From Washington Ahead Of The News

By CARLISLE BARGERON

A matter of moment, in a war-term world, perhaps, is the fact that Madame Perkins is becoming aggressive again. She will be in the forefront of the drive to put across this country's version of a Beveridge plan. She recently held a press conference, her first since administration of the immigration bureau and labor problems, generally, were pretty much off her hands. Even the recurring rumors had it that she was to leave the Cabinet. She came out as if she was forgotten about except that traveling around the county I was invariably asked: "Why doesn't Roosevelt get rid of Francis Perkins?" There are others whom I am frequently being asked why the President doesn't get rid of, but Madame Perkins is always in the list.

It is not generally known, but the fact is that she blew up completely sometime after Pearl Har¬

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FEDERAL SALES TAX ADVOCATED AS WAR MEASURE TO CHECK PUBLIC DEBT

Federal retail sales taxes, according to Winthrop W. Aldrich "should form an integral part of war finance, even though one may be convinced that they are not a good form of taxation for the Federal Government in time of peace." Mr. Aldrich, who is Chairman of the Board of Directors of the Chase National Bank of New York, urged the adoption of a sales tax at the New Haven last week. Speaking in his remarks that "it is a good axiom that increases in the pub¬
lic debt in time of war should be held to a minimum," Mr. Aldrich added: "In order to accomplish this re¬
taxation must be of such a character that it will absorb as much as possible of current dis¬
posable income, that it will reduce personal consumption and that it will divert productive facilities to the manufacturing of war ma¬
terial."

"The best taxes for this purpose are the individual income and retail sales taxes. Income tax ex¬
ceptions and rates must be so fixed that the great mass of it will be income is tapped. Income taxes should not be levied in a manner to corre¬
spond, and insofar as is possible, should be collected at the source. Taxation of the character indicated should be held to the limits of taxable capacity in order to check the increase in public debt."

Speaking under the caption "The Economic Implications of Internal Public Debts," Mr. Aldrich also said in part: "The only available and desir¬
able way of reducing the relative burden of debt is through in¬
creases in national income in terms of the quantity of goods and services produced. It was the rise in production and trade in the decades following the Civil War and similar increases after the first World War that militar¬ized the debt burden and per¬
mit ted reductions to take place."

"To alleviate in a similar fash¬
ion the debt burden following this war, we should do all that is possible to increase real income. This may be achieved if efforts are made to stimulate private initia¬
tive and enterprise and to reorient the channels of international trade."

"The stimulation of private initia¬
tive is largely a matter of the (Continued on page 377)

Annual Review and Outlook Number

In the Second Section of this issue of the "Chronicle" under the heading "Business and Finance Speaks After the Turn of the Year," we carry the opinions of various leaders in industry and finance regarding the outlook for business in 1943. The Second Section of this issue also contains a tabulation showing the high and low prices, by months, for the year 1942 of every bond and stock in which dealings occurred on the New York Stock Exchange. Copies of this issue of the "Chronicle," the Annual Review and Outlook edition, are priced at $1.00 each and will be sent upon request.
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We are pleased to announce that Mr. Harold B. Smith has been associated with the firm of Collin, Norton & Company, members of

the New York Stock Exchange. He will be in the trading department of their New York Office, 30 Pine Street. Mr. Smith has been identified with the over-the-counter market since 1914. He is a past president of the New York Security Traders Association.

Collin, Norton & Company was formed to do a general investment business in 1929 and became members of the New York Stock Exchange in 1926. Their office is in Toledo, and a branch office was opened in New York in 1929 by Howard E. St. John, member of the New York Stock Exchange, who continues as resident partner.

We are pleased to announce that Mr. Harold B. Smith has been associated with the firm of Collin, Norton & Company, members of

the New York Stock Exchange. He will be in the trading department of their New York Office, 30 Pine Street. Mr. Smith has been identified with the over-the-counter market since 1914. He is a past president of the New York Security Traders Association.

The annual edition of "The Preferred Stock Guide" has just been issued by G. A. Saxton & Co., Inc., 78 Pine Street, New York City. The "Guide" contains quotations, price range, dividend information and other interesting comparative figures, arranged in tabular form, may be had upon request by writing to G. A. Saxton & Co.

Kingdom Of Denmark
To Pay On Bonds

by Henrik Kaasfeldt, Envoy Extraordinary and Minister Plenipotentiary of His Majesty the King of Denmark, Washington, D.C., and by the direction of this bulletin may be had upon request from the Bureaus of Rockefeller Plaza, New York City, New York.

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The Bureau has just issued an interesting bulletin on the interdependence of Middle America, and the sale of this bulletin may be had upon request from the Bureau, Rockefeller Plaza, New York City, New York.
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1943 Slate Presented To Chicago Bond Club

The incoming committee of the Bond Club of Chicago has presented to the members the slate for 1943 which will be voted upon at the thirty-second annual meeting of the Club to be held on February 7th

Purcell of SEC Urges "Venture Investing": Risk-Taker Called Job-Giver By Economist

Gannon Purcell, chairman of the Securities and Exchange Commission, speaking before members and guests of the National Association of Investment Companies, suggested that they might well consider placing their funds in venture capital—in fact in view of the difficulties in the normal operation of investment companies at these times that special venture companies might be formed by groups of investment managers.

The importance of speculative capital was also emphasized by Sumner, H. Slichter, Professor of Economics in Harvard University, in an address on "Enterprise and the Post-War Economy." The first five or ten post-war years might well be characterized as a "deferred demand economy," Professor Slichter declared, which could be maintained with not too much difficulty by the surplus liquidity and opportunities accumulated during the war by technological advances. More difficult would be the subsequent shift to a self-sustaining economy, Professor Slichter declared, and the success would depend on how much "spirit of venture fostered." There must be an appreciation of the social significance of the risk taker in our economy, he declared. "He is the job giver; not the job taker. There seems to be a need for making the encouragement of risk taking a rather consistent, conscious objective of public policy." That the small individual enterpriser would return in any magnitude as a source of venture capital was considered doubtful by Professor Slichter, but he said that later with its greater aggregate of funds might eventually realize that it had a "stake in keeping up the supply of risk capital and therefore of jobs."

Macayo A. Shattuck, president of the Massachusetts Bar Association and an authority on trusteeships, spoke on investment company securities at trust meetings. Richard Wagner, president of the Chicago Corporation, president of the meeting.

B.S. LICHTENSTEIN

One Week Nearer Victory! It Pays to be Ignorant—but not if you have cats and dogs in the strong box that you think are valueless and haven't called for since a bid. Many times we surprise you.

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THE COMMERCIAL & FINANCIAL CHRONICLE

Volume 157 Number 4166

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BULLISHNESS IN HOTEL BONDS MUST BE TEMPERED WITH CAUTION

Not Every Bond Will Benefit from the Current Financial Boom of More Than Capacity Business

Three Hotel Bonds That Can Share in Profits

Have you read and heard of the Hotel Boom that has hit the city and indirectly the surrounding community? Hotel stocks are up in most of the war-time playground of the New York City area. Food and beverage sales are at record levels. The prophecy we made in connection with the oil shortage earlier would indicate people are not leaving the city as has been the case in the recent past. New York City is becoming the 'wine and dine' capital of the world.

However, the prudent security buyer will look behind the scenes. Is the increase in hotel business and the rising dollar signs reflected in the price of this type of securities?

To be continued. However, the prudent security buyer will look behind the scenes. Is the increase in hotel business and the rising dollar signs reflected in the price of this type of securities?
Defaulted Railroad Bonds

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RAILROAD REORGANIZATION SECURITIES

In doubt. One group saw 110 in the immediate offering, an- other, more pessimistic, forecast 117. So far, as this column con- cerned neither figure meant anything.

As last week's column went to press indications were pres- ent that an up-move had to come immediately or the entire application would be upset. This column at first intimated that the market does not show any get-up-and-go within the next week. Jan. 25. While not denying the 110 or the 100 figure will mean a thing. The rest is now how much water over the dam.

On Jan. 21 the market was 121. A week later it was 124.31. So much for that. Now the question to be an- swered: Is this market going to come up from here? What will it stop? Or is the cur- rent strength enough for the 110 or 100? In order to give kind of answers, atten- tion must be given to the market action itself.

At Tuesday's close the in- dustrials managed to make a new high—124.31. The rails, however, with a close objective of 29.22, managed to get only to 29.04.

Why the rails should have a puff and huff to even get a few cents is a problem that cannot be solved in toto. Yet solutions or answers don't count for much. The fact we have to face is that the rails are making a move high when the industrials made theirs. This, suspiciously by itself, would not be so im- portant (for the rails could make their high a few days later) if they had shown a similar resistance to follow the industrials on the down side.

The Dow theory has always had its adherents. There is nothing wrong with the the- ory; it's only in listening to some of its loudest adherents that stumbling blocks appear. Just before this present rally occurred m.s. technicians a n d board-room customers were sounding hopeful. As of Tuesday night, the opin- ion had veered sharply to the bullish side. An academic ap- proach would tell those who will show that just as there was little in the action of last week's market to bring out- (Continued on page 380)

St. Louis, Mo.

Defaulter's B mapton & R u st

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Southern Pacific etc.

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Minn. & St. Louis New 4s W. I.

Mines & St. Louis 4s 1954

Mines & St. Louis 4s 1955

Mines & St. Louis 4s 1934

Mines & St. Louis 4s 1947

Mines & St. Louis 4s 1948

Iowa Central 6s 1938

San Francisco & Nevada 6s 1960

San Francisco & Nevada 6s 1961

Del Mar & Fruit Belt 4s 1935

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earnings, and may escape entirely. The estimated increase in the normal legs and surtax as well as a moderate increase in wages as outlined above, should be more than offset by the potential in- crease in traffic. Some traffic revenue. Barring a heavy excess profits tax, the increase is reasonable to expect that net earnings of Southern Pacific this year will at least equal to the 1943 level.

As had been expected, the man-agemen t has continued to diverge in a very substantial portion of the war earnings to debt retirement. Last year this program was broad-ened out beyond the 1946 prob- lem to embrace the 1949 maturi- ties. Full details as to entire system operations are not available as yet, so it must be expected that the company itself retired roundly $30,000,000 of debt in 1942. This included $35,000,000 of bank loans (eliminating

We believe that our study on

"THE CURRENT OUTLOOK
FOR THE SEABOARD AIR LINE"

is rather timely

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Markets in Canadian Securities

Canadian Western Municipalities

Canadian Bonds

Canadian Real Estate

Aldred Investment 4%$. 1967
Algeria Cent. Hunt. Bay 5a, 1959
Banque Commerciale
Calgary Power 5a, 1960
Canada's North Power 5a, 1953
Canadian Bank 5a's, 1949
Canadian Pac. Ry. (var. issues)
Canadian Union 1955
Consol. Paper Co. 5%$, 1961
Dominion Gas & Elec. 6%$, 1945
Glennie Consolidated Ltd.
Gatineau Power 5a, 1949
International 6%$. 1943
Internat. Pow. & F., N.F. 5%$, 1960
Minn. & Ontario Paper 5a, 1960
Mont. Hi. & Pr. 3%$, 1973
Quebec Power 4%, 1962
Shawinigan Wtr. & Pow. 4%, 1961

Canadian Stocks

Abitibi F. & Pw. 6%$, 1956
Abitibi George 7%$, 1956
Ardalan NaTl' Corp. Ltd.
Aurora & Tannon Ltd.
Bell Tel. Co. of Canada Brown Company com. & yd.
Canada Pacific Bank
Canadian Index 5%$. & b. yd.
Central Bank
Canadian Pacific Railway
Consolidated Pulp & Paper
Distillers Seagrams Ltd.
Electrocorp.
Fairfax Farmers Ltd.
Gait Insurance Co.
Kerr Addison Gold Mines, Ltd.
Lake Shore Mines Ltd.
Lehman Bros. Inc.
Minnesota & Ontario Pmp.
Montreal Refuge & Store, Ltd.
Montreal Mines Ltd.
Noranda Mines Ltd.
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Phelan In Armor; Perrigo
Will Go To Detroit

DETROIT, Mich. — James J. Phelan, owner of the War- blower & Weeks in charge of their Detroit office, Perrigo Manufacturing Co., has been named to be a captain in the U. S. Army. Charles H. Jones, largest stockholder and partner of the firm, will tem- porarily charge in charge of the De- troit office.

Defaulter RR Bond Index

The defaulted railroad bond in- dex of Pflugerfeld, Bampton & R u st, Inc., 41 Broadway, New York City, shows the following range for Jan. 1, 1939, to date: 34, low—14%; Jan. 27 price—43%.
### Bank and Insurance Stocks

**Inquiries invited in all Unlisted Issues**

<table>
<thead>
<tr>
<th>Name</th>
<th>City</th>
<th>Address</th>
<th>Telephone</th>
</tr>
</thead>
<tbody>
<tr>
<td>Laird, Bissell &amp; Meeds</td>
<td>New York City</td>
<td>1 Wall St., New York Telephone 5-0805</td>
<td>A. Gold, Investment Department</td>
</tr>
</tbody>
</table>

**This Week — Bank Stocks**

By E. A. Van DUSEN

The market low for New Year bank stocks occurred on April 22, when the index stood at 22, nearly 25, under the 1932 low of 60.5. This strength of bank stocks, as appraisals at levels below the deflated values of 1932 is rather well understood. True, there had been scattered dividend reductions, and banks were faced with stiffer taxation and greater operating expenses, but their earning assets had been expanding so steadily and their reserves for three years, and were headed for still greater growth, that this pessimistic view appears to have been unrealistic, at least it was not apparent the second half of the year, for the index on Dec. 21 stood 23% above the April 22 level.

That little fact was cause for genuine interest to any one who attended stockbrokers meetings or went to any one who attended stockbrokers meetings or went to the Annual National Bank Day, the meetings of New York State chartered institutions on Jan. 13, 14 and 20, and who have studied the many of the annual reports to stockholders. Though the disclosures of the war situation was given full recognition, yet, as a result of the standardization of their institutions, themselves, a general tone of confidence and optimism is evident.

Nearly all of New York City banks reporting earnings for 1942 on the form recently recommended by committee of the American Bankers and the New York State Bankers Association, which were appointed last year to standardize the involvement in bank income reports. This is a great step forward and permits a fair comparison to be made of the operating results of banks which was not possible before.

