Final Edition ESTABLISHED OVER 100 YEARS In 2 Sections—Section 1

The Commercial and FINANCIAL CHRONICLE

Reg. U. S. Pat. Office

Volume 157 Number 4146 New York, N. Y., Thursday, January 28, 1943 Price One Dollar This Issue

OUR REPORTER'S REPORT

Marked by a complete absence from the list of any of the major carriers, railroad bond maturities this year will consist mainly of a multitude of obligations of smaller roads. By and large the Class One carriers, as a whole, are pretty much in the clear so far as their debt situation is concerned.

There are, however, a few sizeable maturities to be taken care of, but with few exceptions it is indicated that the debtors will be able to provide for their requirements.

Outstanding at the moment is the maturity of $49,000,000 of first and refunding 4s of the Delaware & Hudson Railroad Co., due May 1. This road already is moving to take care of that situation by seeking to obtain consent of its holders to a modification of the terms of the issue.

Moving under the recently enacted McLaughlin Act, the Delaware & Hudson is offering holders a plan calling for payment of 10% in cash and an extension of the balance of the issue for a fixed length of time.

Canadian National must provide for an issue of $55,000,000 of 2s, but there is, of course little question so far as that issue is concerned, since the road is government controlled.

Meanwhile the San Antonio & Aransas Pass Railroad, operated under lease by the Texas & Pacific, and with more than half the total held by the Southern Pacific, has a $20,-

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From Washington Ahead Of The News

By CARLISLE BARGERON

A matter of moment, in a war-torn 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 one since administration of the immigration bureau and labor problems, generally, were pretty much taken from her. For more than a year she has kept quiet, and recurring rumors had it that she was to leave the Cabinet. She came to be fairly forgotten about except that traveling around the country 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 Harbor, sent in her resignation and disappeared from town. Instead of Mr. Roosevelt grabbing it up, as had frequently been represented as his attitude towards her, he got excited and had a search conducted high and low to find her. The straw that broke the camel's back was his appointment of Bill Green of the AFL, and Phil Murray of the CIO, to constitute a Victory Labor Committee to come together to the White House occasionally and talk with him. He didn't tell Miss Perkins anything about it. In resigning, she let him know she was tired of being humiliated. She was as-

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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.

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 in an address at the annual midwinter banquet of the Connecticut Bankers Association at New Haven last week. Stating in his remarks that "it is a good axiom that increases in the public debt in time of war should be held to a minimum," Mr. Aldrich added:

"In order to accomplish this result, taxation must be of such a character that it will absorb as much as possible of current disposable income, that it will reduce personal consumption and that it will divert productive facilities to the manufacturing of war materiel.

"The best taxes for this purpose are the individual income and retail sales taxes. Income tax exemptions and rates must be so fixed that the great mass of income is tapped. Income taxes should be related to current income and, in so far as is possible, should be collected at the source. . . . Taxation of the character indicated should be used 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 equitable and desirable way of reducing the relative burden of debt is through increases 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 mitigated the debt burden and permitted reductions to take place.

"To alleviate in a similar fashion 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 initiative and enterprise and to reopen the channels of international trade.

"The stimulation of private initiative is largely a matter of the

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GENERAL CONTENTS

(Editor's Note: This section of the "Chronicle" contains, in addition to its usual contents, various other features and statistical data, normally published in Section 2 of Thursday's "Chronicle")

Regular Features

(Continued on page 383)

Harold B. Smith Now With Collin Norton

Harold B. Smith has become associated with the firm of Collin, Norton & Company, members of

Harold B. Smith

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 1920 and became members of the New York Stock Exchange in 1926. Their home office is in Toledo, and a branch office was opened in New York in 1936 by Howard E. St. John, member of the New York Stock Exchange, who continues as resident partner.

DEALER BRIEFS

Toledo, Ohio

Since Jan. 1 we have enjoyed considerable increased demand for securities, including bank and insurance stocks, investing company shares, and local securities. This reflects not only a more optimistic view of the business outlook, but also a desire on the part of investors to increase income to meet higher taxes and living costs, and to average-up the return on War Bond purchases. Our municipal business has continued slow, except for deals in the "dollar" bonds. Some of the stronger real estate issues have received favorable consideration.—*Ford R. Weber, Ford R. Weber & Co.*

Cleveland, Ohio

Idle dollars seem to be getting bored with their long inactivity and appear more willing to do some light work in chosen equities. We should not be surprised to see them grow more ambitious as time goes on, and as a consequence we expect stock prices to continue their recent advance, punctuated only by relatively minor setbacks for some time to come.—*H. A. Gotschall, Prescott & Co.*

Keywood To Be Dealer

(Special to The Financial Chronicle)

ROCKLAND, MAINE — Harold E. Keywood is engaging in a securities business from office at 14 School Street. Mr. Keywood has been associated with Bond & Goodwin, Inc., since 1931.

Sullivan To Manage Laird Unlisted Dept.

Laird & Co., 61 Broadway, New York City, announce that Jerome B. Sullivan is now associated with them as manager of their unlisted securities department. Mr. Sullivan for many years conducted his own investment business in New York City.

Reynolds & Co. Opens New Branch Uptown

Reynolds & Co., members of the New York Stock Exchange, announce the opening of a branch office in The Sherry-Netherland, Fifth Avenue at 59th Street, under the management of Philip H. Steckler, formerly with Merrill Lynch, Pierce, Fenner & Beane. Samuel Jolesch will be associated with Mr. Steckler.

Preferred Stock Guide

The annual edition of "The Preferred Stock Guide" has just been issued by G. A. Saxton & Co., Inc., 70 Pine Street, New York City. The "Guide" which 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.

"Serial Issues" Revised

The First Boston Corporation, 100 Broadway, New York City, has issued a revision of the July 1942 edition of "Serial Issues" bringing up to date their compilation of the principal Industrial, Railroad, and Public Utility Serial Issues now outstanding. Copies of this interesting booklet may be had from The First Boston Corporation upon request.

Kingdom Of Denmark To Pay On Bonds

Henrik Kauffmann, Envoy Extraordinary and Minister Plenipotentiary of His Majesty the King of Denmark, in Washington yesterday (Wednesday) made the following statement for the information of bondholders:

"For the purpose of paying Feb. 1, 1943, coupons of Kingdom of Denmark $5\frac{1}{2}$% External Loan Gold Bonds, due Aug. 1, 1955, and Danish Consolidated Municipal Loan Twenty-five Year 5% External Gold Bonds, due Feb. 1, 1953, I propose to put the particular paying-agents in funds so far as it is estimated to be necessary to make coupon payments to holders, other than residents of Denmark, of bonds of these two issues.

"Feb. 1, 1943, coupon payments will be subject to such licenses as may be granted to paying-agents by the United States Treasury."

"Middle America" Bureau Formed By United Fruit

The United Fruit Company has formed The Middle America Information Bureau as an expansion of their activities. The Bureau will be a clearing house for data about Middle America, a source where students and teachers, leaders, experts on Inter-American affairs and the public generally can go for thorough, accurate, up-to-date information.

The Bureau has just issued an interesting bulletin on the interdependence of Middle America and the United States; copies of this bulletin may be had upon request from the Bureau, 9 Rockfeller Plaza, New York City.

COMMERCIAL and FINANCIAL CHRONICLE
Reg. U. S. Patent Office
William B. Dana Company
Publishers
25 Spruce Street, New York
BEekman 3-3341
Herbert D. Seibert,
Editor and Publisher
William Dana Seibert, President
William D. Riggs, Business Manager
Thursday, January 28, 1943

Published twice a week [every Thursday (general news and advertising issue) with a statistical issue on Monday]

Other offices: Chicago—In charge of Fred H. Gray, Western Representative, Field Building (Telephone State 0613). London—Edwards & Smith, 1 Drapers' Gardens, London, E.C.

Reentered as second-class matter February 25, 1942, at the post office at New York, N. Y., under the Act of Mar. 3, 1879.

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

Thomas Larkin New Goodbody Co. Partner

Thomas A. Larkin will become a partner in Goodbody & Co., 115 Broadway, New York City, members of the New York Stock Exchange and other leading national exchanges, effective today. Mr. Larkin has been with the firm for some time in charge of the trading department.

J. B. V. Tamney Now V. P. Of Underwriters

Joseph B. V. Tamney, formerly treasurer of the Underwriters Trust Company, 50 Broadway, New York City, has been elected vice-president and treasurer of the institution.

"News And Views"

The current issue of "News & Views" has just been issued by Butler-Huff & Co. of California, 210 West Seventh Street, Los Angeles, Calif., containing interesting data on several leading bank and insurance stocks which the firm considers offer interesting possibilities. Copies of "News & Views" may be had from Butler-Huff & Co. upon request.

1943 Slate Presented To Chicago Bond Club

CHICAGO, ILL.—The nominating 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

D. Dean McCormick

in the Red Lacquer Room of the Palmer House. New officers will be inducted at the meeting.

D. Dean McCormick, partner in Kebbon, McCormick & Co., has been nominated for president to succeed Edward C. George of Harriman Ripley & Co., Inc. Charles R. Perrigo, of Hornblower & Weeks, was named for treasurer; Eugene Hotchkiss, of Lee Higginson Corporation, was renominated as secretary.

Nominated for directors to serve one year terms are: Edward C. George; James P. Feeley, First National Bank of Chicago; William A. Fuller, William A. Fuller & Co.; Hardin H. Hawes, Harris Trust & Savings Bank; Paul L. Mullaney, Mullaney, Ross & Co.; and Alfred S. Wiltberger, Blyth & Co., Inc.

Members of the nominating committee were: P. A. Walter, Stone & Webster and Blodget, Inc.; chairman; Frederick B. Carpenter, John Nuveen & Co.; and Holden K. Farrar, Smith, Barney & Co.

Seaboard Outlook Good

The current situation in Seaboard Air Line Railway Company offers interesting potentialities with a favorable outlook, according to a circular just issued by L. H. Rothchild & Co., 11 Wall Street, New York City. Copies of the circular containing details on Seaboard Air Line and the recapitalization plan offered by the Receivers may be had from the firm upon request.

Firm Changes Name

SAN FRANCISCO, CALIF.—The firm name of Eastland, Douglass & Co., 232 Montgomery Street, members of the San Francisco Stock Exchange, has been changed to Douglass, Van der Naillen & Co. Partners are Earl S. Douglass and Ralph E. Van der Naillen, the firm's Exchange member.

Purcell Of SEC Urges "Venture Investing"; Risk-Taker Called Job-Giver By Economist

Ganson 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 in 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 in the Post-War Economy." The first five or ten post-war years might 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 "the spirit of venture flourished."

"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 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 labor with its great aggregate of funds might eventually realize that it had "a stake in keeping up the supply of risk capital and therefore of jobs."

Mayo A. Shattuck, president of the Massachusetts Bar Association and an authority on trusteeship, spoke on investment company securities as trust investments.

