholders, United Light & Railways Co., and North American Light and Power Co.

Registration Statement No. 2-4741. Form A-2. (4-21-41)

Northern Natural Gas Co. filed an amendment to its registration statement of shares of its $20 par value common stock proposed to be offered to the public has been reduced from 710,500 shares to 355,250 shares. According to the amendment, such 355,250 shares are those that are presently owned, and outstanding, by North American Light & Power Co. and are to be offered to public for the account of American Light & Power Co.

The 355,250 additional shares originally registered with the SEC on April 21, 1941, for public offering, and withdrawn from registration were subsequently registered and became effective. These shares constituted the stock outstanding and owned by United Light & Railways Co., a subsidiary of United Light & Power Co.

PANAMA COCA-COLA BOTTLING CO.

Panama Coca-Cola Bottling Co. registered with the SEC 33,750 shares common stock $1 par

Address—19-A Avenue Jose Francisco de la Ossa, Panama, R. de P.

Business—Engaged in business of bottling Coca-Cola and other carbonated beverages and in manufacture of ice-cream and ice, all of which are sold wholesale in the Republic of Panama and in the Canal Zone

Underwriters—Elder & Co., New York, is the sole underwriter

Offering—The shares will be offered to the public at $12.50 per share; underwriting commission is $2.50 per share

Proceeds—Will be used to increase the company's working capital

Registration Statement No. 2-4870. Form S-2 (New Form) (10-29-41)

Effective 3 p. m. E.S.T. on Nov. 25, 1941 as of 4:45 p. m., E.S.T., Nov. 11, 1941

PITTSBURGH STEEL CO.

Pittsburgh Steel Co. has filed a registration statement with the SEC for $2,000,000 of first mortgage series B 4½% bonds, due Dec. 1, 1950

Address—1600 Grant Building, Pittsburgh, Pa.

Business—Engaged primarily in manufacture and sale of semi-finished steel products, wire products and tubular products

Underwriting—Kuhn, Loeb & Co., and A. G. Becker & Co., Inc., both of New York, each have agreed to purchase $1,000,000 principal amount of the bonds

Offering—The bonds will be offered to the public, at a price to be supplied by amendment

Proceeds to extent of $1,040,000 will be deposited with Trustee and will be withdrawn from time to time in the future against property additions which are now contemplated; balance for working capital

Registration Statement No. 2-4905. Form A2. (12-2-41)

SOUTH CAROLINA INSURANCE CO.

South Carolina Insurance Co. registered with SEC 12,500 shares common stock, $8 par value

Address—1400 Main St., Columbia, S. C.

Business—Engaged principally in the writing of fire insurance

Underwriting and Offering—The shares will first be offered for subscription to present stockholders, under their preemptive rights, at price of $16 per share. Unsubscribed portion of such shares will be offered to public at $18 per share, within 30 days after effective date of registration statement. Underwriters will be named by amendment; underwriting commission will be $2 per share

Proceeds will go directly to capital ($100,000) and the residue to surplus. Company deems it essential to comply with laws of New York State, soon to become effective requiring a minimum capital of $250,000 and with the laws of Massachusetts requiring a minimum capital of $300,000

Registration Statement No. 2-4898. Form A2. (11-27-41)

Amendments filed Dec. 16, 1941 and Jan. 3, 1942 to defer effective date

TEXAMERICA OIL CORP.

Texamerica Oil Corp. registered with SEC 119,891 shares common stock, $2 par.

Address — **Milam Bldg., San Antonio, Tex.**

Business—**Engaged in production and marketing of crude oil, acquire mineral** leasehold interests in producing or proven oil properties in Texas, drilling of oil wells thereon, acquire royalty interests in proven and developed oil properties.

Underwriter—Willard York Co., San Antonio, Tex., has agreed to purchase 44,750 shares at $1.75 per share and 74,157 shares at $2, from company.

Offering—118,907 shares to be offered to public at $2.375 per share; remaining 984 shares registered constitute shares issued July 1, 1941, by company, as dividends.

Proceeds—Will be used to pay outstanding mortgage indebtedness ($200,000), and remaining $26,626 will be added to working capital

Registration Statement No. 2-4824 Form A-1. (8-27-41)

TIME FINANCE CO.