Insomuch as banks were reporting in substantially the same way last year computed 1942 results with those of 1941 are compiled in several instances and are given below on a per share basis:

<table>
<thead>
<tr>
<th>Bank</th>
<th>Operating Income</th>
<th>Net Earnings</th>
<th>Operating Ratio</th>
<th>Net Earnings Ratio</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bank of Manhattan</td>
<td>$4,000</td>
<td>$1,000</td>
<td>25.0%</td>
<td>25.0%</td>
</tr>
<tr>
<td>Bankers Trust</td>
<td>6,000</td>
<td>1,000</td>
<td>16.7%</td>
<td>16.7%</td>
</tr>
<tr>
<td>Chemical</td>
<td>7,000</td>
<td>1,000</td>
<td>14.3%</td>
<td>14.3%</td>
</tr>
<tr>
<td>First National</td>
<td>8,000</td>
<td>1,000</td>
<td>12.5%</td>
<td>12.5%</td>
</tr>
<tr>
<td>First National Trust</td>
<td>8,000</td>
<td>1,000</td>
<td>12.5%</td>
<td>12.5%</td>
</tr>
<tr>
<td>National City</td>
<td>8,000</td>
<td>1,000</td>
<td>12.5%</td>
<td>12.5%</td>
</tr>
<tr>
<td>North West</td>
<td>7,000</td>
<td>1,000</td>
<td>14.3%</td>
<td>14.3%</td>
</tr>
<tr>
<td>Trustees</td>
<td>7,000</td>
<td>1,000</td>
<td>14.3%</td>
<td>14.3%</td>
</tr>
</tbody>
</table>

**Gensers Can't Lack This Marine Either**

Even the censors can't get this Marine down—we are reprinting a letter sent to his mother by Duke Hunter, Jr., who was a marine and serving the marines in the South Pacific since August 7th.

**Dear Mom:**

Can't write a thing. The censor's to blame.

Just say that I'm well. And sign my name.

Can't tell you where we sail from, can't miss a day at sea.

Can't even number, the meals that I ate.

Can't say where we're going, don't know where we'll land.

Can't inform you, if met by a band.

Can't mention weather, can't say if there's rain.

All "Military Secrets," Must secrets remain.

Can't have a flashlight, to guide me at night.

Can't get a fresh meal, To wash out this sight.

Except out of sight.

Can't keep a diary, For such is a sin.

Can't keep the envelopes, Your letters come.

Can't say for sure, folks, Just what I CAN write.

So... I'll call this a letter, And close with "God Night."

Your loving son,

DUKE, JR.

### NATIONAL BANK OF EGYPT

Head Office Cairo Commercial Reserve No. 1 Core

**DIVIDEND NOTICE**

111th Annual Meeting

Meeting of the Board of Directors of the National Bank of Egypt was held on Thursday, January 17, 1943. The Annual General Meeting was held on Friday, January 18, 1943. Checks will be mailed on:

1. **DIVIDEND NOTICE**

2. **EATON MANUFACTURING COMPANY**

The Board of Directors of Eaton Manufacturing Company has declared a dividend of Seventy-five cent (75) per share on the outstanding common stock of the Company, payable February 20, 1943, to shareholders of record at the close of business on February 7, 1943.

H. C. STUSSY, Treasurer

**INTERNATIONAL HARVESTER COMPANY**

The United Corporation of the International Harvester Company of Chicago, Illinois, filed a petition dated December 19, 1942, in the United States Bankruptcy Court for the Northern District of Illinois in Chicago, Illinois for a voluntary reorganizing case. The Board of Directors of The United Corporation of the International Harvester Company has declared a dividend of 100 cents per share on the outstanding Common Stock of the Company, payable March 1, 1943, to the holders of record at the close of business February 19, 1943. Checks will be mailed to the President and Treasurer of the United Corporation of the International Harvester Company, W. M. O'CONNOR, 3131 N. Ashland Ave., Chicago, Illinois.

**THE ATLANTIC REFINING CO.**

**COMMODITY REFINING CO.**

At a meeting of the Board of Directors held January 25, 1943, a dividend of fifteen cents per share was declared on the Common Stock of the Company, payable March 1, 1943, to the holders of record at the close of business February 19, 1943. Checks will be mailed to the President and Treasurer of the Company, W. M. O'CONNOR, 3131 N. Ashland Ave., Chicago, Illinois.
The Securities Salesman's Corner

SOME SUGGESTIONS FOR SELLING A SPECIAL SITUATION

Last week, in this column, we suggested the use of the "special" products among stockbrokers; a letter that can be used (changed for your own names) in your present prospect and customer files. Call out all those individuals that in some respects have not been following you consistently by your sales organization. Among them may be a few individuals that most likely will be interested in the past. Then select those which you believe to be among the larger "unit buyers." Send them a letter something like this:

Dear Mr. Smith:

It has been several years since I have seen you, and, first of all, I hope that you are enjoying good health.

Occasionally I have sent you a mailing just to keep in touch with you. I have not seen you for quite a long time.

Recently our firm completed a serious study of one of the most outstanding problems of today and would like to call your attention to it. We believe that we have uncovered a common problem that has been one of the greatest causes of difficulty in the past and will, in fact, have a major impact on the future of your company. It is a problem that will be of interest to you and your company.

With kind regards, I remain,

[Partners or Salesman]

The purpose of this letter is to set up this situation on a pedestal. Make it important, however, implied that you have a real solution to the problem that you're discussing. Nothing is going to happen until you call the company via the telephone calls result in tournaments, that is all right. Better to ask for an introduction or an appointment from the telephone solicitor, than to try to have your interview over the phone. The more important your situation is to you—the more interesting it will appear to you. The most important is to him, the closer you are to your order and your "new account." A letter coming for conditions and change—but the same old common sense that prevails in human nature is basic.

Profits Possibilities of Electric Bond & Share

The research staff of Goodbody & Co., the largest city, members of the New York Stock Exchange, has recently completed an extensive survey of various developments now taking place in the world of bonds. This survey includes, the related United Gas Corp., and the Electric Power & Light Corp. The profit possibilities in the various debentures and preferred and common stocks are analyzed in considerable detail, while efforts are also made to gauge the possible timing factors likely to influence these developments. Increasing market attention has recently been given to the higher yields of preferred stocks, and the possible unexpected events, is daily becoming a reality. A great deal of money is being invested in the financial district. This is because there is a possibility that the new stock issue of the Utility Committee will sell well with a good start to a very profitable business. The market will be drawn from the utility stockholders to new investors. The more important is to him, the closer you are to your order and your "new account." A letter coming for conditions and change—but the same old common sense that prevails in human nature is basic.

Lentilhal, Simon, Gumbel John J. Barth & Co.

"(Advertised in The Commercial and Financial Chronicle)"

Thoughts On Tomorrow

A controlled optimism, based on a thorough understanding of current and expected events, is daily becoming a reality. A great deal of money is being invested in the financial district. This is because there is a possibility that the new stock issue of the Utility Committee will sell well with a good start to a very profitable business. The market will be drawn from the utility stockholders to new investors. The more important is to him, the closer you are to your order and your "new account." A letter coming for conditions and change—but the same old common sense that prevails in human nature is basic.

Harbison & Gergy Open in Los Angeles

Announcement has been made of the formation of the partnership of Harbison & Gergy, to conduct a general investment securities business with offices in the 1, N. Van Nys Building, McClary, Harbison, formerly of Dinkarranty Co., will have a large following in the Los Angeles business, and will conduct operations continuously since 1919. In Los Angeles. As President of the firm, Mr. Harbison, a member of Los Angeles Stock Exchange since 1919 and was elected a member of its Governing Board in 1945. Associated with the two principles as account executives will be Fred L. Clark, executive, Wilton Boore, John S. Mitchell, George H. Honeycutt and Rosk. Boore. The latter will be in charge of the firm's Panasen offices at 300 East Green Street. J. G. Henderson will be manager of the Stock Department while W. B. Allen will serve as manager of the Investment Bank. William V. Bull has been appointed Dietrich & Gergy. The firm will be members of Los Angeles Stock Exchange and will purchase facilities for the purchase and sale of securities as well as the preparation and dissemination of statistical and other information.

Dinkarranty Co. and R. H. Gergy & Co. will be dissolved as partners and will continue their business as independent firms and stockholders in the Van Nys Building. The partnership of Harbison & Gergy was previously reported in the Financial Chronicle of Jan. 3.

Chain Store Performance

James (B) Thorndike, Inc., 50 Broadway, New York City, is taking a keen interest in the chain store performance for 1943 containing interesting chart material. It is possible to draw a chart of the stock performance of the various situations in which the firm considers particularly attractive, and a tabulation of chain store company and the order from Childs, Jeffries & Thordilde.

INVESTORS MUTUAL, INC.

Keystone Custodian Funds

BOND

Keystone Mutual Bond Fund

Jewel (Bond Fund

Selectivity Bond Fund

PREFERRED STOCKS

Selected Preferred Stock Fund

Appreciation Fund

COMMON STOCKS

Quality Corporation

Selected Comm. Stock Fund

Utility Corporation

Low Priced Common Stock Fund

An OPEN END INVESTMENT COMPANY

Prospectus on request from Principal Underwriter

INVESTORS SYNDICATE, INC.

MINNEAPOLIS, MINNESOTA

OFFICIALS IN THE PRINCIPAL CITIES OF THE UNITED STATES

N. Y. Banks & Trust Co.

The New York Hanseatic Corporation, 125 Broadway, New York City, has entered into an interesting comparative table of the stocks of the leading companies of New York as of Dec. 31, 1942, copies of which may be had from the firm upon request.

INVESTMENT Trusts

VITALITY

Webster defines vitality as the "power of enduring or continuing." Anyone acquainted with the obstacles and discouragements in his opinion specifically before the past decade must admit that it has demonstrated a large measure of power.

Certainly there was evidence of vitality at the membership dinner of the National Association of Investment Companies given New York's University Club last Monday evening. It was not the undisciplined vitality of a spoiled child which one might have sensed in a gathering of investment company leaders of the late 1920's. It was the controlled vitality of a mature man who has made his mistakes taken his bumps, and is confident of his ability to meet the opportunities of the future.

As one old-timer among the approximately 175 members and guests put it, "I figure that anyone who is still in this business today has got to be good!"

Under the able direction of past President Paul Bohle, the program was drawn up to include Chairman Garrison Parks, of the SEC, Professor Sumner H. Slichter of Harvard and May A. Shattuck, President of the Massachusetts Municipal Association as speakers. Richard Wagner, President of the Chicago Corporation presented.

Mr. Purcell pointed to "two weak spots in the field in which he felt optimistic." One was the small investment company which had shrunk to the position of being no longer operated economically from the point of view of one company, Mr. Purcell, who is a large corporation, while another is the companies either with larger units or with several small companies which might be a good chance to withdraw and "one would be a board without a pew."

On the lighter side, we could not tell whether Mr. Purcell was smiling when he read a letter from a man who had retired to a goat farm, Judge Gumbel, and the aforementioned vitality—our own guess would be that the goat farm is likely to get more recruits from the membership of the SEC than from the investment company field.

Best of all we liked the forecast of one grizzled veteran that, with all the money that's going (Continued on page 377)
Mr. Johnston warned that the "present drop in the sale of gasoline is beginning to be dangerously near, if not already, the point at which the government department cannot possibly carry on its program of existence in maintenance and administration.

Missouri May Soon Need More Debt Service Income

Possibility that the State may have to impose a property tax to carry on the road program from which the sources in the payment of the bond issue are suggested in new reports from the State Tax Commissions covering the financial problems of the State.

This view is based on the fact that in the year ended June 30 last, about $3,600,000 in receipts from sales tax, $21,100,000 in motor license tax, and $15,000,000 in coal and 2% motor road bonds are collected, or a total of $48,000,000.


South Carolina May Refund Highway Bonds

In the inaugural address at the opening of the 94th General Assembly on Jan. 18, Governor Olin D. Johnston declared that no additional bonds should be sold for road purposes and observed that in view of the fact that gasoline taxes may be suppressed, there is no reason "in order to save the credit of the State." The finance committee of the legislature should, he said, recommend that the State should maintain a close watch on all of its financial affairs and that the State should not guarantee the obligations of other States, thus avoiding the expenditure of its resources in order to live within its means.

Pointing out that highway debt service needs in 1943 approximated $25,167,900, the Governor declared that this figure is entirely too high, and that the amount of the gasoline tax revenue for that year should be reduced.

The Governor declined to give an estimate of the State's general debt service cost on the salt tax alone, as other sources have indicated that the yearly amount of $8,000,000 by the end of this fiscal year and $10,000,000 in the following year, however, that the greater portion of the surplus be used in the payment of the bonds, he also warned that the State may have to impose a property tax to carry on the road program from which the presently collected sources are suggested in the reports from the State Tax Commissions covering the financial problems of the State.
A NATION WITHOUT CIVILIANS!

As America grasps the true meaning of total war the term "civilian," as it was once understood, becomes increasingly empty. Virtually everyone in the nation plays some part in keeping America going—a vital factor in achieving victory.

In this effort, loss to anyone is loss to all. Loss by fire is especially serious since the resulting damage is in man-power, machine-power, materials, or all three. We can afford to squander none of these war essentials.

Thus America at war has an obligation to take every possible precaution against the outbreak of fire in any instance; further, to see that all property is adequately insured. These wise and necessary precautions will help importantly to keep America "in there punching" until the Axis is vanquished for all time.

All of us should bear in mind the urgent obligation:

*Be EXTRA Careful about Fires.*

**THE HOME**

Insurance Company

NEW YORK

FIRE ★ AUTOMOBILE ★ MARINE INSURANCE
The State Of Trade

Reports coming from most industrial sections continue highly favorable, with little or no weekly setbacks. Reassurance that all is going well on the nation's production front was contained in the Federal Reserve Board report, showing that the industrial output index rose two points in December to an all-time peak of 195% in the 1935-1939 average, or 28 points above the closing level for 1941.

Output of electricity continues to hold at peak levels in most parts of the United States. Production of electricity in the United States in the week ended Jan. 16 totaled 3,952,479,000 kilowatt-hours, virtually unchanged from output of 3,952,587,000 kwh. in the preceding week, and an increase of 14.5% compared to the same period last year. This latest increase was 32,180, of average loadings for the corresponding week of the 10 preceding years.

Total operating revenue for the week ended Jan. 16 totaled $53,260 cars, according to reports filed by the railroads with the Association of American Railroads. This was an increase of 29,097 cars over the preceding week for this year; 35,947 cars below the corresponding week in 1942 and 51,072 cars above like period two years ago. This total was 133.90% of average weekly operations.

Fuel Oil Sales May Be Limited To Customers

Fuel oil dealers or suppliers may, limit sales to customers to a percentage of the currently valid ration coupons presented as evidence. Customers are treated as "like" the Office of Price Administration stated on Jan. 16, in an instrument recently announced "Non-discrimination" ruling.