Richard Wagner, president of the Chicago Corporation, presided at the meeting.

REAL ESTATE SECURITIES

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

You have read and heard of the Hotel Boom that has hit the City of New York. "Standing Room Only" signs are up in most of them. New York has become the wartime playground of the East. Food and Beverage sales are at record levels. The prophecy we made in this column that the oil shortage would induce people from the suburbs to move into the city has come true. New York City Hotel bonds have begun to reflect this influx of business and there has been a substantial rise in the price of this type of security.

However, the prudent security buyer will look behind the scenes and investigate to find whether his position as a bondholder will benefit from all this new business. Will he continue to merely receive his fixed rate of interest while the owner of the hotel pockets all the surplus income? Is there a provision in the bond indenture to use some of this surplus money to reduce the funded indebtedness of the property?

We have selected three interest-paying first mortgage bond issues in which the bondholder will **directly** benefit from any substantial increase in business.

The first is the Dorset Hotel. A feature of these bonds is that in addition to their fixed rate of 2% interest, one-third of the net income of the property is paid to the bondholder as additional interest and one-third of the net income is used to retire bonds. These first mortgage bonds are due in 1957, and there are $2,373,000 bonds outstanding compared to $2,750,000 originally issued. The hotel enjoys an excellent location on 54th Street between Fifth and Sixth Avenues overlooking the gardens and low buildings of the Museum of Modern Art. It is an 18-story apartment hotel containing 429 rooms. Built on a plot of approximately 19,400 square feet, it has the unusual large frontage of 195 feet. At current market price levels the bonds yield almost 7% at fixed interest requirements. This yield can be increased by additional interest payments. During the past three years payments in addition to fixed interest were actually made.

The second issue is known as the Hotel Drake. The feature of these bonds is that they carry stock representing an equal share in 100% of the ownership of the property. This permits each bondholder to share to the maximum extent of any increase of business. Income interest on the bonds is payable at the rate of 5% (of which 3% is cumulative) out of net income after operating expenses, taxes, improvements up to $5,000 in any semi-annual income period. Surplus earnings after payment of 5% interest and any unpaid accumulations of the 3% cumulative portion are to be applied to a sinking fund for the retirement of bonds. These first mortgage bonds are due in 1953 and there are $3,393,250 bonds outstanding compared with $3,750,000 originally issued. The hotel is located at the northwest corner of Park Avenue and 56th Street. The land comprises an area of approximately 15,236 feet. The building is 21 stories high and contains 479 rooms. At current market price and interest payments the bonds yield almost 9%.

The third issue is the Mayfair House (bonds traded under name of 60 East 65th Street). This hotel is considered one of the most fashionable in New York City. It is located at the southwest corner of Park Avenue and 65th Street. It is 15 stories in height and contains 408 rooms. It is built on a plot 75 feet by 160 feet. First mortgage bonds outstanding amount to $2,574,500 compared to $2,600,000 originally issued. The bonds are due in 1950 and have a fixed interest rate of 3%. They also have a provision for an additional 2% payment if earned but not cumulative. After payment of fixed and additional interest, they also participate in 25% of the net earnings of the owning corporation. At current market price a yield of 10% is obtainable.

Chicago Traders Club Elects 1943 Officers

CHICAGO, ILL.—The Bond Traders Club of Chicago will present its officers for 1943 at their annual dinner to be held at the Palmer House on February 2.

The new officers are as follows:

President: Richard W. Simmons, of Lee Higginson Corp.
Vice-President: James H. Murphy, of Cruttenden & Co.
Secretary: Loren A. Cochran of Glore, Forgan & Co.
Treasurer: F. Girard Schoettler, of Wayne Hummer & Co.

Emig To Manage Dept. Of Farwell, Chapman

CHICAGO, ILL.—Howard A. Emig has become manager of the municipal bond department of Farwell, Chapman & Co., 208 South La Salle Street, members of the New York and Chicago Stock Exchanges. Mr. Emig has been with the firm for some time; in the past he was Chicago resident partner of Prudden & Co. and prior thereto was with Hoyne, Mellinger & Co. and its predecessors.

PERSONNEL ITEMS

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

(Special to The Financial Chronicle)
BOSTON, MASS.—**Charles H. Clifford** has been added to the staff of **Bond and Goodwin, Inc.**, 30 Federal Street.

(Special to The Financial Chronicle)
BOSTON, MASS.—**Robert T. McGrath** is now with **Clark, Dodge & Company**, 70 Federal Street.

(Special to The Financial Chronicle)
CHICAGO, ILL.—**Ivan G. Anderson** has become associated with **S. R. Miller & Co.**, 231 South La Salle Street. Mr. Anderson was formerly with Thompson Ross Securities Co., J. H. Beall & Co. and Ryan-Nichols & Co.

(Special to The Financial Chronicle)
CHICAGO, ILL.—**James A. Woodburn** has become affiliated with **Sills, Troxell & Minton, Inc.**, 209 South La Salle Street. Mr. Woodburn was previously with A. C. Allyn and Company, and Bond and Goodwin, Inc.

CHICAGO, ILL.—**James W. Barton** is now connected with **Smith, Barney & Co.**, 105 West Adams Street. Mr. Barton was formerly with Halsey, Stuart & Co. for many years.

(Special to The Financial Chronicle)
KANSAS CITY, MO.—**John A. Foltz** and **J. L. Trimble** have joined the staff of **Prugh, Combest & Land, Inc.**, 1016 Baltimore Avenue.

(Special to The Financial Chronicle)
PORTLAND, ORE.—**Gerard Macnamara** is now with **Atkinson, Jones & Co.**, U. S. Bank Building.

(Special to The Financial Chronicle)
PORTLAND, ORE.—**Frederic Barnes Andrews** is now affiliated with **John Galbraith & Company**, Porter Building.

(Special to The Financial Chronicle)
ROCKLAND, MAINE—**Kenneth R. Meader** of Center Conway, N. H. has been added to the staff of **Lincoln E. McRae**, 449 Main Street.

(Special to The Financial Chronicle)
SAN FRANCISCO, CALIF.—**Joseph S. Erickson** is now with **H. R. Baker & Co.**, Russ Building.

(Special to The Financial Chronicle)
SAN FRANCISCO, CALIF.—**Mrs. Violet Scott** has become associated with **C. J. Devine & Co.**, Russ Building.

(Special to The Financial Chronicle)
SAN FRANCISCO, CALIF.—**Edwin R. Paxton** has rejoined **Protected Investors of America, Inc.**, 130 Montgomery Street. Mr. Paxton was recently with L. H. Bullock.

Guests Of Honor To Attend N. Y. Dealers Anniversary Dinner

The New York Security Dealers Association has announced the following list of guests of honor who will attend the Association's seventeenth anniversary dinner at the Waldorf-Astoria on Feb. 4, 1943. From reservations made to date it is obvious that the dinner will be extremely well attended.

Howard C. Allen, Albert Frank-Guenther Law, Inc.
John P. Broderick, Federal Reserve Bank, New York.
Harold Bunce, The "Sun," New York.
Hon. Edmund Burke, Jr., SEC, Phila.
James J. Caffrey, Regional Administrator SEC, New York.
Patrick Carberry, "Wall Street Journal," New York.
W. W. Chaplin, NBC Commentator, New York (Speaker).
John Cobbs, McGraw, Hill Co., New York.
Col. Willard T. Chevalier, Publisher, "Business Week" (Speaker).
Irving D. Fish, Smith, Barney & Co., N. Y.
Nevil Ford, State Administrator, War Savings Stamps, New York.
J. C. Forrest, New York "Times."
Max Furman, Ass't Att'y Gen., New York.
Sir Godfrey Haggard, British Consulate General, New York.
Hon. Robert E. Healy, SEC, Philadelphia.
Claude A. Jagger, Associated Press, N. Y.
Lee M. Limbert, Blyth & Co., New York.
E. Allen MacDuffie, SEC, New York.
Ambrose V. McCall, New York.
Fred C. Moffatt, New York Curb Exchange, New York.
George W. Morgan, Breed, Abbott & Morgan, New York.
Hon. Robert H. O'Brien, SEC, Phila.
Edwin Posner, New York Curb Exchange, New York.
Hon. Ganson Purcell, SEC, Philadelphia.
William T. Raymond, SEC, Philadelphia.
Clarence J. Reese, Pres., Continental Motors, Detroit.
Harry Riter, Chairman, Board of Governors, NASD, New York.
Frank L. Scheffey, NASD, New York.
Emil Schram, President, New York Stock Exchange, New York.
Herbert D. Seibert, "Commercial & Financial Chronicle," New York.
C. A. Shively, The "Sun," New York.
C. Norman Stabler, New York "Herald Tribune."
Robert L. Stott, Chairman, Board of Governors, New York Stock Exchange.
James A. Treanor, Jr., SEC, Philadelphia.
Raymond Trigger, Investment Dealers Digest, New York.

Baum, Bernheimer Co. Appoints New Officers

As of the first of the year, George K. Baum, formerly Secretary of Baum, Bernheimer Company, and associates purchased the interest of Earle J. Bernheimer, formerly President. The name of the firm will continue as Baum, Bernheimer Company for the time being and the following officers have been elected:

George K. Baum: President.
Chas. E. Lewis: Vice-President.
Eldridge Robinson: Vice-President in charge of Trading Department.
Hayward H. (Pete) Hunter: Vice-President in charge of Corporate Department.
George J. McLiney: Vice-President in charge of Municipal Department.
D. Smith: Secretary.

The policy of the firm will continue as previously—underwriting and dealing in municipals and corporates, with particular emphasis in trading both general market municipals and corporate securities of the central west and specializing in lumber securities. The firm has direct private wire facilities to New York, Chicago, St. Louis, Seattle, Los Angeles and San Francisco.

Election of Messrs. Hunter and Robinson as Vice-Presidents was previously reported in the Financial Chronicle of Jan. 21.

Lambert Davis Opens Firm

(Special to The Financial Chronicle)
CHICAGO, ILL. — Lambert Davis has opened offices at 231 South La Salle Street, to engage in a general securities business. Mr. Davis was formerly with Adams & Co. with which he had been associated for many years.

N. Y. Analysts To Meet

The New York Society of Security Analysts, Inc. will hold its regular Friday luncheon meeting on Jan. 29 at 56 Broad Street, New York City. Pierre Bretey, Chairman of the Society's Railroad Group, will speak on the Missouri Pacific Situation.

Tomorrow's Markets Walter Whyte Says—

Just as last week's pessimism unwarranted so is current optimism overdone. Expect market to have minor decline then rally. Dow theory does not indicate immediate new strength.

By WALTER WHYTE

The biggest news of the week was of course the President's dramatic trip to North Africa. But all we know of it was that talks were held between Roosevelt and Churchill and the chiefs of staff of the armed services of the two countries. What the outcome of these conferences will be, or how soon and in what manner they will materialize, is of course unknown. What we do know or can get from a close reading of the dispatches coming in is that the muddled political situation in North Africa has not improved.