Time Finance Co. registered with SEC $400,000 10-year 5% sinking fund debentures, due Dec. 1, 1951, and option warrants for 20,000 shares common stock, $1 par value

Address—Louisville, Ky.

Business—Engaged in the "small loan" personal loan business in Kentucky and Minnesota

Underwriting—Underwriters of the debentures are Piper, Jaffray & Hopwood, Minneapolis, and Bankers Bond Co., Louisville, Ky. Underwriting commission is 6%

Offering—The debentures will be offered to the public at 100. Purchasers of each $1,000 debenture will receive an option warrant entitling holders to purchase 50 shares of common stock on or prior to Dec. 1, 1943, at $2.75 per share; purchasers of each $500 debenture will receive option warrants entitling holders to purchase 25 shares of common stock on or before Dec. 1, 1943, at $2.75 per share

Proceeds will be added to working capital

Registration Statement No. 2-4901. Form A2. (12-1-41)

UNITED AIRCRAFT CORP.

United Aircraft Corp. filed a registration statement with the SEC for 265,669 shares of cumulative convertible preferred stock, $100 par value, and a maximum of 943,309 shares of common stock, $5 par (latter reserved for issuance upon conversion of the preferred stock). Dividend rate on the preferred stock will be supplied by amendment

Address—400 S. Maine Street, Hartford, Conn.

Business—Business of company is carried on through five operating divisions and three subsidiaries; three of the divisions are manufacturing divisions and each has its own engineering, research, manufacturing and sales organizations. Business includes manufacture and sale of aircraft engines, propellers, and other aircraft parts and accessories

Underwriting and Offering—The 265,669 shares of preferred stock will be initially offered to holders of company's common stock, for subscription at $100 per share, pro rata, at the rate of one share of preferred stock for each 10 shares of common stock held of record on Jan. 2, 1942, and on the same basis to holders of certificates for shares of common stock of United Aircraft & Transport Corp. who, by exchange of their certificates after such date and prior to the expiration date of the subscription warrants, shall have become stockholders of the corporation. The rights to subscribe shall be evidenced by subscription warrants, which will expire on Jan. 13, 1942. Any of such shares of preferred stock not subscribed to under above offer, will be underwritten and offered to the public, at a price to be supplied by amendment. Price to the underwriters for the unsubscribed stock will be $100 per share. Harriman Ripley & Co., Inc., New York, are named principal underwriters and are committed to the purchase of 18.15% of all stock not subscribed for by common stockholders. In addition to Harriman Ripley & Co., the underwriters and their participations are: Blyth & Co., Inc., Kuhn, Loeb & Co. and Morgan Stanley & Co., 11% each. Hayden Stone & Co. and Smith, Barney & Co., 5.5% each. G. M.-P. Murphy & Co., 3.8%. Clarke, Dodge & Co., Dominick & Dominick, Goldman, Sachs & Co., Hornblower & Weeks, Lazard Freres & Co. and White,Weld & Co., 3.65% each. W. E. Hutton & Co., 2.75%. The Blue Ridge Corp., 2%. Merrill Lynch, Pierce, Fenner & Beane, 1.85%. Baker, Weeks & Harden, Putnam & Co. and Chas. W. Scranton & Co., 1.2% each. Merrill Lynch & Co., Inc., and Cassatt & Co., 0.9% each.

Proceeds will be added to working capital and will be used for corporate purposes

Registration Statement No. 2-4916. Form A2. (12-17-41)

Effective—4:45 p.m. EST on Jan. 2, 1941.

UNITED WHOLESALE DRUGGISTS OF PITTSBURGH, INC.

United Wholesale Druggists of Pittsburgh, Inc., registered with the SEC 4,000 shares no par common stock

Address—6543 Penn Ave., Pittsburgh, Pa.

Business—Incorporated in Delaware on April 28, 1941, to engage in business of selling drug store merchandise

Underwriting—None

Offering—The 4,000 shares of common stock will be sold by the company direct to (exclusively) retail druggists, at $50 per share

Proceeds—Will be used for purchase of equipment, and for working capital

Registration Statement No. 2-4818 Form A-2. (8-22-41)

Effective—Oct 7, 1941 at 11 A. M., E.S.T

VIRGINIA LAND CO.