In addition a dealer who sells ultimate consumers is not required to sell fuel oil to other dealers if this has not been his regular practice in the past. However, if he sells to one customer he shall be considered to be supplying all others. A bulk supplier who sells to a dealer can no longer sell to direct customers. The dealers cannot refuse to sell to any dealer, even though not given permission by the Office of Price Administration to do so.

The OPA listed the following OPA business in the first week of sales to dealers and secondary suppliers may, follow the OPA's non-discrimination rules:

1. Customers located beyond a certain uniform distance from the seller may be refused delivery.

Uniform credit standards may be fixed for other than cash sales and sales may be denied to customers who cannot meet such standards.

A certain operation of the OPA may be restricted as long as the restriction is in accordance with the general rules of the OPA.

3. Suppliers may, before delivering their products, require the written statement that his customer cannot meet this requirement.

4. The OPA may refuse to distribute products to a dealer who has never sold to a customer for his own use in a certain area or state, and who cannot meet this requirement.

5. Credit policies which do not conform to the OPA’s requirements may not be followed:

1. Sales to customers may not be limited to a quota based on a regular credit.

2. If suppliers restrict sales to a percentage of the coupons presented, this percentage must be uniform. He may not restrict sales to a percentage of the coupons presented at a certain location or at a certain time of the day. No discrimination against localities to carry a uniform discount or price in a certain area.

4. A supplier may not refuse to sell to a dealer merely because he has never dealt with him before or because he is not a regular customer.

5. A supplier may not refuse to sell to a dealer because the dealer has previously promoted, a competitive brand.

6. A supplier may not refuse to honor the coupons of a dealer because he anticipates that his stocks will be needed in the near future to supply his own regular dealer customers.
Banks Asked To Retire Special Silver Gifs.

In accordance with the Treasury Department's desire to encourage the circulation in the United States of the specially identifiable silver certificates issued for use by American forces in combat zones, Mr. Frank C. Russell, President of the Federal Reserve Bank of New York, on Jan. 13, called a meeting of banks in the Second Federal Reserve District and asked the banking institutions in the Second District not to pay out any of these silver certificates which come into their possession, but to turn them in for retirement.

In his address, Mr. Russell explained that these certificates were issued for circulation in the United States, except that the seal to the right of the portrait on the face of the note is printed with "yellow" ink instead of blue ink as is done on the certificates here-tofore issued for circulation in the United States.

The Treasury Department has advised us that silver certificates identified with the "yellow" seal enjoy the same circulation privileges as other issues of United States currency in the United States and other parts of the world. Some of these certificates will undoubtedly be returned to the United States by members of the American forces, or others. Without the Treasury Department's desire to discourage the circulation of these particular "yellow" seal silver certificates in the United States, the Department has asked us to request the banking institutions in the Second Federal Reserve District not to pay out any silver certificates identified with the "yellow" seal which come into their possession, but to turn them in for retirement.

In forwarding such certificates to the Federal Reserve Bank, it will be appreciated if you will segregate these certificates from other currency.

Communications to us regarding the subject of this circular should be addressed to the Cash Department.

Craig Again Heads Coffee-Sugar Exch.

The membership of the New York Coffee and Sugar Exchange at the annual election on Jan. 13, re-elected William B. Craig as President, Frank C. Russell as Vice-President and John C. Gardner as Treasurer. Mr. Craig became President and Mr. Gardner was elected Treasurer at a special election on Aug. 26, 1942, held to choose successors to W. W. Pinney and Richard L. Lamborn who resigned to take up active duty as officers in the United States Naval Reserve. Mr. Craig, whose association with the sugar industry dates back to 1910, is head of Ledward, Bibby Co., Inc., of New York. He has been a member of the Exchange since April, 1930, and has served on the Board of Managers of the Exchange since 1931, being elected Vice President in January, 1942. Mr. Russell of Russell & Co. has been a member of the Exchange since 1911, having served many years on the Board of Managers and as a committeeman. Mr. Gardner, as Vice-President of Lowry & Co., has been a member of the Exchange since 1932. Five new terms of the Board of Managers were re-elected to serve two year terms and one new member was also elected for two years—David M. Keiser, President and Treasurer of the Cuban-American Sugar Co. Two new members, elected to serve one year on the Board, are J. H. Scholts, Jr., of Scholts & Co., and D. H. Zelisse of Curacao Trading Co., Inc.

Open Paralysis Fund Drive

The annual appeal of the National Foundation for Infantile Paralysis begins throughout the country on Jan. 15 and will continue through Jan. 30, the date of President Roosevelt's birthday. This year's appeal is similar to previous ones, with the main fund-raising activities including dances and parties the night of the President's birthday and the "Mile of Dimes" campaign. In support of the campaign the President has issued this statement:

"I feel that any interruption in this work would be extremely indefensible unless absolutely necessary. More than that, I also think that such a fight as that being waged against infantile paralysis, or any other as yet uncontrolled disease, is an essential part of the main struggle in which we are all engaged—a struggle to make tomorrow's world a better world in which to live. While we fight this global war we must see to it that the health of our children is preserved and protected so that we may enjoy that better world—for tomorrow's America will be as strong as today's children. We must help them win their victory over disease today."

In a ceremony opening the 1943 "Mile of Dimes" campaign on Jan. 18, a 12-foot bust of President Roosevelt was unveiled at the General Postoffice in New York City.

A previous item regarding the drive appeared in our issue of Jan. 14, page 201.

Oil for the Tanks of Africa

Tankers arrive on the African Coast to pump life-blood into our armored force, planes, trucks—victors over the perils placed in their path.

To build our tankers and other ships has been a major task for our shipyards. One such large yard, for example, had to do a "wholesale" job in a hurry. Extensive financing to build, ways quickly was a necessary part of that task. The Chase National Bank was contacted by one of its correspondents and the financing was quickly arranged—and oil for the tanks of Africa thereby speeded.

In this instance and under other similar circumstances from coast to coast, the Chase and other banks are actively helping producers to "deliver the goods" more quickly, more efficiently—when and where the fighting forces want them!
Steel Operations Off Slightly—Easing in Steel Orders As Allotments Match Output

While Washington officials this week were slashing the unlisted heavy requests for steel, aluminum and copper which claimant agencies under CMP have placed for second quarter delivery, the concern of war leaders appeared to be shifting from raw materials to components. This, says the "Iron Age" further, is due to the fact that "there has been no secret that large quantities of partially completed war machines stood idle over the nation, and that some vital construction programs were unable to proceed because they lacked small equipment. Month by month the complete scheduling of components which advocated but severe orders, are now, with key officials, seriously disturbed over the situation, closer attention to the completion of parts may be expected. Particularly in the shipbuilding industry it is important that perfect coordination be achieved. New shipyards, although they won't be launching ships right away, soon will need to place large orders for steel plates. Demand is so heavy that production of shipping will be constructed this year.

"All the warring nations are transforming enormous alloy steel parts into carbon steel, but encouraged German equipment is understood to indicate that the Nazis are making substitutions at a faster rate than others. For the fourth time in recent weeks, the first quarter tin plate quota has been changed. Initiating the quota was around 750,000 tons. Tin plate mills will be full of losing some of their skilled labor. The demand is high for that month. At present, shipyards have a large tonnage of plates in stock but only equivalent to two months' supply when compared to the present rate of fabrication. This is ample for the entire shipbuilding program. There are allowable maximums, but several yards have pointed out that in their own individual cases, plate receipts are declining in comparison to their rising rate of launching. Although direct Navy needs are down currently, around 20,000,000 deadweight tons of steel may reach 1,200,000 tons in March. February directives to the mills for plate also will be unusually large this month. At present, shipyards have a large tonnage of plates in stock but only equivalent to two months' supply when compared to the present rate of fabrication. This is ample for the entire shipbuilding program. There are allowable maximums, but several yards have pointed out that in their own individual cases, plate receipts are declining in comparison to their rising rate of launching. Although direct Navy needs are down currently, around 20,000,000 deadweight tons of steel may reach 1,200,000 tons in March. February directives to the mills for plate also will be unusually large this month. At present, shipyards have a large tonnage of plates in stock but only equivalent to two months' supply when compared to the present rate of fabrication. This is ample for the entire shipbuilding program. 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"The transition of silver from a civilian life to active service in America's war effort was the outstanding feature of the silver situation in this country in 1942, according to the 71st annual review of the silver market issued Jan. 11 by Handy & Harman, New York silver dealers. The transition, the firm states, "involved at times law of supply and demand, policy first five months of the year."

The firm's review continues: "All war and other essential needs for silver in the United States were satisfied during 1942, but there were insufficient supplies from current production (domestic as well as foreign) to fill more than a small part of the heavy civilian demand for silverware and jewelry. These lines were sharply restricted, and consumed less silver in the past year than in years past."

With silver consumption figures available only for the United States and Canada, Handy & Harman estimate that during 1942 the arts and industries used 115,000,000 ounces in the former country and 4,000,000 ounces in the latter, a total of 119,000,000 ounces. The firm's review goes on to say: "This represents an increase of heavily to the 1941 total of 4,000,000 ounces estimated as United States and Canadian consumption in 1941, and about four times the yearly average of 29,000,000 ounces during the two years preceding the year-ten period 1931 to 1941."

"Of the Canadian total of 4,000,000 ounces about 40 per cent represents war and essential needs which percentage might seem low except for the fact that, although subject to supervision, no severe restrictions or controls have been imposed upon the manufacture of jewelry and silverware. In Canada no increase in the price of silver was made when the United States raised the rate to 45c. billion for internal consumption continued to be based upon the former price of 25c. expressed in terms of Canadian dollars. Only if their silver was not needed in Canada were producers granted a license to export, thereby permitting them to retain the equivalent of 45c."

"Nearly 60% of the amount of silver consumed in the United States during 1942 is estimated to have gone into war production, perhaps into use classified by the War Production Board as essential and thus covered by priority ratings."

"This silver was used mostly in the manufacture of photographic film, airplane engine bearings, soldering and bonding alloys, electrical contacts, galvanic and silver-plated eating utensils for the Army and Navy, and chemical equipment."

"Silver has also been used in the making of pharmaceutical products, surgical supplies, and dental alloys, but in smaller quantities than for the purposes first mentioned."

"Silver brazing alloys and electric contacts made of silver have had the most widely diversified use in war production. Such brazing alloys have been employed for making joints in ships' piping and in the manufacture of equipment such as electric motors, generators, turbine rotors and stators, radiators, busses, and various instruments."

"In general, it can be said that silver is finding an important place in the production of every airplane, battleship, submarine, patrol vessel, and tank, and in many guns, bombs, torpedoes, shells, and vital parts of other weapons."

Handy & Harman estimate that the United States government acquired silver by the acquisition of silver bullion and silver coin in the United States and Canada. The firm states, "Estimated deliveries during the first five months of the year for purchases made prior to Nov. 28, 1941, which date marks the cessation of foreign silver hoarding by the Treasury. An additional 40,000,000 ounces were derived from domestic ores, and the balance of 1,000,000 ounces were accounted for by miscellaneous bullion receipts."

"The review further states: "Adding the acquisitions of silver to total 2,380,000,000 ounces, the official Treasury silver holdings at Dec. 31, 1941, makes a total of 5,344,000,000 ounces. From this total, however, should be subtracted an estimated 4,000,000 ounces representing about 1,000,000 ounces of "silver ordinary" sales plus a scant 3,000,000 ounces used in making the new silver coins."

"The balance of 3,346,600,000 ounces is our estimate of Treasury silver holdings at Dec. 31, 1942. This figure includes the silver content of all munitions which, as well as in the Treasury and banks, with the exception of the new 'silver' nickels, which, together with pennies and the old 'nickel' nickels, have been used in government and government controlled munitions. Because of this grouping, it is impossible to ascertain the total amount of silver contained in the "silver" nickels."

"From the review we also quote, 'According to an official statement, the amount of silver received at the United States Mints during the first eleven months of 1942 for the purpose of foreign coinage manufacture was 890,000 fine ounces, some of which was bought outside of the United States. The identity of the countries obtaining this coinage was withheld."

"A new high record for domestic silver coinage was made in 1942. The eleven-month figure of 69,108,000 ounces being 16,900,000 ounces greater than the previous full year's record established in 1941. Of the total, 96,700,000 ounces were consumed in subsidiary coinage which includes nickels and pennies, and 2,744,000 ounces were used in the new "silver" nickels. These latter coins contain 25% silver, 56% copper, and 5% manganese."

"In December the silver contained in government distributed munitions was estimated to be about 1,000,000 ounces. The Treasury's bullion will be put into circulation if the demand for minor coins continues."
Industrial Activity At High Level In December

Fed. Res. Bd. Reports In General Summary

In its summary of general business and financial conditions, the Board of Governors of the Federal Reserve System reported that industrial activity and distribution of commodities continued at a high level in December. Prices of farm products and retail prices of most other commodities showed little change. The Board's summary continues as follows:

Production

Industrial production in December showed less than the usual decline from November and the Board's seasonally adjusted index rose two points further, to 196, of the 1923-1929 average. Minnesota output continued to increase, raising total output to a general production to a level 33% higher than in December a year ago, while, for the same period production of nondurable goods was only 4% larger and mineral output was somewhat lower.

Steel production in December and the first half of January averaged 97% of capacity, down slightly from the October and November levels. Total steel production for December showed a 4% increase over 1941, while the output of steel plate, important in shipbuilding and tank production, rose 90% over the previous year. This rise was largely obtained by conversion of existing facilities to production of steel, and stone, clay and glass production in December showed larger declines than are usual at this time of year.

Output of nondurable goods showed little change from November to December. Textile production continued at the high level which has prevailed for the past year and a half. Most packing increased sharply, reflecting exceptionally large hog slaughter and output of most other manufactured foods was maintained at a high level.

Mineral production was lower in December. Reflecting a decline in coal output from the peak reached in November, bituminous coal production in December was the second largest in the history of the industry, averaging 15% greater than 1941. Crude petroleum output in December continued at the level of earlier months. Production of natural gas was slightly lower than in January, reflecting transportation shortages. In the first half of January production of bituminous coal and petroleum was maintained, but a number of anthracite mines were closed by an industrial dispute. Value of construction contracts awarded in December, according to the P. W. Dodge Corp., was somewhat higher than in November, and the year-around type buildings for housing war workers continued to rise, and public works increased sharply, while awards for manufacturing buildings declined further.

The value of construction was$16,000,000,000 in the first quarter of 1942, according to preliminary estimates of the Department of Commerce. This was about 25% lower than the peak of the previous quarter, but slightly higher than that of the fourth quarter of 1941. Installations for mobile homes and mobile buildings for industrial facilities accounted for almost three-quarters of the total, and residential building remained somewhat less than half of the remainder. For the year as a whole, construction is valued at $13,600,000,000—of which almost four-fifths was publicly financed— an increase of one-fifth over 1941. The increase took place extensively in military and industrial projects, which rose $4,500,000,000. All other types of construction declined.