* * *

As a story of international developments, the highlights of the Casablanca conference and the methods used in publicizing it makes engrossing reading. But of its effect on the market we don't know a thing.

* * *

Still if we don't know that we do know that Tuesday saw a strong market with volume showing the first million share day in 1943. It is possible this improvement of not only Tuesday but also the three or four previous market sessions was in anticipation of the news. But whatever the reason the market did go up, and that in the final analysis is what counts.

* * *

Unfortunately this good action was good only to a certain point. But if it did nothing else it showed again how a widespread belief can be misleading.

* * *

It is no secret that for the past two weeks or so general opinion called for a market reaction. It was only the extent of the reaction which was in doubt. One group saw 110 in the immediate offing, another, more pessimistic, forecast 100. So far as this column was concerned neither figure meant anything.

* * *

As last week's column went to press indications were present that an up-move had to come almost immediately or the entire applecart would be upset. This column flatly announced, ". . . if the market does not show any get-up-and-go within the next week (Jan. 21 to Jan. 27) neither the 110 or the 100 figure will mean a thing." The rest is now so much water over the dam.

* * *

On Jan. 21 the market was at 121.79. A week later it was at 124.31. So much for that. Now the question to be answered: Is this market going straight up from here? Where will it stop? Or is the current strength enough for the time being?" In order to give some kind of answers, attention must be given to the market action itself.

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

* * *

Why the rails should have to puff and huff to even get a few cents is a problem that you can get many solutions to. Yet solutions or answers don't count for much. The fact we have to face is that the rails could not make a high when the industrials made theirs. This, suspicious by itself, would not be so important (for the rails could make their high a few days later) if they had shown a similar reluctance to follow the industrials on the down side.

* * *

The Dow theory has always had its adherents. There is nothing wrong with the theory; it's only in listening to some of its loudest adherents that stumbling blocks appear. Just before this current rally occurred most technicians and board-room customers were bearish though hopeful. As of Tuesday night, the opinion had veered sharply to the bullish side. An academic application of the Dow theory will show that just as there was little in the action of last week's market to bring out

(Continued on page 380)

RAILROAD SECURITIES

Even the most optimistic expectations as to what Southern Pacific might be able to do in the way of earnings were shattered by the December report which showed net operating income of $13,159,837 compared with only $2,728,998 realized a year earlier. In addition, December, 1942, broke all precedents by showing a level of business above that of October, the usual peak of the year. For the year as a whole the company again established new all-time records for the volume of traffic handled. With the highly favorable December results it now seems likely that net income for the full year, after all taxes and charges, approximated $80,000,000, with fixed charges covered about 3.80 times. This would indicate earnings of $21.20 a share on the common stock which has recently been selling below 17. In 1941, fixed charges were covered 2.18 times and earnings on the common stock amounted to $9.21.

There are a number of intangibles that will make an estimate of prospective 1943 results impossible for some time to come. One thing appears certain, however, and that is that the actual volume of freight handled will again move forward to new highs. As cancellation of freight rate and passenger fare increases is not considered likely (all indications point to a firm stand by the Interstate Commerce Commission against the demands of the OPA), gross revenues should also show a sizable increase over last year. There is certainly no indication of a possible retrogression in the company's operating efficiency under the burden imposed by the record traffic. The main potential deterrents to another rise in net results this year, therefore, are taxes and wages.

The wage question is impossible to evaluate, being largely dependent on political considerations. If the Government has any serious intention of continuing its fight against an inflationary spiral, and of stabilizing prices, there is no justification for more than nominal wage increases in certain classifications of rail labor. An overall increase of 3% to 5% in rail wages appears as the best guess at this time. An increase in the combined normal tax and surtax rate to about 45% is considered almost inevitable, but this is less important to Southern Pacific's prospective earnings than the question of excess profits tax liability. From the present vantage point, and based on expected credits and carryovers, there is a good chance that the system will not be faced with any substantial liability in respect to 1943 earnings, and may escape entirely. The estimated increase in the normal tax and surtax as well as a moderate increase in wages as outlined above, should be more than offset by the potential increase in traffic and revenue. Barring a heavy excess profits tax liability, then, it is reasonable to expect that net earnings of Southern Pacific this year will at least hold close to the 1942 level.

As had been expected, the management has continued to divert a very substantial portion of the war earnings to debt retirement. Last year this program was broadened out beyond the 1946 problem to embrace the 1949 maturities. Full details as to entire system operations are not available as yet, but the company itself retired roundly $30,000,000 of debt in 1942. This included $15,000,000 of bank loans (eliminating

(Continued on page 377)

Phelan In Army; Perrigo Will Go To Detroit

DETROIT, MICH. — James J. Phelan, Jr., partner of Hornblower & Weeks in charge of their Detroit office, Penobscot Building, has been appointed a captain in the U. S. Army. Charles R. Perrigo, a Chicago partner of the firm, will temporarily be in charge of the Detroit office.

Defaulted RR. Bond Index

The defaulted railroad bond index of Pflugfelder, Bampton & Rust, 61 Broadway, New York City, shows the following range for Jan. 1, 1939, to date: high—44; low—14¾; Jan. 27 price—43¾.

Bank and Insurance Stocks

This Week — Bank Stocks

By E. A. VAN DEUSEN

New York City bank stocks, as measured by "Standard & Poor's Weekly Index" of 19 stocks, closed 1942 at 74.0 compared with 71.0 as of Dec. 31, 1941, a gain of 4.2%. The performance of individual stocks, however, showed great diversity, as will be noted in the following tabulation:

	—Asked Price— Dec. 31, '41	Dec. 31, '42	Per Cent Change
Corn Exchange	$30.50	$37.875	+24.2%
Bank of Manhattan	14.125	17	+20.4%
National City	25.125	30.125	+19.9%
Continental Bank & Trust	11.375	13.375	+17.6%
Chase National	25.625	29.50	+15.1%
Brooklyn Trust	55.50	63.75	+14.9%
Irving Trust	10.375	11.875	+14.5%
Manufacturers Trust	32.375	37	+14.3%
New York Trust	66.125	74.375	+12.5%
Empire Trust	42.50	46.50	+ 9.4%
Commercial National	155	169	+ 9.0%
AVERAGE	------	------	+ 7.5%
Guaranty Trust	230	238	+ 3.5%
Public National	27.875	28.75	+ 3.1%
First National	1,150	1,145	— 0.4%
Chemical Bank & Trust	40.75	39.75	— 2.5%
Central Hanover	77.75	75.75	— 2.6%
United States Trust	1,115	1,050	— 5.8%
Bank of New York	322	289	—10.2%
Bankers Trust	44.375	38	—14.4%

The market low of the year for New York bank stocks occurred on April 22, when the index stood at 59.2, **nearly 2% under the 1932 low of 60.3.** Why the market was so fearful for bank stocks as to appraise them at levels below the deflated values of 1932 is rather difficult to understand. 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 substantially for three years, and were headed for still greater growth, that this pessimistic view appears to have been unrealistic, to say the least. It changed during the second half of the year, for the index on Dec. 31 stood 25% above the April 22 low.

That there was little cause for such pessimism is evident to any one who attended stockholders' meetings in New York on Jan. 12 (National Bank Day), the meetings of New York State chartered institutions on Jan. 13, 14 and 20, and who have studied many of the annual reports to stockholders. Though the deadly seriousness of the war situation was given full recognition, yet, as regards the affairs of the banking institutions themselves, a general tone of confidence and optimism was expressed.

Nearly all of New York City's leading banking institutions reported earnings for 1942 on the form recently recommended by committees of the American Bankers Association and the New York State Bankers Association, which were appointed last year to consider the standardization of bank income reports. This is a great step forward and permits a fairer comparison to be made of the operating results of banks than was formerly possible.

Inasmuch as some banks were reporting in substantially the same form last year, comparisons of 1942 results with those of 1941 are possible in several instances, and are given below on a per share basis:

	—1941 Net Earnings— Operating	Security	—1942 Net Earnings— Operating	Security
Bank of Manhattan	$1.37	$0.43	$1.81	—$0.65
Bankers Trust	3.19	0.25	3.39	0.37
Chemical	2.60	0.58	2.68	0.14
First National	102.50	1.17	106.42	—8.76
Guaranty Trust	14.25	7.02	16.28	1.41
Irving Trust	0.70	0.21	0.84	0.07
Manufacturers	3.91	0.89	4.03	1.42
*National City	1.94	1.11	2.18	0.43
New York Trust	5.36	3.44	6.06	1.26

*Includes City Bank Farmers Trust.

It will be noted that net operating profits were higher for each bank in 1942 than in 1941, but that net security profits were lower, with the exception of Bankers Trust and Manufacturers Trust, which reported increases.

As a general thing, the 19 banks listed in the first of the above tabulations showed an increase in their holdings of Governments, accompanied by an expansion in deposits, while their commercial loans declined. As measured by the reported figures of the Federal Reserve member banks in New York City, total U. S. Government obligations increased from $6,924,000,000 on Dec. 31, 1941, to $11,611,000,000 on Dec. 30, 1942, a growth of $4,687,000,000 or 67.7%. Commercial loans, on the other hand, declined from $2,573,000,000 to $2,422,000,000, a drop of $151,000,000 or 5.9%. As a measure of the change in deposits we take the figures reported by the member banks of the New York Clearing House Association. On Dec. 31, 1941, these were reported at $16,389,452,000 and on Dec. 30, 1942, at $19,857,499,000, an expansion of $3,468,047,000 or 21.2%.

This upward trend will, with little doubt, be maintained through 1943, for so long as the war lasts war-finance must be the main business of the banks. The outlook, then, is for expanding deposits, a rising volume of Government holdings, heavier taxes and higher operating expenses. But gross earnings will also rise, and to probably the highest level of the past decade. It seems quite likely therefore, all things considered, that 1943 net operating profits need not compare unfavorably with those achieved in 1942. This is all to the good, since healthy earnings will help to assure a healthy financial position when peace comes.

Censors Can't Lick 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 has been serving with the Marines in the Southwest 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 where we sail from,
Can't mention the date.

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

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

Couldn'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 smoke a cig,
Except out of sight.

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

Can't keep the envelopes,
Your letters come in.

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

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

Your loving son,
DUKE, JR.

DIVIDEND NOTICE

The American Tobacco Company
INCORPORATED

111 Fifth Avenue New York City

150TH COMMON DIVIDEND *and* AN EXTRA DIVIDEND

A regular dividend of Seventy-five Cents (75¢) per share and an extra dividend of Twenty-five Cents (25¢) per share have been declared upon the Common Stock and Common Stock B of THE AMERICAN TOBACCO COMPANY, payable in cash on March 1, 1943, to stockholders of record at the close of business February 10, 1943. Checks will be mailed.

