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President In Annual Message Describes Our Huge War Tasks

President Roosevelt before a joint session on January 6 of the second session of the Seventy-Seventh Congress (which convened January 5) delivered in person his annual message "On the State of the Nation" in which he expressed himself as "proud to say to you that the spirit of the American people was never higher than it is today—the Union was never more closely knit together—this country was never more deeply determined to face the solemn task before it."

In his message which dealt with the tasks of the Nation in the war in which the country has been plunged, the President observed that "the militarists in Berlin and Tokyo started this war. But the massed, angered forces of common humanity will finish it." The President, stressing our objectives declared:

Our own objectives are clear; the objective of smashing the militarism imposed by war lords upon their enslaved peoples—the objective of liberating the subjugated nations—the objective of establishing and securing freedom of speech, freedom of religion, freedom from want and freedom from fear everywhere in the world.

We shall not stop short of these objectives—nor shall we be satisfied to gain them and then call it a day. I know that

I speak for the American people—and I have good reason to believe I speak also for all the other peoples who fight with us—when I say that this time we are determined not only to win the war but also to maintain the security of the peace which will follow.

The President told the Congress that "the superiority of the United States in munitions and ships must be overwhelming—so overwhelming that the Axis nations can never hope to catch up with it." In part he went on to say:

This production of ours in the United States must be raised far above its present levels, even though it will mean the dislocation of the lives and occupations of millions of our own people. We must raise our sights all along the production line.

I have just sent a letter of directive to the appropriate departments and agencies of our government, ordering that immediate steps be taken:

1. To increase our production rate of airplanes so rapidly that in this year, 1942, we shall produce 60,000 planes, 10,000 more than the goal set a year and a half ago.

2. To increase our production rate of tanks so rapidly that in this year, 1942, we shall produce 45,000 tons.

3. To increase our production rate of anti-aircraft guns so rapidly that in this year, 1942, we shall produce 20,000 of them.

4. To increase our production rate of merchant ships so rapidly that in this year, 1942, we shall build 8,000,000 deadweight tons, as compared with a 1941 production of 1,100,000.

Pointing out that "war costs money" the President went on to say:

So far, we have hardly even begun to pay for it. We have devoted only 15% of our national income to national defense. As will appear in my budget message tomorrow, our war program for the coming fiscal year will cost \$56,000,000,000, or, in other words, more than one-half of the estimated annual national income. This means taxes and bonds and

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THE FINANCIAL SITUATION

Danger appears to be arising that this catastrophic conflict in which we have become engaged will presently become a New Deal war, a labor war, an anti-business war, or a war of some other element or elements in the population against our enemies, instead of a war between the entire United States and the Axis powers as it should and must be. The President has of late been so engrossed in the larger aspects of Allied strategy and the like that he has not as yet taken a firm and aggressive stand on certain domestic situations which threaten to get out of hand. It is most ardently to be hoped that he, nonetheless, has perceived the hazards inherent in some "movements" which seem to be under way and will in the very near future put an end to them.

The efforts of certain labor groups and of a number of influential commentators to determine and to prove "who killed cock robin," or perhaps, better, who failed to kill cock robin, are in serious danger of opening old wounds at precisely the time when by-gones should remain by-gones to the end that all of us pull together to the best of our respective abilities. In some instances these self-appointed judges (or juries) are going still further and all but demanding that Washington be cleared largely of business aides and that the defense effort on the side of production be entrusted to men without knowledge of or experience in industry. In part this type of activity represents an effort of certain groups who are "on the spot" to divert attention from their own record, but the harm they may do will not be the less serious for that reason.

It is not difficult, naturally, to make charges against this, that or the other group—labor unions for interrupting production, employers for refusal to accept the law of the land whether they liked it or not, industry here and there for hesitating to go "all out" in defense production, the Administration for its failure to bring order out of chaos in the over-all management of the armament program, and more of the same order. In some instances the case could without doubt be made very strong. None of these hases,

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On The Foreign Front

European Stock Markets

Small but persistent gains are reported on the London stock market, the movement gaining impetus this week from American war intentions as disclosed by President Roosevelt. The quiet strength of the London Market in the face of disconcerting war reports from the Far East stands in sharp contrast to recent performances in New York. London, however, is more inured to war developments.

All sections of the London Stock Exchange reflected inquiry, after the year-end holidays. The session last Friday brought improvement in prices of gilt-edged and industrial stocks, and some business also was done at better levels in foreign securities. The tone remained good in the first half of this week, with sizeable gains noted yesterday, following study of President Roosevelt's speech on the state of the Union. Latin-American securities were marked sharply higher. Reports from Continental European markets remain sparse and are much delayed. Exchanges in unoccupied France are struggling under an ever more difficult load of regulations. The

demand for equities in French markets is unabated, and plainly reflects the flight from the currency, but holders seldom care to dispose of their securities. There are no immediate indications of trends in German and Italian markets.

United Nations Declaration

What will probably rank as one of the most important documents of this war was signed in Washington, last Friday, when representatives of 26 nations pledged limitless efforts for the defeat of their Axis enemies and agreed solemnly not to make a separate armistice or peace. Sweeping and all-inclusive, this declaration emphasized by its very brevity and simplicity the vast array of

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On Guard!

Victory requires the actual weapons of war and the means of transporting them to a dozen points of combat.

It will not be sufficient for us and the other United Nations to produce a slightly superior supply of munitions to that of Germany and Japan and Italy and the stolen industries in the countries which they have overrun.

The superiority of the United Nations in munitions and ships must be overwhelming, so overwhelming that the Axis nations can never hope to catch up with it. * * *

This production of ours in the United States must be raised far above present levels, even though it will mean the dislocation of the lives and occupations of millions of our own peoples. * * *

Our task is hard. Our task is unprecedented and the time is short. We must strain every existing armament producing facility to the utmost. We must convert every available plant and tool to war production. That goes all the way from the greatest plants to the smallest, from the huge automobile industry to the village machine shop. * * *

As the United States goes into its full stride, we must always be on guard, on guard against misconception that will arise naturally or which will be planted among us by our enemies. * * *

We must guard against divisions among ourselves and among all the other United Nations. * * * Hitler will try again to breed mistrust and suspicion between one individual and another, one group and another, one race and another, one government and another.—The President of the United States.

We must indeed be on guard against precisely these things by whomsoever they are inspired, as current events are amply demonstrating.

Let us be certain to recognize them at once.

One Reader Says...

"The Financial Chronicle has been so useful that we have had the copies bound and kept for reference."

Running through our correspondence, we find a subscriber whose file of bound copies dates back to 1887—another to 1906—and still another to 1880. Can there be any doubt in your mind about the value of binding your copies of the Financial Chronicle, of having at your finger tips a complete record of all important financial developments? The new Financial Chronicle was designed for binding. With the larger page size, bound volumes will be thinner, will open flat and will be easier to handle.

This is merely a suggestion—passed along to you because we want you to get full value from your subscription to the Financial Chronicle.

McSherry To Head War Labor Supply

Sidney Hillman, Associate Director of the Office of Production Management, on Dec. 30 designated Lieut. Col. Frank J. McSherry to be Deputy Director for labor supply and training in the OPM's labor division, which has been enlarged to meet the expanding manpower needs of war industry.

At the same time Mr. Hillman announced the appointment of a National Labor Supply Policy Committee, made up of six management and six union leaders, which will be responsible for policies governing wartime mobilization of workers. Arthur S. Fleming, member of the United States Civil Service Commission, has been named Chairman of the group. Mr. Fleming will continue to serve as Chairman of the Inter-Departmental Committee on Labor Supply, but increasing Civil Service Commission duties have made it necessary for him to retire as chief of the labor supply branch of the OPM.

Mr. Hillman designated John J. Corson, Director of the Bureau of Employment Service in the Social Security Board, as the new chief. It is said that this assignment will enable the labor supply branch and the national and state employment services to function as a unit under a single head.

Lamborn's Vest Pocket

Sugar Data Issued

The tenth edition of Lamborn's Vest Pocket Sugar Data, containing a concise but complete history of the United States sugar tariff, is being distributed by Lamborn & Co., New York, sugar brokers. This issue provides a ready reference to the various rates of duty on both raw and refined sugar entering the United States from 1789 down to date. The firm's announcement adds:

The first tariff Act in this country was the Tariff Act of July 4, 1789, and was passed during Washington's administration. It assessed duties of 1% per pound on brown sugar, 3 cents per pound on white loaf sugar, and 1½ cents per pound on all other sugars.

The latest change in the sugar tariff was negotiated in the new Supplemental Trade Treaty with Cuba which was proclaimed by President Roosevelt on Dec. 29, 1941, and becomes effective on Jan. 5, 1942. This time the duty on Cuban raw sugar is reduced from .90 cent per pound to .75 cent, and the duty on Cuban refined sugar from .954 cent to .795 cent per pound. The full duty rate remains unchanged at 1.875 cents on raw sugar, and 1.9875 cents on refined sugar.

1,512,428 Civilians

On U. S. Rolls Oct. 31

A total of 1,512,428 persons were working for the executive branch of the Government at the end of October, according to a report by the Civil Service Commission, it was stated in special advices Dec. 20 from Washington to the New York "Times" which further said:

This was an increase of 24,503, or 1.65% since Sept. 30.

Heavy increases took place during October in the following departments, whose total employment at the end of October was: War, 415,044; Navy, 264,594; TVA, 32,143, and Panama Canal, 36,298.

The War Department has increased its rolls from 170,377 to 415,044 in a year, the Navy Department from 152,161 to 264,594 and the Office for Emergency Management from 837 to 7,350.

The October payroll for the executive branch was \$235,855,055, an increase of \$11,714,387 over September.

Editorial—

Credit Controls

The problem of reserve requirements now is patently in need of new studies, and perhaps of a new approach. It was rather strictly to the danger of inflation that the special report to Congress was addressed a year ago by the Board of Governors of the Federal Reserve System, the Presidents of the twelve Federal Reserve Banks, and the members of the Federal Advisory Council. Pointing quite properly to the dangers of the tremendous total of excess reserves over legal requirements, this joint report called for an increase of actual requirements, power to increase the requirements still further, and for other and sensible readjustments.

Highly appropriate at the time it was first issued, this special report is no less pertinent now. The order of Sept. 23, which raised reserve requirements on Nov. 1, attested the soundness of the recommendations made on Jan. 1, 1941. But much has been added since which tends to differentiate the credit control problems more sharply into spheres of inflation controls and Treasury financing. A vast and increasing mechanism for stabilization of the national economy in terms of prices has been under formulation. The endless priorities, allocations and price regulations of 1941 are certain to be augmented even more drastically in coming weeks and months. The many lids on prices have their distinctly unfortunate aspects, and it is not the intention here to praise them. In the degree to which they are effective, however, in controlling the price structure, the danger of inflation in the sense of a runaway price level, is eliminated.

The relation of credit control to Treasury finance now tends to supersede other aspects. And this relation is not at present the happiest that could be devised, in the light of the overwhelming necessity for easy access to the capital market by the national exchequer. An extraordinary sequence of Treasury loans is inevitable, and much of the needed money doubtless will be raised through subscriptions to defense or war bonds by persons of modest means, but fresh Treasury emissions on a dizzying scale obviously will be necessary also in the ordinary capital market, where banks and other institutional buyers are the chief reliance.

In recent months that market has displayed tendencies which clearly refer to the situation in which banks of the two central reserve cities find themselves. Taken as a whole, and without respect to the exceptions indicated by the Dec. 31 bank statements, the banks in New York and Chicago found it advisable on some recent occasions to liquidate some small portions of their holdings of Treasury securities. Such liquidation apparently occurred even at times when the Federal Reserve Banks and the Treasury were extending support through open market purchases of issues weak in the market.

The reason is to be found in a certain disproportion in the distribution of excess reserves, over the country, and in a view of excess reserves which possibly is inappropriate, but nevertheless is a factor of importance. Both before and after the Nov. 1 increases of reserve requirements became effective, banks in the two central reserve cities met calls from country banks on their demand deposits which exceeded the expectations of the Federal Reserve Board. The excess reserves of New York and Chicago banks fell much more sharply than had been expected.

Currency increases on an unprecedented scale were superimposed on this factor during the holiday season, and reduced excess reserves correspondingly for the country as a whole, and therefore also for central reserve city banks. Indeed, country banks naturally tended to fall back on their deposits with their New York and Chicago correspondent banks, to meet their own particular problems. The inward flow of gold, for one reason or another, has been modified sharply and fails to offset such items. All in all the result has been a concentration upon central reserve city banks of whatever stress arises in the monetary system from the new situation.

It may be that this general problem now will tend to ease, since at least a degree of currency return from circulation can be counted upon. Recent experience suggests, however, that the currency return may be much under expectations based upon experience tables. A good deal of senseless hoarding appears to be in progress, and the gearing of the national production to ever greater speeds may take fresh currency into circulation. Although the actual excess reserves of the central reserve city banks seemingly remain ample, the existing situation is occasioning a certain reorientation with respect to excess reserves of New York and Chicago banks.

The least that should be done, in these circumstances, is a change in the relation of reserve requirements de-

manded of the varying classes of banks. The 26% currently required of central reserve city banks plainly is too high, as against the 20% in reserve cities and the 14% in country bank classifications. Whether this is within the present power of the Board of Governors seems not to be entirely clear, although the presumption is in that direction. In the joint report of Jan. 1, 1941, the point was particularly made that authority should be provided for changes of reserve requirements among the three great classes, "or for any combination of these three classes."

All this, of course, is apart from ultimate considerations of credit control theories and the long term view of economic results. There have been many errors made in recent years, and it now seems to be necessary to compound them, in part. It is, on the other hand, a condition that faces us, and not a theory. The condition is that of easy and low-cost access by the United States Treasury to the vast capital resources of the country, and adjustments with that end in view would seem advisable.

Editorial—

Mr. Churchill at Ottawa

Winston Leonard Spencer Churchill, grandson of the seventh Duke of Marlborough and of Leonard Jerome of New York, is presently the foremost man in the world. He may not be the greatest statesman who ever led an embattled nation through the perils of devastating warfare, but he now leads the greatest empire that the earth ever saw in a life-and-death struggle of tremendous and unprecedented magnitude, the unpredictable consequences of which must affect civilization, wherever civilization can be found, during many future generations. In breadth and intensity of experience he possesses an equipment scarcely equalled in the annals of statecraft. Member of the House of Commons in his twenties, a distinguished and effective leader during the first World War, influential in numerous British Cabinets, at times a soldier in wars fought in both Hemispheres, highly capable as writer and historian, few men could have come to the grave responsibilities of Prime Minister with a background at once so colorful and so demonstrative of varied and virile capacities. He has not always been right, but he has never descended to the paltry artifices of a mere politician nor prostituted his undoubted talents in demagoguery. Independence, originality and boldness of conception, strength, and abounding courage, have been components of his leadership at every stage, both in peace and in war. As Chancellor of the Exchequer, with problems perhaps more severe, he was as bold as Gladstone, although always more direct and sometimes less plausible. As head of the Admiralty, in 1914 and thereafter until his resignation was forced, he was a model of devoted and tireless energy, but devised the unfortunate Dardanelles Expedition, which might not have failed if his influence among his colleagues had been more complete. And, after his return to the post-war Cabinet, he inspired English operations against the forces of the new Russian communism that were unsuccessful and sufficiently unpopular at home to enable Lloyd George to accomplish his temporary retirement to private life. His alienation from the Liberal Party, which began at this point, was gradual but complete. Therefore, it was as leader of the historic Tory or Conservative Party that he finally resumed his career of statesmanship and became plainly marked as the inevitable successor of the less belligerent Chamberlain, when the policies of appeasement fell beneath the war sentiment that was aroused by the sacrifice of Poland under the Hitler-Stalin agreement of 1939 and Russia's attack upon little Finland.

The Occasion

Twice during the present war this vigorous statesman has crossed the Atlantic Ocean, something never undertaken in time of war by any other Premier of England. The first of these journeys produced the Atlantic Charter, a document of many implications and latent ambiguities time may have to unravel, which otherwise remains rather as a dim and unrealized vision than as a distinct manifestation of convincing leadership. Perhaps the same fate might have overtaken the latest American expedition had not the English leader accepted the invitation of Mr. Mackenzie King, Prime Minister of Canada, to visit Ottawa and to address the House of Commons of England's senior Dominion. He spoke there on Tuesday, the last day but one of 1941, and for the duration of his great address that provincial capital was the world's center, the point towards which the minds of all the sober and sagacious men in the world had to be directed, with profound intensity of anxiety and inquiry. An audience probably never paralleled in quality or magnitude hung with absorption upon each word

as men everywhere tried to visualize the scene that was taking place in the splendid hall where he stood. Millions in every continent listened as the radio brought to them clear tones and the vivid words of an orator who rose to the full height of his magnificent opportunity. Whatever his sentiments or preconceptions, no one in that vast and troubled audience should have failed to be impressed by the sincerity of the speaker and by his entire devotion to the great task of delivering Great Britain and civilization from the imminent calamities that have come and that still threaten.

The Message

The self-governing people of the United States have never before during the present war, nor even during the war in which the country engaged in 1917-1918, had opportunity to listen to such a clear, comprehensive, detached, and detailed exposition of the precise conditions that they are required to meet. With their Canadian brethren, and the balance of a listening world, they were treated as adults, equipped with understanding competent to classify and arrange the facts of a conflict which embraces a great series of related but separable struggles, and with intelligence sufficient to entitle them to form opinions and to reach decisions even upon great problems of international relations and policies. In short, the citizenship of the world, all those who chose to listen and participate, were given what to many of them must have been an unusual experience, the frank and satisfying portrayal of fundamental conditions to which, as the competent depositories of ultimate sovereignty, they are always entitled.

Britain, with the support generously given by Canada and the Australian dominions, with increasing and abundant aid from the United States, and with such assistance as can come from India and Africa, is ready now to repel the invasion that has not yet, as Mr. Churchill believes, ceased to be possible, although it can scarcely be that he considers it even nearly as probable as it appeared during the period of enormous danger that followed the evacuation of Dunkirk. Hong Kong had been lost when the Prime Minister spoke and Malaya and other regions were under increasing pressure, but in North Africa the forces under General Auchinleck were pursuing with machine-like precision the engagement and destruction of opposing German and Italian armies in exact conformity with the program boldly announced by the speaker several weeks before. Yet the war, during a further period, the duration of which the speaker naturally did not venture to predict, must remain a defensive war, for adequate equipment for practicable and successful offense cannot for considerable time be made safely available. The most insistent task at this moment, as from the beginning, is the production of the tools and implements of almost infinite varieties of design and of size and power, that have become the means and essentials of 1942 warfare. Having been without prophetic vision before 1939, having lacked the possibly superhuman qualities of statesmanship that might have organized peace throughout Europe before the summer of that year, England was caught unprepared and has paid penalties enforced by that lack of preparation—other penalties may yet remain to be exacted. But the two-thirds of the earth's population and resources that is in active opposition to the dictatorships has organized its productive might, production is rapidly rising to the essential level of superiority to that of the Axis powers, and some day, upon a date not yet predictable but sure to be realized, the final stages can begin. Then, but not until then, the forces of the nations that fondly call themselves democracies and that certainly cherish ideals of human freedom and the dignity of independent manhood that the dictators deny, can move forward, first, to liberation of the humiliated and occupied regions of Europe and elsewhere, and then to the conquest of the fortified citadels of the oppressors, wherever they exist and no matter how strong may be their resistance. It is an ideal, a program, and an anticipation for the realization of which decent mankind everywhere may both hope and struggle.

France and Russia

Prostrate and helpless France and advancing Russia obviously required specific attention in such a summary. The former was referred to at considerably greater length and with much more directness of expression, than the latter. Some, undoubtedly, may regret the severity of the criticisms levelled upon the French leadership of 1940 and may consider that there were strongly extenuating circumstances underlying the yielding which Mr. Churchill believes to have been too ready and really avoidable. Such matters cannot receive final determination until in the lapse of time a great deal has been revealed that is still unknown and undiscernable. Whether the French lines, political and military, might have been reformed in North

Africa and an effective continuity of government preserved to struggle eventually to success, is a problem over which the historians of the future will inevitably differ and debate and to them it may well be relegated. Mr. Churchill's discussion serves to point dramatically to the present disorganized condition of all Europe, from the eastern boundary of what was France to the English Channel and the Pyrenees. And his three or four lines concerning the Communist Dictator and the apparently rising might of Russia, to those who see and think, amount to a dramatic sequel to his thought. For a year and a half the government of Great Britain, of which Mr. Churchill is the head, has looked at an armed and hostile Germany across the narrow English Channel. Acute apprehension has little by little given place to inquiry and doubt concerning the intentions and the strength of the enemy whose face has at least become familiar. Dread has actually given place to confidence that, if at last the long imminent threat is made real, the developed and developing power to resist and to repel will show itself sufficient for mastery. Is it now possible, is it conceivable to the British Cabinet, that in the mutations of warfare a strange face might replace the one that preparation and custom have made less frightening and that an enemy still less understood might leer a novel threat across the same narrow water? The Union of Soviet Republics, under its highly realistic dictatorship, at least conceivably, during the coming years of this war, might sweep past Berlin and reach the Rhine. United with its Comintern, which is but an *alter ego*, disorganized France could scarcely retard a further advance. Could occupied Belgium and Holland do anything more? And there lies the English Channel. May that have been the thought underlying the Premier's animadversions upon the French statesmen of 1940 and his short allusions to the Russian leaders of 1942? "But nothing can stop Russia," wrote former Ambassador Joseph E. Davies, who represented the United States at Moscow until a year before the war. He added those words as a footnote, late in 1941, to a summary of Russia's prowess, as he sees it, sent to Secretary Hull in 1938, and printed at length in his just published book, "Mission to Moscow." There is here, at the least, food for searching reflection.

The State Of Trade

Business activity registered a sharp contraction during the Christmas holiday week, but most industries showed nothing more than seasonal declines. As a result of the Christmas holiday electric production dropped to 3,186,804,000 kilowatt hours in the week ended Dec. 27, from the all time high of 3,448,597,000 recorded a week earlier, according to the Edison Electric Institute report. The latest total was 15.6% above the

1940 comparative of 2,757,259,000 kilowatt hours. In the holiday week which included Christmas, freight car loadings dropped 192,171 cars, or 24.1%, to 606,526 cars, the report of the Association of American Railroads for the week ended Dec. 27, revealed. The total approximated the usual seasonal recession experienced by the railroads at the end of the year.

The aggregate loadings for 1941, according to a summary statement of the AAR, amounted to 42,284,927 cars, an increase of 16.3% over the previous year and 24.7% higher than the year 1939. Last year's total was the largest for any year since 1930.

While most industries showed a seasonal setback, department store sales soared for the Christmas week. Sales volume for department stores in New York City in the week ended Jan. 3, were 17% larger than in the same week of last year, according to a preliminary estimate issued yesterday by the New York Federal Reserve Bank.

In the previous week, ended Dec. 27, sales of this group of stores were 31% better than in the comparable week of last year.

Reflecting the effect of record industrial pay rolls and higher prices, dollar sales of chain stores were maintained at a high level during 1941, according to the Department of Commerce. In November, latest figures available a rise of considerably more than seasonal expectations was recorded in daily average sales of chain stores in general.

The Agriculture Department reported that preliminary estimates indicated farmers received a total cash income, including government benefit payments, of

\$11,600,000,000 in 1941, the highest since 1920.

The estimate compares with a 1940 income of \$9,120,000,000 and with a depression low of \$4,682,000,000 in 1932.

Officials have predicted that farm income in 1942 would exceed \$13,000,000,000.

Benefit payments in 1941 totaled \$600,000,000 compared with \$765,799,000 in 1940 and with \$807,065,000 in 1939.