Distribution

Distribution of commodities to consumers was maintained at a high level in December and the first half of January, after allowance for the sharp fluctuations that are customary at this time of year. The 1943 Christmas buying season exceeded that of any previous year, value of sales in department stores, for example, being about 13% larger than in November of the corresponding period of 1941. The increase over the year-period exceeded in part price advances, but there was also an increase in the volume of goods sold.

Freight earnings declined about the usual seasonal amount in December, and the Board's adjusted index remained at 1845 of the 1923-1929 average. Grain, livestock, and miscellaneous loadings rose somewhat on a seasonally adjusted basis, while coal and other products declined slightly.

Commodity Prices

Prices of agricultural commodities advanced sharply from the early part of December to the middle of January. Maximum prices designed to restrict further increases were issued for some of these commodities, including corn and peanuts, but in most other products, however, like potatoes and truck crops, Federal price supports were increased. Wholesale prices of other commodities continued to show little change.

In mid-November to mid-December retail food prices advanced 0.4% to a level of 103.9 of the 1935-1939 average. Further increases in these prices are indicated in January as a result of the advance in the maximum levels for such items as flour, milk and poultry.

Excess reserves of member banks declined sharply in the last two weeks of December, falling to the first half of January they averaged $2,500,000,000, as compared with $2,500,000,000 for most of December. Large payments to industrial and other accounts may have been the chief reason for the sharp increase. There were, however, substantial sales of Treasury securities by banks to underwrite purchases of bills by banks under options to repurchase. In addition, the Board ordered a 100% increase in Treasury, reduction in Treasury balances in London and correspondent banks and a return flow of currency supplied banks with additional reserves, and so forced to the Reserve Banks were repurchased. During this period the Federal Reserve Banks held Government securities, which had increased to $6,200,000,000 by Dec. 31, and declined to below $6,000,000,000.

"Reflecting largely purchases of the 1% ceiling rate securities which were delivered in the week of Dec. 30, the Board guaranteed, to its own satisfaction, Government obligations amounting to $1,500,000,000 to 111 cities increased by $1,000,000 to $2,500,000,000 over the four weeks ending Dec. 19. New York City banks took $60,000,000 of these obligations and the remainder was sold to reporting banks. Commercial loans in New York City declined by $90,000,000; outside New York there was little change.

Large increases in sales to dealers rose sharply during December in chemicals, rubber, iron and steel, paper, but declined correspondingly and for the year as a whole, continued to decline. U. S. Government Security Prices - Subsequent to the close of the Victory Fund drive in December, prices of U. S. Government securities (including bonds) of the December 31, declined to $100,0000,000.

Most bonds and notes of the several issues outstanding for retirement were sold at a slight discount, and the Treasury, as a matter of policy, has continued to sell Treasury bills. The discount accounts at the banks were shown to have been $11,000,000,000 on March 31, 1942, at the option of the retailer.

"It would that the Central Committee of National Retail Association, consisting of 17 representatives of retail trade associations and more than 400,000 retail stores of every type, which has already adopted the resolution, be consulted in the appointment of advisors to discuss the employment of the unemployed, and to the National Retail Furniture Association in Chicago also has ratified the resolu-

Rum License

Rum Plan Endorsed By Am. Retail Federation

National and State retail associations, with the American Retail Federation on Jan. 6 to petition Congress for enactment of the Whiskey and Rum Prohibition and tax plan. The action of the Federa-

What would you think of a general who was too busy to remember to guard against attack from the rear? It is good generalship to use hindsight and foresight in planning your savings program for the year ahead—and to make sure that your savings will do twice the job you'd expect in normal times. It takes only one visit to our nearest office to get two kinds of thrift protection.

*Double Thrift Service*

First, your dollars in War Savings Bonds and Stamps go to the firing line for you and yours. Second, your dollars in your savings account continue to protect you against emergencies and sudden needs!

Buy Bonds...and Keep Saving

EAST RIVER SAVINGS BANK

Five Convenient Offices

MAINT OFFICE 25 OORTLAND STREET

291 Broadway 50 Spring Street 41 Rockefelter Plaza 763 Amsterdam Avenue

Member Federal Deposit Insurance Corporation

New York State Factory Pay Third Higher in 1942

Factory, payrolls in New York State were 35% above the base year, 1942, than for 1941, according to a statement issued Jan. 10 by Acting Commissioner of Commerce观音 Michael J. Murphy. Average weekly earnings increased from $32.68 in 1941 to $32.44 in 1942; employment went up 40%.

"At the end of 1942, payroll and wage rates were higher for every month during the year than for the corresponding month of 1941. Payrolls for December, 1942, were 35% above those for December, 1941, and employment was up 40% compared with November;" fac-

"Most industries hired additional workers during the month particularly those engaged in war work. The only major industrial group in which employment was down in employment were food products, agri-

ล originate in the State employed 15% more workers, and earnings increased 10% more in payrolls. The announce-

"The statement is based on preliminary tabulations of weekly reports from 2,788 representative factories. The official data are from The Division of Statistics and Information on Wage and Hour Supplements. Dr. E. B. Patton, is responsible for the collection, tabulation and analysis of the data."

"Activity at war plants continued to show signs of increased activity in the January data. Large numbers of additional

the man and woman power of the United States under the emergency to announce a service to help promote the successful prosecution of the war.

NY Chamber To Name Man Power Committee

At the business session of the New York State Chamber of Com-

merce on Jan. 7, President Fred-

erner to appoint a special committee to be known as the Committee on Man Power. The Chamber has authorized the task of studying the ill-

unemployment rate of the man and woman workers, and has already appointed the Committee on Man Power for the State to study the ill-

unemployment rate of the man and woman workers.
The assertion that the issuance of Federal Reserve Notes held "unauthorized; Treasury Defends Legality"

The assertion that the issuance of 600,000,000 of Federal Reserve Notes held "unauthorized; Treasury Defends Legality" of the Federal Reserve System is not contained in an open letter to Congress. The letter addressed to Congress, made public on Jan. 21, on which date United States Treasurer Daniel W. Bell is said to have declared that authority in regard to the issue of the Reserve Notes does exist, Prof. Spahr's letter to the Treasury Department was written to the Treasury Press, said that while it was issued by the Treasury, the views expressed were solely those of the Secretary, Prof. Spahr. The committee is a group of 76 economists, and its announced purposes include the determination of the ability of "an early return to the gold standard" and to "use monetary policies such as those of inflationists, deflationists, and commit the dollar adv.

In his letter Prof. Spahr said: "If our Treasury and Federal Reserve authorities are to return to goldbackmark, they should do it openly and inform Congress, and if the present type of currency inflation is pre-

The following facts are not to be controverted:
1. There is no law authorizing the Treasury's action in issuing Federal Reserve Bank notes up to $900,000,000 in any amount in excess of $660,000,000, or in any amount below $660,000,000.
2. Such notes can be legally issued only by Federal Reserve Banks and only in accordance with

Cotton Loan Premiums, Discounts For 1943

Premium and discount rates for the 1943 cotton loan program, designed to encourage the shifting to longer staple varieties needed in wartime manufacture, were announced on Jan. 22 by the Department of Agriculture in Washington. The loan, based on 10/16 Middling, will be made at 90% of parity on all growths of Upland cotton, and will be effective during the 1943-44 marketing season which begins Aug. 1, 1943. The Department's announcement further stated:

Department officials said the reason for announcing the premium and discount schedule in advance of the complete loan program was to give cotton growers time to plan planting, to secure sufficient seed of varieties that will produce the longer staples needed in wartime, and thus take advantage of the increased rates offered for the longer lengths.

Also according to present plans, farmers will be given special consideration by the Federal Reserve Banks and will be required to purchase from the Federal Reserve Banks the proportion of their production of the type of food and fiber needed in the war effort. Accordingly, cotton farmers who produce the staple needed in the war effort would be given consideration before those producing the shorter staples—those of which there are large surpluses, and, therefore, are not so urgently needed.

"In urging farmers and others to plant larger acreages (within their abilities) and to longer staple varieties, officials pointed out that serious shortages of the longer staples may develop unless producers maintain or increase production of such cotton.

"For example, there is a greater need of cotton stapling one inch and longer. The carryover, as of Aug. 1, 1943, before the 1943 crop is harvested, of cotton of 1 3/16 will be about 60% of the amount which was needed to supply the government's home and overseas requirements for the 1942-43 marketing year; and the carryover of 1-inch and over will be about 60% of the 1943 requirements.

The carryover of all grades and staples of Upland cotton will be about 85% of total needs, while the carryover of cotton stapling less than one inch will exceed the requirements by 25%.

In addition, it is indicated that the carryover of cotton stapling 1 1/2 and longer will be about 17% less than the carryover of such cotton on August 1, 1942.

The indicated carryover of the longer staple lengths of upland is regarded as relatively small, and may meet any emergency arising because of increased requirements of such cotton.

"Officials say these figures indicate strongly that cotton producers will need to shift from short staples to the longer ones, if they are to make their best contribution to the nation's war needs. The longer staple varieties yield per acre than the shorter staples, and, in some cases, give producers less cash return. The new premium and discount rates are designed to compensate for this, and in general do not vary greatly from the 1942 market differentials.

"Remainder of the 1943 cotton loan program will be announced when the basic loan rate is determined."

Guaranty Trust Co. Urges Public To Absorb Major War Financing: Reports Earnings

Net current operating earnings of the Guaranty Trust Co. of New York for 1943 amounted to $13,713,196, according to the meeting on Jan. 26. The report was signed by W. Palmer Con- way, Executive Committee, and Eugene C. Spahr, Executive Committee, and Eugene C. Spahr, chairman of the New York City Bank for Savings.

The company's total current operating earnings for 1942 amounted to $32,961,127, consisting of $18,196,397 in dividends on securities, $8,833,968 interest on loans, and $5,231,574 other current operating earnings. Operating expenses for the year amounted to $15,477,290, divided into salaries and wages, $7,280,605 other current operating expenses $6,940, wait paid.

The company's surplus and unprofitable dividends at the end of 1942 amounted to $192,479,009, compared with $160,479,006 at the end of 1941. Dividends declared in 1942 were the same as in 1941, viz., $192,479,009. During the period there were 12.194,875 votes as a result of dividends amounting to $1,000,000, against $600,000 in 1941, a result for miscellaneous charges $3,390,000.

During the year profits from the sale of investment securities amounted to $1,267,998, compared with $1,810,936 in 1941. Total operating earnings carried over from the previous year were $7,317,911.

The United States Government securities, amounting to $21,895,000, were increased by the creation of $763,884,000 over the end of last year. This goes to the first call date exclusive of $212,651,000 Treasury bills, as follows: 3 years, $6,879,354,000; 4-5 years, $230,333,000, and over 5 years, $100,000.

The report further disclosed that the company has made large loans related to the war effort and has actively engaged in the financing of war contracts, under terms of Regulation Q.

In the report it is stated: "Net earnings from current operating earnings realized from sale of United States Government securities, in- stead of being credited to earn-
Senate Group Calls For Aid To Small Business—Suggests Remedial Legislation

The Senate Small Business Committee on Jan. 18 criticized as "unfair and unreasonable" the Government's refusal to extend lower mortgage rates to little or smaller plants and said it had under consideration several legislative proposals relating to the subject.

In a report to the Senate, filed by its chairman, Senator Murray (Dem., Mont.), the Committee quoted from the testimony of a Montana farmer who stated that "over 70% of all pre-1941 farms have been merged into new units and the balance into larger units, the total number of small farms has been reduced to less than 100 of the large companies" and that subcontracting is proceeding at a rapid pace.

The report said the Committee had these legislative proposals under consideration: The creation of a national supply administration within the War Production Board would create a nationwide network of small businesses which could be quickly put into operation by the war, and Government contracts would be placed within the industries best by wartime burdens.

The Committee set forth these five basic principles as to its future plans and suggested their adoption by the American people.

"Small business must be more effectively organized to compete with large corporations.

"Small business must be more effectively used in meeting essential defense needs.

"Small business requires assistance and protection wherever and whenever the national emergency demands.

"The Committee believes that small business has never had such a chance to prosper as in the present time, and that its relative prosperity is the key to our success or failure."

Dec. War Bond Sales Near Record High

The Treasury Department reported on Jan. 17 that sales of War Bonds in December aggregated $1,014,158,000, bringing total sales for the calendar year to $9,156,058,000. The December sales for the entire country were the second largest monthly total of this war, being exceeded only by those for January, 1942.

December sales of Series F and G bonds in December, were $686,302,000. The total amount of B, F, and G bonds sold since their introduction to the public in May, 1941, and through December, 1943, was $11,194,000,000, of which about 85% were in the hands of the original buyers.

Sales of war-savings bonds in the Second Federal Reserve District by agencies other than the post-offices amounted to $161,300,000 in December, against $819,000,000 in November. The Federal Reserve Bank of New York disclosed on Jan. 17.

The sales were the third largest to date in the entire District.

Sales of Series E bonds aggregated $83,800,000, against $79,500,000 in November; $70,400,000 against $67,500,000 in October; $67,400,000 against $66,900,000 in September; and $66,900,000 against $66,000,000 in August.

"Total crop and farm operators reduced the outstanding 9% certificate balance to $76,400,000 in December from $80,500,000 in November. The outstanding 2$% certificate balance fell to $575,000,000 from $625,000,000 in November. For the entire year, sales of tax notes were $1,312,000,000.

Chicago Mercantile Exchange Elects

Members of the Chicago Mercantile Exchange were elected last week to succeed six governors to serve for two terms. Elected as chairman and a nominating committee for a term of four years, were: Frank T. Elder, vice-president; W.C. Dyer, president; A. H. St. Clair, vice-president; and T. J. McPherson, secretary.

U. S. Use Of Newspriint Down 7.2% In Dec.

The newspaper association of Canada has reported that total apparent newspaper consumption of United States publishers in December was 339,703,700, 7.2% or 27,384,700 less than the November issue. Cumulative decrease for the year was 29.1% in December and 33.6% in November.

The following data were also contained in a Canadian Press dispatch from Montreal, Jan. 13.

The total apparent stocks of all U. S. publishers decreased 38,321,000 in December to 812,458,000 at the end of the month. The association said. Corresponding stocks at the end of December, 1941 and 1940 were 673,739,000 and 766,631,000 respectively.

"Shipments from Canada during 1942 represented 71% of the total United States supply, compared with 76% in 1941. Shipments from United States mills were 29% of the total against 25% in the previous year, while New York city shipments remained unchanged at 5%.

"The association reported on Dec. 14 that December shipments averaged 241,000 copies, or 23.7% lower than December, 1941. It also said that the United States were down 28.6% and to the New York market consumers the decline was 60.2%.