EDMUND A. HARVEY, *Treasurer*

January 27, 1943

DIVIDEND NOTICE

UNITED GAS CORPORATION
$7 Preferred Stock Dividend

At a meeting of the Board of Directors of United Gas Corporation held January 27, 1943, a dividend of $2.75 per share was declared on the $7 Preferred Stock of the Corporation for payment March 1, 1943, to stockholders of record at the close of business February 8, 1943.

E. H. DIXON, Treasurer.

FINANCIAL NOTICE

Notice to the Holders of:

Kingdom of Denmark

Twenty Year 6% External Gold Bonds, Due January 1, 1942
Thirty-Year 5½% External Loan Gold Bonds, Due August 1, 1955
Thirty-Four Year 4½% External Loan Gold Bonds, Due April 15, 1962

City of Copenhagen

Twenty-Five Year 5% Gold Bonds, Due June 1, 1952
Twenty-Five Year 4½% Gold Bonds, Due May 1, 1953

Danish Consolidated Municipal Loan

Thirty-Year 5½% External Sinking Fund Gold Bonds, Due November 1, 1955
Twenty-five Year 5% External Gold Bonds, Due February 1, 1953

Mortgage Bank of the Kingdom of Denmark
(Kongeriget Danmarks Hypotekbank)

Forty-five Year 5% Sinking Fund External Gold Bonds Series IX, of 1927
Due December 1, 1972

The undersigned Minister of Denmark in Washington makes the following statement for the information of bondholders of the above-described issues:

For the purpose of paying February 1, 1943 coupons of Kingdom of Denmark 5½% External Loan Gold Bonds, due August 1, 1955, and Danish Consolidated Municipal Loan Twenty-five Year 5% External Gold Bonds, due February 1, 1953, I propose to put the particular paying-agents in funds so far as it is estimated to be necessary to make coupon payments to holders, other than residents of Denmark, of bonds of these two issues.

February 1, 1943 coupon payments will be subject to such licences as may be granted to paying-agents by the United States Treasury.

In conformity with my announcement of December 30, 1942, I purpose to make subsequent announcements with a view to keeping bondholders informed of further developments relating to the above-described loans.

HENRIK KAUFFMANN
Envoy Extraordinary and Minister Plenipotentiary of His Majesty the King of Denmark

Washington, D. C., January 27, 1943.

DIVIDEND NOTICES

THE ATLANTIC REFINING CO.

COMMON DIVIDEND NUMBER 150

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 15, 1943, to stockholders of record at the close of business February 19, 1943. Checks will be mailed.

W. M. O'CONNOR, *Secretary*

January 25, 1943

Borden's

COMMON DIVIDEND No. 132

An interim dividend of thirty cents (30¢) per share has been declared on the outstanding common stock of this Company, payable March 1, 1943, to stockholders of record at the close of business February 15, 1943. Checks will be mailed.

The Borden Company
E. L. NOETZEL, *Treasurer*

At a meeting of the Directors held January 19, 1943 it was decided to recommend to stockholders at the annual meeting fixed to be held February 15, 1943 payment on March 31, 1943 of Final Dividend of Four Pence for each One Pound of Ordinary Stock free of British Income Tax upon the issued Ordinary Stock.

Net profits for the year after deducting all charges and expenses for management etc. and providing for taxation and contingencies are £3,065,348 as against £4,087,564 for the previous year. After paying Final Dividend amounting to £395,963 the carry forward will be £2,442,729.

Directors have decided to pay on March 31, 1943 Interim Dividend of Ten Pence for each One Pound of Ordinary Stock for the current year on the issued Ordinary Stock of the Company free of British Income Tax.

Transfers received up to March 1, 1943 will be in time to enable transferees to receive dividends.

As regards Bearer Warrants the two above dividends will be paid together against the deposit of one coupon only namely No. 191.

BRITISH-AMERICAN TOBACCO COMPANY, Limited

January 19, 1943

EATON MANUFACTURING COMPANY
Cleveland, Ohio

DIVIDEND NO. 72

The Board of Directors of Eaton Manufacturing Company has declared a dividend of Seventy-five Cents (75¢) per share on the outstanding common stock of the Company, payable February 20, 1943, to shareholders of record at the close of business February 5, 1943.

January 18, 1943

H. C. STUESSY, *Secretary-Treasurer*

INTERNATIONAL HARVESTER COMPANY

Quarterly dividend No. 98 of one dollar and seventy-five cents ($1.75) per share on the preferred stock, payable March 1, 1943, has been declared to stockholders of record at the close of business February 5, 1943.

SANFORD B. WHITE, Secretary.

The United Corporation

$3 Cumulative Preference Stock

The Board of Directors of The United Corporation has declared a dividend of $1.00 per share, on account of arrears, upon the outstanding $3 Cumulative Preference Stock, payable February 9, 1943, to the holders of record at the close of business February 2, 1943.

THOMAS H. STACY, *Secretary.*

Wilmington, Delaware
January 20, 1943.

The Securities Salesman's Corner

SOME SUGGESTIONS FOR SELLING A SPECIAL SITUATION

Last week, in this column, we suggested the use of the "special situation" in order to open new accounts among larger investors. This week, we follow up with a letter that can be used (changed according to your own circumstances, of course) for this purpose.

First step, make an inventory of the non-active names in your present prospect and customer files. Cull out all those individuals that for some reason or another have not been followed consistently by your sales organization. Among them may be a few individuals that have done business with you only once or twice 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 this finds you enjoying good health.

Occasionally I have sent you a mailing just to keep in touch with you more than anything else.

Recently our firm completed a serious study of one of the most outstanding investment situations we have ever been fortunate enough to run into. We believe we have definitely uncovered a company that has one of the greatest futures (through its established production of byproducts and chemical research) that exists today. We have gone thoroughly into this situation—have established strong contacts with the management, have access to the facts, and in every possible way have come to the realization that this is one of the few companies that should make revolutionary progress in the next several years that lie ahead.

Today it isn't easy to find an investment that offers safety to a marked degree, a satisfactory income, marketability, and in addition possibilities for genuine appreciation—despite war, high taxes and the probability of an inflationary cycle which some day may come around. This we concientiously believe is what we have uncovered in this instance.

With your kind permission I am going to 'phone you in the next few days to ask you when it would be convenient for me to call to see to you. You can be certain that there will be no obligation upon your part—I just desire to give you the benefit of the facts—which in this instance, as I have said, are truly exceptional.

With kindest regards, I remain,

(Partner or Salesman).

The purpose of this letter, the pre-arranged interview, and the personal touch, is to set up this one situation on a pedestal. Making it important, however, implied that you have a real situation to offer when you get on the job with your prospect. Even if some of the telephone calls result in turndowns, that is all right. Better five or ten real interviews than fifty wild swings at the air. One caution, however—don't be dragged into a discussion of your offering over the telephone. Phone for the appointment—don't try and have your interview over the 'phone. The more important your situation is to you—the more interesting and important it will appear to your prospect. The more important it is to him, the closer you are to your order and your "new account."

"Selling methods never change—times and conditions change—but the same old common sense that prevails in human nature is basic."

Profit Possibilities Of Electric Bond & Share

The research staff of Goodbody & Co., 115 Broadway, New York City, members of the New York Stock Exchange and other leading exchanges, has recently completed an extensive investigation of the various developments now taking place in the Electric Bond & Share situation, including 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 different securities marketwise. Increasing market attention has recently been centered on certain of the preferred issues selling at large discounts, carrying substantial accumulations and which are now moving towards possible recapitalization. These studies are available without charge and may be had upon request from Goodbody & Co.

Lilienthal, Simon, Gumbel Join J. Barth & Co.

(Special to The Financial Chronicle)

SAN FRANCISCO, CALIF.—Arthur G. Lilienthal, Frederick Simon and George G. Gumbel, all formerly with Strassburger & Co., have become associated with J. Barth & Co., 482 California Street, members of the New York and San Francisco Stock Exchanges. In the past Mr. Lilienthal was a partner in M. P. Lilienthal & Co.

Thoughts On Tomorrow

A controlled optimism, based on sober consideration of current and expected events, is daily becoming more prevalent among the people in the financial district. This is indeed heartening and speaks well of the rugged character of men who for more than a decade have had too many reasons which might well have made them into confirmed pessimists.

One conviction now commonly held is that Wall Street will have a vital, effective role in the victorious post-war era; that when we turn from a nation necessarily preoccupied with war to a nation converting its efforts to peace-time pursuits, the securities industry will have a big job to do.

The securities industry was an important factor some 50 years ago when industrial expansion got under way and it was more than incidental to the attainment by this country of the highest living standard among the countries of the world. Private enterprise is still an example of our way of life, and Wall Street is still the medium through which private capital flows into the great industries that are living tributes to the democratic system.—New York Curb Exchange.

N. Y. Banks & Trust Cos.

The New York Hanseatic Corporation, 120 Broadway, New York City, have prepared an interesting comparative table of the leading banks and trust companies of New York as of Dec. 31, 1942, copies of which may be had from the firm upon request.

Harbison & Gregory Opens In Los Angeles

Announcement has been made of the formation of the partnership of Harbison & Gregory to conduct a general investment securities business with offices in the I. N. Van Nuys Building.

McClarty Harbison, formerly a partner of Dunk-Harbison Co., entered the securities industry here in 1922. He became a member of Los Angeles Stock Exchange in 1925, was elected to its Governing Board Jan. 16, 1929 and has served as its President continuously since 1932. R. N. Gregory served his apprenticeship in Kentucky, migrating from there in 1923 to affiliate himself with the financial fraternity of Los Angeles. As President of the firm bearing his name he has been a member of Los Angeles Stock Exchange since 1933 and was elected a member of its Governing Board in 1942.

Associated with the two principals as account executives will be Fred L. Clarke, N. Milton Boore, John S. Mitchell, George V. Honeycutt and Ross K. Boore. The latter will be in charge of the firm's Pasadena office at 385 East Green Street. J. G. Henderson will be manager of the Stock Department while Warren B. Bailey will serve as manager of the Investment Department. William V. Hull has been appointed cashier.

Harbison & Gregory will be members of Los Angeles Stock Exchange and maintain complete facilities for the purchase and sale of securities as well as the preparation and dissemination of statistical and other information.

Dunk-Harbison Co. and R. N. Gregory & Co. will be dissolved in connection with the formation of Harbison & Gregory. Edward Dunk is leaving the securities business to devote himself to personal affairs and will maintain offices in the Van Nuys Building.

Formation of Harbison & Gregory was previously reported in the Financial Chronicle of Jan. 21st.

Chain Store Performance

Childs, Jeffries & Thorndike, Inc., 50 Broadway, New York City, have issued a circular on chain store performance for 1917-1943 containing interesting charts of earnings, dividends, net asset values and marked price of Dec. 31 of each year per share. Copies of the circular with data on special situations which the firm considers particularly attractive, and a tabulation of chain store company sales may be had upon request from Childs, Jeffries & Thorndike.

Investment Trusts

VITALITY

Webster defines vitality as the "power of enduring or continuing." Anyone acquainted with the obstacles and discouragements which have confronted the investment company field over the past decade must admit that it has demonstrated a large measure of that power.