The strong position achieved by agriculture in this country in the last few years, its solvency and its awareness of national needs, provide a vital bulwark for the nation's war effort, Frank E. Mullen, Vice-President and General Manager of National Broadcasting Co., emphasized recently.

Mr. Mullen, in discussing the policy of the Administration in permitting a somewhat higher level of farm prices than those for commodities which the farmer buys, gave the opinion that such action is eminently fair. At this time, he said, farmers must be encouraged to produce. An essential is the establishment of proper price relationships. The more a farmer makes, the more he can purchase from sellers of goods in all parts of the country.

Seemingly the most outstanding development of the week was the announcement from Washington that automobile management and labor agreed to work hand in hand through a ten-man committee for complete conversion of the vast peace-time production facilities of the automobile industry into a great pool for an immediate all-out effort in the output of war materials.

Speedy conversion of plants, and delivery of weapons valued

at \$5,000,000,000 to \$6,000,000,000 in 1942, double original estimates, were agreed upon after William S. Knudsen, director of the Office of Production Management, asked industry and labor to cooperate at a conference attended by 200 Government, labor, industry and Army and Navy officials. Mr. Knudsen in the course of his remarks to the conferees said: "You don't need to worry about being shut down after 1942. There's more work coming—the figure is staggering."

At the same time, it was disclosed that the Army and Navy will place another \$5,000,000,000 of new war orders with the automobile industry, raising the backlog close to \$10,000,000,000. The Government will also finance new plants where conversion alone will not lead to the manufacture of weapons.

Meanwhile, Leon Henderson, Civilian Supply Director, disclosed that passenger-car manufacturers will be permitted to produce a maximum of 204,848 cars for non-military use this month, after which this type of work must end for the duration of the war. The quota is the same as that announced last Oct. 15, which was ordered halved after the outbreak of the war. The original figure was restored today to permit manufacturers to use up already fabricated parts and raw materials, having an inventory value in excess of \$213,000,000.

The prediction that the steel industry would be able to produce "a vastly greater quantity of steel in 1942 than can be fabricated and otherwise consumed for war purposes" was made by the magazine "Steel," in its weekly review.

"Capacity is deemed sufficient to provide as much tonnage as can be fashioned into implements of war, with additional production to be brought into action as these needs increase.

"After the interruption of the Christmas holiday, output rebounded at once to 97½% of capacity and will be held as close to maximum as possible in view of conditions in the raw materials market."

The publication reported that the spirit of the steel industry was all that could be desired, from management to labor, and nothing would be permitted to interfere with production of the maximum tonnage that other factors would allow.

About \$15,000,000,000 worth of food is expected to be sold this year, or about \$2,500,000,000 more than the record 1941 volume, Paul S. Willis, President of the Associated Grocery Manufacturers of America, predicted in a letter to member companies.

Sales last year were estimated by Mr. Willis to have totaled \$12,500,000,000, or an increase of \$1,400,000,000 over the preceding year and a quarter of billion dollars more than the 1929 total.

Mr. Willis said that the price of food now stands at 113.1% of the 1935-39 average, a figure which is about 25% below the 1929 average and approximately 73% below the summer of 1920. Because management and Government both clearly remember the inflationary food spiral from 1917 to 1920, they are determined that such an unbridled rise will not occur again, Mr. Willis said.

The principal telephone subsidiaries of American Telephone & Telegraph Co. included in the Bell System rolled up a gain of 1,361,000 instruments in 1941, the largest increase for one year in the history of the company. The largest previous annual increase was 950,000 in 1940. At the end of 1941 the Bell System had 18,840,000 telephones in service, a record high.

The net gain for December was about 130,000 telephones, a record for the month. This compares with an increase of 102,100 in November and 111,300 in December, 1940.

THE FINANCIAL SITUATION

(Continued from First Page)

however, could be as strong as the one that lies against the American people as a whole, and it would plainly be the part of wisdom for us all to leave the matter there. Not, to be sure, that we were called upon to suffer the humiliations of Pearl Harbor and Manila, but that we now find ourselves plunged into a world conflict of the most deadly sort not more than half prepared, at best, we must admit, and we shall, if we are wholly frank with ourselves, is the fault of no one so much as ourselves, the vast majority of the American people.

The Fault Was In Ourselves

Very little dispassionate consideration of the facts will leave no doubt whatever of this fact. For years prior to Pearl Harbor, our Government, with the evident approval of the majority of the people, has been consistently belaboring, threatening, and later acting against what are now known as the Axis powers. At no time has it been beyond the powers of the American people to put an end to this policy, but it did not desire it to cease, as repeated tests at the polls have convincingly proved. Repeated mandates were given to the Administration to proceed. Indeed, the authorities were fully as often and as severely criticized for not taking stronger stands as for what they actually did. This was, of course, the right of the American people, and it may be doubted whether more than a corporal's guard could be found today who would stand up and say that the Government erred in what it did, or the people in supporting it—despite the obvious fact that here lies the cause of the present war, at all events, at this time.

It was not merely a few officials at Washington, but the American people, who willingly, even eagerly, assumed the risks involved in such a course, and in the final analysis it was the people of the United States who failed to perceive the necessity of taking those steps which would have caused us to be fully prepared when the inevitable consequences of such a course appeared; not only failed to insist upon preparing with the utmost dispatch and thoroughness, but effectively rebelled when such steps were proposed. Not only the labor unions, but also the great rank and file of consumers throughout the country repeatedly gave evidence prior to Pearl Harbor of unwillingness to forego their own conveniences or their own indulgences for the sake of what the Germans would call "total preparedness." Our colossal blunder was not in either our provocativeness nor our relative complacency about arming, but in the combination of the two. Though repeatedly warned by careful observers, the American people scarcely lifted a finger to prevent that blunder. Whether under the guidance of a more prudent or a more effective Administration, the outcome would have been different is a question wholly beside the point. As late as the autumn of 1940, the American people by a large majority overturned tradition, and re-elected the Roosevelt Administration—but certainly with no mandate to proceed with a defense program remotely resembling the one we must now launch if we are to save the day.

Clearly we are ourselves responsible for what has happened to us, and we should not only reveal ourselves lacking in candor, but do ourselves further infinite harm by taking time now to single out any group or element in the population or the Administration, as responsible for our present plight. The Administration "played politics" and revealed a sad lack of ability to get the required things done. Certainly, but how many of us disturbed ourselves particularly about it? In light of our foreign policy, it should, of course, have proceeded to arm much more vigorously. Certainly, but how often did the rank and file insist upon both butter and guns? The unions caused trouble. Yes, but until relatively recently did we really concern ourselves greatly about it, and, moreover, did we as consumers show a much greater readiness to sacrifice anything? Industry responded nobly, but did not wholly give up all thought of everything else for the sake of armament production. Of course, but how in the circumstances could more have been expected of it?

Eyes Front!

All this—we repeat, *all this*—is now, in any event, water over the dam, and should be so regarded in all quarters. It is with the present we must now concern ourselves; it is for the future that we must plan. And to the titanic tasks that confront us we must bring *all* our intelligence, *all* our experience, *all* our technical skill, *all* our resources, and *all* our manpower. If we are to achieve this totality of effort, there are a number of matters which must be attended to without delay and without weakness. One of the first of these is to refuse to be drawn into pointless controversies concerning past derelictions, and to frown

sternly upon charges and counter-charges which can serve no useful purpose now. If the American people have come to their senses, as we all hope they have, any individual or any group now undertaking propagandist campaigns to discredit some other individual or group because of past performance, or want of it, will not proceed very far before he, himself, or it, itself, stands wholly discredited not for past behavior but for present misbehavior.

Another requisite is an end of the scheming that appears still to be rather more than active in certain circles in Washington. There are evidently a number of political hangers-on who would like nothing better than to make this a New Deal war against evil abroad and what they regard as unrighteousness at home. An endless number of personal or political feuds and related chicanery seem still to be rampant in the National Capital. There is little or nothing at this time to connect the President with this picayunish but mischievous activity. He must not, however, continue to ignore it. He must smash it and do so quickly if we are to smash our external enemies at the earliest possible moment. He can, of course, very quickly put an end to it, and no one else can. He has been fearfully occupied of late, but it is to be hoped that he can find time for this important task without further delay.

It is, of course, essential that defense production be managed by men with established records of ability in this field. This simple, perfectly obvious fact must not be lost to sight amid all the rather pointless discussion of the so-called Reuther plan and much more of the same sort. Almost equally important is it that responsibility be centralized as regards the prodigious production effort upon which we are now launched, and that suitable authority must be placed by the President in hands other than his own, if for no other reason, simply because he himself can not hope personally to manage production effectively, burdened as he is with matters which he must, in any event largely himself carry. Having selected such a manager, he must see to it, as only he can, that this representative of his is utterly beyond the reach of the horde of political schemers now so much in evidence at Washington. Finally, there must be no failure to proceed in such a way as to remove all suspicion that this war effort will in any part be employed by any one to effect sweeping post-war changes in our system of government or industry. All this can and must be done without in any manner undertaking to fix blame for past blunders upon industry, the dollar-a-year men, the dyed-in-the-wool New Dealers, the Hillman's, the Icke's, the Jones', or any of the other elements now so entangled in current controversies.

Whether, when all this and all else that is needed have been done, we shall be able to meet the staggering challenge that the President has now laid down to American industry, American labor, and the American individual, remains to be seen. At least, we can rest assured that if the necessary steps are taken and the essential course strictly adhered to by us all, we shall come much closer to accomplishing such an "impossible" task than any other nation on earth, perhaps closer than any combination of other nations. There will, however, be no time and no place for factional strife.

No "fifth column," and no number of saboteurs on foreign payrolls could bring us into as great a danger of failure as trouble makers at home who now "rock the boat."

FROM WASHINGTON AHEAD OF THE NEWS

The dramatic happenings of this country's participation in the Second World War have been out in the Pacific but the happenings in Washington around the conflict between the automobile industry on the one hand and the workers and New Dealers on the other are fraught, perhaps, with even more significance.

On Monday the representatives of the industry and workers arrived in Washington with their standards flying, and figuratively armed to the teeth. It was not a question of their coming here to try to work out their mutual problems. It was a definite continuation of the class conflict in which this country has been engulfed for the past eight or nine years. Talk about giving "aid and comfort" to the enemy, this must have made Hitler smack his chops.

Accompanying the arrival of the respective groups were full page ads in the Eastern Metropolitan papers. Of particular impact on sensitive, excitable Washington were the displays in the local papers. From the workers' repre-

sentatives came a denunciation of the automobile industry, an implied charge that it was responsible for the country's "present predicament," whatever that is; a charge that "selfish greed" of the capitalists was selling this country down the river; that the workers were patriotic and wanted to crush Hitler and had long ago tried to show the "capitalists" through the so-called Reuther plan how to do it. These were not the exact words but the tune. From the industry came the declaration that it had no desire to engage in recriminations but that it did not intend to take the denunciation lying down. And more

significant, and the key to the controversy, was the demand that, now that it had received its orders from the Government, the men who know how to manage the industry be permitted to manage it. But it was not an episode alone between the industry and its workers, the latter naturally distressed and ripe for agitators now that they are faced with unemployment. New Dealers had been laying the groundwork for it for several days. Washington observers have witnessed tremendous agitations against an industry, an individual, and for particular "causes" in recent years, but it is doubtful if anything can compare with the propaganda that has been heaped upon Bill Knudsen's shoulders in the past few days. It was not a case of an individual New Dealer grumbling against him. It was a well directed campaign. Knudsen has been subjected to this agitation ever since early 1941 when a concerted fire was opened upon him with the purpose of destroying his reputation as a production genius. He had been called to the job during the political campaign of 1940, to symbolize industry. Within a few months after the campaign was over, the New Dealers went to work to get him out, he having served his political purpose. The long story since, the recurring attacks on him, the strategy of the New Dealers to play other business men against him, the gradual saturation of the OPM with New Dealers need not be repeated here. This writer has no purpose in bringing the matter up except to serve as a background for what is happening now. My not writing about it will not prevent it from happening, pathetic and as endangering national unity, as it is.

In the relative hysteria that has gripped Washington since the disaster at Pearl Harbor and the failure to "bowl the Japs over in two days" as had been widely advertised, the Leftists have moved against the automobile industry and Knudsen with a vengeance. It will be amazing if the industry comes through with a single hair on its head. Such veteran commentators as Raymond Clapper, conscientious as he is, threw up his hands under the barrage and agreed that the "New Dealers had been right all along;" that from now on he was listening to those who had "known what they were talking about."

Those who had "known what they were talking about" were New Dealers who had been insisting for more than a year that industry, particularly the automobile industry, should tear up their structure, their plants, their distributing set-ups and go "all out" for defense. Now, apparently, they have been proven to have been right because the Navy at Honolulu was caught, as the British wags are saying, with their "trousers" down, and MacArthur, aside from not having enough planes in the first place, was caught off guard on what now appears to have been the second attack of the Japs, with his planes flushed from repulsing the first attack, openly exposed on the ground and unable to take off—what planes he did have.

There is no criticism around here except in army and navy circles that the planes and tanks which industry has been turning out, a seeming abundance of them, had been sent to England, to Libya, to China, to Turkey (over the protests of military officials.)

No—all of a sudden there is the tremendous propaganda onslaught against the automobile industry.

Here is an example of the propaganda. This reporter seeking to get at the bottom of things, has asked CIO leaders why on earth the automobile manufacturers should have turned down the

Reuther plan when it was allegedly so efficient, and he has met the response that the manufacturers frankly are not as patriotic as the workers. The latter want to beat Hitler.

Well, don't the manufacturers want to beat Hitler?

In answer to the question I have been assured by the CIO leaders that the manufacturers are not really worried about Hitler, only the workers.

They are like Thyssen, I have been told. They figure they can get along with any government in power.

It is not for me to say what has run through the automobile manufacturers' minds, except as I can gather from talking to them, but it is hardly conceivable from their experience with the New Deal that they think they can "get along" with any government.

Pressing the CIO leaders further, asking them to lay aside any patriotic motives on either side, assuming that both sides are selfish, why is it a fact that ever since the automobile manufacturers recognized the CIO, it has continued to denounce them as if they were traitors. This has not been the procedure of labor unions in the past. They would do everything within their power to fight an industry but once they had won their fight, they became a member of the happy family. Some of the country's worst monopolies have grown up out of the practice of "you play ball with me, I play ball with you," between labor leaders and industry. But the victory of the CIO over the automobile industry has not changed the former's antagonism in the slightest.

Pressing the CIO leaders along this line, one meets with the response that well, naturally the workers hate now to be thrown out of employment.

Whereupon you ask if this isn't the situation Knudsen and the automobile manufacturers have been fighting to postpone, whereas the CIO leaders and the New Dealers have been trying to bring it about for a year, intensively for at least six months. The CIO leaders insist then that the Reuther plan would have prevented the disruption that is now to come.

Seeking to get someone to give an intelligent explanation of the Reuther plan, I can't escape the conclusion that the employee-employer management is the kernel of it, and that that is what the industry is resisting. The Government is moving in fastly to be the country's financing agency. It seems to be only one step further from this and what the CIO leaders are demanding to complete government financing and complete employee management.

It might bear on the subject to tell about the explanation of Leon Henderson as to why he has moved so drastically—in fire rationing and automobile shutdown. His explanation is that maybe the Government moved too precipitately in closing all the banks back in 1933. In retrospect, he says, the overwhelming majority of the banks need not have been closed. But the Government decided that the thing to do was to strike down the whole banking industry and rebuild it from scratch. The great majority of bankers would be glad to tell just how the structure has been rebuilt. The thought Henderson would like to leave about the automobile industry is that it will be rebuilt from scratch, that the tire and automobile situation will ease as the rebuilding goes on. But it will be interesting to see what form the rebuilding takes with the Reuthers having such a voice as they have.

This trend, of course, has been going on against the industry for a long time. As an example of what a wallop the recent propaganda wave has given it, the

Washington "Post" published by the multimillionaire Eugene Meyer, has joined in the denunciation, agreed with Reuther, in effect, that the automobile manufacturers are—well, not as patriotic as they should be to say the least.

Reuther is an interesting study of a radical who came to have such an influential voice in recent years. Intensive, a youngish fellow of about 35, the song "I don't want to set the world on fire" means nothing to him. His parents came from Southeastern Europe. In the early thirties he and his brother Vic, who, incidentally was a leader of the sit-down strikes in the industry in 1937, went to Russia and attended one of those so-called universities. Subsequently, he was engaged to teach the Soviets machine work. On one occasion, he and Vic wrote a letter to a friend inviting him to come over with the explanation that the "water is fine." They added a note to "carry on the Soviet cause in America" in the meantime. His friends admitting this letter say it was a piece of flippancy. Returning to this country, Walter Reuther, having had a taste of "knowledge" in Russia, pursued his "college" education; in the meantime, going to work in the automobile industry. Both he and his brother were thus in the forefront of the revolution which the industry has experienced.

It is a commentary on the propaganda value which men of this type have come to enjoy, that this young man came here with his "plan" in the late spring with considerable fanfare. It was a major event. The President received him. Senators received him. Aside from the fanfare and hospitable reception, however, the most ardent New Dealers did not endorse his plan; simply said it was interesting. But the Leftist journalists have remained loyally on the job and there have been few major appointments in recent months when at his first press conference, the appointee was not asked by a Leftist journalist:

"Have you studied the Reuther plan?"

Army officers were asked this, navy officers were asked it; OPM officials were asked it. Apparently, a knowledge of the Reuther plan had become prerequisite to a man being appointed to a job here, just as a judge might ask an alien, seeking citizenship, to recite the Constitution.

To get off of this subject, the recent naming of Jesse Jones to SPAB broke the New Deal majority there. It becomes four New Dealers, four Conservatives.

And—our labor informants tell us that the industrialists are unnecessarily crying over the outcome of the recent conference between labor and industry, over the refusal of the President to remove the closed shop from the realm of arbitral subjects. The labor representatives having agreed not to strike, but to present all controversies to arbitration, would not dare pursue the "closed shop" issue, these informants say. Because labor would never admit that the closed shop is an issue subject to arbitration. Therefore, having agreed upon arbitration, they won't raise the closed shop issue. Sounds right logical.

Washington wags are saying that a new alphabetical agency has been set up—the Office of Utter Confusion and Hysteria—OUCH.

Items About Banks, Trust Companies

The statement of the Chase National Bank for Dec. 31, 1941 made public on Jan. 3, shows deposits of the bank on that date as \$3,534,967,000, which compares with \$3,587,562,000 on Sept. 30, 1941 and \$3,443,338,000 on Dec. 31, 1940. Total resources amounted to \$3,811,803,000 compared with \$3,856,799,000 on Sept. 30, and \$3,824,403,000 a year ago; cash in the bank's vaults and on deposit with the Federal Reserve Bank and other banks, \$1,248,516,000 compared with \$1,328,312,000 and \$1,672,535,000 on the respective dates; investments in United States Government securities, \$1,364,847,000 compared with \$1,339,079,000 and \$1,098,108,000; loans and discounts, \$802,221,000 compared with \$773,036,000 and \$664,189,000. On Dec. 31, 1941 the capital of the bank was \$100,270,000 and the surplus \$100,270,000, both amounts unchanged. After declaration on Dec. 24 of a semi-annual dividend to be paid Feb. 1 amounting to \$5,180,000, the undivided profits account on Dec. 31 amounted to \$40,370,000. This amount compares with \$40,441,000 on Sept. 30, 1941 and \$36,212,000 on Dec. 31, 1940.

The net earnings of the Chase National Bank for the year 1941 amounted to \$14,518,000, or \$1.96 per share, compared with \$13,550,000, or \$1.83 per share, in 1940.

The Chase National Bank of New York has announced on Jan. 2 the resignation of William P. Holly as a Vice-President, effective Jan. 1. Mr. Holly is retiring from active business after 40 years' association with the bank. He has been an officer since 1915, having served successively as Assistant Cashier, Cashier and Vice President. It was further announced that Irving Reynolds, formerly a member of the law firm of Mudge, Stern, Williams & Tucker, has been appointed a Vice President of the Chase National Bank, effective Jan. 1.

The National City Bank of New York reported as of the year end (Dec. 31, 1941) total resources of \$3,082,860,582 and total deposits of \$2,878,821,222. These figures compare respectively with \$3,095,466,337 and \$2,908,437,735 at the previous year end. Cash and due from banks was \$985,161,064, a decrease of \$479,663,474 from a year ago. U. S. Governments and other Federal agencies total \$1,183,299,799 an increase of \$281,519,211 and loans, discounts and bankers' acceptances amount to \$618,810,573 an increase of \$74,498,268. As previously announced, surplus was increased during the year by \$13,000,000 to \$77,500,000, the same as the capital account. Undivided profits at \$17,891,093 shows an increase of \$2,115,158 for the year.

The indicated earnings for the bank and its Associate, the City Bank Farmers Trust Co., also of New York City, which are exclusive of profit from security sales and recoveries, amount to \$12,020,838, equal to \$1.94 per share as compared with \$1.91 on the same basis for 1940. These earnings are exclusive of the transfers to surplus of \$6,000,000 of recoveries and \$4,000,000 from the further interim distribution of the assets of the City Co. of New York in dissolution.

The Directors of The National City Bank of New York authorized on Dec. 30 an increase of \$12,000,000 in the surplus account of the bank. Of this amount \$2,000,000 was transferred from the year's earnings; \$6,000,000 from the year's recoveries; and \$4,000,000 represents additional partial distribution from the City Company of New York, Inc. Therefore, at the end of the year capital and surplus will each be \$77,500,000.

The statement of condition of the Guaranty Trust Company of New York as of Dec. 31, 1941, issued Jan. 5, shows total resources of \$2,558,587,698 and deposits of \$2,259,895,401. Holdings of United States Government obligations total \$1,018,486,211, and loans and bills purchased are \$550,865,729. The company's capital and surplus remain unchanged at \$90,000,000 and \$170,000,000, respectively, and undivided profits total \$19,470,857, as compared with \$16,946,500 a year ago.

The statement of condition of Manufacturers Trust Co., New York City, as of Dec. 31, 1941, shows deposits of \$984,004,718 and resources of \$1,080,505,867 which compare with \$985,365,790 and \$1,082,462,811 shown on Sept. 30, 1941. On Dec. 31, 1940, the respective figures were \$953,709,060 and \$1,050,459,262. Cash and due from banks is listed on the latest date at \$365,609,706 as against \$354,140,771 shown on Sept. 30 and \$388,847,897 shown a year ago. United States Government Securities stands at \$340,928,748; three months ago it was \$340,293,966 and one year ago it was \$326,449,037. Loans and bills purchased is now \$260,309,534 which compares with \$270,305,220 on Sept. 30 and \$215,187,558 on Dec. 31 last year. Preferred stock is shown as \$8,892,780, common as \$32,998,440, and surplus and undivided profits as \$42,233,744.

It is announced that net earnings for the year 1941 will be reported by the President at the annual stockholders' meeting to be held on Jan. 14.

At the meeting of the Board of Directors of Manufacturers Trust Co., New York, held on Dec. 29, G. Butler Sherwell, formerly Assistant Vice President in the foreign department of the trust company, was elected a Vice President. Mr. Sherwell became associated with the Manufacturers Trust Co. in 1932, and in the last nine years he has supervised the bank's business with Latin America, Spain and Portugal. Prior to that, he was head of the Latin American Finance and Investment Section of the United States Department of Commerce. Other year-end promotions announced by Manufacturers Trust Company were as follows:

John L. O'Halloran, formerly Manager in the foreign department, has been elected an Assistant Vice President.

William O. Walter, formerly Assistant Secretary in the securities department, has been elected an Assistant Vice President.

Peter White, formerly Assistant Secretary at the bank's office at Eighth Avenue, corner 43rd Street, New York, has been elected an Assistant Vice President.