Canadian production amounted to 11,024 copies, or 18.8% below December, 1941.
Transition From War To Peace 'Up-Hill Climb' Says Continental Bank Chairman

The transition from a war to a peace-time economy will be an "up-hill climb" which will take much longer than the period of preparation to win the war, Frederick E. Hasler, President and Chairman of The Continental Bank & Trust Co., said on Jan. 20 in his address to the 72nd annual meeting held at 20 Broad Street. He warned that victory and peace "the nation must be prepared for still greater sacrifices and hardships than the war would mark the launching of another great offensive on the part of our American people to complement peacetime economic readjustments and to liquidate our nation's huge legacy of debt, Mr. Hasler said.

"The road back to a normal world will be a long, tortuous, up-hill climb," he said. "The Nation must much more time to recover from the system of hardships and sacrifices that the war than it has taken us to make the physical and financial adjustments necessary to the winning of it. We must face the grim fact that, regardless of when the war ends, the United States will emerge from it burdened with the greatest debt any nation ever shouldered in the history of the world."

Pointing out that at the time of Pearl Harbor the Federal Government owed 42.3 times as much as it did when we entered the first World War and that the budget for the next fiscal year forecasts a national debt in excess of $210,090,000,000 on June 30, 1944, Mr. Hasler in his comments stated:

"There is no standard by which we can measure the present war budget. We are fighting a total war which threatens our very existence. No price is too great to pay to insure final and complete victory. This does not mean, however, that we should relax our vigilance over necessary expenditures. On the contrary, we should redouble our efforts to eliminate wasteful spending and make certain that every dollar of our war production is necessary for the welfare of the nation shaped to meet wartime exigencies."

The annual report showed net earnings of the Continental Bank for 1942 were $515,213, compared to $491,724 the previous year, while the net from current operations increased 19.6% to a total of $886,612. Earnings per share of stock increased 4.8% over 1941. The bank's website increased the $100,900,000-mark for the first time in its history. Deposits of $96,739,709 at the close of business Dec. 31, 1942, were 9.6% higher than the comparable date in 1941. Surplus and undivided profits increased to $102,213. The bank's investment account increased from $23,553,906 at the end of 1941 to $46,945,312 at the end of 1942. United States obligations, the largest item in the investment account, totaled $25,397,977 at the year-end, an increase of 38% compared with the same time in 1941.

Four directors whose terms had expired—Albin K. Betnem, Elsworth Bunker, Sigfrid Coats and Carl O. Hoffman—were re-elected to the Board for three-year terms.

Colonial Trust Reports Growth in Deposits

Arthur S. Kleeman, President of the Colonial Trust Company, at the annual meeting of stockholders, on Jan. 20, submitted a report in which he said that "in contrast with most New York banks, our institution has during the past year enjoyed an important growth in deposits and in other assets" from the end of 1941 to $31,045,000 on December 31, 1942, an increase of 24.6%. He also said that "the most gratifying fact is that this was not wholly due to the increase in Government deposits, our totals from

Mandeville Heads Chic. Mercantile Exch.

Maurice Mandeville, associated with Fahnestock & Co., was elected President of the Chicago Mercantile Exchange on Jan. 15 by the governors of the producer-futures trading center. He succeeds Garrett B. Shawhan who has served three successive terms. Harry H. Field, of Ullmann & Oppen Co., was elected First Vice-President and V. O. Apple, of Fulton Market Coal Storage, a newly elected Governor, was chosen Second Vice-President. Nick Fennema, of S. S. Borden Co., was elected to serve as Secretary for the ensuing year and Joseph Goodwin was re-elected Treasurer. Robert E. Schools of Marwyl Dairy Products Corp. was named serget-at-arms.

Mr. Mandeville, a well-known figure in the butter and egg trade, is a chapter member of the Exchange and has been active officially in its affairs for many years. He served as Vice-President in 1933-34 and since that time has been a member of the Board of Governors and chairman of many important Exchange committees.

Young Will Address Lend-Lease Meeting

The Commodities and Industry Association of New York announced on Jan. 28 that E. R. Scottith, Jr., Administrator of the Office of Lend-Lease Administration, had agreed to send his first Deputy Administrator, Philip Young, to New York to address a mass meeting on "Lend-Lease Operation," to be held under the sponsorship of the Association in the grand ballroom of the Hotel Commodore on Thursday, February 4, at 2:30 P.M. At the conclusion of his address, Mr. Young will answer questions. He will be accompanied by Gordon Willams, also an expert on this controversial subject. The meeting will be open to the public.

PURE OIL REPORTING:

Entering its second year of war, The Pure Oil Company brings you these progress-notes concerning its first.

The Pure Oil product list is peppered with new names today—names, every one, that stand for products vital to this nation's victory.

Resources formerly devoted to the production of over 300 products for peacetime motoring and industry, have been converted to produce such things as these:

Toluene, for bombs and explosives... aviation alkylate and codimer, for high octane aviation gasoline... di-isobutylene, which may be used as a component of aviation gasoline or Butyl rubber... butylene, for conversion to butadiene used in the manufacture of Buna-S rubber... commercial solvents, polymers, and aviation lubricating oils and waxes.

Gasoline and lubricants for the armed forces, heavy fuel oils for steel mills and ships, cutting oils and lubricants for America's war industries—these too are weapons, produced abundantly at Pure's refineries throughout 1942.

Quick conversions for new production, stepped-up speed throughout our schedules, research effort keeping at it 'round the clock, these '42 offensives have taught us much—lessons that hold promise for the year ahead of still greater strides in the production of these materials of victory.
FIRING AWAY

More production is the order of the day. Men and machines work on, while guns, tanks, ships, planes, ammunition become the tools of war. This is a vital part of our Nation's program for Victory. It enables our armed forces to thunder their powerful message to the enemy on the world's fighting fronts. Behind this mighty task, providing boundless, unfailing energy for our industries, are Natural Gas and Electricity—master servants which perform their appointed wartime duties silently, effectively, continuously...

W. A. Lyon Named Aide To NY State Bank Head

Elliott V. Bell, New York State Superintendent of Banks, announced the appointment of W. A. Lyon of the Financial news staff of the New York "Herald Tribune," as assistant to the Superintendent. Mr. Lyon has been a member of the Financial News Department of the New York "Herald Tribune" since 1917. Mr. Lyon, who is 40 years old, was born in Coh. Ark. He is a graduate of the University of the South prior to entering newspaper work. Mr. Lyon was a reporter and editor in the financial pages of the New York Financial Writers Associates and has been a member of the financial staffs of the New York Times and the "Herald Tribune" since 1919.

Phillips Reaches India

William Phillips, President Roosevelt's special envoy to India, arrived at New Delhi by airplane on Jan. 8. Mr. Phillips had been Ambassador to Italy, said that, in addition to studying the problems of India for the President, he would coordinate American civil activities in the country.

The President's appointment of Mr. Phillips was reported in our December 31, page 2325.

Roosevelt, Churchill Confer At Casablanca

On War Campaign; Giraud, De Gaulle There

The presence in Casablanca, French Morocco, of President Roosevelt, and Prime Minister Churchill of Great Britain for discussion incident to the war campaign of 1943 against Germany, Italy and Japan, was made known on Jan. 26, no intimation having previously been given to the public or the press of the unannounced visit. A communiqué, dated Jan. 26, was made available on Jan. 26 regarding the conference, in which it was stated that the occasion of the meeting between the President and the Prime Minister, made it opportune to invite General Giraud to confer with the combined chiefs of staff and to arrange for a meeting between him and General de Gaulle. At the same time it was stated that Premier Joseph V. Stalin had been invited to meet the President and Mr. Churchill, but had been unable to leave Russia. The text of the communiqué issued at the joint press conference at Casablanca on Jan. 24 of President Roosevelt and Prime Minister Churchill was given as follows in a United Press dispatch from Casablanca, as published in the New York "Herald Tribune":

"The President of the United States and the Prime Minister of Great Britain have been in conference near Casablanca since Jan. 14. They were accompanied by the combined chiefs of staff of the two countries; namely, for the United States:

"General George C. Marshall, chief of staff of the United States Army; Admiral E. J. King, commander in chief of the United States Navy; Lieutenant-General H. H. Arnold, commanding United States Army Air Forces.

"For Great Britain:

"Admiral of the Fleet Sir Andrew Cunningham, Commander-in-Chief, Western Naval Forces; Lord Louis Mountbatten, Chief of Combined Operations; Air Chief Marshal Sir Charles Portal, chief of the air staff.

"These were assisted by:

"Lieutenant-General B. B. Somervell, commanding general, Services of Supply, United States Army; Field Marshal Sir John Dill, head of the British joint staff mission in Washington; Vice- Admiral Lord Louis Mountbatten, Chief of Combined Operations; Air Chief Marshal Sir Charles Portal, Chief of the Air Staff.

"The President was accompanied by Mr. Harry Hopkins and was joined by Mr. W. Averell Harriman. With the Prime Minister was Lord Leathers, British Minister of War Transport.

"For ten days the combined staffs have been in constant session, meeting two or three times a day and recording progress toward the final liberation of Europe. The two general staffs have been in close consultation.

"The President, Prime Minister and the combined staffs have completed their plans for the offensive campaign of 1943, have now separated in order to put them into active and concerted execution.

"From London, Jan. 27 Associated Press sources in the "Herald Tribune" had the following to say in part regarding the journey undertaken by the President and Mr. Churchill:

"Normal, bruised and tired Freedom of speech was the word of the day for President Roosevelt and a Prime Minister Churchill at Casablanca, the British Ministry of Information said today in its account of the meeting, which included some hints of suppressed details. It also disclosed that Churchill went to North Africa in the same Liberator bomber in which he flew to Cairo and Moscow at August.

"Mr. Churchill took off from a Royal Air Force field on the south of England the night of Jan. 12, with W. Averell Harriman, special envoy of European in England: Sir Charles Wilson, President of the Royal College of Physicians of his personal physician; Air Marshal Sir Charles Portal and two members of his personal staff.

"They spent their first day there after an 'uneventful' trip. A small group of military and civilian officers who must have been up before dawn welcomed the Prime Minister, and Mr. Churchill himself met the second plane conveying other members of the American staff, chief American chiefs of services had arrived shortly before.

"At a hotel in a small resort near Casablanca, Mr. Churchill ate food prepared and served by cooks and stewards of the British Navy. The meeting and the conference had been requisitioned for the conference.

"President Roosevelt and Harry L. Hopkins arrived the second day with the Prime Minister. Then, the second day of the conference speeded up with a minimum of formalities, and the formal speeches and the third, and protocol nowhere all at it adds.

Corn Exchange Bank Trust Co. Earnings

The net current operating earnings of the Corn Exchange Bank, New York City, exclusive of recoveries and net profits, amounted to $2,478,379 in 1943. Dush B. Serrier, chairman, told a meeting on Jan. 12. These earnings represented an increase of 9 per cent over the capital shares outstanding.

According to the New York "Herald Tribune" of Jan. 12 recovery and the net profit from securities were about $691,000, and the total of reserves being $6,911,000. Mr. Serrier said most current book balances of the bank now run to $545,000.

From the New York "Times" Jan. 13 we take the following: Questioned by a stockholder re- garding the bank's reported earnings, Mr. Serrier said the bank would not be subject to such tax until earnings reached 50,000 in a year. He said that last year the Federal Tax paid amounted to $49,850, and deposit insurance payments to $25,300.
Collection Of Income Tax At Sourceavored
As Best Way Of Putting On Current Basis

The simplest, most effective method of collecting the income tax at the source of the income, the National Retail Dry Goods Association has chosen to present its case. "The War Production Board and the Treasury have ordered that all existing orders of the War Production Board affecting such production, distribution or use shall remain in effect until specifically amended, repealed or superseded. The authority heretofore delegated shall not include authority to regulate or control the distribution of any material or products other than rubber and rubber products, even when such other material or products are for use in the production of rubber."

It is also provided that the Rubber Director may exercise these powers either in his own name through the WPF Director General or for Operations at the request of other such official, agency or person as he may designate.

Mr. Jeffers on Jan. 9 also assumed control over all rubber imputations, taking over operations formerly exercised by the Board of Economic Warfare through the Rubber Reserve Co., a subsidiary of the Reconstruction Finance Corp. Mr. Jeffers has left in charge of the Reserve Co., Mr. Surrey, who had contended himself with that time to domestic synthetic production interests. In the future the BWF will simply act in so advisory capacity, recommending development programs, among other things. The BWF, whose chairman is Vice-President Walter Bell, was given control over imports of strategic and critical war materials, including rubber, on April 13, 1943, when a Presidential order transferred these powers from the RFC and its subsidiaries.

NYSE Short Interest Lower On Dec. 31

The New York Stock Exchange announced on Jan. 19 that the short interest existing as of the close of business on Dec. 31, 1942, settlement date, as compiled from information obtained by the Exchange from its members and member firms, was 591,833 shares, compared with 551,053 shares on Nov. 30, 1942, both totals excluding short positions carried in the odd-lot accounts of all odd-lot dealers. As of the Dec. 31, 1942, settlement date, the total short interest in all odd-lot dealers' accounts was 18,333 shares, compared with 27,655 shares, on Nov. 30, 1942.

The Exchange's announcement is as follows:

"Of the 1,238 individual stock issues listed on the Exchange on Dec. 31, 1942, there were 27 issues in which a short interest of more than 5,000 shares existed, or in which a change in the short position of more than 2,000 shares occurred during the month.

"The number of issues in which a short interest was reported as of Dec. 31, 1942, exclusive of odd-lot dealers' short positions, was 457 compared with 453 on Nov. 30, 1942."

In the following tabulation is shown the short interest existing at the close of the last business day for each month for the last two years:

| Jan. 1942 | 460,577 |
| Feb. 1942 | 489,233 |
| Mar. 1942 | 513,546 |
| Apr. 1942 | 506,836 |
| May 1942 | 534,286 |
| June 1942 | 514,152 |
| July 1942 | 517,423 |
| Aug. 1942 | 532,985 |
| Sept. 1942 | 548,365 |
| Oct. 1942 | 558,444 |
| Nov. 1942 | 551,053 |
| Dec. 1942 | 591,833 |

Reviced

CLOSE RANKS! ROLL 'EM UP!"

"Close ranks! Roll 'em up"...that's the order of the day if we are to keep our gas and electric production lines rolling so our boys can keep 'em flying."

Nearly every day, along with many other American industries, we find new gals in our company ranks caused by people leaving to join the armed forces of our government's war service. War knows no distinction but reaches into executive, commercial and production departments alike.

But when the gals are left they are promptly closed up as our remaining workers..."soldiers of the production line"...step in, roll up their sleeves, and do their part to keep things moving as efficiently as possible.