Certainly there was evidence of vitality at the membership dinner of the National Association of Investment Companies given at 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 Twenties. 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 problems 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 Association President Paul Bartholet, the program was drawn up to include Chairman Ganson Purcell of the SEC, Professor Sumner H. Slichter of Harvard and Mayo A. Shattuck, President of the Massachusetts Bar Association as speakers. Richard Wagner, President of the Chicago Corporation presided.

Mr. Purcell pointed to "two weak spots" in the field which he felt the Association should endeavor to cure. One was the small investment company which has shrunk to a point where it can no longer be operated economically as an independent unit. "Some one," said Mr. Purcell, "should step in and merge such companies either with larger units or with several other small companies. Security holders should be given a chance to withdraw on an equitable basis if they want to." The other weakness he referred to was the closed-end company which is still being controlled by owners of the junior capital although such capital no longer has any asset value back of it. Mr. Purcell did not say how he thought this latter situation should be cured.

From personal observation this writer knows that investment company sponsors are well aware of both "weaknesses." Some have suggested that court action is the only sensible cure for companies which are still being controlled through ownership of "underwater" junior equities. With respect to the small company, however, sponsors who have attempted to follow Mr. Purcell's advice are wondering if the SEC really expects much headway to be made so long as it maintains its prohibition against the transfer of management contracts.

The speakers stressed the need of postwar venture capital. We were particularly impressed with Mr. Purcell's comments to the effect that investment companies could contribute to this need and that the Investment Company Act in his opinion specifically provides for such endeavor. One statement made by Professor Slichter on this point left no doubt as to where he stood. "The propensity to **venture** is more important than the propensity to save," he said.

On the lighter side, we could not tell whether Mr. Purcell was essaying humor or prophecy when he read a letter from a former investment adviser who had retired to a goat farm. Judging from present political trends—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)

Municipal News & Notes

A syndicate headed by Braun, Bosworth & Co., Toledo, was the successful bidder for the $3,000,000 City of Toledo, Ohio, 2¾% and 2½% waterworks first mortgage revenue bonds offered at competitive bidding on Tuesday by the Prudential Life Insurance Co., New York. The bankers acquired the bonds at a price of 110.577, a net cost basis of about 1.89%. This was the highest of the five offers received by the insurance company, the other bids ranging in price from 109.646 by Blyth & Co., and Associates, to 109.179.

The purchasers re-offered the bonds for general investment on the following basis: 2¾% non-optional bonds due from 1948 to 1960 incl., were priced to yield from 1.10% to 1.90%; the 2¾% optionals, maturing 1961-1969, offered at a price of 113; the 2½% optionals which mature in 1970 were priced at 110. The 2¾% and 2½% optional bonds are callable after Dec. 1, 1956, as 102.

In addition to Braun, Bosworth & Co., the other members in the group included Fahey, Clark & Co., Field, Richards & Co., and McDonald-Coolidge & Co., all of Cleveland; John Nuveen & Co., Chicago; Hayden, Miller & Co. and Merrill, Turben & Co., both of Cleveland; Martin, Burns & Corbett, Inc. and Blair, Bonner & Co., both of Chicago.

South Carolina May Refund Highway Bonds

In the inaugural address at the opening session of the State legislature on Jan. 19, Governor Olin D. Johnston declared that no additional bonds should be sold for road purposes and observed that in event of a continued drop in gasoline tax revenues it may be necessary to sell refunding bonds "in order to save the credit of the State." The finance committee of the highway department, he said, should maintain a close watch on all of its financial affairs and stated that the department has already started to drastically cut its expenditures in order to live within its income as much as possible. Pointing out that highway debt service needs in 1943 approximate $8,000,000, the Governor declared that this figure is very close to the estimated amount of gasoline tax revenue for that period.

The Governor declined to give an estimate of the State's general fund surplus, although other sources have indicated that it will be in excess of $8,000,000 by the end of this fiscal year. He recommended, however, that the greater portion of the surplus be used in the redemption of outstanding State bonds having a call provision, and any remaining balance to be invested in Federal war bonds. Stating that "this is no time for new taxes," the Governor went on to recommend that the income tax law be amended to exempt from State income taxes all the amounts paid in Federal taxes.

Mr. Johnston warned that the "present drop in the sale of gasoline is becoming dangerously near the point where the (highway) department cannot pay its obligations and carry on a reasonable program of existence in maintenance and administration."

Missouri May Need More Debt Service Income

Possibility that the State may have to impose a property tax to supplement income from the usual sources used in the payment of outstanding highway obligations is suggested in news reports from the State Capitol concerning the financial problems of the State. This view is based on the fact that last year there was a decline of about $3,000,000 in receipts from automobile licenses and the gasoline tax and a continuing decline is expected. Road bond requirements as well as all other highway expenditures have been met from these sources.

Within the next two years, it is pointed out, a total of $16,946,900 will be required for maturing bond principal and interest charges on outstanding bonds. It is also reported that the State may increase its sales tax from two to three per cent in order to bridge the gap between anticipated revenues and proposed expenditures in the current biennium.

While this tax yielded almost $4,000,000 more in 1942 than in 1941, the situation can be expected to change this year as merchants' shelves become depleted and further cuts made in the output for civilian needs. Higher retail prices will, of course, offset this condition to some extent, but not enough to compensate for the drop in volume of goods sold, it was said.

Atlanta, Ga., 1942 Tax Payments Set Record

Taxpayers set an all-time record for tax payments in 1942, paying $6,104,869 into the municipal treasury, or $255,313 more than the total of $5,849,577 paid in 1941, according to figures made public recently by the City tax assessors. This record takes on added lustre in light of the fact that the city collected 94.78% of its tax bills in the earlier year. The 1942 tax digest carried values listed at $371,941,592 as against $359,376,398 for 1941, a gain for the year of $12,565,194. The increase is represented largely in increased inventories, it was said.

Commenting on the record large tax payments last year, the local press observed that during the first year of war citizens paid their municipal governmental obligations better than was the case before Pearl Harbor.

Cleveland, Ohio, Calls $3,500,000 Railway Bonds

Joseph T. Sweeny, Director of Finance, has announced the call for redemption on or after March 1, 1943, of a block of $3,500,000 of the city's outstanding transportation system revenue bonds. The call applies to bonds Nos. 14,001 to 17,500, maturing March 1 in 1960, 1961 and 1962. Bonds will be redeemed at par plus a premium of 5% at the Cleveland Trust Co., Cleveland, or at the Guaranty Trust Co., New York City.

Philadelphia's Income Tax Brings Heavy Revenue

Philadelphia's unique municipal tax on income earned in the city by residents and "daylight citizens," which brought in more than $2,000,000 a month during 1942, is a success with respect to financial return and securing of revenue from outsiders who use city services, a report to the Municipal Finance Officers Association showed.

The tax rate, 1½% when the levy went into effect in 1940, was reduced to 1% Jan. 1, 1943. Total revenue from the tax since its adoption approximates $68,000,000 according to the report. In addition to the $59,423,763 collected during 1940-1942, approximately $6,200,000 is due this year on 1942 salaries and wages, plus $2,000,000 of taxes owed at the end of 1942 by federal employees who withheld payment in the hope—now apparently dashed—the courts would rule they were not subject to the tax. Additional delinquencies of about $200,000 were outstanding at the close of 1942.

Two classes of income are subject to the tax. They are salaries, wages and other compensation earned by residents within or outside the city, or by non-residents within the city; and net profits earned by unincorporated businesses and professions conducted in Philadelphia, net profits of such enterprises conducted outside the city by Philadelphia residents, and shares of Philadelphians in the net profits earned by unincorporated businesses and professions conducted outside the city.

Most of the income tax receipts come from the tax on employee earnings—87.9% in 1940, 89.4% in 1941, and 88.5% for the first 11 months of 1942. The tax on this income is collected at the source, Philadelphia employers deducting it from paychecks of both residents and non-residents and paying it over to the city once a month. Others taxed, mainly State and Federal employes, file returns once a year—by March 15.

Collections exceeded expectations almost from the start, growing with the war boom, the report said. In 1942 the yield equalled 57.1% of the total receipts from the city-county real estate tax, and supplied 27.8% of the city's total revenue. With reduction of the rate by one-third, receipts from the tax in 1943 are expected to total between $18,000,000 and $20,000,000.

Continued reduction in the city's funded debt, coupled with notice of a further substantial cut to be effected in the current year, are disclosed in the annual report of the Sinking Fund Commission submitted Jan. 21 to the City Council by Chairman Herbert W. Goodall. Debt retirement effected in the past year included the payment of $13,020,000 in matured city debt and the call for redemption of an additional $9,050,000 bonds.

Stating that accurate forecasts are not possible, the Chairman noted, however, that during 1943 the commission is prepared to pay off $8,375,000 of maturing bonds without refunding and in the following year expects to retire $18,870,000 of maturities, also without refunding. Against the $2,060,000 callable maturity on Dec. 1 of the present year, the sinking fund has a reserve of $1,206,000. Mr. Goodall said he could not forecast whether the city will be able to call the remaining $800,000 without refunding.

Reduction of outstanding indebtedness has also served to greatly reduce the city's annual bond interest requirements. Amount required for this purpose in 1942 was $20,691,822, which was $853,654 less than the comparable figure in 1941. The city's gross debt on Dec. 31, 1942, showed a decline of $19,670,000 for the year, while the decrease in net debt for the period was $17,460,100.

Bonds of the city held by the sinking fund on Dec. 31 last totaled $134,210,800, slightly more than 27½% of the grand aggregate of outstanding debt. The fund's total assets, including its bond issue holdings, cash on hand, interest and unamortized premiums, were reported as $138,690,602.

In connection with the city's financial position, it is of interest to report that steady progress is being made with reference to the bond exchange offer currently under way. Exchanges to Jan. 4, 1943, aggregated $25,167,900, according to a recent report by Drexel & Co., Philadelphia, and Lehman Bros., New York, joint managers of the bond exchange group.

New Haven, Conn., $5,215,000 Bonds Due In Five Years

More than half of the city's total bonded debt of $10,696,000 matures during the next five years, according to the annual report of City Controller Cecil J. Marlowe, an analysis of which has been issued by the New Haven Taxpayers, Inc. In noting this fact, the agency states that for the first time since the early depression the city will, in 1947, be in a position to take definite steps towards placing municipal government on a pay-as-you-go basis. Maturities subsequent to 1947 run to 1961. Maturing bond principal in the next five years consist of $1,109,000 in 1943, $1,043,000 in 1944, $993,000 in 1945, $1,005,000 in 1946 and $1,065,000 in 1947. Total interest charges during the period are reported as $518,280.

N. Y. State Units Gas Tax Income Down

Gasoline rationing costs the State's localities a loss of nearly $2,000,000 in their share of motor fuel taxes collected by the State during the calendar year 1942, compared to 1941, according to a report released Jan. 26 by Carroll E. Mealey, President of the State Tax Commission. The amount turned back to localities in 1942 was $7,332,923, as against $9,307,357 in the previous year, a decline of 21%. New York City's loss was approximately $400,000 of the total decline.