In its statement for Dec. 31, 1941, the Chemical Bank & Trust Co., New York, reports total deposits now in excess of one billion dollars, the highest in the bank's history. Deposits are given as \$1,014,109,864, which is an increase of \$142,454,763 over Dec. 31, 1940. Total assets, also the highest in the bank's history, amounted to \$1,101,728,374, compared with \$958,388,741 a year ago. Cash on hand and due from banks at the latest date amounted to \$377,335,460, compared with \$412,508,661; U. S. Government obligations to \$321,211,478, against \$219,030,694; bankers' acceptances and call loans to \$34,218,090, against \$37,663,398; and loans and discounts to \$156,455,076, against \$124,870,570. Capital remained unchanged at \$20,000,000, and surplus at \$50,000,000. Undivided profits are \$9,161,724, an increase for the year of \$1,257,009, after the

usual annual dividends of \$3,600,000 (\$1.80 per share). The indicated net earnings on the bank's 2,000,000 shares (par \$10.00) amounted to \$2.43 per share for 1941 as compared with \$2.38 per share for the preceding year.

The statement of condition of the Irving Trust Co., New York, as of Dec. 31, 1941, shows total assets of \$907,956,196 and total deposits of \$795,276,592 against \$893,343,673 and \$782,588,748 on Dec. 31, 1940. Cash on hand and due from Federal Reserve and other banks is given at \$357,696,816, against \$470,936,155; holdings of United States Government securities total \$289,808,033, as compared with \$194,489,300, and loans and discounts to \$211,697,744, against \$181,055,652. Capital stock is unchanged from a year ago at \$50,000,000, but surplus and undivided profits now stand at \$54,193,575, as compared with \$53,692,512 on Dec. 31, 1940.

The New York Trust Company, New York City, reported as of the close of business Dec. 31, 1941 that total resources increased to \$580,838,743 from \$552,277,903 at the end of 1940, while deposits advanced to \$537,081,903 from \$507,940,598. Cash on hand, and in Federal Reserve and other banks, including exchanges, collections and other cash items, amounts to \$218,783,283 at the latest date as against \$242,816,915 a year ago; United States Government obligations (direct and guaranteed) at \$196,596,510, as compared with \$172,782,746; and loans, discounts and bankers' acceptances at \$134,157,858, against \$106,722,134. The bank's capital and surplus are unchanged from a year ago, remaining at \$12,500,000 and \$25,000,000, respectively, while undivided profits total \$3,383,773, as compared with \$3,015,432 at the end of December, 1940.

According to the Dec. 31, 1941 statement of condition of the Public National Bank and Trust Co. of New York, total resources on that date amounted to \$209,515,670 while deposits are reported at \$187,299,297. This compares with resources of \$201,318,905 and deposits of \$179,201,589 on Sept. 30, 1941. Cash and due from banks in the current statement are given as \$77,275,924, against \$56,835,703; loans and discounts amount to \$72,361,738, compared with \$87,725,486, and United States Government obligations to \$44,690,148, against \$42,828,803. Capital and surplus were unchanged at \$7,000,000 each and undivided profits were \$4,059,988, as compared with \$4,125,269 three months ago and \$3,544,811 a year ago. Regular dividends totaling \$600,000 and a special dividend of \$200,000, making a total of \$800,000, were paid to shareholders covering the year 1941. The bank reported earnings for the full year 1941 of \$3.29 per share, as compared with \$3.08 per share for the year 1940.

The year-end statement of The Continental Bank & Trust Co., New York, shows that commercial loans of \$20,728,045 compare with \$15,864,813 on Dec. 31, 1940, and \$24,307,989 last September; collateral loans amounted to \$7,894,925 against \$8,773,796 a year ago, and \$8,110,319 on Sept. 30, 1941; while call loans to brokers totaled \$5,773,990 against \$6,365,129 a year ago and \$4,844,948 on Sept. 30. Deposits increased to \$88,237,901 from \$78,081,708 a year ago, and are \$5,185,832 more than they were on Sept. 30. Total resources of \$98,491,837 compare with \$88,700,692 on Dec. 30, 1940, and \$93,766,793 on Sept. 30, 1941. Cash on hand and due from banks amounted to \$39,780,223 compared with \$38,051,682 on Dec. 31, 1940 and \$33,437,452 last September. Holdings of Government securities totaled \$8,655,862 against \$5,635,000 a year ago and \$7,250,842 on Sept. 30. Capital remains un-

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Foreign Front

(Continued from First Page)

power being forged into a single instrument for the defeat of the aggressors. The great preponderance of the world's population, resources and energy is included in this group, and only a relatively minor part is at the disposal of the Axis.

Formulated largely by President Roosevelt as an outgrowth of the conversations between the President and Prime Minister Winston Churchill, this "declaration by united nations" requires no ratification by any Parliament. So far as the United States is concerned, it is held to fall within the scope of Mr. Roosevelt's powers to prosecute the war. Detailed arrangements respecting the military parts to be played by signatory nations are to follow and in some respects already have been discussed. In a sense the new declaration expands the Atlantic Charter which President Roosevelt and Prime Minister Churchill fashioned last August, and brings within its scope all nations fighting the good fight for freedom.

Under the terms of the declaration, all signatory governments subscribe to the Atlantic Charter and express their conviction that "complete victory over their enemies is essential to defend life, liberty, independence and religious freedom, and to preserve human rights and justice in their own lands as well as in other lands, and that they are now engaged in a common struggle against savage and brutal forces seeking to subjugate the world." Accordingly, each signatory pledged its full resources, military or economic, against those members of the Axis with which the signatory is at war. General cooperation was pledged, and each signatory covenanted not to make a separate armistice or peace with the enemies.

Russia's aloofness from the conflict with Japan gained formal recognition in the studied phrasing of the document, since each government pledged action only against those Axis countries with which the signatory is at war. This reservation is disappointing, of course, but possibly reflects little more than a fight for time in Moscow. Japan, it must be remembered, was one of the leading signatories of the Berlin pact of Nov. 25, 1941, in which 13 nations pledged the destruction of Communism.

Signatories of the Washington declaration are the United States, the United Kingdom of Great Britain and Northern Ireland, the Russian Soviet Union, China, Australia, Belgium, Canada, Costa Rica, Cuba, Czechoslovakia, Dominican Republic, El Salvador, Greece, Guatemala, Haiti, Honduras, India, Luxembourg, the Netherlands, New Zealand, Nicaragua, Norway, Panama, Poland, South Africa and Yugoslavia. The Danish Minister added his signature last Sunday, and the way is open for other nations to join.

War Plans

Fighting public speeches and private planning of grand strategy marked the end of our first month of the World War into which the United States was propelled by the dastardly Japanese attack of Dec. 7 and the subsequent war declarations of all the Axis Governments. The strategy possibly will take some time to develop in full. The grim intention of this country to wage war on a scale that will dwarf even the greatest efforts of the aggressors is being made known, meanwhile, by President Roosevelt and other leaders of the "United Nations."

Indicative of the progress made in the Washington conversations between Prime Minister Church-

ill and President Roosevelt were numerous changes in commands. In the Southwest Pacific region, it was announced last Saturday, the experienced British General, Sir Archibald P. Wavell, will hold the supreme command of British Empire, American and Netherlands forces. He will be assisted by Major Gen. George H. Brett, chief of the United States Air Corps. Naval forces in the same area will be under the command of Admiral Thomas C. Hart, U. S. N. The Chinese Generalissimo, Chiang Kai-shek, will have command of all forces in the China area. Unified commands in the Atlantic zone are probable, it is indicated in Washington reports.

Russian plans apparently are to concentrate all energies upon the task of fighting the German Nazis, for it is now evident that Moscow does not intend to engage the Japanese unless an attack develops against Siberia. British Foreign Secretary Anthony Eden declared Sunday, on his return to London from lengthy Moscow conversations, that Britain and Russia have common aims and must work together to win the war and win the peace. Mr. Eden conveyed a highly favorable impression of Russia's war potential and industrial recovery.

American plans for the war were outlined by President Roosevelt, Tuesday, in his address to Congress on the state of the Union. "The Roosevelt expressed ably the deep determination of the country to face the enormous tasks of the war. Citing the aggressions of Japan, Italy and Germany, the President made clear his belief that the chief culprits are the Nazis. Against all our enemies, however, powerful and offensive actions must and will be taken in proper time, he said.

Among our objectives Mr. Roosevelt listed not only the smashing of the militarism of the war lords, but also maintenance of security in the peace that will follow. In order to achieve the objectives, he disclosed, orders have been issued for increases of airplane production to 60,000 this year and 125,000 in 1943, for increases of tank production to 45,000 this year and 75,000 in 1943, for increases of anti-aircraft gun production to 20,000 this year and 35,000 in 1943, and for increases of merchant ship construction to 8,000,000 deadweight tons this year and 10,000,000 tons in 1943. "These figures," Mr. Roosevelt added, "will give the Japanese and the Nazis a little idea of just what they accomplished in the attack on Pearl Harbor."

There were indications, early this week, that American reinforcements at length are beginning to arrive in the Far East. Operating from undisclosed bases, fleets of huge American bombing airplanes began to hammer at Japanese warships and transports in the Philippine area. From Batavia, in the Netherlands East Indies, came authoritative word, Tuesday, that the Supreme Command of the United Nations will direct the Western Pacific war from the island of Java.

Manila Falls

Defensive action by our forces in the Philippines reached a grim stage last Friday, when Manila and the naval base of Cavite fell to the invading Japanese. Although Manila was undefended after the declaration by General Douglas MacArthur that it is an open city, the necessity for the withdrawal of our forces from the region of the capital can hardly be viewed lightly. The fight continues at the island fortress of Corregidor, at the entrance to Manila Bay, and in the hills of the Bataan peninsula. This, how-

ever, now is regarded as a delaying action which probably will end in the occupation of the entire Philippine archipelago by the Japanese.

In the dire event of complete loss of the Philippines, the struggle in the far Pacific will have to be viewed from a new and longer point of view. It is still possible to hope, on the other hand, that aerial and other reinforcements will reach General MacArthur in enormous volume. The hope is a slim one, but upon it hangs the question of a short or an indefinitely protracted conflict in that theatre. The determination to regain our outposts in the Pacific and to assure the independence of the Philippines was voiced by President Roosevelt, Tuesday. The job will be a long one if the Japanese complete their conquest, and the task of defending Singapore and the Netherlands East Indies will be rendered far more difficult.

Announcement of the fall of Manila and the Cavite base was made at Washington, immediately after the event. The naval base was left in ruins, with all stores destroyed. General MacArthur skillfully maneuvered his small and heavily outnumbered force into the Bataan hills, where the conflict continues unabated. The Japanese attacked the American lines strongly, but suffered enormous losses without making much progress. Enemy bombing planes tried to attack Corregidor, but that strongly defended point blasted down numerous aircraft and suffered little damage.

While Corregidor holds out, the Japanese will be unable to utilize Manila Bay for their naval operations. General MacArthur obviously is prepared, if necessary, to transfer much of his force to that island, where a stand of weeks or months can be expected. The enemy is endeavoring, meanwhile, to integrate the Philippines with the Japanese economy. Japanese soldiers in Manila are reported to be circulating large amounts of a currency that closely resembles the Philippines circulating unit.

Since Manila fell to the Japanese there has been little change in the military situation in Luzon. Official Washington reports indicate merely a firm determination to give no inch of ground, save at heavy cost to the invaders.

That American reinforcements now are beginning to arrive in the Far East was suggested, Monday, by heavy bombing of Japanese warships and troop transports in the Davao area of Mindanao island. Sizeable squadrons of our airplanes attacked the Japanese naval aggregation at Davao on Monday, and at least two Japanese destroyers were sunk, while hits were scored on a battleship and a number of other enemy vessels. No disclosure was made regarding the base from which our aircraft are operating.

Singapore Defense

Southward thrusts by the Japanese on the Malayan peninsula are being continued with fanatic zeal and with little regard to losses, and the possibility must be faced that the invaders may be able to carry the battle clear through to the island base of Singapore. British Empire troops contested each foot of ground with the numerous Japanese. The gains of the aggressors are impressive, however, and there is some question whether adequate reinforcements can be sent to Malaya in time.

With Manila in the hands of the Japanese, the defense of Singapore becomes most important and also more difficult. That the great bastion on the Straits of Malacca must be held at any cost is obvious. But the enemy now holds important aerial bases on the Malayan peninsula,

from which shipping could be attacked, and the Japanese Fleet seems to roam the China Sea without much naval opposition, save from submarines. The situation is such that grave events in Malaya must be regarded as a possibility, unless aerial superiority can be established by the United Nations on such a scale that Japanese airplanes will be swept rapidly from the skies.

In successive advances, early this week, the Japanese slowly pushed the reluctant British defenders southward toward the giant base. The ground was held with the utmost tenacity by the British, but the slight statures Japanese forced their way through the jungle and surmounted some difficult obstacles. There is, indeed, some reason to believe that the defenders depended too much upon the terrain to halt the invaders, and too little upon numbers. For the time being, moreover, the enemy appears to have substantial control of the air.

After crossing several river barriers in their attempt to outflank the defenders, the Japanese were admitted yesterday to be in the region of Kuala Selangor, on the west coast of the Malayan peninsula, and at Kuantan on the east coast. In the single month of fighting in Malaya the enemy thus has advanced some 200 miles, and the lines stretch irregularly some 190 to 240 miles north of Singapore. The defense is becoming more effective, as Singapore is approached, but the problem of airpower seems not yet to have been solved by the British units.

Heavy aerial fighting was reported day after day over Singapore, which the Japanese bombed by day as well as by night. Numbers of enemy craft were shot down, and on occasion British and American bombers raided the Japanese bases. The enemy is in such force, on the other hand, that several raids over Rangoon were reported.

Reverses that may prove significant were suffered by the Japanese at Changsha, in China, early this week. Strong Japanese contingents tried for the third time to take that important Chinese city, but Generalissimo Chiang-Kai-shek claimed officially a startling victory over the invaders. Similar claims have been advanced before this by the Chinese, and more information is necessary before the situation can be assayed.

The Japanese aggressors made progress not only in Malaya and the Philippines, but also in Borneo. The buffer State of Sarawak, on Borneo, fell to the Japanese late last week, and important oil resources on that island thus were captured by the invaders. Aerial attacks on several points of the Netherlands East Indies were made, with little effect. The Netherlands fought valiantly against the Japanese in the air and on the sea, and administered severe drubbings to the Axis member. Increasing Australian action against the common enemy also was noted.

Russian Campaign

General January, one of Russia's ablest allies, now has taken command of the battle front on which the Germans and Russians are waging their bitter struggle. In the terrible cold of the Russian winter, Red Army forces rapidly are retaking scores of towns from the Nazis, who still have failed to consolidate their lines. The situation is highly precarious for the Germans, and also most uncomfortable, since winter clothing seems to be scarce among the invaders.

In proclamations to the German people and the Reich Army, on New York's Day, Chancellor Hitler once again promised the defeat of the Russians. He failed

to claim victory "this year," however, since earlier confident assertions of early successes have not been borne out. As supreme commander of the German forces, Hitler is rumored to have hurried to the Russian front, this week, in order to stem the German rout.

West of Moscow the Russians are making their heaviest drive, with the admitted aim of encircling huge numbers of Nazi troops. The claims of the Russians may be somewhat exaggerated, for only vast numbers of Nazi dead are reported and no prisoners. If the Russians succeed in disorganizing the German withdrawal, this situation will change. No less than 100,000 Nazis now are said to face "annihilation," west of Moscow.

German statements on the fighting are laconic, but suggest that the withdrawal is anything but easy. The cold is so intense, it would appear, that Nazi motorized equipment is of little use. It is quite possible that Russian cavalry is coming into its own, in these circumstances, and is winning victories. The siege of Leningrad seems to be continuing, although little is said by either side about that sector. In the Ukraine the Russians are driving toward Kharkov.

Striking unexpectedly and in force, the Russians have recaptured sizeable portions of the Crimean peninsula, in recent days. Heavy troop concentrations were landed at Kerch and Theodosia, late last week, and these bridgeheads have been extended rapidly. The Russians, trapped at Sevastopol, attempted sallies at the same time, and the fate of the Crimea once again hangs in the balance.

Little Finland, far to the north, is finding its position increasingly difficult, now that the Germans are retreating with all possible haste. There is little military activity on the Russo-Finnish front. Much agitation is reported at Helsinki to withdraw from the war without delay, if this can be done on the basis of the pre-war frontier.

Mediterranean Warfare

Many signs point toward a sudden increase of war activity in the Mediterranean area, and especially in Africa, where British forces have soundly trounced the Axis units in recent weeks. Gains by the British continued, early this week, after the fall of Bardia last Saturday. More than 7,000 Germans and Italians were captured at Bardia, and many British prisoners were released.

At Solum and in the Halfaya Pass area generally, action was intensified, with the British anxious to clear out the Axis units on the border of Egypt and Libya. The German and Italian positions are well fortified, however, and sanguinary fighting was reported. South of Bengazi the mechanized units of the German General, Erwin Rommel, were partially encircled and another fierce battle was in progress there. Rommel was rumored to have contracted an illness that made his return to Germany necessary.

There were indications that Hitler and Mussolini have no intention of giving up any sizeable portion of Northern Africa to the British, and it may be that extensive operations will develop in French Africa. Important German aerial and ground forces are being concentrated in Eastern Balkan areas, with their use still problematic.

Whether Hitler will strike next through Turkey or by way of the French African possessions is now a highly important question. Much of the German air force is known to have been withdrawn from Russia, and probably is poised to strike southward. British aerial observers have noted large Axis

concentrations at Sicilian airfields, and some of the planes were destroyed on the ground, Tuesday.

German pressure on Turkey has been reported for several weeks, and may well be increasing. Much of Bulgaria is said to be overrun by Nazi troops, and if the Russian lines can be stabilized the Germans probably will move without delay. The German Foreign Minister, Joachim von Ribbentrop, is making a tour of Balkan capitals, doubtless with the aim of enlisting further aid.

It is from France, however, that the clearest indications come of new departures in the war. From the German-controlled Paris radio, renegade Frenchmen attacked the Vichy regime severely, early this week. Marshal Henri Philippe Petain was accused of inadequate "cooperation" with the Nazis. Terrorism was reported both in occupied and unoccupied France, with the Germans resorting to drastic measures in some places.

The conflict with France, it is easy to guess, concerns the remnants of the French Navy and the use to be made of the French African colonies. The colonies probably are the real point at issue, since they would be very useful to America as an assembling point for the eventual attack against Germans, and equally useful to the Nazis as a base for further action against British forces in Africa and against shipping in the South Atlantic.

Britain and Germany

Although weather conditions are wintry and adverse there is no halt in the war activities on the high seas and in the air over the British Isles and the Western European region held by the Nazis. Aerial fighting has been somewhat restricted in recent days. Sizeable British attacks on nearby French ports are noted, however, and some British raids have been made deep into the Reich. The German fliers dropped a few bombs on British ports.

Perhaps the most indicative of recent developments is the new British practice of raiding the German-held coast. The Lofoten Islands, off Norway, were held for several days last week, by a British force of "commando" troops which got away unscathed, after doing much damage. German convoys along the coast are interrupted continually, and the Nazis are now said to be building vast fortifications from Northern Norway to the Spanish frontier.

On the high seas the Battle of the Atlantic continues to run in favor of Britain, although strenuous efforts still are being made by the Nazi submarines to inflict losses on shipping. The British Admiralty reported last Saturday the arrival of a 30-ship convoy, after a five-day running fight in which at least three German submarines were sunk. The British destroyer Stanley and a converted aircraft tender named the Audacity were lost in the action. London also announced the loss, in other actions, of the cruiser Neptune, 7,175 tons, and the destroyer Kandahar.

Items About Banks, Trust Companies

(Continued from Page 133) changed at \$4,000,000, and surplus and undivided profits of \$4,574,943 compare with \$4,490,838 a year ago, and \$4,551,572 last September.

The Bank of the Manhattan Co., New York City, recently announced the promotion of Charles G. Young from Assistant Cashier to Assistant Vice President and

the appointment of George W. Morris, Jr. and Hillyer M. Condit as Assistant Cashiers.

J. P. Morgan & Co., Incorporated, New York, in its statement of condition as of Dec. 31, 1941, reports total resources of \$749,725,411 and total deposits of \$689,361,244 compared with \$777,171,834 and \$722,385,613 on Sept. 30, 1941. According to the latest statement, cash on hand and on deposit in banks amounts to \$251,630,571, against \$245,095,257 three months ago; United States Government securities (direct and fully guaranteed) at the latest date are shown as \$356,023,513, compared with \$380,409,936; State and municipal bonds and notes are now \$33,993,423, against \$46,232,467, and loans and bills purchased at \$63,918,203, compared with \$62,699,987 on Sept. 30. The capital and surplus are unchanged from the previous quarter at \$20,000,000 each, while the latest statement shows undivided profits of \$1,214,541, compared with \$1,028,655 on Sept. 30.

New high records for total assets and deposits are reported by Brown Brothers Harriman & Co., New York City, private bankers, in their financial statement of Dec. 31, 1941. Total assets are shown as \$157,643,704 compared with \$151,513,263 on Sept. 30, 1941, and \$155,257,408 on Dec. 31, 1940. Deposits increased to \$133,722,124 compared with \$129,302,370 on Sept. 30, 1941 and \$131,255,351 at the close of the preceding year. Capital and surplus of \$13,365,284 compared with \$13,345,624 three months ago and \$13,285,284 a year ago. Loans and advances are reported at \$30,113,560 against \$32,469,331 on Sept. 30, 1941 and \$24,918,659 on Dec. 31, 1940. Other important asset items compare as follows with the figures for three months ago and a year ago:

Cash, \$41,291,083 against \$38,307,652 and \$34,677,780, respectively; United States Government securities (valued at lower of cost or market), \$51,535,932 against \$46,981,813 and \$59,391,285; marketable bonds and stocks (valued at lower of cost or market), \$13,287,282 against \$12,246,996 and \$12,756,623.

Quarterly statement of J. Henry Schroder Banking Corp., New York City, as of Dec. 31, 1941, shows total resources of \$37,815,600 compared with \$39,470,622 on Sept. 30, and \$41,636,133 on Dec. 31, 1940. Cash and due from banks was \$5,656,980 compared with \$10,014,917 on Sept. 30 and \$13,124,171 a year ago. U. S. Government securities are shown as \$16,037,572 compared with \$13,199,282 and \$15,853,923. Collateral loans and discounts are reported as \$1,953,847 against \$2,284,902 and \$2,247,619; advances to customers \$4,698,427 against \$3,725,667 and \$1,533,961; customers' liability on acceptances (less anticipations), \$5,743,783 against \$6,315,621 and \$4,824,765. Surplus and undivided profits now at \$2,580,931 compare with \$2,576,003 and \$2,561,777. Amount due customers at the latest date are given as \$23,030,031 against \$23,722,881 and \$27,860,570; acceptances outstanding are now \$6,714,258 against \$7,693,379 and \$5,649,031.

Schroder Trust Company's Dec. 31 statement shows total resources of \$25,950,265 compared with \$25,782,867 in the September quarter and \$25,438,358 a year ago; cash and due from banks \$7,343,643 against \$6,488,002 and \$5,533,143; U. S. Government securities \$10,865,647 against \$11,581,902 and \$13,273,541; loans and discounts \$3,978,067 against \$3,924,735 and \$2,787,219. Surplus and undivided profits were \$1,850,789 against \$1,841,127 in the September quarter and \$1,813,366 a year ago. Deposits were \$22,205,961 against \$22,161,893 and \$21,638,442.