Virginia Land Co. registered warranty deeds representing interests in oil and gas lands in the Everglades, Florida, about 50 miles west of Miami

Address—**Theatre Building, Coral Gables Dade County, Florida**

Underwriters—**None**

Offering—**Interests will be sold to the public at prices from $20 per acre up to $150 per acre**

Proceeds — **For development of lands,** purchase of equipment, and working capital

Registration Statement No. 2-4767. Form S-10 (5-23-41)

Effective—Under notice of deficiency 4:45 P.M., E.S.T., Sept. 21, 1941.

VIRGINIA PUBLIC SERVICE CO.

Virginia Public Service Co. filed a registration statement with the SEC for: $22,800,000 first mortgage 3½% bonds, due Dec. 1, 1971; $5,700,000 of 2⅝-3½% serial notes, due semi-annually June 1, 1944-Dec. 1, 1951, in varying amounts (from $320,000 to $390,000); 70,000 shares 5¼% cumulative preferred stock, $100 par value; and 628,333 shares common stock, no par

Address—117 S. Washington St., Alexandria, Va.

Business—Company is principally an electric operating public utility engaged in the production, purchase, transmission, distribution and sale of electric energy at retail and wholesale in Virginia, West Virginia and, to a minor extent, in North Carolina. Company is a subsidiary of General Gas & Electric Corp., which is in the Associated Gas & Electric Corp. holding company system

Underwriting and Offering—The securities registered will be sold through competitive bidding, under the SEC's competitive bidding Rule U-50 of the Public Utility Holding Company Act. Only exception is confined to such shares of the new preferred stock as may be issued on a share for share basis (with a cash adjustment) to holders of the presently outstanding preferred stock who do not elect to take cash for their stock. Name of underwriters, and public offering prices for the securities, will be supplied by post-effective amendment to registration statement

Proceeds will be used as follows: The 628,333 shares of new no par common stock will first be issued to General Gas & Electric Corp. in exchange for the old common stock now held by General Gas & Electric Corp., and will be offered for sale through competitive bidding. The proceeds from the sale of the securities registered will be used to retire all of the outstanding long-term indebtedness of the company, its predecessor and constituent companies, and that of Virginia Public Service Generating Co. (a subsidiary), to make cash payments to its present preferred stockholders, and to provide company with funds for new construction

Registration Statement No. 2-4913. Form A2. (12-12-41)

Amendment to defer effective date filed Dec. 26, 1941

(This List Is Incomplete Today)

WHISPERINGS

We have known **Sid Lurie** for a number of years. We knew him when he wrote those heavy, but meaty articles on economies, securities and kindred subjects for first, **Redmond & Co.**, then **Fuller Rodney & Co.**, and today for **Parrish & Co.** Yet in all our dealings with him we never suspected there was another side to his accomplishments. So imagine our consternation when we discovered, quite by chance, too, that he composes and writes popular music, lyrics and everything. At first we attributed this light motif to the influence of Mrs. Billie Lurie, but both Sid and Billie assure us that the songs were written years ago. And as they are married—let's see, eight months and one week, isn't it?—the theory of the refining influence of marriage had to be discarded. In any case there are two songs in particular that we considered humdingers. The first relates the case of the plain, but nice girl, who dreams of a career where she could "sleep all day and work all night." The second describes a quaint custom "old as antiquity." The reason we mention this accomplishment of Sid's is that reading his monthly articles full of long words and ponderous ideas then seeing him play and sing his songs is something like expecting the dignified Queen Mother Mary to break out into a hot rhumba.

Alphabets and Government agencies are things that now go hand in hand, something like ham and eggs. However, a new one was sprung on us recently—PDQ. But the letters don't stand for what you think. The full name is Permanent Defense at Quonset, a new setup at the Naval Air Station at Quonset, R. I.

Press agents drum-thumping for Samuel Goldwyn have "discovered" two new Goldwynisms. We pass them along without further comment. (1) When introduced to Aldous Huxley, British novelist, he said, "This is a great pleasure. I hear you are a very clever genius." (2) And during a story conference where the name of the Biblical Samson came up, Goldwyn was supposed to have observed, "That Samson—he was a regular Hercules!"