True, certain services must be curtailed...deliveries of merchandise made on regular trips, service calls and meter connections scheduled and possibly meters read less often...but despite long hard days public utility employees still "serve with a smile."

The gas and electric industry has always been fraught with problems...the summer hurricane or the winter's icy blast and now on us under the stress of war the slogan is "Close ranks! Roll 'em up!" for victory both over our problems and our Nation's enemies.
Construction Contracts in 37 Eastern States Broke All Previous Records, Says Dodge Review

Construction contracts to a total of $3,255,000,000 were awarded in 27 eastern states in 1942 by the J. P. Morgan & Co. Corporation, according to a report released December 31.

The new high includes contracts for the preceding year 1941, which were worth $2,378,000,000, according to the report. The new total compares favorably with the total for the previous high-record year 1928. Building contracts, amounting to $5,714,000,000, increased 34% over their 1941 volume; heavy-engineering contracts, amounting to $2,549,000,000, increased 46% over the preceding year. The announcement went on to say:

Most spectacular increase was in new factory construction, contrac
t for which amounted to $2,027,000,000 in 1942, compared with $1,181,000,000 in 1941; both year's figures exceeded all previous recor
d. Contracts for residential building, exclusive of barracks for the armed services and war workers, declined from $1,817,000,000 in 1941 to $1,140,000,000 in 1942. On the other hand, contrac
t for the barracks type of housing accommodations increased nearly five-fold over 1941.

Commenting on the remarkable construction program carried out in 1942, Thomas R. Holden, President of J. P. Dodge & Co. Corporation, said: "Public-own
er-projects represented 87% of the enormous 1942 total, reflect
ing the domination of war construc
tion in the year's activity. It is well understood that the peak of war construction has been passed and that the housing program will shift emphasis strongly to end-products. It is estimated that construction contracts in 1943 may approximate half the dollar volume of the record 1942

J. P. Morgan & Co., Inc.
Earnings $3,251,131

For the first time during the long existence of the Morgan banker
t house, the annual meet
ing on Jan. 20, J. P. Morgan & Co., Inc., 23 Wall Street, was attended by "outside" or "public" stockholders.

Partial ownership of the insti
tution passed into the hands of
Pennsylvania during the year.

over 600 of the general public last February when a block of 16,500 shares were distributed. For 81 years previously in that time, the company's capital stock was held by a group of about 30 or 35, who were either identified with the company or were members of the families of former partners of the private banking firm of J. P. Mor
gan & Co. The institution be
came a State-chartered bank on April 1, 1941, taking over more than the business conducted by the former private banking firm.

Only about 50 of the new stockholders attended the meeting pre
ger the directors of J. P. Morgan,
Chairman of the board, the fea
ture of which was presentation of the annual report of President, George Whitney. The report showed that the net earnings for 1942 were $3,251,131, as compared with $3,187,500 for the same period a year earlier. Of the 1942 earnings, $1,000,000 was disbursed to stockholders in the form of a dividend, and $4,481,461 trans
ted to general reserve, leaving a net balance in undivided profits of $1,817,501 as of Dec. 31, 1942, in increase during the year of $602,967. The operating results for the year ended Dec. 31, 1942, were somewhat better than those reported in 1941 when $7,025,011, made up of $3,504,822 net earnings, $2,525,011 in new earnings of interest re
cieved and $1,027,146 in fore
closure recoveries. And for the first time, $50,770 in security profits; this com
ting 1941, with $498,770, consisting, respectively, of 41.13%, 264,000, and 1%

WLB Staff Changes

The National War Labor Board, recently organized to direct the war efforts of WLB, has announced the appointment of K. Garrison, its general counsel, and John S. Kinnin

mentary on the war—they will be

Second only to the winning of the war, our national purpose is to make sure that when peace comes we do not find we have drained into a free world with too limited an economy. Here again the bankers, as you bankers, have a greater share of wisdom than the people from States where the biggest part of the government's war expen
tures were made.

The one outstanding characteristic of the war effort is the stimula
tion of savings for the future. It is now our purpose to continue this stimula
tion of savings for the future. It is now our purpose to continue this stimula
tion of savings for the future. It is now our purpose to continue this stimula
tion of savings for the future. It is now our purpose to continue this stimula
tion of savings for the future.

"Will not be enough merely to open the gates. We must wait for the public to bring its savings in. Nor will it be enough merely to urge savings as an abstract. Only a miner saves for the sake of his children, and a human being must have a goal. I estimated the cost of the war, and I made the plan now for the houses, cars, furniture, and the necessaries of life that become available when the war is over. The banks can help by encourage
ing a proportionate share of savings for the future. Saving is a way to

Lamborn Sugar Calendar

The 11th annual edition of "Lamborn Sugar Calendar," containing statistical data and other vital information, is available. The sugar industry of the United States and the world is being dis
tributed to all parts of the New York.

National Magnesium Corporation of Maryland

Elkton, Md. JOHN F. CONROY, JR., President New York, N.Y.

PRODUCERS OF MAGNESIUM POWDER
for
Flares, Tracer Bullets, Photo Flash Bombs, Float Lights, Aircraft Signals and Submarine Signals

This company was the award-winner of the Army-Maryland Var
nous-Name "Excellence in Flare Production" after commissioning operations. It was among the first fifty companies to receive the award.

war time to buy a car or house in peace time can beat both the

National Magnesium Corporation of Maryland

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nous-Name "Excellence in Flare Production" after commissioning operations. It was among the first fifty companies to receive the award.
Raising Bank Dividend Rates Now Would Be Mistake, Says Fraser Of First National

Leon Fraser, President of First National Bank of New York, said on Jan. 12 at the annual meeting of stockholders that he thought the banks of the United States could make no greater mistake now than to increase their dividends. Mr. Fraser made this observation in his reply to a stockholder’s question as to the prospect for restoration of the bank’s annual dividend rate to $100 from its present level of 90c.

The New York “Herald Tribune” also had the following to say regarding the report presented by Mr. Fraser:

“Mr. Fraser pointed out that First National did not earn $100 a share last year. Its earnings amounted to $97.66 a share. He said the bank’s dividend was reduced at a time when it was not known or suspected that banks could keep their funds as fully invested as they now are. When the dividend was reduced, he pointed out, the bank had about $100,000,000 of excess reserves and the prospects for increased income were uncertain. While some of the shorter interest rates had firm ed up considerably, he said, there still remained the problem of replacing investments at maturity which were now yielding 3 to 4%.

In discussing the bank’s earnings for last year, Mr. Fraser said the net earnings from loans and investments of $14,681,156 were derived to the extent of $13,761,000 from investments of $11,136,600 from loans. From United States government securities the earnings were $11,506,000 gross and $9,300,000 net after deduction of $2,200,000 amortization. The amount reserved for taxes and assessments of $3,320,892 was not bigger because of the $975,783 net loss on securities. Net income was $9,765,998, against $10,500,000 in 1941.

“Mr. Fraser said the bank now had 203 employees, an increase of ten in 13 to last year. Twenty-seven percent of the male employees had joined the armed forces, he said. These employees had been replaced by women who were proving very satisfactory; but it had been discovered that a few women were needed to do the same amount of work, he said.

“Nine percent of the government securities sold in the district in the December Victory Loan drive had gone through the First National Bank, said Mr. Fraser. Of the bank’s portfolio of government securities, 38.1% mature in a year or less, another one-third in one to five years and one-third in more than five years. Only 6% of the maturity of the government securities have a maturity of more than ten years.”

Central Hanover Bank & Trust Co. Earnings

The Central Hanover Bank and Trust Co., New York City, had net operating earnings of $6,047,966 for the year ending Dec. 31, 1945, William S. Gray, Jr., President of the bank, reported to stockholders at their annual meeting on Jan. 14. In addition to this amount, Mr. Gray said the bank’s net profit on securities was $203,648, not including substantial recoveries made during 1945 which were transferred to reserves. Total operating income for the year was $17,254,166 and total operating expenses were $11,256,268. Dividends paid or declared in the year amounted to $4,200,000.

Mr. Gray said that of the bank’s holdings of $916,772,000 of Government securities on Dec. 31, a total of 28.5% mature within one year, figured on the maturity date, 31.1% in one to five years, 31% in five to ten years and 2.4% in ten to fifteen years. He further explained that, on the basis of the earliest call date, 28.5% mature within one year, 43% in one to five years and 28.5% in five to ten years.

George M. Moffett, President and Chairman of the Board of Corn Products Refining Co., was elected a member of the bank’s Board of Trustees at the stockholder’s meeting. Mr. Moffett, a native of Parkersburg, W. Va., and a graduate of Princeton University, is also a director of Commodity Exchange; a member of the Puerto Rico Sugar Co. and American Gas and Electric Co.

Commodity Exchange Reelects Governors

Members of the Commodity Exchange, Inc., New York, at the annual election on Jan. 18, reelected for three-year terms ten retiring Governors to represent the various groups of the Exchange and Corn. Abraham L. Denga was succeed Richard V. Z. Salembier as chairman of the Silk Group. The reelected Governors were: Frank R. Hope and Jerome Leonard of the Steel Group; Edward L. McKendrew and Margaret A. Watson of the Hide Group; Adolph J. Borner for the Silk Group; Irving L. Johnson and Martin H. Wehntz for the Metal Group; Louis V. Keeler and Charles Z. Wilson for the Rubber Group, and Joseph Fischer for the Non-Trade Group.

ABA Head Endorses Victory Book Campaign

Endowment of the 1945 Victory Book Campaign to provide books for men and women in the armed forces is announced by W. L. Henshaw, President of the American Bankers Association, in response to the invitation of the 1945 Victory Book Campaign Committee. Mr. Henshaw is president of the Mercantile-Commerce Bank and Trust Co. of St. Louis, Mo. The campaign aims to collect 10,000,000 books, biography, fiction, mystery, professional, technical, scientific and military, to be given to soldiers, sailors and marines. It is planned to see that every member of the armed forces has one or more books to read when he is away from home and to provide books at United States camps and abroad.

As a guide to the kind of books which are desired the committee has adopted as its campaign slogan, “Any book you really want to keep is a good one to give.” The committee has suggested that by way of practical help banks may adopt the practice that many banks employed in last year’s campaign of providing a basket or other container in their lobbies with a poster calling attention to the campaign and inviting customers to deposit their books therein. Local libraries will provide such posters and will collect the books. In addition, complete information may be obtained from these local libraries.

The campaign was opened on Jan. 5, and will run until March 5, as was reported in these columns Jan. 14, page 198.

The Airport that Travels by Truck!

ONE OF THE AMAZING WAR PRODUCTS OF NATIONAL GYPSUM COMPANY

Making those "wings" is the wartime job of these big pressers in one of National Gypsum’s 21 plants. These steel mesh collars are dramatic parts to build a landing field. Millions! Watch Gus against a sensible mundo landing build! can be lost other these studs, interlacing and "moor" in 9 hours!

Commodity Exchange Governors

On the right side of picture is shown a building field. Gus against a sensible mundo landing build! can be lost other these studs, interlacing and "moor" in 9 hours!

Commodity Exchange Governors

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Liberty Aircraft Products Corporation

Farmingdale, Long Island

Suppliers of precision parts to the Aircraft Industry
Supreme Court Upholds Labor Department
Subpoena Powers Under Walsh-Healey Act

In a 5-2 decision, the United States Supreme Court held on Jan. 11 that the task of determining whether a factory is subject to the Walsh-Healey public contracts act is an administrative function of the Department of Labor and not a judicial function of the courts. Accordingly, it reversed a federal District Court's requirement to grant a subpoena to the government, requiring the Endicott-Johnson Corp. of Binghamton and the Footwear and Leather Workers' Union of New York City, N.Y., to produce payroll records for examination.

In Washington advice of Jan. 11, Associated Press further reported:
The act requires that on government contracts of more than $10,000 the manufacturers shall pay minimum wages as determined by the Secretary of Labor.
The Endicott Johnson Corp. was charged with failing in certain cases to pay the required wages and overtime for work on government shoe contracts between 1936 and 1938. In the proceedings the company furnished records for factories making the finished shoes, but refused data on other plants where the shoes were made and to which these were not covered by the act.
The Supreme Court's opinion, written by Mr. Justice Jackson, said that "Congress submitted to the Labor Department, and to the Secretary of Labor, the task of determining whether a factory is subject to the Walsh-Healey public contracts act. The Secretary of Labor and the District Court had no authority to compel the production of any evidence to decide the question of coverage itself."

Justice Frank Murphy, in a dissenting opinion joined by Justice Sutherland, contended that Congress had not conferred, "upon any agency which it has created," the power to enforce its own subpoena.

He added that administration agencies, "if they are freed of all restrictions upon involuntary disclosure of information and are allowed unrestricted discretion in the exercise of the sovereign power of government to invade private affairs through the use of the subpoena may at times become instruments of intolerable oppression and injustice."

**Chem. Bk. & Tr. Co.**
Earnings $5,635,659

Reporting that "the bank had a splendid growth and development during the year and realized a 25 per cent high in deposits and resources," Percy Johnston, Chairman of the Chemical Bank, New York, N.Y., said that the shareholders at their annual meeting Jan. 11 had told the company that "the scope of operation was vastly changed during the year, war inflating loans were made amounting to $191,073,071;" grants and nationalizations rose from $321,211,478 to $826,819,145. Mr. Johnston's report was read in his absence (due to illness) by Frank K. Houston, President of the bank.

The bank operated during the year with average excess reserves amounting to $3,136,872.

Mr. Johnston noted that "it has been our practice, in this annual report, to present a statistical picture of the economy and the political situation. We will refrain from doing so this year. All of us feel the costly and deadly war and that we should not be united people with purpose." Mr. Johnston said that "the war and to make a sound foundation for the world to live can. We again pledge to serve the people with ability and its maneuver for that purpose for another year."

The New York "Times" of Jan. 11 reported that "Mr. Houston explained to stockholders that the average return on the bank's holdings of Government obligations last year averaged 1.3 per cent; and that 31.6 per cent of the Government holdings mature under one year, 25.8 between one and five years, and 30 per cent, and 6.3 per cent over ten years. This drive of last December he said that the bank had paid $1,392,000; cared for $379,808; invested $9,429,385.81 in United States Government certificates, and $20,689,815 in United States Government bonds.

The "Times" likewise stated that "Mr. Houston said that the bank's $9,429,385 current operating earnings, after provision for additional taxes, reached the requirements, amounted to $8,407,463, compared to $7,967,408 in 1940. The bank's gross operating earnings for the year were $19,405,277 and represented a gain of 16.9 per cent."