The statement of condition of the Brooklyn Trust Co., Brooklyn, N. Y., as of Dec. 31, 1941, showed surplus of \$4,600,000, an increase of \$50,000 from the total of \$4,550,000 shown on Sept. 30, 1941. Undivided profits were \$1,418,676 against \$1,417,176 three months ago. Deposits were reported at \$139,874,550 against \$140,345,635 on Sept. 30 and \$129,856,384 on Dec. 31, 1940. Total resources were \$155,506,025 against \$155,804,063 three months ago and \$145,887,662 a year ago. Holdings of United States Government securities were \$53,211,270 against \$45,788,729 on Sept. 30 and \$36,311,373 at the end of 1940. Cash on hand and due from other banks was \$49,461,430 against \$53,712,390 on Sept. 30 and \$61,396,130 a year ago. Total loans and discounts of \$33,682,646 were shown, comparing with \$35,957,250 on Sept. 30 and \$30,617,236 a year ago. Bank buildings were carried at \$4,897,373 against \$5,074,336 a year ago, and other real estate at \$339,633 against \$688,363.

The statement of condition of the United States Trust Co. of New York, as of Dec. 31, 1941, shows total deposits of \$131,371,606 and total assets of \$164,484,301, as compared with \$130,865,903 and \$163,711,925, respectively, on Dec. 31, 1940. Cash in banks amounts to \$67,112,066, against \$94,341,124; holdings of United States Government obligations to \$38,063,000, compared with \$22,500,000; while loans and bills purchased totaled \$32,787,914, against \$27,035,300. Capital and surplus are unchanged at \$2,000,000 and \$26,000,000, respectively, while undivided profits totals \$2,902,986, compared with \$2,860,764 on Dec. 31, 1940.

At a meeting of the Trustees of the United States Trust Company of New York held on Jan. 2, James M. Trenary was appointed Vice-President. Mr. Trenary was formerly Assistant Vice-President and Mr. Martin, Assistant Secretary.

Fulton Trust Company of New York reports total deposits of \$29,593,181 and total assets of \$34,797,648 in its statement of Dec. 31, 1941, compared with deposits of \$27,198,184 and assets of \$32,392,653 on Dec. 31, 1940. Cash, U. S. Government securities and demand loans secured by collateral amounted to \$27,401,247, against \$23,496,018 a year ago. State and municipal bonds on Dec. 31, 1941 were \$3,073,627, compared with \$3,754,278; time loans secured by collateral were \$838,427 against \$889,914 on Dec. 31, 1940. Capital, surplus and undivided profits, after dividends in both instances, amounted to \$4,933,845 on Dec. 31, 1941, compared with \$4,914,032 on Dec. 31, 1940.

In recognition of his call to duty in the Navy as a Lieutenant Commander, the Directors of Lawyers Title Corporation of New York gave a luncheon on Dec. 29 to William D. Flanders, President of the corporation. The luncheon was held at the Bankers Club and guests included Louis H. Pink, Superintendent of Insurance, and John P. Traynor, Deputy Superintendent of Insurance, of the State of New York, as well as the senior officers of the corporation. Mr. Flanders has been granted an indefinite leave of absence.

The election of George D. Bushner as Vice President of the Dollar Savings Bank of New York, was announced on Dec. 18 by Robert M. Catharine, President of the institution. Mr. Bushner has been Vice President of the Eugene I. Bushner Co., Inc.

The Board of Directors of the Lafayette National Bank of Brooklyn, in New York at a special meeting held on Tuesday, Dec. 23, declared a dividend in capital stock in the ratio of one new share of capital stock for each two shares of common stock to stock-

holders of record on Dec. 26, 1941. The Board, also, voted to pay off all the preferred stock of the bank. The bank's capital was increased from \$500,000 to \$750,000 and surplus from \$100,000 to \$250,000.

In its statement of condition as of Dec. 31, 1941, Bankers Trust Company, New York, reports total deposits of \$1,375,481,863 and total assets of \$1,492,509,453, comparing respectively with \$1,460,558,560 and \$1,579,523,715 on Dec. 31, 1940. Cash and due from banks totaled \$454,167,611, against \$613,287,942 a year ago; United States Government securities, \$585,614,943, compared with \$588,895,553, loans and bills discounted, \$318,846,790, against \$255,131,767. The bank's capital and surplus are unchanged from a year ago at \$25,000,000 and \$50,000,000, respectively, while undivided profits are now listed at \$36,203,466 compared with \$33,413,247 on Dec. 31, 1940.

The First National Bank of the City of New York, in its statement of condition at the close of business Dec. 31, 1941, shows total resources of \$962,710,227 and total deposits of \$837,545,082, compared with \$1,002,044,178 and \$878,029,755, respectively, on Sept. 30 last. Cash and due from Federal Reserve Bank and other banks, including exchanges, are given as \$296,986,908 in the latest statement, against \$289,595,302 on the earlier date; holding of United States obligations, \$458,194,913, compared with \$491,379,742; and loans and discounts of \$50,570,193, against \$52,345,262. Capital and surplus remain unchanged at \$10,000,000 and \$100,000,000, respectively. Undivided profits in the current statement are shown at \$10,278,417, after making provision for the Jan. 2 dividend of \$2,000,000, as compared with \$9,277,965 on Sept. 30, after providing for the Oct. 1 dividend of \$2,500,000.

The Corn Exchange Bank Trust Co., New York City, reported as of the close of business Dec. 31, 1941, total deposits and other liabilities of \$435,683,292 and total resources of \$471,141,443 compared with \$383,641,997 and \$418,998,559, respectively, on Dec. 31, 1940. Cash items total \$176,276,690, against \$209,651,106; holdings of United States Government securities, less reserve (direct and fully guaranteed), to \$188,807,523, as compared with \$106,689,844, and loans and discounts to \$31,177,256, against \$28,298,313 at the end of 1940. Capital is unchanged from a year ago at \$15,000,000, but surplus and undivided profits now stand at \$20,458,151, compared with \$20,356,562 at the end of 1940.

Hamilton Fish Kean, United States Senator from New Jersey from 1929 to 1935 and a well-known banker, died on Dec. 27 at St. Luke's Hospital, New York City. Mr. Kean who was 79 years old was born at Ursino, the ancestral estate on Morris Avenue, Union Township, N. J., on Feb. 27, 1862, the son of John and Lucy Halsted Kean. He was descended from a family prominent socially, financially and politically for generations.

Mr. Kean had been active in banking and in New Jersey politics for nearly half a century. Mr. Kean, after graduating from St. Paul's School, Concord, N. H., entered the employ of the investment firm of J. Kennedy Tod & Co. and in 1893, with Robert V. Van Cortlandt, formed the firm of Kean, Van Cortlandt & Co. This firm later became Kean, Taylor, of which Mr. Kean was senior partner at the time of his death. A lifelong Republican, Mr. Kean began his political career as a member of the Union County (N. J.) Republican Committee and in 1905 was made a member of the Republican State Committee. In 1916 he was a delegate to the

Republican National Convention and became a member of the Republican National Committee in 1919, serving until his nomination for the United State Senate in 1928. After serving one term in the Senate, Mr. Kean was defeated for reelection in 1934. At his death he was an officer or director of several New Jersey public utilities and industrial companies.

The Board of Trustees of the Hamburg Savings Bank, Brooklyn, N. Y., announced on Dec. 22 the election of Herman L. Papsdorf as President, succeeding the late Robert E. Moffett. Mr. Papsdorf has been a Trustee of the bank since 1929 and First Vice President since 1939. The death of Mr. Moffett was noted in these columns of Oct. 14, page 591.

The Board of Trustees of the Brooklyn Savings Bank announced on Dec. 26 the election of Gilbert C. Barrett to the Board. Mr. Barrett, who has just completed his 30th year with the institution, has been Cashier since 1932 and Controller since 1940.

The merger of the Trust Company of Larchmont with the Yonkers National Bank & Trust Co. to form the Bank of Westchester became effective on Dec. 22. Stockholders of the two institutions had approved the consolidation on Dec. 18. The head office of the Bank of Westchester is at Yonkers and there are branches in Yonkers, Larchmont and Mount Kisco. William F. Bleakley, former President of the Yonkers Bank, is Chairman of the Board of the new bank, and Henry F. Freund, former President of the Larchmont institution, is President.

James Edward Howes, Vice-President and Treasurer of the Yonkers Savings Bank, of Yonkers, N. Y., died on Dec. 27. He was 73 years old. Mr. Howes, who was born and educated in Yonkers, joined the Citizens National Bank of Yonkers as a young man and later was with the Westchester Trust Co. of Yonkers as Treasurer and Director. He became associated with the Yonkers Savings Bank in 1914, became Treasurer in 1918, a member of the Board of Trustees in 1930 and Vice President in 1934.

The Ontario County Trust Co., Canandaigua, N. Y., was authorized by the State Banking Department on Dec. 15 to reduce its capital stock from \$300,000, consisting of 12,000 shares of the par value of \$25 each, to \$200,000, consisting of 20,000 shares of the par value of \$10 each, it is learned from the Department's "Weekly Bulletin."

The Philadelphia National Bank, Philadelphia, Pa., in its Dec. 31 statement of condition, shows total deposits of \$629,732,560 and total resources of \$384,347,113, which compare with \$712,584,687 and \$767,603,231, respectively, on Sept. 30, 1941. In the current statement, cash and due from banks amounts to \$304,524,667 (against \$416,002,494); holdings of United States Government securities \$221,215,634 (as compared with \$185,852,865), and loans and discounts \$91,630,774 (against \$97,771,888). No change has been made in capital stock which stands at \$14,000,000 but surplus and net profits have increased to \$32,295,272 from \$31,500,171 at the end of September.

In its statement of condition as of Dec. 31, 1941, the Pennsylvania Co. for Insurances on Lives and Granting Annuities, Philadelphia, reports total resources of \$341,087,239 (comparing with \$334,965,173 on Sept. 30 last), the principal items of which are: Cash and due from banks, \$140,676,089 (against \$147,040,418 on the earlier date); commercial and collateral loans \$114,536,839 (compared with \$111, (Continued on Page 137)

Text Of The President's Annual Message To Congress

The text of President Roosevelt's annual message to Congress on Jan. 6 follows:

Mr. Vice-President, Mr. Speaker, members of the Senate and of the House of Representatives:

In fulfilling my duty to report upon the state of the Union, I am proud to say to you that the spirit of the American people was never higher than it is today—the Union was never more closely knit together—this country was never more deeply determined to face the task before it.

The response of the American people has been instantaneous. It will be sustained until our security is assured.

Exactly one year ago today I said to this Congress:

"When the dictators are ready to make war upon us, they will not wait for an act of war on our part. . . . They—not we—will choose the time and the place and the method of their attack."

We now know their choice of the time: A peaceful Sunday morning, Dec. 7, 1941.

We know their choice of the place: An American outpost in the Pacific.

We know their choice of the method: The method of Hitler himself.

Japan's scheme of conquest goes back half a century. It was not merely a policy of seeking living room. It was a plan which included the subjugation of all the peoples in the Far East and in the islands of the Pacific, and the domination of that ocean by Japanese military and naval control of the western coasts of North, Central and South America.

The development of this ambitious conspiracy was marked by the war against China in 1894; the subsequent occupation of Korea; the war against Russia in 1904; the illegal fortification of the mandated Pacific Islands following 1920; the seizure of Manchuria in 1931, and the invasion of China in 1937.

A similar policy of criminal conquest was adopted by Italy. The Fascists first revealed their imperial designs in Libya and Tripoli. In 1935 they seized Abyssinia. Their goal was the domination of all North Africa, Egypt, parts of France and the entire Mediterranean world.

But the dreams of empire of the Japanese and Fascist leaders were modest in comparison with the gargantuan aspirations of Hitler and his Nazis. Even before they came to power in 1933 their plans for conquest had been drawn. Those plans provided for ultimate domination not of any one section of the world but of the whole earth and all the oceans on it.

With Hitler's formation of the Berlin-Rome-Tokyo alliance all these plans of conquest became a single plan. Under this, in addition to her own schemes of conquest, Japan's role was to cut off our supply of weapons of war to Britain, Russia and China—weapons which increasingly were speeding the day of Hitler's doom.

The act of Japan at Pearl Harbor was intended to stun us—to terrify us to such an extent that he would divert our industrial and military strength to the Pacific area, or even to our own continental defense.

The plan failed in its purpose. We have not been stunned. We have not been terrified or confused. This reassembling of the 77th Congress is proof of that; for the mood of quiet, grim resolution which here prevails, bodes ill for those who conspired and collaborated to murder world peace.

That mood is stronger than any mere desire for revenge. It expresses the will of the American people to make very certain that the world will never so suffer again.

Admittedly, we have been faced with hard choices. It was bitter, for example, not to be able to relieve the heroic and historic defenders of Wake Island. It was bitter for us not to be able to land a million men and a thousand ships in the Philippine Islands.

But this adds only to our determination to see to it that the Stars and Stripes will fly again over Wake and Guam, and that the brave people of the Philippines will be rid of Japanese imperialism and will live in freedom, security and independence.

Powerful and offensive actions must and will be taken in proper time. The consolidation of the united nations' total war effort against our common enemies is being achieved.

That is the purpose of conferences which have been held during the past two weeks in Washington, in Moscow and in Chungking. That is the primary objective of the declaration of solidarity signed in Washington on Jan. 1, 1942, by 26 nations united against the Axis Powers.

Difficult choices may have to be made in the months to come. We will not shrink from such decisions. We and those united with us will make those decisions with courage and determination.

Plans have been laid here and in the other capitals for coordinated and co-operative action by all the united nations—military action and economic action.

Already we have established unified command of land, sea and air forces in the Southwestern Pacific theater of war. There will be a continuation of conferences and consultations among military staffs, so that the plans and operations of each will fit into a general strategy designed to crush the enemy.

We shall not fight isolated wars—each nation going its own way. These 26 nations are united—not in spirit and determination alone, but in the broad conduct of the war in all its phases.

For the first time since the Japanese and the Fascists and the Nazis started along their blood-stained course of conquest they now face the fact that superior forces are assembling against them. Gone forever are the days when the aggressors could attack and destroy their victims one by one without unity of resistance. We of the united nations will so dispose our forces that we can strike at the common enemy wherever the greatest damage can be done.

The militarists in Berlin and Tokyo started this war. But the massed, angered forces of common humanity will finish it.

Destruction of the material and spiritual centers of civilization—this has been and still is the purpose of Hitler and his Italian and Japanese chessmen. They would wreck the power of the British Commonwealth and Russia and China and the Netherlands—and then combine all their forces to achieve their ultimate goal, the conquest of the United States.

They know that victory for us means victory for freedom.

They know that victory for us means victory of the institution of democracy—the ideal of the family, the simple principles of common decency and humanity.

They know that victory for us means victory for religion.

And they could not tolerate that. The world is too small to provide adequate "living room" for both Hitler and God. In proof of that, the Nazis have now announced their plan for enforcing their new German, pagan religion throughout the world—the plan by which the Holy Bible and the Cross of Mercy would be displaced by "Mein Kampf" and the swastika and the naked sword.

Our own objectives are clear; the objective of smashing the militarism imposed by war lords upon their enslaved peoples—the objective of liberating the subjugated nations—the objective of establishing and securing freedom of speech, freedom of religion, freedom from want and freedom from fear everywhere in the world.

We shall not stop short of these objectives—nor shall we be satisfied to gain them and then call it a day. I know I speak for the American people—and I have good reason to believe I speak also for all the other peoples who fight with us—when I say that this time we are determined not only to win the war, but also to maintain the security of the peace which will follow.

But modern methods of warfare make it a task, not only of shooting and fighting, but an even more urgent one of working and producing.

Victory requires the actual weapons of war and the means of transporting them to a dozen points of combat.

It will not be sufficient for us and the other united nations to produce a slightly superior supply of munitions to that of Germany, Japan, Italy and the stolen industries in the countries which they have overrun.

The superiority of the United States in munitions and ships must be overwhelming—so overwhelming that the Axis nations can never hope to catch up with it. In order to attain the overwhelming superiority the United States must build planes and tanks and guns and snips to the utmost capacity, to produce arms not only for our own forces, but also for the armies, navies and air forces fighting on our side.

And our overwhelming superiority of armament must be adequate to put weapons of war at the proper time into the hands of those men in the conquered nations, who stand ready to seize the first opportunity to revolt against their German and Japanese oppressors, and against the traitors in their own ranks, known by the already infamous name of "Quislings." As we get guns to the patriots in those lands, they too will fire shots heard 'round the world!

This production of ours in the United States must be raised far above its present levels, even though it will mean the dislocation of the lives and occupations of millions of our own people. We must raise our sights all along the production line. Let no man say it cannot be done. It must be done—and we have undertaken to do it.

I have just sent a letter of directive to the appropriate departments and agencies of our Government, ordering that immediate steps be taken:

1. To increase our production rate of airplanes so rapidly that in this year, 1942, we shall produce 60,000 planes, 10,000 more than the goal set a year and a half ago. This includes 45,000 combat planes—bombers, pursuit planes. The rate of increase will be continued, so that next year, 1943, we shall produce 125,000 airplanes, including 100,000 combat planes.

2. To increase our production rate of tanks so rapidly that in this year, 1942, we shall produce 45,000 tanks; and to continue that increase so that next year, 1943, we shall produce 75,000 tanks.

3. To increase our production rate of anti-aircraft guns so rapidly that in this year, 1942, we shall produce 20,000 of them; and to continue that increase so that next year, 1943, we shall produce 35,000 anti-aircraft guns.

4. To increase our production rate of merchant ships so rapidly that in this year, 1942, we shall build 8,000,000 deadweight tons as compared with a 1941 production of 1,100,000. We shall continue that increase so that next year, 1943, we shall build 10,000,000 tons.

These figures and similar figures for a multitude of other implements of war will give the Japanese and Nazis a little idea of just what they accomplished in the attack on Pearl Harbor.

Our task is hard—our task is unprecedented—and the time is short. We must strain every existing armament—producing facility to the utmost. We must convert every available plant and tool to war production. That goes all the way from the greatest plants to the smallest—from the huge automobile industry to the village machine shop.

Production for war is based on men and women—the human hands and brains which collectively we call labor. Our workers stand ready to work long hours; to turn out more in a day's work; to keep the wheels turning and the fires burning twenty-four hours a day, and seven days a week. They realize well that on the speed and efficiency of their work depend the lives of their sons and their brothers on the fighting fronts.

Production for war is based on metals and raw materials—steel, copper, rubber, aluminum, zinc, tin. Greater and greater quantities of them will have to be diverted to war purposes. Civilian use of them will have to be cut further and still further—and, in many cases, completely eliminated.

War costs money. So far, we have hardly even begun to pay for it. We have devoted only 15% of our national income to national defense. As will appear in my budget message tomorrow, our war program for the coming fiscal year will cost fifty-six billion dollars or, in other words, more than one-half of the estimated annual national income. This means taxes and bonds and bonds and taxes. It means cutting luxuries and other non-essentials. In a word, it means an "all-out" war by individual effort and family effort in a united country.

Only this all-out scale of production will hasten the ultimate all-out victory. Speed will count. Lost ground can always be regained—lost time never. Speed will save lives; speed will save this nation which is in peril; speed will save our freedom and civilization—and slowness has never been an American characteristic.

As the United States goes into its full stride, we must always be on guard against misconceptions which will arise naturally or which will be planted among us by our enemies.

We must guard against complacency. We must not underestimate the enemy. He is powerful and cunning—and cruel and ruthless. He will stop at nothing which gives him a chance to kill and to destroy. He has trained his people to believe

that their highest perfection is achieved by waging war. For many years he has prepared for this very conflict—planning, plotting, training, arming, fighting. We have already tasted defeat. We may suffer further setbacks. We must face the fact of a hard war, a long war, a bloody war, a costly war.

We must, on the other hand, guard against defeatism. That has been one of the chief weapons of Hitler's propaganda machine—used time and again with deadly results. It will not be used successfully on the American people.

We must guard against divisions among ourselves and among all the other united nations. We must be particularly vigilant against racial discrimination in any of its ugly forms. Hitler will try again to breed mistrust and suspicion between one individual and another, one group and another, one race and another, one government and another. He will try to use the same technic of falsehood and rumor-mongering with which he divided France from Britain. He is trying to do this with us even now. But he will find a unity of will and purpose against him which will persevere until the destruction of all his black designs upon the freedom and safety of the people of the world.

We cannot wage this war in a defensive spirit. As our power and our resources are fully mobilized, we shall carry the attack against the enemy—we shall hit him and hit him again wherever and whenever we can reach him.

We must keep him far from our shores, for we intend to bring this battle to him on his own home grounds.

American armed forces must be used at any place in all the world where it seems advisable to engage the forces of the enemy. In some cases these operations will be defensive, in order to protect key positions. In other cases, these operations will be offensive, in order to strike at the common enemy, with a view to his complete encirclement and eventual total defeat.

American armed forces will operate at many points in the Far East.

American armed forces will be on all the oceans—helping to guard the essential communications which are vital to the united nations.

American land and air and sea forces will take stations in the British Isles—which constitute an essential fortress in this world struggle.

American armed forces will help to protect this hemisphere—and also bases outside this hemisphere which could be used for an attack on the Americas.

If any of our enemies, from Europe or from Asia, attempt long-range raids by "suicide" squadrons of bombing planes, they will do so only in the hope of terrorizing our people and disrupting our morale. Our people are not afraid of that. We know that we may have to pay a heavy price for freedom. We will pay this price with a will. Whatever the price, it is a thousand times worth it. No matter what our enemies in their desperation may attempt to do to us—we will say, as the people of London have said, "we can take it." And what's more, we can give it back—and we will give it back—with compound interest.

When our enemies challenged our country to stand up and fight, they challenged each and every one of us. And each and every one of us has accepted

the challenge—for himself and for the nation.

There were only some four hundred United States marines who in the heroic and historic defense of Wake Island inflicted such great losses on the enemy. Some of those men were killed in action and others are now prisoners of war. When the survivors of that great fight are liberated and restored to their homes, they will learn that a hundred and thirty million of their fellow citizens have been inspired to render their own full share of service and sacrifice.

Our men on the fighting fronts have already proved that Americans today are just as rugged and just as tough as any of the heroes whose exploits we celebrate on the Fourth of July.

Many people ask, "When will this war end?" There is only one answer to that. It will end just as soon as we make it end, by our combined efforts, our combined strength, our combined determination to fight through and work through until the end—the end of militarism in Germany and Italy and Japan. Most certainly we shall not settle for less.

That is the spirit in which discussions have been conducted during the visit of the British Prime Minister to Washington. Mr. Churchill and I understand each other, our motives and our purposes. Together, during the past two weeks, we have faced squarely the major military and economic problems of this greatest world war.

All in our nation have been cheered by Mr. Churchill's visit. We have been deeply stirred by his great message to us. We wish him a safe return to his home. He is welcome in our midst, now and in days to come.

We are fighting on the same side with the Russian people who fought alone for long, terrible months, and withstood the enemy with fortitude and tenacity and skill.

We are fighting on the same side with the Russian people who have seen the Nazi hordes swarm up to the very gates of Moscow, and who with almost superhuman will and courage have forced the invaders back into retreat.

We are fighting on the same side as the brave people of China who for four and a half long years have withstood bombs and starvation and have whipped the invaders time and again in spite of superior Japanese equipment and arms.

We are fighting on the same side as the indomitable Dutch.

We are fighting on the same side as all the other governments in exile, whom Hitler and all his armies and all his Gestapo have not been able to conquer.

But we of all the united nations are not making all this sacrifice of human effort and human lives to return to the kind of world we had after the last World War.

We are fighting today for security, for progress and for peace, not only for ourselves, but for all men, not only for one generation but for all generations. We are fighting to cleanse the world of ancient evils, ancient ills.

Our enemies are guided by brutal cynicism, by unholy contempt for the human race. We are inspired by a faith which goes back through all the years to the first chapter of the Book of Genesis: "God created man in his own image."