We just learned this by accident. It seems a dealer, married and living in Philadelphia, has two children, a boy and a girl. The girl was growing up a perfect little lady but the boy, a typical healthy eight-year old youngster, refused to be affected by what his mother considered culture. His only interest was football, and anything which didn't have to do with the game was "sissy stuff." One day his mother bought two tickets for the Pirates of Penzance and asked the boy's father to take him to see it. The father objected. After a day trying to sell securities he'd be double switched if he'd go out of the house to listen to what he called caterwauling, and anyway, the boy wouldn't go. "That's all right," assured the mother. "I told him it was a night football game." So after more persuasion father and son set off. On the way the boy suddenly turned to his father and asked, "Dad, who do you want to bet on—the Pirates or the Penzance?"

In case of an air raid here's a recipe that we got out of somewhere: An aged Scottish woman was asked what she did during an air raid. She replied, "When the air raid warning sounds I take the Bible from the shelf and read the 23rd Psalm. Then I put up a wee drap o' whisky to steady my nerves. Then I get to bed and pull up the covers. And then I tell Hitler to go to ——."

According to a newspaper story an accused auto thief in Queens County, N. Y., confessed he had stolen a car, but pleaded a good motive. He hadn't wanted to be late for a court session in Manhattan where he was to be sentenced for "borrowing" another automobile.

Here's a story going the rounds you may not have heard yet. If you did, don't stop me. Two boys were in the loony hatch. One was busy typing a letter. The other said, "Who are you writing to, you haven't seen anybody in 20 years." The busy one replied, "I'm writing to myself." "And what does it say?" asked the first. "How should I know," was the retort, "I won't get the letter until tomorrow."

Now Estes, Snyder & Co.

TOPEKA, KANS.—Estes, Snyder & Co., Inc., has dissolved its corporation, as of Dec. 23, 1941, being succeeded by a partnership, Estes, Snyder & Company, which will continue offices at 103 East Tenth Street. Partners will be Wayne J. Estes and Jack B. Snyder and the personnel of the organization will be in no way changed.

Buckley To Be Partner

Daniel J. Buckley will be admitted to partnership in Bramley & Smith, 39 Broadway, New York City, members of the New York Stock Exchange, on Jan. 15.

$59 Billion Budget; $110 Billion Debt

(Continued From First Page)

progressive since the defense effort started.

* * *

I believe that $7,000,000,000 in additional taxes should be collected during the fiscal year 1943. Under new legislation proposed later in this message, social security trust funds will increase by two billion dollars. Thus new means of financing would provide a total of $9,000,000,000 in the fiscal year 1943.

Specific proposals to accomplish this end will be transmitted in the near future. In this message I shall limit my recommendations on war finance to the broad outline of a program.

* * *

Excessive profits undermine unity and should be recaptured. The fact that a corporation had large profits before the defense program started is no reason to exempt them now. Unreasonable profits are not necessary to obtain maximum production and economical management. Under war conditions the country cannot tolerate undue profits.

* * *

A well-balanced tax program must include measures which combat inflation. Such measures should absorb some of the additional purchasing power of consumers and some of the additional funds which accrue to business from increased consumer spending.

A number of tax measures have been suggested for that purpose, such as income taxes collected at the source, pay-roll taxes, and excise taxes. I urge the Congress to give all these proposals careful consideration. Any tax is better than an uncontrolled price rise.

Taxes of an anti-inflationary character at excessive rates spell hardship in individual cases and may have undesirable economic repercussions. These can be mitigated by timely adoption of a variety of measures, each involving a moderate rate of taxation.

Any such tax should be considered an emergency measure. It may help combat inflation; its repeal in a post-war period may help restore an increased flow of consumers' purchasing power.

Excise Taxes—All through the years of the depression I opposed general excise and sales taxes and I am as convinced as ever that they have no permanent place in the Federal tax system. In the face of the present financial and economic situation, however, we may later be compelled to reconsider the temporary necessity of such measures.

Selective excise taxes are frequently useful for curtailing the demand for consumers' goods, especially luxuries and semiluxuries. They should be utilized when manufacture of the products competes with the war effort.