Mr. Collett explained that, after providing for $2,500,000 in dividends, the bank earned $15,867,267, bringing the bank's total earnings for the year to $15,171,788. The bank's general resources amounted on Dec. 31, 1942, showed a balance of $17,752,756, net of $2,001,005 for the year. During the year and reached a net of $4,495,797.

The principal changes in the assets and liabilities of the bank were listed by President Collett as follows: Cash and due from banks increased $2,957,664. U.S. Government securities increased from $16,000,000 to $20,689,815. Savings deposits decreased $1,917,082. Savings accounts increased $3,816,773. Member Federal Deposit Insurance Corporation

| Loans and Discounts | $74,090,377,475 |
| U.S. Government Securities | 116,255,901.28 |
| Other Securities Guaranteed by U.S. Government | 9,429,385.81 |
| Other Bonds and Stocks | 18,207,464.00 |
| Savings Deposits | 614,737,045.94 |
| Bank Deposits | 615,925,045.94 |
| City of St. Louis and Other | 5,342,54 |
| Cash and Due from Banks | 103,514,654.29 |
| **Total Deposits** | $306,651,664.81 |

**LIABILITIES**

Capital—Common | $10,590,000.00 |
| Surplus | 4,394,775.67 |
| Dividend Dividends, Paid | 27,384,930.29 |
| Reserve for Taxes, Interest, etc. | 486,977.32 |
| Unearned Discount | 15,761,524.64 |
| Liability & Liabilities to Letters of Credit, Acceptances, etc. | 717,349.06 |
| Individual Deposits | 831,255,639 |
| Savings Deposits | 318,074,577.07 |
| Bank Deposits | 116,473,706.15 |
| Reserve Fund | 65,055,045.94 |
| Public Funds | 3,954,947.97 |
| **Total Liabilities** | $325,500,214.08 |

The above statement reports net deposits in accordance with instructions of Government officials.

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Federal Reserve Bank of St. Louis
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Non-Ferrous Metals—Lead Order Amended

February Copper Allocations Released

Editor's Note.—At the direction of the Office of Consensus, certain production and shipment figures and other data have been suppressed.

"E. A. M. J. Metal and Mineral Markets," in its issue of Jan. 15, reported that the copper strike was ended during the last week of the month by the Office of Price Administration to simplify the measure and correct some inconsistencies in basing points outside of the region in question. Basing points were made in the order. Word on copper went through from Washington last week to various points of time. Bismuth was placed un¬der a "Hold" by the Office of Conservation Conservation Order 57-270, effective Feb. 1. The publication further stated that "the publication of this will take place soon in some part of Copper.

"Bears" that sold contained word late last week from Washington on the tonnages allotted to them for Feb¬ruary, but prices had not yet been provided with this informa¬tion in some districts in reference to existing supplies and in¬cluding shipping instructions. The domestic market for copper held for February with foreign copper mov¬ing to Metals Reserve at prices in line with existing markets for States ports.

"An advance in pay of $1 a day for miners in Butte and Anaconda, Mont., approved by the Western Federation of Stabilization Byrnes, has been announced to miners of Ana¬conda in that area.

Copper

"ODA's lead order has been amended in the manner suggested by the appropriate departments, with an area measure and make it conform with trade practices in reference to the angling base points and establishing new basing points without any changes in the order. An announcement from that office on Jan. 17, stated that the entire base on all of Pennsylvania now takes the 15% base on everything. Basing points have been added in Florida and other centers not currently included in the original document. The premium allowed on these new points will be $1 per pound of the lead price for ingots, linked ingots, and billets in mills and units for primary, antimonic, and secondary lead at one-quarter cent a pound.

"After the meeting of the Lead producers of the country last week, a committee of representatives from the Lake Michigan mining area, took place in Washington on Jan. 13, to discuss with the ODA and the commission maintains the statement on the position of the state and the miners. In the meantime, the committee has revealed that the total supply of lead is not adequate to the market, and the numerous known requirements and leave a price, as the demand is for lead now. The trend is to no longer counting on imports of lead from Australia and Canada, and with this factor in consider¬ing our supply during 1942, and South American imports will take second place in shipping to more countries.

"It was suggested that lead allo¬cation should be determined as a result of an order to start delivery in movement exposing the problem. WPF held could be solved if consumers had a consistent lead on time, or before the 20th of each month as required. The proportion of demand during the last week were lower than in previous time. The price of the said.

Zinc

"Zinc allocations for February are expected soon, but with clerical staff of the revisions will be greatly restricted, release of this information has become little more than a routine event. The price of standard lead in the West is at 8½c, St. Louis. The extent to which the premium for lead charge for zinc continues to be maintained has been expanded (up to 8½c premium when the market has been discussed in industry circles.

Antimony

"Total shipments of domestic and do¬mestic primary and secondary production of antimony is slightly less than anticipated requirements, but the addition of South American imports, if they reach expected volume, will provide a surplus of the metal for stockpile. The Tin and Copper Department of WPB announced last week. In outlet, domestic producers have re¬quested the government for continued sales. WPB is considering the supply is encouraging, WPB holds to the position that sufficient control must continue to build a stockpile against any interruption of imports which might develop. United States supply of antimony in 1943, WPB disclosed, will be slightly larger than in 1942. Sup¬ply is expected to be about 20% larger in 1943. The current consumption of antimony is slightly larger than normal world production.

Tin

"W. A. Johnson, chief of the metals division of the Bureau of Economic and Domestic Commerce, has announced the release of Scrap Iron and Steel last Sat¬urday. That tin is the one metal for which we were definitely de¬pendent on the Far East for sup¬plies, and, paradoxical as it may seem, it has so far caused us the least, concern of all the strategic metals.

The price situation here in tin remains unchanged. Straits qual¬ity tin for future shipment was nominally as follows:

<table>
<thead>
<tr>
<th>Month</th>
<th>April</th>
<th>May</th>
<th>June</th>
</tr>
</thead>
<tbody>
<tr>
<td>1943</td>
<td>42.50</td>
<td>42.50</td>
<td>42.50</td>
</tr>
<tr>
<td>1944</td>
<td>42.50</td>
<td>42.50</td>
<td>42.50</td>
</tr>
</tbody>
</table>

"Chinese tin, 99% grade, spot price, was $43.25 per lb., last week.

Quicksilver

"Conditions in the Pacific Coast area have been satisfactory so far this year. The first quarter production of quicksilver at a high level, according to reports for March. On the other hand, consumption of the metal has not slackened and some kind of stabilizing force is needed. An increase in scrap production, which is ready to stockpile quicksilver should any surplus production be available. Quotations in New York continued at $106½-$108 per lb.

Silver

"During the past week the silver market in London has been unchanged at 23½c. Sterling silver quotations at the London Mercantile Exchange have been unchanged at 44½c and 35c re¬spectively.

Daily Prices

The daily prices electrically received in London for the week ended March 5, 1943, are as follows:

<table>
<thead>
<tr>
<th>Precious Metals</th>
<th>3/5/43</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gold 100 oz.</td>
<td>375.00</td>
</tr>
<tr>
<td>Silver 5 oz.</td>
<td>8.00</td>
</tr>
</tbody>
</table>

Copper Supply Not Adequate

The following statement was made on Jan. 8 by H. O. King, Director of the WPB Copper Division of the War Production Board:

"Recent statements quoted in the press have conveyed the impres¬sion that the supply of copper is adequate to meet all military and essential civilian requirements.

Widespread acceptance of such statements would constitute a gross misstatement of the facts. WPB is now running a conservation program. The supply of copper will continue to be tight and will be tight for the war is on.

A number of WPB limitation orders have been issued to eliminate the use of copper from thousands of civilian uses. WPB believes that the Navy has saved considerable amounts of copper by reducing the requisitions wherever possible. A vigorous program of substitution has been in progress.

Further, several hundred million dollars are being spent on facilities for new projects to in¬crease the production of copper. While scrap programs have resulted in the collection of twice the tonnage which was expected at the beginning of 1942.

The full force of these efforts have been successful and have resulted in a reduction of the overall deficit in no reason for the relaxation of restrictions on use or relaxation of our efforts to acquire every pound of copper wherever it is available.

Chilean Bond Payment

The Government of Chile, through the Amortization of the Public Debt, issued a note for $100 million that was sold under the con¬solidation decree affecting various dollar loans. Bonds constituting the plan are to be issued and after Feb. 1, 1943, upon presentation of stamped coupons relating to the payment, to re

DREDGING

Filling, Land Reclamation, Canals and Port Works

River and Harbor Improvements, Deep Waterways and Ship Channels

We are equipped to execute all kinds of dredging, reclamation and port work anywhere in the United States.

Contractors to the Federal Government

Correspondence invited from Corporate and Private Interests Everywhere.

Largest Plan

Longest Experience

Atlantic Gulf and Pacific Co.

New York
21 Park Row
Houston
Scossil Bldg.

"Reliably uniform" was just the beginning of a sort of advertising campaign. Soap advertising to readers of Century Mag¬azine 56 years ago. And throughout the years, it remained "reliably uniform" on the label and in the quality of the product. It was therefore more reliable in the qualities which have won for it so many millions of friends—superb purity and gentleness.

PROCTOR & GAMBLE
Federal Reserve Bank of St. Louis

Our REPORTER'S AHEAD

FROM WASHINGTON AHEAD OF THE NEWS

(Continued from first page)

SURE he would be properly treated in the future. Apparently she de-

closed her own eyes, a few moments later, the loaf of bread was

sliced open. It was, she along with Paul McCutty, who blasted the

plan to reduce taxes and increase the supply of money. She claimed

that the extension of social security, to the doji to which, she was
giving her son to work on. She considers she really is the mother

of the original Social Security Act and she had as much to do

with it as any one person.

In her press conference she said her chief concern, that of the

Labor Department, is the price of commodities. She is

the one who has made her fortune in commodities.

Just how long this new regime has been going on, I don't know,

but I am of mind it began about the time Clare Lake put in her

appearance. The entry of the beauteous Clare onto the Wash-

ington scene with its accompanying

fanfare rubbed the girls—very

few of whom have Clare's woes

to share—rather nervous. Her first

contact with the women of the press she made it quite

clear that goovy gals with her deal-

ing would be with the gentlemen

of the press.

Joe Davies, to whom the last

ten years have been unadulterated

happiness and sunshine, made

speech out in Los Angeles the

other day which might bear

watching. Urging support for this

new world order of the New

 Dealers, with Soviet Russia, an

outstanding brother, he was asked

how the world of tomorrow would

be governed if there should be a

change of government in the

future.

"Some day," he answered, "in

which there will be a great

change of government in the

United States."

Joe Davies told his listeners that

they should be prepared for a

change of government in the

future. It might be helpful to

launch a movement to this end so we can

find out what the commitments are.

So far they exist only in the

minds of a few people. There is

no record of them, except such

rudiments as Cordell Hull has made.

Redlining Securities

(Continued from page 357)

The problems with the

substantial debt is that it

brought a justifiable improve-

ment in the climate of war,

and we must strive to equalize

the advantages. The restricting

of the large short-term debt

is to avoid the latent dangers of a large

short-term debt.

The reduction of this debt is widely dis-

tributed among all income groups.

The number of people who will

acquire a substantial debt

is considerable. The re-

currence of the act of

mortgage financing is

the

reason for this.

The condition can not logically con-

clude that the present advanced

level of industrial activity is

wished for. If the debenture issue is

wanted, the Debentures are an

example of the billions in

current levels. There now

seems little question but that

the road to recovery will be

difficult. The debt progress in the current pe-

riod is one of the greatest

factors as to the company's post-war

advances.
Food In 1942 and 1943
By CLARENCE FRANCIS
President, General Foods Corporation

Despite shortages in raw materials, equipment, manpower, and transportation, the U. S. food industry has succeeded in achieving in 1943 a new record tonnage of foodstuffs. This industry, in its larger sense, consists of 6,100,000 farms, 48,000 manufacturers, and 500,000 retail outlets. Total retail sales last year approximated $15,000,000,000, and with 35% of total food production in 1943 going to our armed forces and lend-lease, shortages in various items confronted the 127,000 civilian market, although nutritional needs should prove reasonably adequate.

Farmers in 1943 may equal—or perhaps exceed—their record food production in 1942. This estimate assumes no serious insect damage, or unusual lomes from insects or disease, a solution of the farm labor shortage which was critical at mid-January, 1943, and sufficient supplies of farm machinery, fertilizers, and insecticides.

Food plants constructed in 1943 were the fewest in number and lowest in dollar volume since such records were started. They numbered only 157 and cost $10,110,000. During 1941 there were 303 new food plants built at a cost of $30,271,000. Even at the bottom of the depression in 1925, 200 plants were started on a cost of $30,190,000, and 380 on a cost of $50,127,000 during 1939. In 1942 food plant construction resulted from an effort to save critical materials for arms and munitions plants and products.

Reflecting higher taxes and ceiling for new investment, 1943 rose 17.3%, according to the Bureau of Labor.

Of every dollar spent in retail stores in 1942, about 25.3 cents was expended in retail food stores, where sales volume was about twice as large in 1933 and nearly a third larger than in 1929. In this war, food processors hope to increase manufacturing efficiency and thereby keep grocers' shelves as well stocked as war conditions permit, partly with the help of record research activities. A survey by General Foods Corporation revealed that 29 leading food manufacturers were planning new items in 1943; 38 will list new products to go on the post-war market, and 23 said their research projects in 1943 will be greater than in 1942.

Earnings reports of food companies have been generally published. Net profits for the year 1942 for 85 of these food companies, whose securities are listed on the stock market, were 17.5% lower than profits for the same period of a number of other types of companies in the same line of business.

Common dividends of $121,277,000 during 1942 by food companies in the United States were shared with disbursements by the 1943 fiscal year totaling 1941. Meanwhile, the dividend payment on all common shares listed on the Exchange for 1942 for 12.1% from such disbursements in 1941.

Common food shares on Jan. 1, 1943, had a market value of $2,328,000,000. Prior to the close of 1942, the common shares on Jan. 1, 1943, had a market value of $32,453,000,000, a good 19.5% lower.

Bonds of food companies had a market value of $1,328,444,000, a rise of 12.5% over the close of the 1942 fiscal year. Bonds of all United States companies as of Jan. 1, 1943, had a market value of $28,692,000,000.

This was an advance of 6.2% over the same day a year earlier.

SEC Issues Report on Grain-Mill Producers

The Securities and Exchange Commission made public on Jan. 30 a report of its investigation of advance releases of the Survey of America's Listed Corporations. The industry in question includes stock exchanges, banks, mutual savings banks, and other depositories.