We on our side are striving to be true to that divine heritage. We are fighting, as our fathers have fought, to uphold the doctrine that all men are equal in the sight of God. Those on the other side are striving to destroy this deep belief and to create a world in their own

image—a world of tyranny and cruelty and serfdom.

That is the conflict that day and night now pervades our lives. No compromise can end that conflict. There never has been—there never can be—successful compromise between good and evil. Only total victory can reward the champions of tolerance, and decency, and freedom, and faith.

FRANKLIN D. ROOSEVELT,
The White House
Jan. 6, 1942.

Items About Banks, Trust Companies

(Continued from Page 135)
035,676), and United States Government securities \$48,781,618 (up from \$40,636,991 on Sept. 30). On the debit side of the report total deposits are given as \$310,224,183 (contrasting with \$307,679,120 three months ago). According to the Dec. 31 report the company's capital stock, surplus and undivided profits increased in the last quarter of the year. Capital stock at the year-end was given at \$10,000,000, against \$8,400,000 Sept. 30; surplus stood at \$14,700,000, compared with \$12,000,000, while undivided profits increased to \$1,371,397 from \$1,660,805 at the end of September.

The Fidelity-Philadelphia Trust Co., of Philadelphia, Pa., in its statement of condition as of Dec. 31, 1941, reported total deposits of \$147,831,129 and total resources of \$167,990,001, compared respectively with \$140,620,385 and \$163,132,879 on Sept. 30 last. Cash on hand and due from banks amounted to \$38,177,626, against \$35,750,304; holdings of Government securities to \$30,990,940, comparing with \$26,552,832, and loans to \$38,235,965, against \$38,831,714. Capital at Dec. 31 remained unchanged at \$6,700,000 while surplus decreased to \$11,000,000 from \$12,000,000 at the close of September, and undivided profits to \$1,496,338 at the year-end from \$2,306,940.

Gilbert L. Bishop, a Vice-President of the Girard Trust Co., Philadelphia, died on Dec. 25 at the Manhattan Eye, Ear and Throat Hospital, New York City. He was 64 years old. Mr. Bishop had been in charge of the trust department of the Girard Trust Co. since 1928, when he was made a Vice-President. He joined the staff of Girard's trust department in 1907, became administrative officer in 1915 and trust officer in 1924.

In its condition statement as at the close of business Dec. 31, 1941, the Mellon National Bank, Pittsburgh, Pa., shows total assets of \$471,077,409 (as compared with \$510,346,178 at the close of business Sept. 24, 1941), of which the principal items are: United States obligations, \$223,606,454, (against \$199,738,837 on the earlier date); cash and due from banks, \$195,400,732, (compared with \$254,183,732); and loans and discounts, \$37,656,747, (against \$42,072,378). On the debit side of the report, total deposits are given as \$419,270,186, (contrasting with \$459,556,330). The bank's capital and surplus remain unchanged at \$7,500,000 and \$30,000,000, respectively, but undivided profits have increased to \$2,701,694 at the close of the year from \$2,096,739 on Sept. 24.

The Fifth Third Union Trust Co., Cincinnati, Ohio, in its condition statement as of Dec. 31, 1941, reports total deposits of \$149,362,822 and total assets of \$161,799,735, as against \$127,154,414 and \$138,938,793, respectively, on Dec. 31, 1940. The chief items comprising the resources in the current report are: Cash and due from banks and United States bonds, \$89,237,893 (against \$75,-

989,580 a year ago); loans and discounts, \$52,972,383 (against \$42,965,799), and other bonds and securities, \$12,757,660 (as compared with \$13,602,441). Capital stock is unchanged from a year ago, remaining at \$5,000,000, but capital debentures now stand at \$1,200,000, compared with \$1,500,000 at the end of 1940, while surplus is increased to \$3,800,000 from \$3,500,000 and undivided profits have risen to \$1,033,918 from \$851,024 on Dec. 31, 1940.

Gov. John W. Bricker of Ohio announced on Dec. 18 the appointment of William L. Hart as State Superintendent of Banks, effective Jan. 1. Mr. Hart, who is President of the Farmers National Bank of Salem, Ohio, will succeed Rodney P. Lien, who resigned to become Vice-President and Controller of the Cleveland Trust Co. Mr. Hart has been connected with the Salem bank since 1934, when he was appointed Cashier, later becoming Executive Vice-President and President last October.

Burt C. Hardenbrook, senior Vice-President of the First National Bank of Chicago, died on Dec. 21 in Winnetka Cook Co., Ill. Mr. Hardenbrook, who was 65 years of age, was born in Chicago in 1876. Regarding his career, the Chicago "Journal of Commerce" of Dec. 22 said in part:

Oldest man in seniority of service on the staff of the First Trust & Savings Bank, which later was consolidated with the First National Bank, Mr. Hardenbrook was regarded as an outstanding authority on security values. He had been continuously associated with the bank for more than 50 years and an officer for 35 years. He was elected Vice-President of the bank in 1915.

Mr. Hardenbrook was a member of the Chicago, Mid-Day, Bankers and Glenview clubs. He was Secretary and director of the First Trust Joint Stock Land Bank of Chicago and a director of the First-Chicago Corporation and National Safe Deposit Co.

The Continental Illinois National Bank and Trust Co. of Chicago, in its statement of condition as of Dec. 31, 1941, reports total resources of \$1,754,784,862 (as against \$1,620,004,121 on Dec. 31, 1940), of which the principal items are: Cash and due from banks, \$656,448,463 (against \$670,627,811 a year ago); United States Government obligations, direct and fully guaranteed, \$724,258,159 (compared with \$675,321,192) and loans and discounts, \$284,763,261 (against \$188,836,340). On the liabilities side of the statement, total deposits are given as \$1,616,430,112, an increase of \$124,852,564 over a year ago. The bank's common stock remains the same at \$50,000,000, but surplus account has been increased to \$50,000,000 from \$40,000,000, and undivided profits are now \$14,394,693, down from \$15,221,863 on Dec. 31, 1940.

The Harris Trust & Savings Bank of Chicago, Ill., in its condition statement as of Dec. 31, 1941, reveals total deposits of \$321,526,593 and total assets of \$347,310,737, comparing, respectively, with \$314,405,424 and \$338,282,781 on Dec. 31, 1940. The chief items comprising the resources in the latest statement are: Cash on hand, in Federal Reserve Bank, and due from banks and bankers, \$111,638,858 (against \$115,669,156 a year ago); loans and discounts \$94,170,820 (comparable figures a year ago show demand loans at \$7,495,480 and time loans and bills discounted at \$35,573,540); United States Government securities, not exceeding market \$49,101,360 (against securities at par last year of \$55,454,000); State and municipal securities, not exceeding market value, \$44,313,424 (comparing with \$45,740,495), and other bonds and investments \$44,009,185 (as

compared with \$43,973,233).

During the year the bank's capital remained unchanged at \$6,000,000, while surplus and undivided profits increased to \$12,803,157 from \$12,021,907 on Dec. 31, 1940.

The total membership of the Federal Reserve Bank of St. Louis was increased to 436 on Dec. 20 with the addition of the First State Bank of Dongola, Ill. The new member bank, which started as a private institution in 1892 and was incorporated as a State bank in 1906, has a capital of \$25,000, surplus of \$17,250 and total resources of \$435,000. Its officers are: I. O. Karraker, President; Ina Mason, Vice-President; E. L. Goodman, Cashier, and C. E. Needham, Assistant Cashier.

The year-end statement of condition of the Bank of America (National Trust & Savings Association), California's Statewide bank, reveals that in 1941 the institution had its greatest year in history. Total resources as of Dec. 31, 1941 were \$2,095,635,000, an increase of \$278,100,000 during the year, while deposits aggregated \$1,908,383,000, a gain of \$276,155,000 over last year. Loans and discounts outstanding totaled \$914,569,000, which is \$136,274,000 more than a year ago. Cash and securities amounted to \$1,122,179,000, an increase of \$145,148,000 over the end of 1940. Capital funds including capital, surplus, undivided profits and reserves, stood at \$160,378,000 on Dec. 31, 1941, which compares with \$156,337,000 on Dec. 31, 1940.

World Of Finance In Wartime Symposium

A sixteen weeks' symposium on "The World of Finance in Wartime" in which outstanding economists and leaders in the financial and business world will present their views will open at the New School for Social Research, 66 West 12th Street, on Tuesday, Jan. 13, at 8:20 p.m.

Peter F. Drucker, Professor of Economics at Sarah Lawrence College and author of "The End of Economic Man" and other volumes, will lead the opening session and will discuss "The Current Revolution in International Economics — Can We Go Back to 1913?"

A. Wilfred May and Rudolph L. Weissman are chairmen of the series. Others who will lead the discussions in the weeks to follow include: Thurman Arnold, U. S. Assistant Attorney General; John W. Hanes, formerly Under Secretary of the Treasury; George P. Rea, President, New York Curb Exchange; M. S. Szymczak, member, Board of Governors, Federal Reserve System; Merryle Stanley Ruker, columnist and financial writer; Leo Pasvolksy, special assistant to the Secretary of State; and Rolf Nugent, adviser on consumer credit, Office of Price Administration.

Among the topics to be discussed are the threat of inflation, gold, postwar international trade, life insurance, war economy and business, the holding company, investment problems.

Signs \$10,000,000 Defense Fund Bill

President Roosevelt signed on Dec. 17 a supplemental defense bill calling for appropriations of \$10,077,077,005 in cash and for contract authorizations for strengthening the Nation's land, sea and air forces and productive facilities. Final Congressional approval came on Dec. 15 when the Senate and the House adopted the conference report on the legislation. This bill, which provides funds for huge increases in ordnance equipment and essential supplies for an army of 2,000,000 men, passed the House on Dec. 5,

at which time it aggregated \$8,243,839,000. The Senate, acting after this country's entry into war, voted on Dec. 12 to increase the appropriations by over \$2,328,000,000. However, the joint conference committee eliminated some Senate increases and reduced the measure to around \$10,077,000,000. This bill raised the Government's total stake in the war against the Axis powers to over \$70,000,000,000.

President Appeals For "Sane Policy" Regarding Foreign Born Employees

President Roosevelt on Jan. 2 urged all private employers to adopt a "sane policy" regarding aliens and foreign-born citizens. In a formal statement, the President said he was "deeply concerned" over the increasing number of reports of employers discharging workers simply because they were born abroad or have "foreign-sounding" names. He said that such a policy is "as stupid as it is unjust" and "plays into the hands of the enemies of American democracy." The President's statement follows:

I am deeply concerned over the increasing number of reports of employers discharging workers who happen to be aliens or even foreign-born citizens. This is a very serious matter. It is one thing to safeguard American industry, and particularly defense industry, against sabotage; but it is very much another to throw out of work honest and loyal people who, except for the accident of birth, are sincerely patriotic.

Such a policy is as stupid as it is unjust, and on both counts it plays into the hands of the enemies of American democracy. By discharging loyal, efficient workers simply because they were born abroad or because they have "foreign-sounding" names or by refusing to employ such men and women, employers are engendering the very distrust and disunity on which our enemies are counting to defeat us.

Remember the Nazi technique: "Pit race against race, religion against religion, prejudice against prejudice. Divide and conquer!"

We must not let that happen here. We must not forget what we are defending: Liberty, decency, justice. We cannot afford the economic waste of services of all loyal and patriotic citizens and non-citizens in defending our land and our liberties.

I urge all private employers to adopt a sane policy regarding aliens and foreign-born citizens, and to remember that the sons of the "foreigners" they discharged may be among those who fought and are fighting so valiantly at Pearl Harbor or in the Philippines.

There is no law providing against employment of aliens except in special defense work of a secret nature, and even in such work the employer may hire an alien with the permission of the Army or Navy, depending on the contract.

New Cotton Exchange Members Are Elected

At a meeting of the Board of Managers of the New York Cotton Exchange held on Dec. 30, Elliott Cuthbert White of Tulare, Calif., spot cotton broker, and John P. McConnell of New York City, a partner of Morgan, Davis & Co., brokers, were elected to membership in the Exchange.

Non-Defense Spending Cut Of \$2 Billion Urged

Federal expenditures for non-defense purposes could be cut by \$2,085,000,000 on an annual basis, is the conclusion of an analysis of the question prepared by Henry P. Seidemann, and published by the Brookings Institution Dec. 29. This reduction, Mr. Seidemann states, could be effected by cuts in major classes of expenditures as follows:

Table with 2 columns: Category and Amount (in Millions of Dollars). Categories include Flood control, agriculture, public domain, etc.

The analysis went on to say: The suggested transfer of certain essential expenditures from the Federal Government to State and local units appears feasible because of the marked improvement in the financial position of State and local governments resulting from the defense program.

The recommendations for curtailments center in a few major classes of appropriations for objectives or purposes which cannot readily be justified under war conditions and in the light of the recent great expansion in production and national income.

Since the present fiscal year (1942) is half over, it is apparent that the full amount of the savings here recommended cannot be realized during the present fiscal year. These reductions should, however, be fully achieved in the ensuing fiscal year; indeed, there is reason for believing that, as the war program intensifies, it will be possible to make still further reductions in Federal expenditures not directly related to the war.

A drastic curtailment of all non-essential expenditures is of the utmost importance from the standpoint of the war program, as well as from the fiscal point of view. Government expenditures for non-essential activities should not be allowed to compete with the Government's war program any more than private expenditures for non-essential purposes should be allowed to compete with war requirements.

To carry out a systematic program of retrenchment in non-defense expenditures in such a way as to secure maximum reductions with minimum disturbances to our economic life will require continuous scrutiny by the Congress. To this end it is here recommended that a permanent bi-partisan committee of the Senate and the House be vested with continuing responsibility for analyzing expenditures — both for non-defense and for war purposes — with a view to achieving all possible economies consistent with present national objectives.

Electric Output For Week Ended Jan. 3, 1942, Shows 15.5% Gain Over Same Week In 1941

The Edison Electric Institute, in its current weekly report, estimated that the production of electricity by the electric light and power industry of the United States for the week ended Jan. 3, 1942, was 3,286,705,000 kwh., which compares with 2,845,727,000 kwh. in the corresponding period in 1941, a gain of 15.5%. The output for the week ended Dec. 27, 1941 was estimated to be 3,234,128,000 kwh., an increase of 17.3 over the corresponding week in 1940.

Table showing Percentage Increase Over Previous Year for Major Geographic Divisions and Total United States.

Table showing Data For Recent Weeks (Thousands of Kilowatt-Hours) from 1941 to 1937.

Table showing Data For Recent Months (Thousands of Kilowatt-Hours) from 1941 to 1937.

Total for yr. 138,653,997 124,502,309 111,557,727 117,141,591

Rally In Bonds

The Government and corporate bond market has witnessed a general upturn this week. Secretary Morgenthau announced on Monday that next week the Treasury would refund \$1,076,063,200 of securities, including issues of RFC Notes, Federal Farm Mortgage bonds and Treasury Notes. This will leave no early maturities in direct or guaranteed debt, aside from discount bills, outstanding before July 1st.

High-grade railroad bonds have improved in tone with prices higher during the week under review. Pennsylvania RR. 5s, 1968, at 108 were up 1/4. Medium-grade railroad bonds have been stronger while gains among the speculative rail group have dominated the bond market. In the former group Louisville & Nashville 4s, 1960, advanced one point to 104. Among the latter, New York Central and Southern Pacific junior securities scored gains exceeding 2 points. Issues of roads serving the automobile industry participated in gains, the effect of production curtailment having been previously discounted. Defaulted rail bonds have been actively higher with interest centering on the western group of rails. Missouri Pacific 5s, 1978, advanced 2 1/2 to 23 1/4.

High-grade utility bonds have moved ahead, better than fractional gains having been recorded by Cleveland Electric Illuminating 3s, 1970, Illinois Bell Telephone 2 3/4s, 1981, Boston Edison 2 3/4s, 1970, and others. Investment grade issues have generally displayed a firming tendency. Speculative issues have recovered quite vigorously from the low levels established late in December. International Hydro-Electric 6s, 1944, advanced 2 1/2 to 24 1/2 and New England Gas & Electric 5s, 1950, gained 1 1/4 at 61 1/4.

A moderately better tone has been observed in the industrial section of the list. Steel company obligations were up fractions to a point or better. The oils have been generally steady to fractionally higher, with the exception of two of the high grades, Phillips Petroleum conv. 1 3/4s, 1951, and Standard of New Jersey 2 3/4s, 1953. Among building materials company obligations, the Certain-teed Products 5 1/2s, 1948, gained 2 1/2 points at 81 1/2 and among retail selling company obligations, the United Drug 5s, 1953, displayed moderate strength. The two rubber company issues, Firestone 3s, 1961, and Goodrich 4 1/4s, 1956, were weak. Moderate strength has been shown by the two sugar company issues.

Trading activities in the foreign bond market have continued on a reduced scale but the general tendency has been toward slightly better prices. Commonwealth issues have been able to extend their price gains and Canadian loans have continued firm.

Argentine bonds rallied smartly among South American issues and Chilean bonds improved fractionally following the announcement of a distribution of \$15.58 for 1942. Turnover in the European list has been small but some demand developed for Polish bonds which advanced up to 2 points.

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

Table titled MOODY'S BOND PRICES (Based on Average Yields) showing data for 1942 and 1941.

Table titled STOCK EXCHANGE CLOSED for Dec. 31, 1941.

Table titled STOCK EXCHANGE CLOSED for Dec. 29, 1941.

Table titled STOCK EXCHANGE CLOSED for Dec. 27, 1941.

Table titled STOCK EXCHANGE CLOSED for Dec. 25, 1941.

Table titled STOCK EXCHANGE CLOSED for Dec. 23, 1941.

Table titled STOCK EXCHANGE CLOSED for Dec. 21, 1941.

Table titled STOCK EXCHANGE CLOSED for Dec. 19, 1941.

Table titled STOCK EXCHANGE CLOSED for Dec. 17, 1941.

Table titled STOCK EXCHANGE CLOSED for Dec. 15, 1941.

Table titled STOCK EXCHANGE CLOSED for Dec. 13, 1941.

Table titled STOCK EXCHANGE CLOSED for Dec. 11, 1941.

Table titled STOCK EXCHANGE CLOSED for Dec. 9, 1941.

Table titled STOCK EXCHANGE CLOSED for Dec. 7, 1941.

Table titled STOCK EXCHANGE CLOSED for Dec. 5, 1941.

Table titled STOCK EXCHANGE CLOSED for Dec. 3, 1941.

Table titled STOCK EXCHANGE CLOSED for Dec. 1, 1941.

Table titled STOCK EXCHANGE CLOSED for Nov. 30, 1941.

Table titled STOCK EXCHANGE CLOSED for Nov. 28, 1941.

Table titled STOCK EXCHANGE CLOSED for Nov. 26, 1941.

Table titled STOCK EXCHANGE CLOSED for Nov. 24, 1941.

Table titled STOCK EXCHANGE CLOSED for Nov. 22, 1941.

Table titled STOCK EXCHANGE CLOSED for Nov. 20, 1941.

Table titled STOCK EXCHANGE CLOSED for Nov. 18, 1941.

Table titled STOCK EXCHANGE CLOSED for Nov. 16, 1941.

Table titled STOCK EXCHANGE CLOSED for Nov. 14, 1941.

Table titled STOCK EXCHANGE CLOSED for Nov. 12, 1941.

Table titled STOCK EXCHANGE CLOSED for Nov. 10, 1941.

Table titled STOCK EXCHANGE CLOSED for Nov. 8, 1941.

Table titled STOCK EXCHANGE CLOSED for Nov. 6, 1941.

Table titled STOCK EXCHANGE CLOSED for Nov. 4, 1941.

* These prices are computed from average yields on the basis of one "typical" bond (3% coupon, maturing in 25 years) and do not purport to show either the average level or the average movement of actual price quotations. They merely serve to illustrate in a more comprehensive way the relative levels and the relative movement of yield averages, the latter being the true picture of the bond market.

† The latest complete list of bonds used in computing these indexes was published in the issue of Oct. 2, 1941, page 409.

Revenue Freight Car Loadings During Week Ended Dec. 27 Amounted to 606,526 Cars

Loading of revenue freight for the week ended Dec. 27 totaled 606,526 cars, the Association of American Railroads announced on Jan. 3. This was an increase of 61,219 cars or 11.2% above the corresponding week in 1940 and an increase of 58,462 cars or 10.7% above the same week in 1939.

Miscellaneous freight loading totaled 280,275 cars, a decrease of 85,400 cars below the preceding week, but an increase of 46,377 cars above the corresponding week in 1940.

Loading of merchandise less than carload lot freight totaled 123,136 cars, a decrease of 26,902 cars below the preceding week, but an increase of 2,790 cars above the corresponding week in 1940.

Coal loading amounted to 112,909 cars, a decrease of 43,355 cars below the preceding week, and a decrease of 709 cars below the corresponding week in 1940.

Grain and grain products loading totaled 29,386 cars, a decrease of 12,037 cars below the preceding week, but an increase of 7,403 cars above the corresponding week in 1940. In the Western Districts alone, grain and grain products loading for the week of Dec. 27, totaled 18,479 cars, a decrease of 8,083 cars below the preceding week, but an increase of 5,475 cars above the corresponding week in 1940.

Live stock loading amounted to 9,698 cars, a decrease of 4,830 cars below the preceding week, but an increase of 1,016 cars above the corresponding week in 1940. In the Western Districts alone, loading of live stock for the week of Dec. 27, totaled 7,153 cars, a decrease of 3,748 cars below the preceding week, but an increase of 1,079 cars above the corresponding week in 1940.

Forest products loading amounted to 26,487 cars a decrease of 16,648 cars below the preceding week, but an increase of 2,296 above the corresponding week in 1940.

Ore loading amounted to 11,459 cars, a decrease of 2,179 cars below the preceding week, but an increase of 589 cars above the corresponding week in 1940.

Coke loading amounted to 13,176 cars, a decrease of 820 cars below the preceding week, but an increase of 1,457 cars above the corresponding week in 1940.

All districts reported increases compared with the corresponding weeks in 1940 and 1939, except the Pocahontas, which shows a slight decrease under both 1940 and 1939.

Loading of revenue freight on the railroads of the United States in 1941 totaled 42,284,927 cars. This was an increase of 5,927,073 cars or 16.3% above 1940, and an increase of 8,373,429 cars or 24.7% above 1939.

Table showing weekly revenue freight car loadings from January to December 27, 1941, compared with 1940 and 1939.

Total loadings by commodities in 1941 compared with 1940 follow:

Table comparing total loadings by commodities (Grain, Live stock, Coal, etc.) in 1941, 1940, and 1939, including percentage increases.

The following table is a summary of the freight carloadings for the separate railroads and systems for the week ended Dec. 27, 1941. During this period 101 roads showed increases when compared with the corresponding week last year.

REVENUE FREIGHT LOADED AND RECEIVED FROM CONNECTIONS (NUMBER OF CARS)—WEEK ENDED DEC. 27

Large table listing railroads (Eastern, Southern, Northwestern, Central Western, Southwestern Districts) and their revenue freight loaded and received from connections for 1941, 1940, and 1939.

Main table of railroad revenue and freight loadings, organized by district (Allegheny, Pocahontas, Southern, Northwestern, Central Western, Southwestern) and listing 1941, 1940, and 1939 data for Total Revenue Freight Loaded and Total Loads Received from Connections.

help to protect this hemisphere—and also bases outside this hemisphere which could be used for an attack on the Americas.

Referring to the conversations which have been carried on in Washington with Prime Minister Churchill of Great Britain the President said:

Mr. Churchill and I understand each other, our motives and our purposes. Together, during the last two weeks, we have faced squarely the major military and economic problems of this greatest world war.

The President added in part: We are fighting on the same side with the British people...