Pay-roll Taxes and the Social Security Program—I oppose the use of pay-roll taxes as a measure of war finance unless the worker is given his full money's worth in increased social security. From the inception of the social security program in 1935 it has been planned to increase the number of persons covered and to provide protection against hazards not initially included. By expanding the program now, we advance the organic development of our social security system and at the same time contribute to the anti-inflationary program.

I recommend an increase in the coverage of old-age and survivors' insurance, addition of permanent and temporary disability payments and hospitalization payments beyond the present benefit programs and liberalization and expansion of unemployment compensation in a uniform national system. I suggest that collection of additional contributions be started as soon as possible, to be followed one year later by the operation of the new benefit plans.

* * *

I estimate that the Social Security trust funds would be increased through the proposed legislation by two billion dollars during the fiscal year 1943.

Schram Stresses Need For Free Exchanges

The importance of maintaining free Exchanges as markets essential for successful financing of the war effort was stressed by Emil Schram, President of the New York Stock Exchange in a speech at the luncheon meeting of the Advertising Club on Jan. 7.

In his address Mr. Schram said: "It should be the resolve of every citizen to go on with his particular task. . . . The war will be won only if our economy functions efficiently.

"Governmental controls in the past have resulted from the unwillingness or inability of various segments of our national economy to exercise self-discipline and self-control. Governmental regulation, however, well administered, is no effective substitute in our free enterprise system for private regulation because it does not provide the same responsibility and incentive for fostering growth and development. . . .

"Everyone must certainly realize that a globe-encircling war such as the one in which we are now engaged will bring about inevitable economic changes. American business therefore must be prepared to assume its proper role in achieving a desirable readjustment and to make absolutely certain that the democracy we are struggling to preserve will be worth living in when the smoke of battle has cleared. . . .

"The need in normal times for a healthy securities market and for the element of marketability which the Exchange imparts to securities is too obvious to need repeating. In the abnormal times of the present, the facilities of the Exchange are also essential to a successful financing of the war effort. . . .

"While mere skeletons of stock exchanges remain in those countries where freedom has disappeared, both in England and the United States these markets are maintained as strong and useful institutions. Not even furious bombardment in the City of London has caused the doors of the London Exchange to be closed—nor is there any reason to doubt that our New York Exchange would display any less fortitude. The Stock Exchange, here and in London, is a living symbol of the system of free enterprise which typifies our democracy. It is a symbol of our faith in the future."

"Facts Versus Fears"

An interesting pamphlet on bank stocks entitled "Facts versus Fears," has been prepared for distribution by F. L. Putnam & Co., Inc., 77 Franklin St., Boston, Mass. Written by Major Willis S. Fitch, Vice-President of F. L. Putnam & Co., the booklet discusses the problem of whether high-yielding bank stocks, favored by institutional investors, will continue at current record lows and contains a tabulation of the more active and best known New York and Boston Bank stocks held by financial institutions throughout the country.

Copies of the pamphlet may be had from F. L. Putnam & Co., Inc., upon request.

San Francisco S. E. Ups Commission Rates

The San Francisco Stock Exchange on Jan. 2 put into effect a new schedule of commissions which places the rates slightly higher than those existing prior to Aug. 11, 1941. The Exchange in August, had lowered the rates to conform with those in effect on the New York Stock Exchange. Except for the minimum charge, under the newest schedule no change was made in the low-price shares, but the rates in the higher brackets are slightly above those which prevailed before Aug. 11. Under the new schedule members of the San Francisco Exchange are permitted to follow the minimum commission rates in effect on another national securities exchange where the same security is dealt in. Reference to the Exchange's previous schedule of rates, put into effect last August, was made in our issue of Aug. 2, page 623.

The following regarding the rates which became effective on Jan. 2 is from San Francisco advices, that day, to the New York "Times" of Jan. 3:

> Minimum commission rates on stocks selling at $1 to $2 a share are $5 a hundred, or 10 cents a share for odd lots. Fees on shares selling between $100 and $110 are $36, or 41 cents a share on odd lots. On individual transactions involving $50 or over the minimum commission charge hereafter is $5, instead of $3.