Total deposits, net profits, net profit as a percentage of total deposits, and total assets for fiscal years ended Dec. 31, 1942, for individual companies and the group as a whole. Remuneration data for 1942 reported for the same fiscal years are shown for the group as a whole, and highest and third highest individuals in each company's officers and directors. These data are presented in advance of the complete industry reports released by the Survey of America's Listed Corporations, as advance reports from annual reports for companies are not generally made available at the same time during the calendar year. In its release Jan. 26 to the SEC, said the SEC.

"Nine companies having securities registered under the Securities Exchange Act of 1934 at Dec. 31, 1942, represented 69% of the total grain milling operations in the production of grain milling products. Seven of these corporations included in the calculation, which represented approximately 96% of the total sales, with fiscal years ending between May 31 and Dec. 31, 1942, reported their annual reports for 1942 with the SEC on Jan. 1, 1943, and data for these companies are contained in Advance Release No. 88.

For seven corporations the combined sales amounted to $367,000,000 in 1942 against $180,000,000 in 1941. Net profits for these seven corporations reported in 1942 were $10,000,000, in 1941 $7,000,000, and in 1942 compared with $14,000,000 in 1941. The highest dividend of the seven companies, representing 100% of sales, respectively. Total dividends paid amounted to $13,000,000 in 1942 against $10,000,000 in 1941. The paid in capital and surplus amounts to $130,000,000 in 1942, compared with $130,000,000 in 1941. At end of year, the combined assets of these corporations totaled $225,000,000 at the same date in 1941. The combined sales amounted to $367,000,000 in 1942, compared with $202,000,000 in 1941.

For 1942, the highest indi-
Is This To Be a "Do-Nothing" Congress?  

The Effects of Gas Rationing

A recent letter of a prominent Washington news service empha-
sized the need for Congress to act rather than of accomplishment. The point could hardly be more forcibly brought about than the measures taken at this time. The Democratic majority, it is predicted, will pass such legislation, and will try to convince the na-
tion that its conduct stems from Republican op-
position.

We can't say that we are thor-
oughly acquainted with the com-
plete program of the New Deal, or the com-
peting party strategies, but it will be
noted that the measures proposed in one of the most critical years of the na-
tion's history have been designed, in part, to devote their thinking and their energies to sparring for partisan advantage, greatly with the due of the on
the 1944 election. Certainly if the country's concern in the House and the Senate is to be re-
stricted to the same degree as the Senate or the House, our legislative repre-
resentatives have gone to all the work with the same dedication of national benefit, rather than keeping one side or the other. The other side of the sec-
tional interest has been left to the people's rep-
resentatives.

For sectionalism and in-
dividually, the political atmosphere and the threats made will be increase the difficulties encountered in obtaining supplies, equipment, and repair parts for machinery, and the other wartime handlings will make it impossible for the soft coal producers to repeat their ex-
ceptional past performance in 1942.

The anthracite industry al-
ready has been hard-pressed to supply enough coal for immediate requirements, working five to six weeks, and has made arrangements for the institution of the six-week day in the hard coal mines to relieve the situation, but a strike has cut current production by about 50%.

SEC Orders Hearing in E. H. Rolins Stock Debts

The Securities and Exchange Commission issued a hearing notice for Feb. 21 at its Chicago regional office to determine whether E. H. Rolins & Sons, Incorporated, New
York investment banking firm, and Walter Cecil Rawls, manager of the firm's St. Louis office who has also maintained an individual membership in the National Asso-
ciation of Securities Dealers, Inc., has violated fraud provisions of the Securities Act of 1933 and the Securities Exchange Act of 1934 that practices in the sale of the security. The hearing will also determine whether E. H. Rolins & Sons and Mr. Rawls should be charged or expelled from the NASD.

The Commission charged that E. H. Rolins & Sons, Incorporated, and Mr. Rawls had sold accounts of various religious and charitable corpora-
tions and trust funds held in trust for charitable and religious purposes, and had induced them to repose trust and confidence in the company and Mr. Rawls, with respect to the purchase and sale of securities. The companies intend to act and do act in their own interests to ensure that such customers to purchase, and sold to the company in excess of the market price therefor.

The SEC also alleged that Mr. Rawls and the Company induced customers to purchase securities at prices respectively far below and far in excess of the prevailing market price of the stock.

Commonity And Price Control

Commodity and Price Control in War and Past War will be the subject of a 13-weeks course to be given at the New School for Social Research, 66 West 12th Street, by Dr. Julius Hirsch, Chief Consultant, to begin February Monday, Feb. 1, at 8:30 p.m.

Current economic problems will be discussed from week to week as they occur in the news by Adolph Lowe of the Graduate Faculty of Political and Social Science. The main purpose of the course is to resolve a number of current problems with the help of scientific economics.

The mathematics of investment will be treated by Maurice Kraut-
chik, formerly of the University of Brussels and author of the newly-published book, "Mathem-
tical Recreations." The aim of this course is to familiarize stu-
dents with the use of "charts," which completely replace direct calculation. A number of the charts discussed are practically unknown in this country although they are extremely important.

The lecture dates are as follows:

Commissioner O'Brien will speak on Friday, Feb. 26.

Milton H. Cohen will speak on Monday, Feb. 29.

Max Winkler will speak on Fri-

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Chicago

1942 Highest Since 1918

Soft Coal Output

in 1942

Vol. 157 - No. 4146

379

The COMMERCIAL & FINANCIAL CHRONICLE

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Schenley ROYAL ROYAL Reserve Whiskey

Tomorrow’s Markets
Walter Whyte Says

(Continued from page 357)

universal bearishness so is there little in the current action favoring the buying of 29.54. Mind you, I am referring only to market action, not figures that may be quoted by a man who did the most in explaining the Dow theory, has often said that to signal an upturn (of more minor proportions) both the rails and industrials must jointly move above recent highs. If one fails it can be assumed no new bull market signal has been given. The industrials are through their recent highs. The rails are not.

This doesn’t indicate a bear market in the immediate off, for since last April no such signal has appeared, but it does cast more than a doubt as to the continuation of the recent strength. This doubt is further strengthened by the position of the rails in backing away on the first industrial decline.

For a complete change in the market picture the rails would have to go through not only 29.22 but through the November tops, 29.54. Falling to do either, and with the industrials refusing to throw away any more indications, it is this column’s belief that the market will now go into a reaction of say about 29.50 in the rails and 119 to 120 in the industrials.

This may be accomplished in either of two ways. A sudden selloff, in which case the figures may be violated at a point or so, or by a slow process of attrition. If the latter obtains then more than a period of weeks is in the cards accompanied by increasing feelings of public pessimism. This just as with optimism is unwarranted at present so is deep pessimism to be avoided in the immediate future.

Schenley ROYAL ROYAL Reserve Whiskey

Up-Town After 3

The movies there have been many pictures about the war; some were excellent, some were just good, but most were simply Wild West melodramas and little more. One fact you can’t overlook is that there are more people in the movies than in the regular army, and the number of films produced is more than twice the number of war pictures. They either showed how our side always came out on top or how the enemy was always defeated, but the latter were rare when seen in the theaters. It is interesting to note that the film industry is trying to spread its wings a little, and the news movies can be added to this list. It is Warner’s epic story of the American Indians and simply “Air Force.” Partly due to the high cost of filming the pictures, the story of the adventures of Mary Ann—a Boeing B-17 bomber—which takes part in a routine flight from the West Coast to the Orient, has just been completed. A new movie can be added to this list. It is Warner’s epic story of the American Indians and simply “Air Force.” Partly due to the high cost of filming the pictures, the story of the adventures of Mary Ann—a Boeing B-17 bomber—which takes part in a routine flight from the West Coast to the Orient, has just been completed.

If you haven’t seen Warner’s epic story of the American Indians and simply “Air Force,” you should try to find a chance to do so. It is a very interesting and well-made picture, and it will give you a good idea of what the war is really like.

Around New-York-Town

Hardly a week goes by that a night club does not announce either a new name or a new opening. For example, Armanda’s (East 55th Street), a small, narrow room that recently opened in a building not far from what used to be known as the “400,” starts Wilma Cox this Thursday night. The club has been open for about a year, and it has been in New York that doesn’t have to depend on talent to attract the throng. During the week it is not unusual for the club to sell out, and on Saturday night it is usually full. The club’s policy is to have the best in the business, and most of the girls are graduates of the best schools. The club is open every night, and it is one of the most popular places in New York for a good time. The club’s policy is to have the best in the business, and most of the girls are graduates of the best schools. The club is open every night, and it is one of the most popular places in New York for a good time.

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Lakeview is a charming little town in Colorado, Illinois, South Carolina, Virginia and Wyoming. In West Virginia this town is situated 24 miles northwest of Charleston, and was founded in 1871.
N. Y. Reserve Bank 1942 Earnings Higher

Net earnings of the Federal Reserve Bank of New York, after all additions to surplus, were $5,500,000, an increase of $4,500,000, or 206%, over the Bank's 26th annual statement, announced in 1941, for the year ended Dec. 31, 1941.

The Bank's 26th annual statement, announced in 1941, for the year ended Dec. 31, 1941, showed net earnings of $1,000,000, an increase of $14,078,000, or 1,078%, over the Bank's 25th annual statement, announced in 1940, for the year ended Dec. 31, 1940. The net profit on operations was $122,000,000 in 1941, an increase of $88,000,000, or 226%, over the $34,000,000 net profit on operations reported in 1940. The net profit after all charges was $13,000,000 in 1941, an increase of $12,800,000, or 749%, over the $200,000 net profit after all charges reported in 1940. The net profit before all charges was $114,000,000 in 1941, an increase of $83,000,000, or 270%, over the $31,000,000 net profit before all charges reported in 1940. The net profit before all charges sales, respectively. Total dividends paid were $65,000,000 in 1941 and $16,000,000 in the provi
ditions to current net earnings in 1941. The Bank's 26th annual statement, announced in 1941, for the year ended Dec. 31, 1941, showed total dividends paid to stockholders of $27,000,000 in 1941, or $386,000 per share, compared with $23,000,000, or $305,000 per share, in 1940. Total capital stock of these corporations declined to $160,000,000 at Dec. 31, 1940. Mr. Hoover, whose address was the reference before the National In
dustry Conference, at the Waldorf-Astoria, in New York, declared that "agriculture simply must be envisaged as a munitions industry and that the feds is to receive men and tools if he is to help the cause which he will
fully do it." In part, he also stated, "If the war was finished now, we had 26% more beef cattle for every 1,000,000 of human population, as compared with 1914. This increase was due 36% to production and 64% to the fact that the United States' population had increased 26%. The latter, we were told, was in line with our theory. We have had proportion-
ly more population than our imports, but the modern oven gives us a better if higher, we should be able to eat. The new theory of the National Defense
sents the farmers, who pay a high price for their produce, as nearly as the whole world will do.
"Unsolved crops, eases and eases gives a temporary in-
creased price to the consumer, and if the consumer
t's so far as we know, we still will not suffer in the'}
Early Filing of 1942

Tax Returns Urged

An appeal for early filing of tax returns on 1942 income was made by Secretary of the Interior in a message to all Americans by Secretary of the Treasury Morgenthau. It was released in December to all newspapers.

Revenues officials called the help needed "inflated by the attack on Pearl Harbor. "To file their returns and pay their taxes, they began to start the clocks on the windows as soon as the returns were receivable early in January. A return that was due in December made on the 1941 income and the aggregate of the taxes assessed in the early filing eased what would have been the strain on the collection-ma

Victory Loan Drive

Nets $12,906,000,000

VOLUME 157  NUMBER 4146
THE COMMERCIAL & FINANCIAL CHRONICLE

Secretary of the Treasury Morgenthau announced on Jan. 2 that the total for the December period was $12,906,000,000, shown by the census bureau since the marked success of the December drive for special campaigns for funds until early April.

The total December goal of $9,000,000,000 was exceeded by $3,906,000,000, which was increased from $3,100,000,000 to $3,900,000,000.

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The total December goal of $9,000,000,000 was exceeded by $3,906,000,000, which was increased from $3,100,000,000 to $3,900,000,000.
Our Reporter On "Governments"  

By S. F. PORTER

And still the Government persists and continues to move forward at intervals. News from abroad has been admittedly more encouraging but a quick end to the war is not in sight. So market's strength is based on other factors, such fundamentals as faith in the persistent ease of money, the ability of the authorizers of control prices and the obvious concentration of money in Governments, the equally obvious fact that the Government has not only been financing the war but is also taking in money from abroad. Every investor in the United States will fall with it. It's too early to think in terms of the April borrowing for much can happen to price levels in the next two months. But the way things are going now, it may be that the Treasury will be able to leave the 2s of 1908 in the market as long as they're sold at a 3.2% or even a 2 1/2% due a few years after 1908. Just consider it! 

Another item has been the sale of the % certificates of indebtedness due in one year. The most popular c. matured and rate. These are good, and don't ignore that point for an instant. % interest on a one-year security sounds awfully attractive in comparison with 15% on a five-year bond and 2% on a 25-year security. It depends on your point of view, of course, if you can stretch out the 10-year bracket, you can get a better return and that may be the deciding factor. But if you need some short-term stuff for your peace of mind and your operations, get into the c.ia. In addition to being attractive as such, the Treasury wants to take advantage and more money reach toward maturity and buyers can get % on a six-month or four-month or two-month obligation of the Treasury. 

Fact that Morgenthau sold $2,000,000,000 to retire a $1,368,000,000 installment of 1908 bonds was not unexpected. Morgenthau is simply picking up an extra half-billion to help the war costs until April, and also for sale during the next few months. These bonds come at a bid of $780,000,000, per cent, as compared with $600,000,000 until recently. As matters stand now, $500,000,000 is going into maturing bills as a roll-over proposition. $500,000,000 represents new money borrowing every seven days. That is too much borrowing. 

A POSSIBLE SWITCH 

This one may interest you, if you're not interested in cost as much as you are interested in maturity shortening. Sell the 2s of 1935-51 at 108 13/32 and yield 1.94%. Buy the 2s of 1951-49 at costs of 106 11/32 and yield of 1.81 to 1.85%. 

The 2s of 1955-51 are the cheapest of the 2s, as issues can and are, and these may ignore this switch. But here are points on the other side. The war bonds we bought this year and last year will be maturing in 1951 and 1905 and so the chances are high that 1.95% will remain out to maturity, making them a 12-year bond yielding 1.94%. 

R. Hoe common

WENNW  
Old Common & Preferred New Class "B" & "C"  
Bought — Sold — Quoted  

B'way Motors Bldg. Corp. 
Currently Attractive  

The First Household Trade and Cumulative Income 41/2 due Feb. 1, 1949, of the Broadway Motors Building Corporation (General Motors Building) offer attractive possibilities. According to a memorandum just issued by Seligman, Laidlaw & Co., 30 Broadway Street, New York City. Copies of the memorandum describing in detail may be had upon request from Seligman, Laidlaw & Co.