Net collections of motor fuel taxes by the State in 1942 aggregated $58,656,984, compared to $74,458,275 collected in 1941. The State's share of the 1942 income was $51,324,060, as against $65,150,918 the previous year, a reduction of $13,826,857. A tabulation prepared by the Tax Commission showed the amounts received by the City of New York and the State's counties as their share of motor fuel taxes collected by the State for each of the past two years.

In a further report, the Tax Commission disclosed that New York City and all but eight upState counties will receive a larger slice of State-collected franchise taxes on business corporations (Article 9-A of the Tax Law) for the final quarter of 1942 than for the corresponding period of 1941. In most cases, it was said, the increases are substantial in amount.

The total share of the localities in the last quarter's distribution is $11,988,903.55, compared to $7,258,494.37 distributed a year ago. This is an increase of 65% in the localities' share and in many cases will constitute a real "windfall" of revenue for the local districts, where receipts from some other sources are declining. Cities, towns and villages share in the distribution on a basis of the location of tangible personal property of the taxed corporations. The City of New York will receive over $6,000,000 in this distribution, as against $3,850,000 a year ago.

Major Sales Scheduled

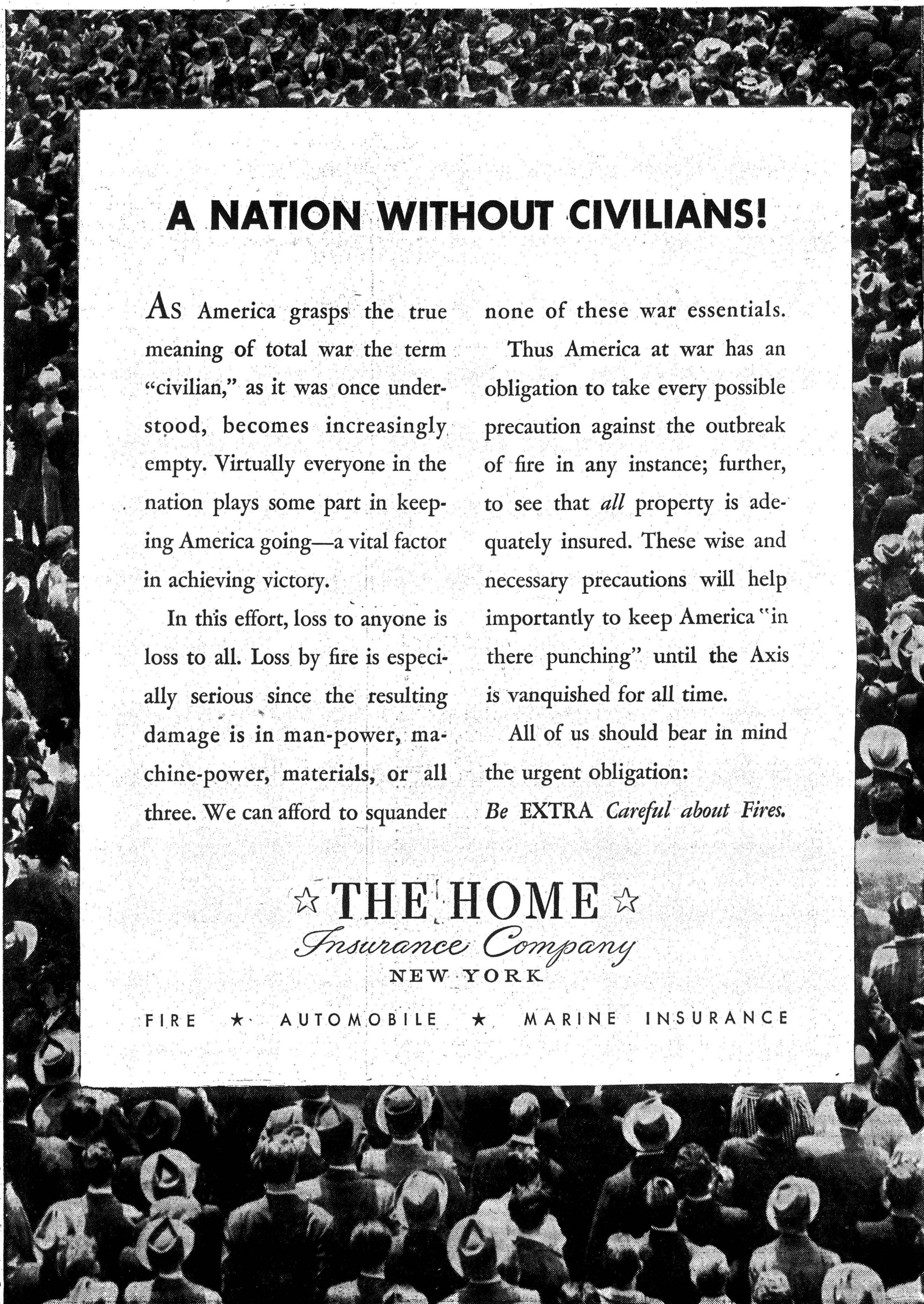
While the calendar of forthcoming bond sales of $500,000 or over remains at a seemingly irreducible minimum, it is expected that a considerable amount of activity in the tax-exempt field is likely to be provided by further secondary offerings in important degree. Concrete evidence of such developments was provided by the sale on Tuesday by the Prudential Life Insurance Co. of its holdings of $3,000,000 Toledo, Ohio, water revenue bonds. This was the largest individual offering of this character to reach the market in the recent past and the general belief prevails that further liquidation by the Prudential and other similar institutions is to be anticipated. In connection with such selling, it is to be noted that it has been accomplished without disturbing the general price structure adversely and, as a matter of fact, such offerings have been placed in the hands of investors with comparative case.

February 1

$4,100,000 Maricopa Co., Ariz.
Bids for these bonds will be received by the State Treasurer in behalf of the county.

February 9

$1,600,000 Baltimore Co., Md., Metropolitan District Bonds.
Last offering of similar bonds was purchased by Alex. Brown & Sons, Baltimore, and Associates, the second high bidder being the Mercantile Trust Co., Baltimore, syndicate.


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 196% of the 1935-1939 average, or 28 points above the closing level for 1941.

Output of electricity continues to hold at peak levels in most sections. 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 with output in the like week of 1942, according to the Edison Electric Institute. The output for the latest week exceeded that of a year ago in all geographical areas covered in the report. The largest increase was 29% on the Pacific Coast and the smallest was 3.7% in New England. Output in the mid-Atlantic States was 7.1% above last year.

Loading of revenue freight for the week ended Jan. 16 totaled 755,369 cars, according to reports filed by the railroads with the Association of American Railroads. This was an increase of 39,097 cars over the preceding week this year, 55,958 cars fewer than the corresponding week in 1942 and 51,872 cars above the like period two years ago.

This total was 121.98% of average loadings for the corresponding week of the 10 preceding years.

Total operating revenues for 89 Class I railroads in December were $570,839,881, an increase of 43.9% over the 1941 month, the Association of American Railroads estimate on the basis of preliminary reports.

December freight revenues for the 89 carriers amounted to $433,720,487, an increase of 35.2% over a year ago, while passenger revenues were estimated at $95,951,777, an increase of 111.1% over December, 1941, the AAR reported.

Steel production in the United States is scheduled this week at 98.6% of rated capacity against 99.8% last week, a decline of 1.2 points, the American Iron and Steel Institute reports.

The current week's rate indicates ingot production for the period at 1,686,700 net tons against 1,707,500 tons a week ago and 1,607,600 tons for the like 1942 week.

Closer control by the War Production Board is restraining excess buying and bringing better balance between steel production and consumption, informed observers state.

Buying is on a reduced scale compared with a year ago, as much as 10% under January, 1942, in some instances. Reduction in allocations under the production requirements plan and preliminary action leading to the shift to the controlled materials plan are the responsible factors, explains "Steel's" weekly summary of the industry.

Engineering construction volume for the week ended Jan. 21 of $67,930,000 is 28% higher than in the preceding week, but 47% below the total for the week ending Jan. 22, 1942, the "Engineering News-Record" reports. Public and private construction top their respective totals of a week ago, the former gaining 28% and the latter 22%. Both, however, are lower than a year ago, public declining 47% and private 45%. Federal construction tops last week by 23%, but drops 44% below last year.

The current week's total brings 1943 construction to $184,971,000, an average of $61,657,000 for each of the three weeks.

Department store sales on a country-wide basis were up 1% for the week ended Jan. 16, compared with the like week a year ago, according to the Federal Reserve System.

Store sales were up 8% for the four-week period ended Jan. 16, compared with last year.

Department store sales in New York City in the week ended Jan. 16 were 8% smaller than in the like 1942 week, and in the four weeks ended Jan. 16 were 1% less than in the comparable period a year ago, according to the New York Federal Reserve System.

Dollar volume of retail sales last week dipped well below the 1942 levels, Dun & Bradstreet reported.

Less active response to January promotions, coupled with sharply lower sales than a year ago of fuel oil, gasoline and durable goods left total dollar volume substantially lower than the record established in 1942, although larger than in all other recent years.

The dip in sales, ascribed by merchants to lack of stocks and anticipatory purchasing a year ago, did not affect heavy purchasing in wholesale markets. Retailers, faced with exceptional consumer demand, endeavored to obtain sufficient merchandise to maintain volume as suppliers resorted to widespread use of voluntary allotments to distribute merchandise.

Spectacular gains in output of munitions lifted over-all industrial production in 1942 by 17% to an all-time high, the January review of the Federal Reserve Board revealed.

The authority reported that its industrial production index (1935-39 equals 100) rose two points in December to 196%, a new record peak. That was 17% above the 168 level of December, 1941, and 69% higher than the 116 level of mid-1940, when the defense program was initiated.

The increase in munitions output lifted total durable goods production in December 33% above the level of December, 1941. Nondurable goods production also rose slightly, 4% over the year ago level. Mineral output declined chiefly because of the Pennsylvania coal strike. Crude petroleum production continued high.

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 long as all customers are treated alike, the Office of Price Administration stated on Jan. 16, in an interpretation of its recently announced "Non-discrimination" ruling.

In addition a dealer who sells to ultimate consumers is not required to sell fuel oil to other dealers if this has not been his normal practice, the OPA pointed out. However, if he sells to one dealer, he must honor the coupons of all other dealers. A bulk supplier who regularly sells to dealers cannot refuse to sell to any dealer, even though he is not a regular customer.

The OPA listed the following specific business practices which dealers and secondary suppliers may follow under the non-discrimination rules:

1. Dealers may limit the amount of oil sold to each buyer in accordance with a uniform percentage of the coupons within a fixed period of time, such as a day or a week. Obviously, the consumer need only surrender coupons representing the amount he actually receives. This same provision applies to suppliers in their sales to dealers.