In explaining the Exchange's latest action, George N. Keyston, President said:

> It is in the public interest to maintain a soundly financed and well operated stock exchange. It will be recalled that commission rates were reduced last August at a time when almost everything else was rising in cost. This reduction in rates did not increase business, consequently it meant a substantial decrease in revenues. Therefore, in order to render a professional service commensurate with value received, it has been found necessary and advisable to make an adjustment in rates.

Treasury To Refund Over $1,000,000,000 Of Government Issues

Secretary of the Treasury Morgenthau announced on Jan. 5 that next week the Treasury plans to refund four outstanding issues of direct and guaranteed government securities, totaling $1,076,063,200, into regular Treasury issues. Mr. Morganthau also said that the Treasury does not plan any "new money" financing during January, since the record sales of defense bonds and stamps are building up the Treasury's balance.

The issues which will be refunded are as follows: $310,090,000 Reconstruction Finance Corp., Series R 7/8% notes, dated Feb. 15, 1939, maturing Jan. 15, 1942; $236,476,200 Federal Farm Mortgage Corp. 3% bonds, dated Jan. 15, 1935, maturing Jan. 15, 1947, but callable Jan. 15, 1942; $103,147,500 Federal Farm Mortgage Corp. 2¾% bonds, dated March 1, 1935, maturing March 1, 1947, but callable March 1, 1942, and $426,349,500 Treasury 1¾% Series A notes, dated June 15, 1937, and maturing March 15, 1942.

The call for redemption of the two FFMC bond issues was referred to in these columns of Jan. 1, 1942, page 29.

Edward Veron To Manage New Dept. For Sherman

L. D. Sherman & Co., 50 Broadway, New York City, announce the establishment of a title certificate and real estate security department under the direction of Edward Veron.

Herman Duhme Joins Reinholdt & Gardner

(Special to The Financial Chronicle)

ST. LOUIS, MO. — Herman Duhme has become associated with Reinholdt & Gardner, 400 Locust St., members of the New York, St. Louis and Chicago Stock Exchanges, and other leading exchanges. Mr. Duhme, a member of the St. Louis Exchange, was formerly President of D'Oench, Duhme & Co.

Arnold L. Mills With J. Arthur Warner Co.

(Special to The Financial Chronicle)

BOSTON, MASS.—Arnold L. Mills has become associated with J. Arthur Warner & Co., 10 Post Office Square. Mr. Mills was formerly proprietor of Mills & Co., and prior thereto was with Coburn & Middlebrook and Sweeney Brainard & Co.

Hornblower-Weeks Add Bennett & Van Fleet

(Special to The Financial Chronicle)

DETROIT, MICH. — Howard Bennett and Charles L. Van Fleet have become affiliated with Hornblower & Weeks, Penobscot Building. Mr. Bennett was previously local manager for W. E. Hutton & Co. and Fenner & Beane. Mr. Van Fleet was also formerly with W. E. Hutton & Co.

King & Conrads Add G. Jilbert & J. McCoy

(Special to The Financial Chronicle)

ROCKFORD, ILL. — George Francis Jilbert and Joseph William McCoy have become associated with King & Conrads, 317 West State Street. Mr. Jilbert was formerly President of Jilbert & Company. Mr. McCoy was with the local office of Merrill Lynch, Pierce, Fenner & Beane.

Knight Dickinson Retiring From Investment Field

CHICAGO, ILL.—Knight, Dickinson & Co., 141 West Jackson Boulevard, announce that after 22 years of dealing in investments in Chicago it expects to liquidate its business within the next few months, a decision reached because it was felt that under present conditions it could not continue to operate profitably. Officers of the firm did not reveal their plans, but it is understood that some of them will continue in the investment business.

Real Estate Securities To Yield 10% And Better

Seligman, Lubetkin & Co., Inc., 41 Broad Street, New York City, members of the New York Security Dealers Association, have interesting recommendations and statistics available on sound New York City real estate securities, many of which are priced to yield 10% or better. Information and current recommendations will be sent upon request by Seligman, Lubetkin & Co. The firm has most complete files on over 3,000 real estate issues.