We are fighting on the same side with the Russian people...

We are fighting on the same side as the brave people of China...

We are fighting on the same side as the indomitable Dutch.

We are fighting on the same side as all the other governments in exile, whom Hitler and all his armies and all his Gestapo have not been able to conquer.

In his concluding remarks he said:

We of the united nations are not making all this sacrifice of human effort and human lives to return to the kind of world we have after the last World War.

We are fighting today for security, for progress and for peace, not only for ourselves but for all men, not only for one generation but for all generations. We are fighting to cleanse the world of ancient evils, ancient ills.

The message which was delivered in the House Chamber, is given in full under another head in this issue.

Congress Convenes For New Session

The second session of the 77th Congress convened on Jan. 5 faced with three major problems—voting a war program costing \$56,000,000,000; drafting a new tax bill to help finance the huge war program and enactment of a price-control bill to check the inflationary trend.

The first session of the 77th Congress adjourned sine die on Jan. 2, the 365th day—one day short of the record 1940 session of the 76th Congress. Appropriations and contract authorizations approved during 1940 totaled approximately \$61,500,000,000, of which \$8,000,000,000 was for Governmental activities outside national defense.

Curb Seat Retirement

Arrangements have been made by the New York Curb Exchange to purchase the membership of Philip W. Nash at \$1,000 for retirement. This will be the 21st seat to be retired under the plan adopted by the membership on July 20. Present market for Curb Exchange memberships is \$1,000, bid by the Exchange, offered at \$2,500.

President Describes Our Huge War Tasks

(Continued from First Page) bonds and taxes. It means cutting luxuries and other non-essentials. In a word, it means an "all-out" war by individual effort and family effort in a united country. The President made plan that "American armed forces must be used at any place in all the world where it seems advisable to en-

gage the forces of the enemy." He likewise said:

American armed forces will operate at many points in the Far East.

American armed forces will be on all the oceans—helping to guard the essential communications which are vital to the united nations.

American land and air and sea forces will take stations in the British Isles—which constitute an essential fortress in this world struggle. American armed forces will

Trading On New York Exchanges

The Securities and Exchange Commission made public on Jan. 5 figures showing the daily volume of total round-lot stock sales on the New York Stock Exchange and the New York Curb Exchange and the volume of round-lot stock transactions for the account of all members of these exchanges in the week ended Dec. 20, 1941, continuing a series of current figures being published by the Commission. Short sales are shown separately from other sales in these figures, the Commission explained.

Trading on the Stock Exchange for the account of members (except odd-lot dealers) during the week ended Dec. 20 (in round-lot transactions) totaled 850,697 shares, which amount was 11.62% of total transactions on the Exchange of 7,517,930 shares. This compares with member trading during the previous week ended Dec. 13 of 1,673,020 shares, or 15.32% of total trading of 10,701,960 shares. On the New York Curb Exchange, member trading during the week ended Dec. 20 amounted to 191,920 shares, or 11.97% of the total volume on that Exchange of 1,411,930 shares; during the preceding week trading for the account of Curb members of 339,900 shares was 15.40 of total trading of 1,786,230 shares.

The Commission made available the following data for the week ended Dec. 20:

The data published are based upon weekly reports filed with the New York Stock Exchange and the New York Curb Exchange by their respective members. These reports are classified as follows:

	N. Y. Stock Exchange	N. Y. Curb Exchange
Total Number of Reports Received	1,057	762
1. Reports showing transactions as specialists	189	98
2. Reports showing other transactions initiated on the floor	190	29
3. Reports showing other transactions initiated off the floor	253	102
4. Reports showing no transactions	531	542

Note—On the New York Curb Exchange, odd-lot transactions are handled solely by specialists in the stocks in which they are registered and the round-lot transactions of specialists resulting from such odd-lot transactions are not segregated from the specialists' other round-lot trades. On the New York Stock Exchange, on the other hand, all but a fraction of the odd-lot transactions are effected by dealers engaged solely in the odd-lot business. As a result, the round-lot transactions of specialists in stocks in which they are registered are not directly comparable on the two exchanges.

The number of reports in the various classifications may total more than the number of reports received because a single report may carry entries in more than one classification.

Total Round-Lot Stock Sales on the New York Stock Exchange and Round-Lot Stock Transactions for Account of Members* (Shares)
Week Ended Dec. 20, 1941

	Total For Week	Per Cent a
A. Total Round-Lot Sales		
Short sales	215,630	
Other sales b	7,302,300	
Total sales	7,517,930	
B. Round-Lot Transactions for the Account of Members, Except for the Odd-Lot Accounts of Odd-Lot Dealers and Specialists		
1. Transactions of specialists in stocks in which they are registered		
Total purchases	511,930	
Short sales	131,550	
Other sales b	380,380	
Total sales	492,690	6.68
2. Other transactions initiated on the floor		
Total purchases	195,880	
Short sales	29,600	
Other sales b	154,190	
Total sales	183,790	2.53
3. Other transactions initiated off the floor		
Total purchases	187,820	
Short sales	15,650	
Other sales b	158,567	
Total sales	174,217	2.41
4. Total		
Total purchases	895,630	
Short sales	176,800	
Other sales b	673,897	
Total sales	850,697	11.62

Total Round-Lot Stock Sales on the New York Curb Exchange and Stock Transactions for Account of Members* (Shares)
Week Ended Dec. 20, 1941

	Total For Week	Per Cent a
A. Total Round-Lot Sales		
Short sales	8,410	
Other sales b	1,403,520	
Total sales	1,411,930	
B. Round-Lot Transactions for the Account of Members		
1. Transactions of specialists in stocks in which they are registered		
Total purchases	89,585	
Short sales	6,885	
Other sales b	136,765	
Total sales	143,650	8.26
2. Other transactions initiated on the floor		
Total purchases	14,195	
Short sales	200	
Other sales b	10,350	
Total sales	10,550	0.88
3. Other transactions initiated off the floor		
Total purchases	42,260	
Short sales	165	
Other sales b	37,555	
Total sales	37,720	2.83
4. Total		
Total purchases	146,040	
Short sales	7,250	
Other sales b	184,670	
Total sales	191,920	11.97
C. Odd-Lot Transactions for the Account of Specialists		
Customers' short sales	0	
Customers' other sales c	104,852	
Total purchases	104,852	
Total sales	39,469	

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

Bank Debits Up 17% From Last Year

Bank debits as reported by banks in leading centers for the week ended Dec. 31 aggregated \$12,442,000,000. Total debits during the 13 weeks ended Dec. 31 amounted to \$150,628,000,000 or 23% above the total reported for the corresponding period a year ago. At banks in New York City there was an increase of 17% compared with the corresponding period a year ago, and at the other reporting centers there was an increase of 27%.

SUMMARY BY FEDERAL RESERVE DISTRICTS
(In millions of dollars)

Federal Reserve District—	Week Ended		13 Weeks Ended	
	Dec. 31, 1941	Jan. 1, 1941	Dec. 31, 1941	Jan. 1, 1941
Boston	717	591	8,611	7,291
New York	4,957	4,484	60,275	51,455
Philadelphia	692	570	8,148	6,432
Cleveland	972	792	11,060	8,546
Richmond	471	378	6,073	4,680
Atlanta	414	321	4,982	3,809
Chicago	1,902	1,638	22,525	17,661
St. Louis	390	307	5,009	3,772
Minneapolis	212	171	2,861	2,186
Kansas City	431	328	4,669	3,631
Dallas	351	290	4,120	3,045
San Francisco	934	739	12,255	9,505
Total, 274 reporting centers	12,442	10,808	150,628	122,213
New York City*	4,537	4,150	55,093	47,225
140 Other leading centers*	6,867	5,667	82,466	64,841
133 Other centers	1,039	790	13,049	10,147

* Included in the national series covering 141 centers, available beginning with 1919.

Petroleum And Its Products

The American petroleum industry was operating under virtual war-time conditions at the outset of the war with the Axis in which the nation is now grimly involved, and Petroleum Coordinator Ickes, with the cooperation of the industry, has "prudently and effectively met the problems that so far have appeared," William R. Boyd, Jr., President of the American Petroleum Institute said in a year-end statement in which he forecast further changes in the industry picture.

The petroleum industry, by its very nature, Mr. Boyd pointed out, is so integrated from oil well to consumer that almost any operating change in one small part of the industry has its inevitable reaction in other branches of the industry thousands of miles away. "Defense needs already have made many such changes imperative, and more will come," he declared. The industry is, and for some time has been, operating at top speed, with the thorough cooperation of the Government, to meet new demands for petroleum products, and to eliminate bottlenecks before they have a chance to affect the supply of petroleum, Mr. Boyd stated.

Demand for petroleum products in 1941 was the greatest in the 80-year history of the industry, he continued, totaling approximately 1,600,000,000 barrels, or almost 10% higher than in the previous years. Domestic consumption alone increased more than 12%, and at the close of 1941 the industry was producing crude oil at a daily average of more than 4,100,000 barrels, with predictions made that rapidly mounting needs would require daily average output of 4,500,000 barrels by mid-1942, and possibly of 5,000,000 barrels daily by 1943.

In reviewing 1941 developments, Mr. Boyd pointed out that in order that the necessary industry changes might be made with complete fairness to all elements in the industry and that the industry might make its maximum cooperative contribution to national defense without any hindrance because of possible illegality, President Roosevelt last May appointed Harold L. Ickes, Secretary of the Interior, as Petroleum Coordinator for National Defense. "With the cooperation of the industry and of dozens of regional committees of oil men, he has prudently and effectively met the problems that so far have appeared, and actively is working closely in cooperation with the industry to assure completely adequate supplies of petroleum products for all national defense

needs in the future," Mr. Boyd said in commenting upon Mr. Ickes' appointment.

Whatever the new year will bring to the petroleum industry, it definitely signaled the end of "business as usual," E. G. Seubert, President of Standard Oil of Indiana, said in reviewing the industry's position at the close of 1941. Cooperation of the petroleum industry in vigorous prosecution of the war will necessitate many adjustments, a large amount of construction work and some adoption of new methods, he held. "The industry should not have much difficulty in supplying the defense forces with all the petroleum products needed," Mr. Seubert added, "except that the amount of aviation gasoline available will be limited until more octane units are in operation."

The Office of Price Administration on Jan. 1 granted permission to narrow the price spread from seven to four cents a barrel as between crude oil produced in north and north central Texas and nearby Oklahoma fields to six additional counties beyond the original 17 counties which gained such permission in the Dec. 11 order issued by Leon Henderson, Administrator. Comanche, Fisher, Haskell, Jones, Taylor and Throckmorton counties, all in north central Texas, are the new fields listed in the OPA order, which is retroactive to Dec. 11. Humble Oil and Refining Co. on Jan. 2 announced it was advancing crude oil prices in the new counties three cents a barrel, retroactive to Dec. 11, last.

The Bureau of Mines announced January crude oil estimated demand at a daily average of 4,133,400 barrels, about the same as in December but more than 550,000 barrels above the actual demand in the initial month of 1941. Under the new set-up recently announced by Petroleum Coordinator Ickes, the Bureau of Mines estimates market demand for crude oil and Mr. Ickes' office issues certificates to the various crude oil producing States telling them of their "recommended" share of the grand total. Pointing out that the January estimate

was "admittedly higher" than might be needed to meet actual requirements, the Bureau of Mines explained this as a safeguard against future heavy demands of the war. "It is not yet possible to evaluate accurately the various changes in total demand that will result from the war situation, particularly with respect to the relation between increasing defense requirements and curtailment of normal business operations," the Bureau said.

Temporary "war-time" State proration of crude oil output is being sought by a group of leading crude oil purchasers in Illinois, and it is possible that a second special session of the Illinois Assembly will be called to consider such a measure. The decision to seek proration for the duration of the "emergency" came as a result of the meeting of representatives of the largest Illinois crude purchasers called by Governor Green to discuss means of complying with Coordinator Ickes' recent order setting Illinois output in January at 386,400 barrels. Mr. Ickes has long been anxious to see Illinois enact a State proration law. Michigan cut its January flow to 47,400 barrels daily, from 51,760 barrels, in accordance with Mr. Ickes' request but will ask for an additional 5,000-barrel flow to meet market demand. P. J. Hoffmaster, Director of Conservation, also disclosed that the State will ask relief from the 40-acre spacing order.

The Interstate Commerce Commission received a protest against the proposed 10% increase in freight rates on Jan. 2 from a group of independent petroleum refiners operating in the mid-continent area. The heavy State and Federal tax burden on the principal petroleum products such as gasoline were cited with the oil companies also contending that no increase in freight rates should be made upon a percentage basis, but should be made in cents per hundred pounds. In citing the heavy tax burden upon petroleum products, the oilmen also pointed out that a further increase in the Federal tax upon gasoline in 1942 is being discussed.

A three-point program for the conservation of metal and other materials used by the petroleum industry in marketing its products, developed by industry committees at his request, was announced in Washington on Dec. 31 by Petroleum Coordinator Ickes. The plans call for (1) an outline for the methods of conserving containers, (2) a provision for the standardization of container sizes and specifications, and (3) a recommendation for the substitution, when possible, of glass vessels for copper and other metal measuring devices at service stations, and use of wooden barrels in the export trade and in the domestic market for greases, unfiltered compound cylinder oils and petrolatums.

Effective this week, the American Petroleum Institute is revising its weekly reports covering crude oil production, refinery activity and product inventories and the reports will not be ready for release until after press time of the "Financial Chronicle." Therefore, the figures will be reported in the Saturday edition, rather than in the Thursday edition, as has been the case in the past. The Institute said that reversion to the Tuesday release date is likely in the near future, and at that time the figures will again appear in the Thursday edition.

Crude oil price changes follow: Jan. 2—Humble Oil & Refining advanced crude oil prices three cents a barrel in Comanche, Fisher, Haskell, Jones and Throckmorton counties in Texas, retroactive to Dec. 11, last, as approved by the OPA.

There were no crude oil price changes posted during the week. (Continued on Page 141)

a Shares in members' transactions as per cent of twice total round-lot volume. In calculating these percentages, the total members' transactions is compared with twice the total round-lot volume on the Exchange for the reason that the total of members' transactions includes both purchases and sales, while the Exchange volume includes only sales.

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

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

Steel Production Little Affected Despite Curtailment Of Automobile Output

Hardest of all facts to acknowledge now is that conversion of America's automobile industry to all-out war production will require the biggest tooling job ever undertaken, and that this job will require that most precious of all things—time, reports the "Iron Age" in its issue today (Jan. 8). Retooling, which will take from two months to a year for some plants, is not the only problem. Others are the placing of workmen, and the moving and warehousing of parts and raw materials. The "Age" also states:

Thousands of plants which have hitherto supplied the automotive industry with equipment, parts and materials, will now be forced to join the parade of war goods makers, if they can find a place in the line of march, or go out of business.

During the first month of 1942 the subject of prices is growing as important to industry as allocations and priorities, and the OPA is taking further steps to prevent price advances before the passage of price ceiling legislation. Price Administrator Henderson requested manufacturers of hoists, cranes, derricks and ceramic equipment not to lift prices above the level of last Oct. 1. Three railroad equipment manufacturers have withdrawn recent price increases.

Some steel companies, in order to reduce confusion in Government purchases during the first quarter of the year, are informally making it known that the prices in effect at the beginning of this year will carry through as firm quotations to April 1. It is understood that the OPM may soon place a price ceiling of \$2.25 to \$2.40 a 100 lb. base, f.o.b. mill, on the concrete bar fabricating industry.

Despite new threats to steel production arising from curtailment of automobile output, the ingot rate this week is estimated by "The Iron Age" unchanged from last week at 96.5%. The first serious repercussion to the shutting off of automobile scrap production came from Detroit where the steel melting rate dropped to 94% from 106% last week. This decline in Detroit, which is the ninth largest steel producing area, was offset by small gains in the larger districts, like Pittsburgh, where operations are up a point to 98%.

Chicago and Youngstown ingot rates are unchanged at 101.5 and 95%. Cleveland declined two points to 97% while the Eastern area dropped 7.5 points to 99.5%. Districts reporting unchanged operating rates are Philadelphia at 90%, Wheeling at 86, Southern at 95.5, South Ohio River at 108, Western at 97 and St. Louis at 90%. Buffalo dropped 2.5 to 90%.

At Detroit Great Lakes Steel Co. dropped four of its 16 openhearth furnaces on Monday (Jan. 5) and was expected to cut off other units later in the week. Curtailment of automobile manufacturing will undoubtedly be reflected in other scrap consuming areas soon. Normally, much scrap used in Ohio, Illinois and Pennsylvania comes from Michigan plants or from the widely-scattered automotive parts industry. Republic Steel Corp. has three openhearth idle at Warren, Ohio, and four idle at Youngstown, Ohio, due to the scrap shortage, while two foundries at Cleveland are reported idle.

Production of coke pig iron in December reached an all-time high of 5,012,276 net tons, compared with 4,702,927 tons in November, an increase on a daily basis of 3%, or from a daily average of 156,764 tons to 161,686 tons. Output for all of 1941 totaled 55,903,720 net tons, exceeding the previous record high of 47,360,320 tons produced in 1929 by a large margin. Illustrating the production pace to which the country's blast furnaces have been forced, pig iron output last year averaged 153,161 tons daily against 127,912 tons in 1940. A total of 216 furnaces were in blast Jan. 1.

Since priority of rail movement may become as important to some consumers, especially on the West Coast, as priorities on war materials, more attention is being given railroad equipment. The Supply Allocation and Priorities Board has authorized OPM to grant priorities on a car and locomotive building and repair program which calls for construction of 9,000 freight cars in January and a total of 36,000 cars in the following three months. This program, aside from January requirements, will call for approximately 1,413,893 tons of steel, 353,637 tons of cast iron and 19,985 tons of non-ferrous metals. The outstanding requirement will be for 375,000 tons of plates.

THE "IRON AGE" COMPOSITE PRICES

Finished Steel		High		Low	
Jan. 6, 1942, 2.30467c a Lb.		1939		1939	
One week ago	2.30467c	22.61	Sep 19	\$20.61	Sep 12
One month ago	2.30467c	23.25	Jun 21	19.61	Jul 6
One year ago	2.30467c	23.25	Mar 9	20.25	Feb 16
A weighted index based on steel bars, beams, tank plates, wire, rails, black pipe, hot and cold-rolled sheets and strip. These products represent 78% of the United States output.		1936	Nov 24	18.73	Aug 17
High		1935	Nov 5	17.83	May 14
Low		1934	May 1	16.90	Jan 27
1941	2.30467c	1933	Dec 5	13.58	Jan 3
1940	2.30467c	1932	Jan 5	13.58	Dec 4
1939	2.35387c	1931	Jan 6	14.79	Dec 15
1938	2.58414c	1930	Jan 7	15.90	Dec 16
1937	2.58414c	1929	Jan 14	18.21	Dec 17
1936	2.32263c	Steel Scrap			
1935	2.32263c	Jan. 6, 1942, \$19.17 a Gross Ton			
1934	2.07642c	One week ago			
1933	2.15367c	One month ago			
1932	1.95379c	One year ago			
1931	1.89196c	Based on No. 1 heavy melting steel scrap quotations to consumers at Pittsburgh, Philadelphia, and Chicago.			
1930	1.99629c	High		Low	
1929	2.25488c	1941	\$22.00	Jan 7	\$19.17
	2.31777c	1940	21.83	Dec 30	16.04
		1939	22.50	Oct 3	14.03
		1938	15.00	Nov 22	11.00
		1937	21.92	Mar 30	12.92
		1936	17.75	Dec 21	12.67
		1935	13.42	Dec 10	10.33
		1934	13.00	Mar 13	9.50
		1933	12.25	Aug 8	6.75
		1932	8.50	Jan 12	6.43
		1931	11.33	Jan 6	8.50
		1930	15.00	Feb 18	11.25
		1929	17.58	Jan 29	14.08

The American Iron and Steel Institute on Jan. 5 announced that telegraphic reports which it had received indicated that operating rate of steel companies having 91% of the steel capacity of the industry will be 96.4% of capacity for the week beginning Jan. 5 compared with 96.1% one week ago, 97.5% one month ago and 95.1% one year ago. This represents an increase of 0.3% points or

0.3%, from the preceding week. Weekly indicated rates of steel operations since Dec. 31, 1940, follow:

1940		1941		1942	
Dec 30	95.9%	Mar 31	99.2%	Jul 14	95.2%
Jan 6	97.2%	Apr 7	99.3%	Jul 21	96.0%
Jan 13	98.5%	Apr 14	98.3%	Jul 28	97.6%
Jan 20	96.5%	Apr 21	96.0%	Aug 4	96.3%
Jan 27	97.1%	Apr 28	94.3%	Aug 11	95.6%
Feb 3	96.9%	May 5	96.8%	Aug 18	96.2%
Feb 10	94.9%	May 12	99.2%	Aug 25	96.5%
Feb 17	97.1%	May 19	99.9%	Sep 1	96.3%
Feb 24	94.8%	May 26	98.6%	Sep 8	96.9%
Mar 3	97.3%	Jun 2	99.2%	Sep 15	96.1%
Mar 10	96.3%	Jun 9	98.6%	Sep 22	96.8%
Mar 17	99.4%	Jun 16	99.0%	Sep 29	96.9%
Mar 24	99.8%	Jun 23	99.9%	Oct 6	98.1%
Mar 31	99.8%	Jun 30	91.8%	Oct 13	98.4%
		Jul 7	94.9%	Oct 20	97.8%

This operating rate for the week beginning Jan. 5, 1942, is equivalent to 1,592,700 tons of steel ingots and castings, compared to 1,587,800 tons one week ago, 1,610,900 tons one month ago, and 1,534,800 tons one year ago, the American Iron and Steel Institute states.

"Steel" of Cleveland, in its summary of the iron and steel markets, on Jan. 5 stated:

Entering the new year the steel industry is prepared to bear its share, a heavy one, in providing the nation with sufficient material to meet the challenge of war. Steel is the basis of warfare and leaders of the industry insist demands will be met.

Capacity is deemed sufficient to provide as much tonnage as can be fashioned into implements of war, with additional production to be brought into action as these needs increase. After the interruption of the Christmas holiday output rebounded at once to 97½% of capacity and will be held as close to maximum as possible in view of conditions in the raw materials market.

Above all the spirit of the industry is all that can be desired, from management to labor, and nothing will be allowed to interfere with production of the maximum tonnage other factors will allow. Manufacturers of civilian goods are taking their share of the burden by accepting reductions in output to the end that needed war supplies may be increased.

In the usual rebound from Christmas week the national operating rate rose 4 points to 97½%, the same as the week preceding Christmas. Pittsburgh advanced 6 points to 96%, Youngstown 9 points to 92, Eastern Pennsylvania 6 points to 89, Cincinnati 9 points to 91½, Detroit 4 points to 90, New England 15 points to 100, Cleveland 3½ points to 94 and Wheeling 1 point to 91. Chicago dropped 3 points to 101½%, unable to maintain the record production of the preceding week. Buffalo was unchanged at 81½%, St. Louis at 73 and Birmingham at 90.

Widening application of allocations in the steel market tends to a more orderly distribution and the industry definitely will be able to produce a vastly greater quantity of steel in 1942 than can be fabricated and otherwise consumed for war purposes. In addition, enough steel will be available for other essential uses, such as freight car building, as well as tonnage for export to countries dependent on the United States for their main supply. As a result of the supreme effort of 1941 much demand already met will not recur, such as for munitions plants.

Railroads have a large number of freight cars on order which builders have been unable to deliver, because of slow supply of steel, but in spite of this the carriers plan to buy 115,000 cars and 974 locomotives in 1942. During 1941 they received delivery on 80,000 cars and about 600 locomotives and at the end of the year had about 75,000 cars and 600 locomotives on order. To build the projected program will put a heavy burden on steel suppliers, but it will be distributed through the year rather than imposed in a short period.