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

3. Uniform credit standards may be fixed for other than cash sales and sales may be denied to customers who do not meet these standards.

4. Hours of operation may be restricted as long as the restriction applies uniformly to all purchasers of the same class and if general notice of the hours is given.

5. Suppliers may, before delivery, require the dealer to give a written statement that his customary supplier cannot meet his requirements.

Specific practices which do involve discrimination and which may not be followed are:

1. Sales to customers may not be limited to a quota based on a customer's last year's purchases.

2. If suppliers restrict sales to a percentage of the coupons presented, this percentage limitation must be uniform. He may not restrict sales to one customer to 35% of the coupons presented and at the same time honor 75% of those of another customer.

3. Discrimination against localities is prohibited. All localities within a given uniform distance must be served.

4. A supplier may not refuse to sell to a dealer merely because he has never dealt with him before nor because the dealer 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 Ctfs.

In accordance with the Treasury Department's desire to discourage the circulation in the United States of the specially identifiable silver certificates issued for use by American forces in combat areas, Allan Sproul, President of the Federal Reserve Bank of New York, on Jan. 19, asked 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 advices to the banking institutions Mr. Sproul said:

"These certificates in denominations of $1, $5 and $10 are, in all respects similar to silver certificates 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 heretofore 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. Inasmuch as the Treasury Department desires 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 to us 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 matter 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. 21, reelected 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. 20, 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 1939, being elected to the Vice Presidency 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, who is Vice President of Lowry & Co., has been a member of the Exchange since 1932.

Five members of the Board of Managers were reelected 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. Scholtz, Jr., of Scholtz & Co., and D. H. Zelisse of Curacao Trading Co., Inc.

Open Paralysis Fund Drive

The annual appeal of the National Foundation for Infantile Paralysis began 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 inadvisable 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 13-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.

Steel Operations Off Slightly—Easing In Steel Orders As Allotments Match Output

"While Washington officials this week were slashing the unusually 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," says the "Iron Age" in its issue of today (Jan. 28), further adding in part as follows:

"It 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. Months ago the complete scheduling of components who advocated but never adopted. Now, with key officials seriously disturbed over the situation, closer attention to production 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, will soon need to place large orders for steel plates. Demand is so heavy that production may reach 1,200,000 tons in March. February directives to the mills for plates also will be unusually 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 industry and close to the allowable maximum, but several yards have pointed out that in their own individual cases, plate receipts are declining in comparison to their rising rate of launchings. Although direct Navy needs are down currently, around 20,000,000 deadweight tons of shipping will be constructed this year.

"All the warring nations are transforming numerous alloy steel parts into carbon steel, but captured German equipment is understood to indicate that the Nazis are making substitutions at a faster rate than other countries.

"For the fourth time in recent weeks, the first quarter tin plate quota has been changed. Initially the quota was around 750,000 tons but the latest figure is about 620,000 tons. Tin plate mills are fearful of losing some of their skilled men during March. At the same time, tin plate requirements in second quarter will be exceptionally heavy in view of slash in the first quarter tonnage.

"Last week's allocation of Bessemer steel to farm equipment makers aroused much interest, since it confirmed previous predictions that wider use would be made of this type of steel. The main question, however, is not one of Bessemer vs open hearth steel, but one of utilizing the greatest amount of steel that can be made. Whether Bessemer facilities are used for ingots, scrap, hot metal for open hearths or for semi-duplexing is immaterial.

"The interest of most metal users and producers continues to center around the Controlled Materials Plan. It appears now that the Class B list will be undergoing constant revision downward, and WPB officials are beginning to admit that the plan will increase the burden of paper work."

The American Iron and Steel Institute on Jan. 25, announced that telegraphic reports which it had received indicated that the operating rate of steel companies having 91% of the steel capacity of the industry will be 98.6% of capacity for the week beginning Jan. 25, compared with 99.8% one week ago, 98.2% one month ago and 94.6% one year ago. This represents a decrease of 1.2 point or 1.2% from the preceding week. The operating rate for the week beginning Jan. 25 is equivalent to 1,686,700 tons of steel ingots and castings, compared to 1,707,300 tons one week ago, 1,679,900 tons one month ago, and 1,607,600 tons one year ago.

"Steel" of Cleveland, in its summary of the iron and steel markets, on Jan. 25 stated in part:

"Steel buying is on a reduced scale compared with a year ago, as much as 10% under January, 1942, in some instances. This is attributed to reductions in allocations under Production Requirements Plan and preliminary action looking to shift to the Controlled Materials Plan.

"Closer control by War Production Board is restraining excess buying and bringing a better balance between steel production and consumption. Easing in demand is not uniform in all products but reduction of allotments in some directions tends to equalize pressure by diversion of semi-finished steel to most needed materials.

"In steel bars the situation has improved somewhat, attributed to better supply of semi-finished steel, in part due to smaller lend-lease requirements. Alloy bars are in no better position but some shift is observed from electric furnace to open-hearth alloys, which may ease the situation somewhat. Cold-drawn bar producers are unable to obtain sufficient material to meet their orders and substitution of bessemer steel for this purpose is slow. Accumulation of directives on cold-finished and alloy bars has caused delivery delay on old orders and schedules have been broken considerably.

"While sheet consumption continues heavy, demand has receded and in some cases mills are able to make inroads on order backlogs. Considerable tonnage has been canceled as PRP allocations failed to cover consumer requests and as a result deliveries have improved.

"Orders have been released on about 10,900 domestic freight cars, part of the 20,000 allocated for first half construction, about 4,600 to railroad shops and 6,300 to commercial builders. Most of these were placed on order several months ago and later frozen by the War Production Board. Compared with the 100,000 cars deemed necessary by the carriers to give efficient service this is a small release. The remaining 9,100 of the first half allotment are expected to be released shortly.

"Numerous changes have been made in the schedule of scrap prices. The most important is a reduction of $1 per ton on machine turnings and mixed borings and turnings, an effort to move grades not particularly desired by the industry. The differential on unprepared scrap has been increased from $2.50 to $3.50 to stimulate preparation before shipment to consumers. Cut electric furnace grades have been advanced 50 cents per ton and cut automobile steel scrap has been reduced $1 per ton.

"Lake Superior iron ore consumption in December set a new all-time record at 7,540,841 gross tons, exceeding the prior records set in November with 7,227,497 tons and October with 7,370,595 tons. Total ore consumed in 1942 was far above any earlier year, with 83,714,451 tons, compared with 74,570,871 tons in 1941. Stocks at furnaces and lower lake docks Jan. 1 totaled 47,424,421 tons, compared with 40,456,893 tons at the same date last year. Active blast furnaces in the United States Jan. 1 numbered 175, against 172 a month earlier."

Idle Commercial Motor Cars To Be Reported

The Office of Defense Transportation on Jan. 15 reminded owners of commercial motor vehicles that all "idle" trucks, buses, and other vehicles—except taxicabs, rental cars, ambulances and hearses—must be reported to the ODT.

Owners are required to list all commercial motor vehicles which were idle during the last 14 days of the month. The report should be filed within five days after the last day of the month covered by ODT form CWN-3.

Commercial vehicle owners with no idle equipment are not required to submit a report.

Purpose of the monthly report is to enable the ODT to determine what proportion of the nation's commercial motor vehicles are actually in use, and also how many trucks, buses, etc., are being unused and might be available for essential war or civilian transportation work, the ODT said.

Lumber Movement—Week Ended Jan. 16, 1943

According to the National Lumber Manufacturers Association, lumber shipments of 453 mills reporting to the National Lumber Trade Barometer exceeded production by 11.9% for the week ended Jan. 16, 1943. In the same week new orders of these mills were 15.8% greater than production. Unfilled order files in the reporting mills amounted to 76% of stocks. For reporting softwood mills, unfilled orders are equivalent to 38 days' production at the current rate, and gross stocks are equivalent to 46 days' production.

For the year to date, shipments of reporting identical mills exceeded production by 9.1%; orders by 7.0%.

Compared to the average corresponding week of 1935-39, production of reporting mills was 26.7% greater; shipments were 29.4% greater, and orders were 12.2% greater.

Independence Hall Now A National Shrine

The Independence Hall buildings in Philadelphia officially became a National shrine on Jan. 11, when Mayor Bernard Samuel signed an agreement between the city and the U. S. Government designating them as such at the historic desk in Independence Hall.

Reporting on the matter, the Philadelphia "Inquirer" of Jan. 12 said:

"It was a step looking toward obtaining Government aid for improvement of the entire area, making it a National park. The agreement was necessary before this aid could be sought.

"Attending the ceremonies were Judge Edwin O. Lewis, President of the Independence Hall Association; D. Knickerbacker Boyd, its Secretary, and Director of Public Works John H. Neeson.

"'Ultimately,' said Judge Lewis, 'we hope to improve the area north of Independence Hall between 6th and 7th Streets, extending as far as the Delaware River Bridge approach.'"

Transition of Silver To War Use In 1942 Outstanding Feature, Says Handy & Harman

"The transition of silver from 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 27th annual review of the silver market issued Jan. 11 by Handy & Harman, New York bullion dealers. The transition, the firm states, "involved at times sharp conflict between the natural law of supply and demand, politics, and control administered by Government agencies."

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 1941."

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 nearly 50% over the 80,000,000 ounces estimated as United States and Canadian consumption in 1941, and about four times the yearly average of 29,000,000 ounces consumed in the two countries during the ten-year period 1931 to 1940.

"Of the Canadian total of 4,000,000 ounces, about 40% represents war and essential uses, a percentage which might seem low except for the fact that, although subject to supervision, no severe restrictions were 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 45¢; bullion for internal consumption continued to be based on the former price of 35¢, 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 obtain the equivalent of 45¢.

"Nearly 60% of the amount of silver consumed in the United States during 1942 is estimated to have gone into war production, or into uses classified by the War Production Board as essential and thus covered by priority ratings. This silver was used mostly in the production of photographic film, airplane engine bearings, solders and brazing alloys, electrical contacts, insignia, 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 electrical 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, transformers, turbines and airplane, tank, and marine engines, field kitchens, radiators, heaters, and various instruments. In general, it can be said that silver is finding an important place in the production of every airplane, battleship, submarine, cargo vessel, or tank, and in many guns, bombs, torpedoes, shells, and vital parts of other weapons."