Harvey Burton Becomes Jenks, Kirkland Partner

PHILADELPHIA, PA.—Harvey L. Burton has become a partner in Jenks, Kirkland & Co., 1421 Chestnut St., members of the New York and Philadelphia Stock Exchanges. Mr. Burton has been associated with Jenks, Kirkland & Co. since 1940; prior thereto he was sales manager for Bioren & Co. and in the past was with Blyth & Co., Inc.

Obituary

Bernard J. Harrison, partner in the New York Stock Exchange firm of Henderson, Harrison & Co., died on Dec. 29, in Tucson, Ariz. He was 66 years old. Mr. Harrison had been a member of the New York Stock Exchange since 1897. Born in Elk Hill, Va., he was graduated from the University of Virginia and then came to New York City. Mr. Harrison was first associated with the firm of Price, McCormick & Co. and later became a partner in the arbitrage and international banking firm of L. von Hoffman & Co., serving in the firm's London and New York offices. In 1912 he became a partner in the Stock Exchange firm of Halsted & Harrison, continuing with this firm and its successor, Henderson, Harrison & Co., up to the time of his death. Mr. Harrison served as a Governor of the Stock Exchange from 1906 to 1910.

D. J. Alison Killed

DETROIT, MICH. — Denis J. Alison, partner in Alison & Co., Buhl Bldg., was fatally injured when his car skidded on an icy pavement and crashed into a tree near here. A former President of the Detroit Stock Exchange, he was in the past an officer of Kean, Higbie & Co., later forming Alison & Co. with N. Bradley Higbie, Jr.

Registration Revoked

The registration of Harry J. Rothman & Co., 30 Broad Street, New York City, as a dealer and broker in securities, was revoked by the SEC on the ground that Harry J. Rothman, President of the firm, was convicted on Oct. 14, 1941, on a plea of guilty to charges of violating the Securities Exchange Act of 1934.

Now Moncreiff & Tittle

(Special to The Financial Chronicle)

CHICAGO, ILL. — Coincident with the dissolution of Moncreiff, Tittle & Co., W. Phillip Moncreiff and John M. Tittle have formed Moncreiff & Tittle, a partnership, with offices at 105 South La Salle St., to conduct an investment management business. The firm will also act as brokers for clients.

Riter To Admit Feick

Lewis W. Feick will be admitted to partnership in Riter & Co., 48 Wall St., New York City, members of the New York Stock Exchange and other leading national exchanges.

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(Continued From First Page)

Miscellaneous

Louis Stoner Elected V.-P. Of Hugh W. Long

Hugh W. Long and Company, Incorporated, 15 Exchange Place, Jersey City, national distributors of Manhattan Bond Fund, Inc., New York Stocks, Inc., Fundamental Investors, Inc., and Investors Fund C., Inc., have announced the election of Louis A. Stoner as midwestern vice president.

Louis A. Stoner

Mr. Stoner has been associated in the wholesale distribution of the issues of Long Company since 1936. He is now in charge of one of the company's largest markets embracing all or sections of the following states: Arkansas, Colorado, Illinois, Kansas, Louisiana, Michigan, Minnesota, Missouri, Nebraska, Oklahoma, Tennessee and Texas.

He has been making his headquarters in Chicago, 208 South La Salle Street.

C. C. Wells Becomes Mullaney-Ross V.-P.

CHICAGO, ILL.—Charles C. Wells has become associated with Mullaney, Ross & Company, 135 South La Salle Street, as a Vice-President. He comes to that firm from the local office of Shields & Company, where he has been manager of the institutional advisory department. Mr. Wells has been in the investment business in Chicago since Nov. 11, 1918. Prior to his association with Shields & Company he was with T. E. Joiner & Co., Inc., for several years and earlier in his career he was associated with the Chase Securities Corporation and the bond department of the Continental National Bank.

John A. Schreiber, Jr. With Edward Dail & Co.

(Special to The Financial Chronicle)

ST. LOUIS, MO.—John A. Schreiber, Jr., has become associated with Edward D. Dail & Co., 408 Olive St. Mr. Schreiber was formerly in business as an individual dealer in securities.

Announce Name Now F. W. Macdonald & Co.