While full effect of the new schedule of scrap prices by OPA has not been felt and some uncertainties remain general opinion is that it will help bring out larger tonnages. Placing all open-hearth grades on one level has the effect of increasing price on the inferior grades. It allows payment at full price for material not grading as No. 1 heavy melting steel, in effect making legal what has been done previously in overgrading. On the other hand, by allowing no higher price to be paid for any scrap melted in open hearths the new rules prevent buying of low phos and similar scrap for that purpose. Previously scrap which should have gone to legitimate users of low phos has been diverted to open hearths. Some time will be required to work out the effects of the radical change in making prices on cast scrap. In some cases the change will cause a marked alteration in distribution, aiding one area at the expense of another.

Forecasts as to the probable supply of steelmaking raw materials for 1942 indicate there will not be enough to keep all steel-making facilities fully engaged, at least during the early months, until additional blast furnace capacity provides pig iron to fill the gap.

Canadian ships carried 705,572 gross tons of American iron ore to American ports during the 1941 season, 90 cargoes in 21 ships attaining this total. Special permission granted early in the season allowed this participation. In addition to this assistance Canada contributed 449,492 tons of ore from Canadian mines during the season.

Continuance of price ceilings into the new year holds all composites at the level of the past few months. Finished steel composite is \$56.73; semifinished steel \$36; steelmaking pig iron \$23.05; steel-making scrap \$19.17.

Petroleum

(Continued from Page 140)
Prices of Typical Crude per Barrel At Wells

(All gravities where A. P. I. degrees are not shown)

Bradford, Pa.	\$2.75
Corning, Pa.	1.31
Eastern Illinois	1.22
Illinois Basin	1.37
Mid-Cont'n't, Okla., 40 and above	1.25
Smackover, Heavy	0.83
Rodessa, Ark., 40 and above	1.20
East Texas, Texas, 40 and above	1.25
Kettleman Hills, 37.9 and over	1.29
Pecos County, Texas	0.95
Lance Creek, Wyo.	1.12
Signal Hill, 30.9 and over	1.23

American motorists will consume 11.6% more motor fuel during the initial month of 1942 than they did 12 months ago, according to the January market demand estimate of the United States Bureau of Mines which placed total domestic demand for the month at 52,900,000 barrels. The Bureau also estimated finished gasoline stocks would show an expansion of 7,800,000 barrels during January.

Acting at the request of Petroleum Coordinator Ickes to "consider" a reduction in the minimum octane rating to 78 ASTM, the Ethyl Gasoline Corporation this week advised all its customers holding the "Ethyl" trade-mark authorization that it is amending its specification "TV" so

as to reduce the minimum octane number of fuel sold under the Ethyl trade-mark to 78 ASTM. The company took this formal action to amend its contracts as outlined in answer to Mr. Ickes' request.

Behind the Petroleum Coordinator's request was the desire to bring about a lowering of octane rating of gasoline sold to the general public in order to conserve the elements which go into the production of these premium motor fuels for use in the manufacture of 100 octane aviation fuel for the Allied air forces, and for American Army and Navy requirements. This is in line with the current drive of the Petroleum Coordinator's office to triple the current production total of 40,000 barrels daily by 1943.

In addition to the need for high-test aviation fuel, it is reported that the United States Army is now specifying premium grade gasoline for all of its motorized equipment, including trucks and tanks, and the less premium gasoline made available to the general public means the more for the mechanized might of the army. The action was not unexpected despite the fact that an industry committee, asked by Mr. Ickes to investigate the effect of reducing the civilian supply of high-test gasoline, advised against such a move. The committee's findings were challenged by Government agencies.

The heavy fuel oil situation on the East Coast was relieved by expanding imports of oil with the start of the new year. The end of 1941 opened the way for receipts of oil from Venezuela and other countries which supply the East Coast since their quotas are based on domestic oil refinery runs of the year before. Crude oil runs for the 12-month period just ended were about 8% higher than in 1940, which means larger shipments of crude oil from the "quota" companies. Imports under the favored-nation treaties, subject to only 50% of the usual import tax, totaled about 64,000,000 barrels during 1941 and, on the basis of the higher domestic refinery runs of the year, should rise to nearly 70,000,000 barrels during 1942.

U. S. Gasoline (Above 65 Octane), Tank Car Lots, F. O. B. Refinery

New York	
Socony-Vac.	\$0.85
Tide Water Oil	.09
Texas	.085
y Shell Eastern	.085
Other Cities	
Chicago	.06-.06%
Gulf Coast	.06-.06
Oklahoma	.06-.06%
y Super.	

Kerosene, 41-43 Water White, Tank Car, F. O. B. Refinery

New York (Bayonne)	\$0.53
Baltimore	.0525
Philadelphia	.0525
North Texas	.04
New Orleans	4.25-4.625
Tulsa	.04%-0.4%

Fuel Oil, F. O. B. Refinery or Terminal

N. Y. (Harbor) Bunker C	\$1.50
Diesel	2.15
Savannah, Bunker C	1.30
Philadelphia, Bunker C	1.50
Gulf Coast	\$85-.90
Halifax	1.70

Gas, Oil, F. O. B. Refinery or Terminal

N. Y. (Bayonne) 7 plus	\$0.4
Chicago, 28.30 D	.053
Tulsa	.03%

U. S. To Purchase 1942 Cuban Sugar Crop

Federal Loan Administrator Jesse Jones announced on Dec. 30 that the United States has concluded arrangements to buy the whole 1942 Cuban sugar cane crop. Mr. Jones said that the Defense Supplies Corporation, a subsidiary of the Reconstruction Finance Corporation, has contracted for all the Cuban sugar and molasses not needed by Cuba for her own consumption or for sale to other Latin-American countries.

Treasury Tax Return Folders Ready Shortly

"How to File Your Income Tax the Simple Way," a folder containing illustrations of the proper method to be used in filling out the simplified income tax return Form 1040A and a table showing amounts payable in various income brackets; will be made available to more than 15,000,000 potential taxpayers shortly after Jan. 1, the Treasury Department announced on Dec. 28. These folders will be mailed along with Individual Income Tax returns to all persons who filed during the 1941 period. The Treasury Department announcement added:

An additional six million copies are being printed for distribution through numerous channels to persons who will file their first returns during the coming period. These channels include Savings and Loan Associations, labor unions, banks and corporations. The cooperation of several Government agencies and business associations is also being sought in an effort to place the leaflet in the hands of all taxpayers as soon after New Year's Day as possible. The groups mentioned are being asked to inform the public that ample quantities of the folder will be available at the offices of Collectors of Internal Revenue throughout the nation.

The folder shows that small taxpayers using Form 1040A will be required to fill in only six items. These simple steps are shown by numbers in the illustration, and the taxpayer is able to read directly from the table the amount of tax he will pay.

Three hundred and fifty thousand posters presenting instructions on the filing of tax returns are being prepared by the Treasury Department for distribution to corporations through the 64 offices of Collectors of Internal Revenue.

The new tax schedules require the filing of returns by all single persons having gross incomes of \$750 or more, and all married persons having gross incomes of \$1,500 or more.

To Offer Another Issue Of Tax Savings Notes

In continuing the Tax Savings Plan inaugurated in August this year, the United States Treasury will offer shortly another issue of Treasury Tax Savings Notes Series A and Series B, dated Jan. 1, 1942, due Jan. 1, 1944. From the Treasury Department's advice we also quote:

The new notes as well as those heretofore issued, will be acceptable at par and accrued interest not only in payment of Federal income taxes but may be presented in payment of estate and gift taxes as well. The new notes of both series are available in the same denominations as heretofore with the exception of the addition to Series A of \$500 and \$1,000 denominations.

Beginning in January, Defense Savings Stamps will be accepted at their face value in lieu of cash as payment for notes. This provision permits taxpayers to accumulate Defense Savings Stamps and present them in payment of Tax Savings Notes in any and all denominations.

Application may be made to purchase Tax Savings Notes through local banks and savings and loan associations. Application may also be made direct to Federal Reserve Banks and their branches or to the United States Treasury, Washington, D. C. The notes provide

Fertilizer Assn. Price Index Again Higher

The general level of wholesale commodity prices was again higher last week, according to the price index compiled by The National Fertilizer Association and issued Jan. 5. This index, in the week ended Jan. 3, 1942, advanced to 120.0 from 119.5 in the preceding week. A month ago the index registered 116.6 and a year ago 100.2, based on the 1935-1939 average as 100.

During the week the food price index rose somewhat, due chiefly to advances in eggs, potatoes, and several meat quotations. Price changes in the farm product group were evenly balanced, with cotton and grain prices advancing and livestock declining. The advances in this group, however, were sufficient to more than offset the declines, resulting in a slight rise in the farm product price index. Continued advances in cotton and cotton goods quotations were mainly responsible for a moderate upturn in the textile group average. A rise of 60 cents per ton in the price of 16% superphosphate plus an increase in cottonseed meal resulted in an upturn in the fertilizer material price index. A very sharp advance was registered by the chemical and drug index during the week due to a jump in the price of alcohol. A fractional upturn was recorded by the index of miscellaneous commodities as cattle feed continued to advance in price.

During the week 29 price series included in the index advanced and 12 declined; in the preceding week there were 27 advances and 11 declines; in the second preceding week there were 35 advances and 20 declines.

WEEKLY WHOLESALE COMMODITY PRICE INDEX
Compiled by The National Fertilizer Association
1935-1939=100*

% Each Group Bears to the Total Index	GROUP	Latest Week	Preceding Month	Year Ago
		Jan. 3, 1942	Dec. 27, 1941	Jan. 4, 1940
25.3	Foods	116.3	115.8	113.0
	Fats and Oils	122.8	122.7	122.2
	Cottonseed Oil	144.5	144.2	142.9
23.0	Farm Products	126.2	125.8	117.2
	Cotton	168.8	166.1	157.7
	Grains	116.2	114.8	104.6
	Livestock	120.0	120.5	111.8
17.3	Fuels	113.0	113.0	113.3
10.8	Miscellaneous Commodities	126.6	126.3	126.1
8.2	Textiles	142.7	141.9	139.6
7.1	Metals	104.0	104.0	104.0
6.1	Building Materials	131.5	131.6	131.0
1.3	Chemicals and Drugs	120.1	113.6	112.0
1.3	Fertilizer Materials	116.4	115.4	114.8
1.3	Fertilizers	119.7	119.7	109.8
1.3	Farm Machinery	103.4	103.4	100.7
100.0	All Groups Combined	120.0	119.5	116.6

*Revised. *Indexes on 1926-28 base were: Jan. 3, 1942, 93.5; Dec. 27, 1941, 93.1; Jan. 4, 1941, 78.1.

World Prices Change Only Moderately

General Motors Corp. and Cornell University, which prior to the European war had collaborated in the publication of a world commodity price index, have resumed issuance of international price statistics, but on a different basis than before the war. Instead of a composite index of world prices, these organizations now are publishing the information only as individual country indexes.

The index is built upon 40 basic commodities and the list is the same for each country in so far as possible. Each commodity is weighted uniformly for each country, according to its relative importance in world production. The actual price data are collected weekly by General Motors overseas operations from sources described as "the most responsible agencies available in each country, usually a government department." The commodities involved include "a comprehensive list of several groups, including grains, livestock and livestock products, miscellaneous foods (coffee, cocoa, tea, sugar, &c.), textiles, fuels, metals and a list of other miscellaneous materials (rubber, hides, lumber, newsprint, linseed oil, &c.)." Weights assigned in the index to the different commodity groups are as follows: Grains, 20; livestock and livestock products, 19; vegetable fats and other foods, 9; textiles, 12; fuel, 11; metals, 11; miscellaneous, 18.

The indexes, which are based on prices expressed in the currency of each country, were reported Jan. 5 as follows:

	(August, 1939=100)										
	Argentina	Australia	Canada	England	India	Japan	Mexico	New Zealand	Sweden	Switzerland	United States
1940—											
May	120	118	120	143	116	113	112	131	132	112	
June	118	118	120	144	116	113	114	131	136	109	
July	118	118	120	145	115	112	114	132	140	109	
August	118	119	120	150	115	111	120	132	144	109	
September	116	120	121	145	116	110	122	135	153	111	
October	113	123	122	145	117	110	120	139	158	114	
November	113	125	124	146	118	111	118	142	164	118	
December	113	126	126	149	120	111	119	144	168	118	
1941—											
January	114	127	126	150	120	111	119	144	172	126	
February	114	126	127	150	121	113	119	147	171	120	
March	119	122	129	150	123	114	119	154	176	122	
April	121	121	131	150	125	115	119	156	180	125	
May	126	120	134	152	129	117	120	156	189	129	
June	133	121	137	155	131	119	121	155	193	132	
July	135	121	141	156	136	125	122	155	194	136	
August	138	121	142	157	138	127	123	156	196	138	
September	140	123	145	157	138	130	123	156	203	143	
October	140	123	143	158	139	132	126	156	207	140	
November	142	124	143	158	141	133	124	157	209	141	
December	141	122	143	160	138	123	123	157	209	145	
1941—											
Weeks end:											
Nov. 29	141	123	143	159	141	132	124	157	209	141	
Dec. 6	141	122	143	158	141	137	124	157	209	142	
Dec. 13	142	123	143	159	142	139	123	157	209	144	
Dec. 20	148	123	144	160	143	139	123	157	209	147	
Dec. 27	148	123	144	160	143	139	123	157	209	147	

* Preliminary. † Revised

a convenient, systematic means of saving to pay Federal income, estate, and gift taxes. Series A notes yield approximately 1.92% and Series B approximately .48% when used in payment of Federal income, estate, and gift taxes.

Paper Boosts Price

The "News-Free Press" (Chattanooga) has announced an increase in subscription prices from 20 to 25 cents a week and 85 cents to \$1.10 a month. Prices for a year's subscription were increased from \$10 to \$13.

November Civil Non-Agricultural Employment Declined Department Of Labor Reports

Total civil non-agricultural employment in November (40,693,000) was 3,165,000 greater than in November, 1940 and 4,114,000 above the November 1929 level, Secretary of Labor Frances Perkins reported on Dec. 31. "Between mid-October and mid-November, 1941, there was a drop of 83,000," she said. "This decrease was due primarily to seasonal recessions in the manufacturing, transportation, and finance and service groups." Secretary Perkins further explained:

While 70,000 fewer factory workers were employed in November than in the preceding month, the decline in factory employment was of less than the usual seasonal proportion. Employment continued to advance sharply in the shipbuilding and aircraft industries. Moderate increases were reported in a number of other industries. These gains were offset, however, by seasonal losses in canning and the clothing industries and also by employment reductions in many establishments where operations have been curtailed in the effort to conserve critical raw materials.

Employment in the transportation and public-utility group declined by 58,000 from October to November; the finance and service group showed a drop of 25,000; and the mining group showed a small decrease (4,000). These losses over the month interval were partly offset by increases in trade (61,000) and government (3,000). Federal construction continued to rise sharply but a seasonal decrease occurred in non-Federal construction and total construction showed a gain of only 10,000 workers.

The greater part of the gain of 3,165,000 in non-agricultural employment over the year occurred in manufacturing with an increase of 1,734,000 workers. Federal, State, and local government services increased 391,000; trade increased 336,000; construction rose 261,000; transportation, 242,000; finance and service, 143,000; and mining 58,000.

Seasonal declines in employment occurred in canning and preserving (49,600), sawmills (11,500), and women's clothing (9,700). In the automobile industry reduced production quotas resulted in a decline of 7,300 workers, the November total of 511,400 being 2.2% lower than in November a year ago.

The employment index for all manufacturing industries combined in November stood at 134.5 of the 1923-25 average, and the pay-roll index was 165.5. Compared with November, 1940, factory employment has increased 17.3% and pay-rolls 42.2%. The considerably greater increase in pay rolls reflects expansion in working hours, overtime payments, and wage-rate increases.

Wage-rate increases averaging 8.1% and affecting 165,511 factory wage earners were reported by 586 cooperating establishments between mid-October and mid-November. The number affected by wage increases in November was less than in any month since March 1941. Since January, wage increases affecting more than 4,500,000 workers have been reported.

Employment in anthracite and bituminous coal mines showed virtually no change between October and November, but pay rolls in both industries declined (15% and 5%, respectively) partly as a result of holidays observed in the first half of November. Less than seasonal reductions were reported by quarries and nonmetallic mines, while employment in metal mines showed virtually no change and pay rolls rose slightly. Wholesale-trade employment and pay rolls showed slight contrasasonal gains, largely as a result of pronounced employment increases in establishments handling farm products. Greater-than-seasonal increases occurred in retail trade, despite employment losses experienced by automobile, lumber, and building-material dealers, and dealers in radios and household appliances.

The only States showing significant gains in employment as compared with October 1941 were Florida, where seasonal increases occurred, and Arkansas and Louisiana where defense construction boosted employment. The Pacific States showed the greatest increases in employment as compared with November of last year. Expansion in aircraft plants and shipyards was responsible for the greatest part of the gain.

Increased activity on the construction of Naval vessels and nonresidential buildings was largely responsible for an employment increase of 81,000 in the month ending Nov. 15 on construction projects financed from regular Federal appropriations. The number of men at work on low-rent projects of the United States Housing Authority declined from 40,800 to 36,000. Seasonal employment decreases occurred on both maintenance and new road projects financed from State funds. A preliminary estimate indicates that 23,000 persons were added to executive service pay rolls in November. Employment on work relief projects of the Work Projects Administration rose 16,000 in November and 83,000 were added to the rolls of the National Youth Administration. About 1,000 fewer persons were employed in camps of the Civilian Conservation Corps in November.

The following tabulations were made available by the Labor Department:

Program	EMPLOYMENT AND PAYROLLS ON CONSTRUCTION PROJECTS FINANCED WHOLLY OR PARTIALLY FROM FEDERAL FUNDS AND ON FUNDS FINANCED FROM STATE FUNDS, NOVEMBER, 1941					
	Employment			Payrolls		
	Nov. 1941*	Oct. 1941	Nov. 1940	Nov. 1941*	Oct. 1941	Nov. 1940
Financed by regular Federal Appropriations†	1,104.0	+81.0	+473.0	\$168,198	+\$12,452	+\$103,059
Defense	928.0	+98.0	+485.0	146,680	+14,439	+97,292
Other	176.0	-17.0	-12.0	21,518	-1,987	+5,767
U. S. Housing Authority†	36.0	-4.8	-14.8	4,085	-467	+1,418
Defense	9.7	-2.4	+5.0	1,071	-271	+670
Other	26.3	-2.4	-19.8	3,014	-196	+2,088
Financed by PWA†	2.7	-1.7	-28.4	323	-171	+3,291
Financed by RFC†	23.6	-3	+21.2	3,591	+159	+3,351
Defense	21.5	-3	§	3,313	+163	§
Other	2.1	0	§	278	-4	§
State Road§	177.0	-11.0	-2.0	15,808	-562	+3,132

*Preliminary. †Data for the month ending the 15th, except data for Federal-aid roads which are for the calendar month. Employment data represent the maximum number employed in any one week. Data for Federal-aid roads for November, 1941, are estimated. ‡Data are for the month ending the 15th. Employment data represent the maximum number employed in any one week. §Defense and other categories not set up. ¶Data are for the calendar month. Employment data represent the average number working during the month. Data for November, 1941, are estimated.

EMPLOYMENT AND PAYROLLS IN REGULAR FEDERAL SERVICES, NOVEMBER, 1941

Service	Employment			Pay Rolls		
	Nov. 1941*	Change from Oct. 1941	Nov. 1940	Nov. 1941*	Change from Oct. 1941	Nov. 1940
Executive†	1,535.0	+23.0	421.0	\$238,985	+\$3,130	\$70,366
Legislative	6.3	+	3	1,362	+	21
Judicial	2.6	+	2	655	+	16
Military	2,071.0	+57.0	1,249.0	142,772	+4,127	89,975

*Preliminary. †Estimated. ‡Increase less than 100.

EMPLOYMENT AND PAYROLLS ON RELIEF PROGRAMS, NOVEMBER, 1941

Program	Employment			Payrolls		
	Nov. 1941*	Change from Oct. 1941	Nov. 1940	Nov. 1941*	Change from Oct. 1941	Nov. 1940
WPA Projects†	1,056.0	+16.0	763.0	\$60,600	-\$2,333	\$33,676
Defense	324.0	+4.0	18,100	1,980	+	+
Other	732.0	+20.0	42,500	353	+	+
NYA Projects:						
Student work program	341.0	+67.0	100.0	2,368	+632	711
Out-of-school work progr.	309.0	+16.0	42.0	7,501	+309	1,996
Civilian Conservation Corps§	171.0	-1.0	150.0	8,236	-230	5,781

*Preliminary. †Data are for the calendar month. ‡Defense and other categories not set up. §Data on employment are for the last day of the month; pay rolls for the entire month.

ESTIMATES OF TOTAL NONAGRICULTURAL EMPLOYMENT

Total civil non-agricult. employment*	Nov. 1941		Change		Change	
	(preliminary)	Oct. 1941	Nov. 1941	Oct. 1941	Nov. 1941	Oct. 1941
Total civil non-agricult. employment*	40,693	40,776	+83	37,528	+3,165	37,528
Employees in non-agricult. establish.*	34,550	34,633	+83	31,385	+3,165	31,385
Manufacturing*	12,728	12,798	+70	10,954	+1,734	10,954
Mining	911	915	+4	853	+58	853
Contract construction	1,970	1,960	-10	1,709	+261	1,709
Transportation and public utilities	3,307	3,365	+58	3,065	+242	3,065
Trade	7,131	7,070	-61	6,795	+336	6,795
Finance, service and miscellaneous	4,231	4,256	+25	4,088	+143	4,088
Federal, State and local government	4,272	4,269	+3	3,881	+391	3,881
Military and naval forces (not included above)	2,071	2,014	+57	822	+1,249	822

*Revised. Earlier figures available on request.

The estimates of "Total civil non-agricultural employment," given on the first line of the above table, represent the total number of persons engaged in gainful work in the United States in non-agricultural industries, excluding military and naval personnel, persons employed on WPA or NYA projects, and enrollees in CCC camps. The series described as "Employees in non-agricultural establishments," excludes also proprietors and firm members, self-employed persons, casual workers and persons in domestic service. The estimates for "employees in non-agricultural establishments" are shown separately for each of seven major industry groups. Data for the manufacturing and trade groups have been revised to include adjustments to preliminary 1939 Census data.

The figures represent the number of persons working at any time during the week ending nearest the middle of each month. The totals for the United States have been adjusted to conform to the figures shown by the 1930 Census of Occupations for the number of non-agricultural "gainful workers" less the number shown to have been unemployed for one week or more at the time of the Census.

Indexes of employment and pay-rolls for all manufacturing industries combined, Class I steam railroads, and for those non-manufacturing industries for which information is available, are shown below for November, 1941, with percentage changes from October, 1941, and November, 1940. The 3-year average 1923-25 is used as a base in computing the indexes for the manufacturing industries and the 5-year average 1935-39 as a base for Class I steam railroads. For the other non-manufacturing industries information for years prior to 1929 is not available from the Bureau's records, and the 12-month average for 1929 is used as a base in computing the index numbers. These indexes are not adjusted for seasonal variation.

The data for manufacturing, mining, building construction, laundries, and dyeing and cleaning cover wage earners only; those for railroads cover all employees while the data for water transportation cover employees on vessels of 1,000 gross tons or over in deep-sea trades only. The data for other industries exclude proprietors and firm members, corporation officers, executives, and others whose work is mainly supervisory.