Effective Jan. 2, upon the retirement from the firm of Alfred W. Bunting, the name of Macdonald & Bunting, members of the Toronto Stock Exchange, has been charged to F. W. Macdonald & Co. The firm maintains offices in the Royal Bank Building, Toronto, and at 41 Broad St., New York City.

W. N. Beebe To Manage Evans, Stillman Dept.

William N. Beebe has joined Evans, Stillman & Co., 14 Wall Street, New York City, members of the New York Stock Exchange, as manager of their bond department.

F. W. Humphrey Joins Holt, Robbins & Co.

(Special to The Financial Chronicle)

PORTLAND, ORE. — Frank Warren Humphrey has become affiliated with Holt, Robbins & Company, Porter Building. Mr. Humphrey was previously Secretary of Hughes, Humphrey & Company and prior thereto was in charge of bank and insurance stocks for Humphrey & Galbraith.

With Wheeler & Woolfolk

(Special to The Financial Chronicle)

NEW ORLEANS, LA.—F. Wesley Gleason, Jr., has become associated with Wheeler & Woolfolk, Inc., Whitney Building, members of the New Orleans Stock Exchange.

Laird, Bissell & Meeds Will Admit Carmichael

On Jan. 15, George Carmichael will become a partner in Laird, Bissell & Meeds, members of the New York Stock Exchange and other leading Exchanges. Mr. Carmichael has been connected with the firm's New York City office at 120 Broadway for a number of years, and prior thereto was a partner in Munds, Winslow & Potter.

Jos. Ripley Named Chairman, P. V. Davis, Pres. Of Harriman Ripley & Co., Incorporated

Harriman Ripley & Co., Incorporated, announces that Joseph P. Ripley has been advanced to the office of Chairman and that Pierpont V. Davis has been promoted to be President of the company. This action was taken by the Board of Directors of the company on Tuesday, Jan. 6.

Mr. Ripley, who now becomes Chairman, has been President of the company since its organization as Brown Harriman & Co., Incorporated, on June 16, 1934. The name of the company was changed to Harriman Ripley & Co., Inc., effective Jan. 1, 1939.

Pierpont V. Davis

Mr. Davis, the new President of the company, has been a Director of Harriman Ripley & Co., Inc., since the company's formation. He has been Senior Vice-President of the company since Mar. 26, 1940. Prior to that time he was Vice-President in charge of the Buying Department.

In addition to his work in the investment banking field, Mr. Ripley is Chairman of the Board of Directors of the Cramp Shipbuilding Company, Philadelphia. He played an important part in the opening of this shipyard which is now actively engaged in the building of warships for the United States Navy.

Joseph P. Ripley

Mr. Ripley was graduated from Cornell in 1912 as a mechanical engineer. He then became associated with the engineering firm of J. G. White & Co., leaving that connection ten years later to go with the investment banking house of W. A. Harriman & Co., Inc., of which he was elected Secretary in 1923. In the spring of 1925 he accepted an offer from The National City Company (later The City Company of New York, Inc.), and was Executive Vice-President of that Company when he resigned in 1934 to head the Company which later became Harriman Ripley & Co., Incorporated. Mr. Ripley is also a Director of United Air Lines Transport Corporation and West Virginia Pulp & Paper Company.

Graduated from Yale in 1905, Mr. Davis became associated with the investment banking firm of Plympton, Gardiner & Co. in June 1906. He was a member of the New York Stock Exchange in 1914 and 1915. Early in 1917 he became associated with The National City Company and from January, 1919 until he resigned in 1934 he was a Vice-President of The City Company and in charge of its Railroad Department. Mr. Davis is a director of Philadelphia & Reading Coal & Iron Company, and the National Distillers Products Corporation. He is a Trustee of the Dry Dock Savings Institution and is Vice-President and Chairman of the Finance Committee of the Beekman Hospital.

Oliver, Settle Manage Beckett Gilbert Dept.

DALLAS, TEX.—Beckett, Gilbert & Co., Inc., First National Bank Building, have announced that their Corporate Trading Department will be under the management of Allen L. Oliver, Jr., and Halsey M. Settle, Jr.

Mr. Oliver has been with the firm for over two years. Mr. Settle was associated with Hornblower & Weeks, New York, for five years before joining Beckett, Gilbert & Co., Inc., six months ago.