Industry	Employment		Percentage change from		Pay Roll		Percentage change from	
	Nov. 1941*	Oct. 1941	Nov. 1941	Oct. 1941	Nov. 1941*	Oct. 1941	Nov. 1941	Oct. 1941
Manufacturing	1134.5	+ .6	+17.3	(1923-25=100)	1165.5	- .7	+42.2	(1923-25=100)
Class I Steam Railroads†	117.8	-1.3	+15.2	(1935-39=100)	117.8	0	0	(1935-39=100)
Trade:				(1929=100)				(1929=100)
Wholesale	96.6	+ .3	+5.2	92.2	+	+	+14.2	
Food products	+	+	+	+	+	+	+	
Groceries & food spec.	+	+	+	+	+	+	+	
Dry goods & apparel	+	+	+	+	+	+	+	
Mach., equip. & suppl.	+	+	+	+	+	+	+	
Farm products	+13.9	+	+	+	+	+	+	
Petrol. and petrol. prod. (incl. bulk tank sta.)	-.3	+	+	+	+	+	+	
Automotive	-.2	+	+	+	+	+	+	
Retail	1102.9	+1.9	+6.9	198.1	+	+	+12.6	
Food	111.8	+1.0	+6.9	109.0	+1.9	+	+12.7	
General merchandising	1124.5	+7.0	+11.8	116.8	+5.3	+	+19.8	
Apparel	98.8	+1.4	+8.0	94.5	+1.5	+	+13.9	
Furniture	78.4	-2.4	+	73.9	-10.5	+	+	
Automotive	86.0	-1.7	+	86.8	+6	+	+5.5	
Lumber & bldg. mater.	81.3	-1.3	+5.0	83.1	-3.8	+	+15.4	
Public Utilities:								
Tel. & Tel.	190.0	-.6	+13.6	116.0	-.8	+	+12.4	
Electric light & power	193.5	-.6	+1.9	114.5	-1.0	+	+7.2	
Street rlys. & buses**	170.4	+ .2	+2.5	178.6	+ .3	+	+11.9	
Mining:								
Anthracite	50.2	-.3	-.4	41.8	-15.0	+	+11.0	
Bituminous-coal	95.5	+ .3	+6.4	116.5	-5.0	+	+37.9	
Metalliferous	79.3	-.5	+9.4	90.3	+2.3	+	+29.4	
Quarrying & nonmetalliferous	52.8	-2.4	+12.0	57.5	-6.4	+	+36.0	
Crude-petrol. production	61.0	-1.0	-.5	62.5	-3.1	+	+10.0	
Services:								
Hotels (year-round)	96.3	+ .1	+4.3	193.8	+2.1	+	+12.2	
Laundries	109.0	-2.0	+9.3	101.9	-1.4	+	+16.9	
Dyeing & cleaning	117.2	-3.4	+10.5	92.8	-5.7	+	+19.3	
Brokerage	+	+	+	+	+	+	+	
Insurance	+	+	+	+	+	+	+	
Building Construction	+	+	+	+	+	+	+	
Water Transportation	1177.4	-.3	+2.0	+	+	+	+24.1	

*Preliminary. †Adjusted to preliminary 1939 Census figures. ‡Source: Interstate Commerce Commission. §Not available. ¶Retail-trade indexes adjusted to 1935 Census, public utility indexes to 1937 Census. **Covers street railways and trolley and motor-

bus operations of subsidiary, affiliated and successor companies. ††Cash payments only; value of board, room, and tips cannot be computed. †††Based on estimates prepared by the U. S. Maritime Commission.

INDEX NUMBERS OF EMPLOYMENT AND PAY ROLLS OF WAGE EARNERS IN MANUFACTURING INDUSTRIES ADJUSTED TO 1937 CENSUS OF MANUFACTURES, EXCEPT AS INDICATED IN NOTES † AND ‡

(Three-year average 1923-25=100.0)

Manufacturing Industries—	Employment			Pay Rolls		
	Nov. 1941	Oct. 1941	Nov. 1940	Nov. 1941	Oct. 1941	Nov. 1940
All Industries†	134.5	135.3	114.7	165.5	166.6	116.4
Durable Goods†	144.2	144.0	115.5	190.9	191.1	125.1
Non-durable Goods†	125.2	127.1	113.8	137.1	139.2	106.6
Durable Goods—						
Iron & steel & their products, not including machinery	139.1	139.5	119.3	171.3	173.0	125.8
Blast furnaces, steel works, and rolling mills	148.1	147.9	127.3	181.1	181.0	134.6
Bolts, nuts, washers, & rivets	168.1	169.8	128.1	250.7	255.7	161.5
Cast-iron pipe	98.3	98.0	86.3	118.0	119.1	89.2
Cutlery (not including silver & plated cutlery), & edge tools	133.8	131.7	112.2	160.1	154.3	107.5
Forgings, iron and steel	113.6	113.8	83.7	179.9	180.0	106.8
Hardware	113.0	115.2	109.0	149.8	151.5	122.3
Plumbers' supplies	98.8	99.5	94.3	107.6	114.7	90.4
Stamped & enameled ware	227.3	227.2	190.2	291.6	296.2	209.3
Steam & hot-water heating apparatus & steam fittings	125.1	128.4	102.2	149.8	157.7	103.4
Stoves	111.5	115.7	105.5	118.9	130.6	100.7
Struct. & ornamental metalwork	107.1	109.5	86.5	115.8	126.9	78.7
Tin cans, & other tinware	138.7	130.1	100.2	178.5	156.6	104.1
Tools (not incl. edge tools, mach. tools, files & saws)	147.2	145.5	111.8	205.8	202.0	124.9
Wirework	202.4	204.9	203.5	273.4	277.1	235.1
Machinery, not incl. transportation equipment	180.8	180.1	131.2	254.6	255.6	149.3
Agricult'l impl. (incl. tractors)	166.3	169.9	136.6	220.9	231.6	160.4
Cash registers, adding machines, & calculating machines	177.1	174.9	134.1	223.1	233.1	144.3
Elec. mach., apparatus, & suppl.	169.2	169.0	120.6	243.1	244.9	145.0
Engines, turbines, water wheels, & windmills	341.1	338.8	200.5	653.5	614.3	274.8
Fdy. & mach. shop products	148.8	147.8	110.1	192.0	194.7	114.6
Machine tools	367.3	361.5	265.9	594.6	593.8	355.4
Radios & phonographs	218.1	217.9	159.4	267.4	261.8	155.7
Textile machinery & parts	109.1	109.2	82.7	141.6	142.3	80.1
Typewriters & parts	161.1	160.7	130.7	234.7	232.8	166.0
Transportation equipment	207.2	202.9	145.8	294.2	281.4	166.0
Aircraft	9643.7	9174.8	4402.3	13151.7	12301.6	5012.9
Automobiles	127.0	128.8	129.8	185.5	176.4	150.5
Cars, electric & steam-rail'd	97.3	96.8	61.6	112.5	115.3	53.7
Locomotives	77.0	74.7	40.6	105.7	102.9	43.1
Shipbuilding	523.8	492.0	204.1	820.6	797.7	237.8
Non-ferrous metals & their prod.	145.2	147.4	129.9	179.1	185.1	141.7
Aluminum manufactures†	242.9	242.5	217.5	360.2	355.0	270.2
Brass, bronze, & cop. products	188.4	192.6	162.4	252.3	264.7	201.9
Clocks, watches and time-recording devices	115.9	117.8	106.7	152.9	160.6	121.7
Jewelry	120.1	121.0	110.1	114.9	122.4	93.9
Lighting equipment	123.5	126.3	109.6	129.3	139.2	100.3
Silverware & plated ware	86.9	87.1	79.8	103.6	102.9	82.6
Smelting and refining copper, lead, and zinc	100.3	101.4	94.8	121.9	120.2	95.7
Lumber and allied products	78.2	79.7	74.7	86.3	92.3	70.9
Furniture	108.1	107.4	97.0	118.2	120.4	90.4
Lumber:						
Millwork	75.4	76.8	71.3	70.3	74.9	58.2
Sawmills	67.0	69.4	66.1	70.5	78.3	60.9
Stone, clay, and glass products	101.8	101.9	88.6	106.1	109.3	82.1
Brick, tile, and terra cotta	76.4	77.5	64.8	72.9	75.7	54.0
Cement	82.6	82.0	73.9	91.2	92.8	72.9
Glass	133.9	132.3	117.0	169.5	173.7	130.8
Marble, granite, slate, and other products	45.6	46.6	46.3	34.8	37.4	31.9
Pottery	123.3	124.0	102.4	127.6	130.8	97.0
Non-Durable Goods—						
Textiles and their products	113.3	114.7	105.5	118.3	122.3	92.2
Fabrics	106.0	106.2	98.7	119.1	120.1	90.8
Carpets and rugs	89.6	90.5	81.6	93.6	93.6	73.1
Cotton goods	111.5	111.0	98.1	135.3	135.8	92.3
Cotton small wares	109.3	109.2	87.3	127.4	128.1	87.1
Dyeing & finishing textiles	133.1	135.1	132.9	135.9	135.9	113.5
Hats, fur-felt	77.1	77.8	81.9	80.1	75.1	72.6
Hosiery	134.7	135.2	144.9	160.0	160.6	160.2
Knitted outerwear	80.0	82.3	73.2	76.8	79.8	63.5
Knitted underwear	88.2	88.4	76.5	97.2	98.6	75.5
Knit cloth	145.5	151.2	150.0	139.8	148.4	129.5
Silk and rayon goods	61.3	61.9	65.2	60.8	61.5	52.2
Woolen and worsted goods	109.4	109.6	98.7	125.0	126.7	88.9
Wearing apparel	124.9	129.				

26 Nations Sign Pact Pledging Resources And Barring Separate Armistice or Peace

A joint declaration by 26 nations, including the United States, Great Britain, Russia and China, pledging their full resources for use against the Axis powers and barring a separate armistice or peace has been signed in Washington, the White House announced on Jan. 2. The pact, described as a "declaration by united nations," was signed by President Roosevelt, for the United States; by Prime Minister Winston Churchill, for the United Kingdom of Great Britain and Northern Ireland; by Maxim Litvinoff, the Soviet Ambassador, for Russia; and by T. V. Soong, Chinese Foreign Affairs Minister, for China, while the diplomatic representatives of the other 22 nations signed for their countries.

The preamble to the declaration states that the signatory powers subscribe to the purposes and principles of the Atlantic Charter, which was signed by President Roosevelt and Prime Minister Churchill at their sea conference on Aug. 14, 1941, (and given in our issue of Aug. 16, 1941, page 915) and are convinced that "complete victory over their enemies is essential to defend life, liberty, independence and religious freedom, and to preserve human rights and justice in their own lands as well as in other lands, and that they are now engaged in a common struggle against savage and brutal forces seeking to subjugate the world."

The document then listed the two pledges: the first covering the use of full resources, military or economic, against those member of the tripartite pact and its adherents with which such government is at war, and the second promising cooperation and barring a separate armistice or peace with the enemies.

The final paragraph provided that the declaration may be adhered to later by other nations.

The text of the joint agreement dated Jan. 1, 1942 follows, according to the Associated Press:

Declaration By United Nations

A joint declaration by the United States of America, the United Kingdom of Great Britain and Northern Ireland, and the Union of Soviet Socialist Republics, China, Australia, Belgium, Canada, Costa Rica, Cuba, Czecho-Slovakia, Dominican Republic, El Salvador, Greece, Guatemala, Haiti, Honduras, India, Luxembourg, Netherlands, New Zealand, Nicaragua, Norway, Panama, Poland, South Africa, Yugoslavia.

The governments signatory hereto.

Having subscribed to a common program of purposes and principles embodied in the joint declaration of the President of the United States of America and the Prime Minister of the United Kingdom of Great Britain and Northern Ireland dated Aug. 14, 1941, known as the Atlantic Charter, being convinced that complete victory over their enemies is essential to defend life, liberty, independence and religious freedom, and to preserve human rights and justice in their own lands as well as in other lands, and that they are now engaged in a common struggle against savage and brutal forces seeking to subjugate the world, declare:

(1) Each government pledges itself to employ its full resources, military or economic, against those members of the Tripartite Pact and its adherents with which such government is at war.

(2) Each government pledges itself to cooperate with the governments signatory hereto and not to make a separate armistice or peace with the enemies.

The foregoing declaration may be adhered to by other nations which are, or which may be, rendering material assistance and contributions in the struggle for victory over Hitlerism.

Done at Washington, January First, 1942.

The United States of America, by Franklin D. Roosevelt.

The United Kingdom of Great Britain and Northern Ireland, by Winston Churchill.

On behalf of the Government of the Union of Soviet Republics, Maxim Litvinoff, Ambassador.

National Government of the Republic of China, Tse-wen (T. V.) Soong, Minister for Foreign Affairs.

The Commonwealth of Australia, by R. G. Casey.

The Kingdom of Belgium, by Cte. R. V. D. Straten.

Canada, by Leighton McCarthy.

The Grand Duchy of Luxembourg, by Hughes le Gallais.

The Kingdom of the Netherlands, A. Loudon.

Signed on behalf of the Government of the Dominion of New Zealand, by Frank Langstone.

The Republic of Nicaragua, by Leon de Bayle.

The Kingdom of Norway, by W. Munthe de Morgenstierne.

The Republic of Panama, by Jaen Guardia.

The Republic of Poland, by Jan Cierchanowski.

The Republic of Costa Rica, by Luis Fernandez.

The Republic of Cuba, by Aurelio F. Conchoso.

Czecho-Slovak Republic, by V. S. Hurban.

The Dominion Republic, by J. M. Troncoso.

The Republic of El Salvador, by C. A. Alfaro.

The Kingdom of Greece, by Cimon P. Diamantopoulos.

The Republic of Guatemala, by Enrique Lopez-Herrarte.

La Republique d'Haiti, par Fernand Dennis.

The Republic of Honduras, by Julian R. Caceres.

India, Girja Shankar Bajpai.

The Union of South Africa, by Ralph W. Close.

The Kingdom of Yugoslavia, by Constantin A. Fotitch.

Under date of Jan. 2 United Press accounts from Washington stated:

The door was left open for other nations, such as Argentina, Brazil and Uruguay—which reportedly are sympathetic to the Allies but have not declared war on the Axis—to enter the compact.

The invitation to these powers was extended in this way:

"The foregoing declaration may be adhered to by other nations which are, or which may be rendering material assistance and contributions to the struggle for victory over Hitlerism."

The declaration was conceived by the President and Secretary of State Cordell Hull for the primary purpose of formalizing the status quo of the war picture, and to fuse into a compact fighting unit the nations now arrayed against the Axis.

It is not a treaty, inasmuch as it does not require legislative ratification, but it is regarded as binding as a treaty.

The declaration generally won approval in congressional and diplomatic circles.

While Russia now is committed to a finish fight against Germany and Italy, she is not bound by today's declaration to fight Japan with which she is not at war.

In his statement Secretary Hull, according to the Washington cor-

respondent of the New York "Times" Frank L. Kluckhohn said:

The declaration by the united nations joins together in the greatest common war effort in history the purpose and will of 25 free nations, representing the overwhelming majority of the inhabitants of all six continents.

This is a living proof that law-abiding and peace loving nations can unite in using the sword when necessary to preserve liberty and justice and the fundamental values of mankind. Against this host we can be sure that the forces of barbaric savagery and organized wickedness cannot and will not prevail.

From Associated Press accounts from Washington on Jan. 2, we take the following:

The historic "declaration by united nations" is a four-page typewritten and penned document on gold-edged white paper.

The text is typewritten but the names of the signatory nations and signers are in the signer's handwriting in ink.

President Roosevelt, the first signer, wrote in "Done at Washington, January first, 1942." He and the next three signers—Prime Minister Churchill of the United Kingdom, Ambassador Litvinoff of the Soviet Union and Foreign Minister Soong of China—affixed their signatures at the White House on New Year's Day.

The other 22 signed today in alphabetical order in the office of A. A. Berle, Assistant Secretary of State. Some used their own fountain pens, others pens on Mr. Berle's desk.

SEC Issues Report On Manufacturers Of Chemicals, Fertilizers

The SEC made public on Dec. 10 the sixth of the new series of industry reports of the Survey of American Listed Corporations. These reports 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 comparison. The SEC announcement states:

Report No. 6 covers two groups of companies in closely related industries, one composed of companies engaged primarily in the manufacture of chemicals and the other of companies primarily manufacturing fertilizers. All of the corporations in these two groups had securities registered under the Securities Exchange Act of 1934, at Dec. 31, 1940.

The 38 corporations comprising the chemical group are:

- Air Reduction Company, Inc.
- Allied Chemical & Dye Corp.
- Atlas Power Co.
- The California Ink Co., Inc.
- Catalin Corporation of America.
- Clorox Chemical Co.
- Columbian Carbon Co.
- Commercial Solvents Corp.
- Consolidated Chemical Industries, Inc.
- The Dow Chemical Co.
- E. I. du Pont de Nemours and Co.
- General Aniline & Film Corp.
- General Printing Ink Corp.
- Hercules Powder Co.
- The Hilton-Davis Chemical Co.
- Interchemical Corp.
- International Products Corp.
- Koppers Co.
- Lac Chemicals, Inc.
- Lindsay Light and Chemical Co.
- The Liquid Carbonic Corp.
- The Mathieson Alkali Works, Inc.
- Monroe Chemical Co.

- Monsanto Chemical Co.
- National Cylinder Gas Co.
- Compressed Industrial Gases, Inc.
- National Oil Products Co.
- Newport Industries, Inc.
- Novadel-Agene Corp.
- Parker Rust Proof Co.
- Pennsylvania Salt Manufacturing Co.
- Union Carbide and Carbon Corp.
- United Carbon Co.
- United Chemicals, Inc.
- United Dyewood Corp.
- U. S. Industrial Alcohol Co.
- Victor Chemical Works.
- The Warren Refining & Chemical Co.
- Westvaco Chlorine Products Corp.

The five corporations engaged in the manufacture of fertilizers are:

- The American Agricultural Chemical Co. of Delaware)
- The Davison Chemical Corp.
- International Agricultural Corp.
- Tennessee Corp.
- Virginia-Carolina Chemical Corp.

The Commission's announcement further stated:

For the 38 chemical companies, combined sales amounted to \$11,253,000,000 in 1940 as compared with \$1,047,000,000 in 1939. Net profit after all charges totaled \$210,000,000 in 1940 against \$200,000,000 in 1939, equivalent to 16.7% and 19.1% of sales or 13.5% and 13.2% of net worth at book value. Total dividends paid out by these enterprises were \$165,000,000 in 1940 compared with \$160,000,000 in 1939. The combined assets for these 38 enterprises totaled \$2,102,000,000 at the end of 1940 compared with \$1,946,000,000 at the end of 1939, while surplus increased to \$733,000,000 at the end of 1940 from \$678,000,000 at the end of 1939.

For the five corporations manufacturing fertilizers, sales reported for 1940 amounted to \$75,000,000 as compared with \$67,000,000 in 1939. Net profit after all charges totaled \$2,600,000 in 1940 against \$1,500,000 in 1939, equivalent to 3.4% and 2.2% of sales or 2.8% and 1.7% of net worth at book value. Total dividends paid out by these enterprises were \$1,200,000 in 1940 compared with \$900,000 in 1939. The combined assets of these five enterprises totaled \$110,000,000 at the end of 1940 compared with \$107,000,000 at the end of 1939, while surplus increased to \$45,000,000 at the end of 1940 from \$44,000,000 at the end of 1939.

President Signs Navy Ship Increase Bill

Legislation authorizing a 150,000-ton increase in the size of the United States Navy was signed on Dec. 23 by President Roosevelt. The House passed the bill on Dec. 16 and the Senate completed action on Dec. 17. Chairman Vinson of the House Naval Affairs Committee told the House on Dec. 16 that the additional tonnage did not include any battleships, since 15 battleships are now under construction, but will be made up of airplane carriers, cruisers, destroyers and submarines. The bill originally authorized the construction of 900,000 tons of additional fighting ships for the Navy, but the Navy Department later recommended that the amount be reduced to 150,000 tons, for the reason that the existing naval construction facilities of the country will not permit a laying-down program of 900,000 tons. The bill authorizes the laying-down in the calendar year 1942 of 150,000 tons in addition to the building program that is now being carried on.

National Banks

The following information is from the office of the Comptroller of the Currency, Treasury Department:

COMMON CAPITAL STOCK INCREASED	
	Amt. of Increase
Dec. 22—The National Bank of Jackson, Jackson, Mich. From \$100,000 to \$150,000	\$50,000
Dec. 26—Central National Bank & Trust Co. of Des Moines, Des Moines, Ia. From \$660,000 to \$1,000,000	340,000
Dec. 29—The First National Bank of Dushore, Dushore, Pa. From \$50,000 to \$100,000	50,000
Dec. 31—The Merchants National Bank of Aurora, Aurora, Ill. From \$200,000 to \$300,000	100,000
Jan. 2—The National Bank of Wyandotte, Wyandotte, Mich. From \$100,000 to \$200,000	100,000

PREFERRED STOCK ISSUED	
Dec. 26—The South East National Bank of Chicago, Ill.	\$200,000

BRANCH AUTHORIZED
Dec. 26—Bishop National Bank of Hawaii at Honolulu, Honolulu, Hawaii. Location of branch: Ka.lua, District of Koolauoko, City and County of Honolulu, Territory of Hawaii.

CHANGE OF TITLE
Dec. 31—The Tarrant County National Bank of Grapevine, Grapevine, Tex. To: "First National Bank of Grapevine," effective Jan. 1, 1942.

VOLUNTARY LIQUIDATIONS

	Amount
Dec. 29—The First National Bank of Skowhegan, Me.	\$150,000

Effective Dec. 20, 1941.
Liquidating agent: Howard B. Crosby, of the liquidating bank.
Absorbed by: Depositors Trust Co., Augusta, Me.
Jan. 1, 1942—Yonkers National Bank & Trust Co., Yonkers, N. Y. (common stock, \$162,000; pref. stock (RFC), \$388,000) — 550,000 Effective at 12:00 o'clock noon, Dec. 20, 1941.
Liquidating agent: William F. Bleakley, care of the liquidating bank.
Absorbed by: Trust Company of Larchmont, Larchmont, N. Y., which bank changed its title to The Bank of Westchester, Yonkers, N. Y., effective as of the beginning of business Dec. 22, 1941.
The liquidating bank has two branches, both located at Yonkers, N. Y.

76,942 Freight Cars On Order By Roads

Class I railroads on Dec. 1, 1941, had 76,942 new freight cars on order, compared with 30,684 on the same day last year, the Association of American Railroads announced on Dec. 18. New freight cars on order on Dec. 1, this year, included 50,968 box, 21,392 coal, 304 stock, 1,961 flat, 1,583 refrigerator and 734 miscellaneous.

The Class I railroads also had 572 new locomotives on order on Dec. 1, this year, of which 281 were steam and 291 electric and diesel. New locomotives on order on Dec. 1, last year, totaled 182, which included 116 steam and 66 electric and diesel.

Class I railroads installed 72,440 new freight cars in service in the first 11 months of 1941 as compared with 59,473 in the same period last year. Of the total number of new freight cars installed in the 11 months' period this year, there were 39,205 box, 28,786 coal, 1,632 flat, 2,007 refrigerator, 145 stock and 615 miscellaneous cars.

New locomotives installed in service in the first 11 months of 1941 totaled 557, of which 136 were steam and 421 electric and diesel. Installed in the first 11 months last year were 367 new locomotives, of which 104 were steam and 263 electric and diesel.

Banking Institute Dinner

The 41st annual banquet of New York Chapter, American Institute of Banking, will be held on Saturday evening, Feb. 7, at the Hotel Astor, it is announced by Clarence V. Joerndt of the National City Bank, President of New York Chapter. Clinton W. Schwer of the Chase National Bank is Chairman of the Banquet Committee and Leslie O. Pehrson of the Irving Trust Company is banquet treasurer in charge of reservations.