Handy & Harman estimate that "United States Government acquisitions of silver for 1942 at 63,400,000 ounces, by far the smallest annual total since the silver-buying program was inaugurated. Included in this total are 14,400,000 ounces of foreign metal representing deliveries during the first five months of the year against purchases made prior to Nov. 28, 1941, which date marks the cessation of foreign silver buying by the Treasury. An additional 48,000,000 ounces were derived from domestic ores, and the balance of 1,000,000 ounces was accounted for by miscellaneous bullion receipts." Their review further states:

"Adding the acquisitions of 1942 to 3,283,200,000 ounces, the official figure for Treasury silver holdings at Dec. 31, 1941, makes a total of 3,346,600,000 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" 5-cent pieces. The balance of 3,342,600,000 ounces is our estimate of Treasury silver holdings at Dec. 31, 1942. This figure includes the silver content of all coins in circulation, 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, are grouped together in the Government 'Circulation Statement' under the heading Minor Coin. 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 8,991,000 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 69,100,000 ounces being 16,900,000 ounces greater than the previous full year's record established in 1941. Of the total, 66,376,000 ounces were consumed in subsidiary coinage which excludes nickels and pennies, and 2,744,000 ounces were used in the new 'silver' nickels. These latter coins contain 35% silver, 56% copper, and 9% manganese.

"Under legislation enacted toward the end of December, Secretary Morgenthau established specifications for a new, wartime 1-cent coin, of the same design as the present penny, but made of zinc-coated steel. Minting of the new pennies will commence about Feb. 1, 1943, and subsequently a 3-cent piece, also authorized under the recent law, may be put into circulation if the demand for minor coins continues."

On the subject of foreign production, the firm says its information is "very scanty" but ventures the following estimates covering the Western Hemisphere only: United States, 54,000,000 ounces; Canada, 22,300,000 ounces; Mexico, 74,000,000 ounces; Central America and the West Indies, 4,300,000 ounces; and South America, 29,000,000 ounces. The total of 183,600,000 ounces is 18,300,000 ounces less than the Western Hemisphere output for 1941, and most of this decline is represented by the drop of 15,000,000 ounces in United States production, the firm explains.

No figures were available for Europe, Asia, Africa and Australia.

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 on Jan. 23 that industrial activity continued at a high level in December and the first half of January and distribution of commodities to consumers was sustained. Prices of farm products and retail foods advanced further, while 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 1935-1939 average. Munitions output continued to increase, raising total durable goods 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 the year 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 increase over a year ago was largely obtained by conversion of existing facilities. Output of lumber, 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. Meat 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 1942 was the second largest in the history of the industry, averaging 13% greater than 1941. Crude petroleum production in December continued at the level of earlier months and for the entire year was slightly lower than 1941, 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 F. W. Dodge Corp., was somewhat higher than in November. Contracts for apartment-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 $3,200,000,000 in the fourth quarter of 1942, according to preliminary estimates of the Department of Commerce. This was about 25% lower than the peak of $4,300,000,000 reached in the previous quarter, but slightly higher than that of the fourth quarter of 1941. Installations for direct military use and industrial facilities accounted for almost three-quarters of the total, and residential building contributed 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 entirely in military and industrial projects, which rose $4,400,000,000. 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 1942 Christmas buying season exceeded that of any previous year, value of sales at department stores, for example, being about 15% larger in November and December than in the corresponding period of 1941. The increase over the year-period reflected in part price advances, but there was also an increase in the volume of goods sold.

Freight carloadings declined about the usual seasonal amount in December, and the Board's adjusted index remained at 134% of the 1935-1939 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 mixed feeds. For certain other products, however, like potatoes and truck crops, Federal price supports were increased. Wholesale prices of most other commodities continued to show little change.

From mid-November to mid-December retail food prices advanced 1.6 points to about 133% of the 1935-1939 average. Further increases in these prices are indicated in January as a result of advances permitted recently in maximum levels for such items as flour, milk and poultry.

Bank Credit

Excess reserves of member banks declined sharply in the last week of December, and during the first half of January they averaged about $2,200,000,000, as compared with $2,500,000,000 for most of December. Large payments to the Treasury for new securities, some increases in currency, and other end-of-year requirements were responsible for drains on reserves during the last week of December. There were, however, substantial sales of Treasury bills to Federal Reserve Banks under options to repurchase. In the early part of January, reduction in Treasury balances at the Reserve Banks and a return flow of currency supplied banks with additional reserves, and some of the bills sold to the Reserve Banks were repurchased. During this period Reserve Bank holdings of Government securities, which had increased to $6,200,000,000 by Dec. 31, declined to below $6,000,000,000.

Reflecting largely purchases of the 7/8% certificates of indebtedness delivered in the week of Dec. 30, holdings of direct and guaranteed Government obligations at reporting member banks in 101 cities increased by $1,800,000,000 to $28,000,000,000 over the four weeks ending Jan. 13. New York City banks took $640,000,000 of the $1,500,000,000 of certificates sold to reporting banks. Commercial loans in New York City declined by $90,000,000; outside New York there was little change. Loans to brokers and dealers rose sharply in December during the Victory Fund campaign, but declined correspondingly in the following weeks. Other loans 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 increased. Long-term taxable bonds are yielding 2.32% on the average, and long-term partially tax-exempt bonds 2.06%.

NY State Factory Pay Third Higher In 1942

Factory payrolls in New York State were 34% higher for the year 1942 than for 1941, according to a statement issued Jan. 16 by Acting Industrial Commissioner Michael J. Murphy. Average weekly earnings increased from $31.68 in 1941 to $38.44 in 1942; employment rose 11%. Employment and payrolls 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 10% higher. Compared with November, factories in the State employed 1.5% more workers and paid 3.5% more in payrolls. The announcement also says in part:

"Most industries hired additional workers during the past month particularly those engaged in war work. The only major industrial groups to show declines in employment were food products, apparel, chemicals and petroleum. Payrolls were higher in all groups except apparel and petroleum.

"These statements are based on preliminary tabulations covering reports from 2,788 representative factories throughout the State. The Division of Statistics and Information, under the direction of Dr. E. B. Patton, is responsible for the collection, tabulation and analysis of these reports.

"Activity at war plants continued to increase during the month. Large numbers of additional workers were hired for the manufacture of tanks, airplanes, armaments, electrical machinery, communication equipment and instruments. Payrolls were correspondingly higher. A few shipbuilders laid off workers. Plants in the nonferrous metals industry increased production. Increased activity was reported by tin can manufacturers while steel mills curtailed operations slightly. The metals and machinery group as a whole showed an increase of 2.5% in employment and 4.1% in payrolls.

"Employment declines in the food, apparel, chemical and petroleum groups were all less than 1%.

"Seasonal declines in the apparel industry in New York City were much smaller than usual for December.

"All seven upstate districts reported increases in employment and payrolls for the month."

Ruml Plan Endorsed By Am. Retail Federation

National and State retail associations were urged by the American Retail Federation on Jan. 9 to petition Congress for enactment of the Ruml pay-as-you-go tax plan. The action of the Federation was taken at its annual meeting in New York at the Waldorf-Astoria Hotel. At the same time the Association also placed itself on record in favor of the plan and advocating a drastic revision of the price control system to make it "practical and effective." The New York "Times" in reporting this in its issue of Jan. 10, said:

"On the pay-as-you-go plan, the association held that 'the removal of threats implicit in deferment of tax payments for one year to the succeeding year is not only an objective of immediate practical concern to citizens and government alike, but also of concern to the Federal government from the standpoint of having citizens as free of debt as possible in order the better to confront post-war problems and needs.'

"The price control resolution called for the rescinding of the General Maximum Price Regulation and the substitution of a more workable system of calculating ceiling prices through issuance of a regulation 'providing for the mark-up practices (gross percentage mark-up) of individual retailers as of the year 1941 or the month of March, 1942, at the option of the retailer.'

"It urged that the Central Committee of National Retail Associations, consisting of 17 national 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 proposed new regulation. It was disclosed that the National Retail Furniture Association in Chicago also has ratified the resolution."

NY Chamber To Name Man Power Committee

At the business session of the New York State Chamber of Commerce on Jan. 7, President Frederick E. Hasler was authorized to appoint a special committee to be known as the Committee on Man Power to study plans for the mobilization of the man and woman power of the United States under an equal system of national service to help promote the successful prosecution of the war.

Issuance Of Federal Reserve Notes Held Unauthorized; Treasury Defends Legality

The assertion that the issuance of $660,000,000 of Federal Reserve Notes by the Treasury is unauthorized by law and is a form of "Greenbackism" is made by Walter E. Spahr, Secretary of the Economists National Committee on Monetary Policy, and Professor of Economics at New York University. Prof. Spahr's views were contained in an open letter to Congress, made public on Jan. 21, on which date Under Secretary of the Treasury Daniel W. Bell is said to have declared that authority for the issue of the Reserve Notes does exist. Prof. Spahr's letter, according to the Associated Press, said that while it was issued by the committee, the views expressed were solely those of the Secretary, Prof. Spahr. The committee is a group of 76 economists, and its announced purposes included education on the desirability of "an early return to the gold standard" and to "combat unsound monetary policies such as those of inflationists, devaluationists and commodity dollar advocates."

In his letter Prof. Spahr said:

"If our Treasury and Federal Reserve authorities are to resort to greenbackism, they should do so openly and inform Congress and the people of that fact. This type of currency inflation is precisely what is involved in the present issuance of so-called Federal Reserve Bank notes by the Treasury.

"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 $660,000,000 or in any amount whatever.

"2. Such notes can be legally issued only by Federal Reserve Banks and only in accordance with provisions of the Federal Reserve Act.

"3. The new so-called Federal Reserve Bank notes are not issued by the Federal Reserve Banks and are not liabilities of these banks.

"4. The statement on the face of these notes to the effect that they are 'secured by United States bonds deposited with the Treasurer of the United States of America or by like deposit of other securities' is a falsehood."

From the Associated Press we also quote:

Prof. Spahr pointed out that the press release of Dec. 13 of the Federal Reserve said the Reserve banks had been authorized to utilize "the existing stock of currency printed in the early 30's known as 'Federal Reserve Bank notes'" and the excuse was offered that more than $300,000 would be saved in the cost of printing new currency.

Prof. Spahr said, however, the effect of issuing the currency by the banks, under the Reserve rules, or issuing them by the Treasury was vastly different. He calculated issuance of the money by the banks would permit an expansion of bank deposits, under the banking laws, of $1,885,714,285, while issuance by the Treasury would permit an expansion of deposits in the banking system of $9,428,571,425.

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 1942 amounted to $14,883,835, compared with $13,115,640 in 1941, according to the annual report to stockholders at their meeting on Jan. 20. The report was signed by W. Palen Conway, Chairman of the Board, William C. Potter, Chairman of the Executive Committee, and Eugene C. Stetson, President.

The company's total current operating earnings were $30,361,127, consisting of $16,196,397 interest and dividends on securities, $8,883,696 interest on loans, and $5,281,034 other current operating earnings. Operating expenses for the year amounted to $15,477,292, made up of $8,106,634 as salaries and wages, $7,300,665 other current operating expenses and $69,993 interest paid.

The company's surplus and undivided profits at the end of 1942 amounted to $192,547,059, compared with $189,470,856 at the end of 1941. Dividends declared in 1942 were the same as in 1941, $10,800,000. During the period there were set aside as reserves, $1,000,000, against $600,000 in 1941, and for miscellaneous charges, $164,120, against $85,980.

During the year profits from the sale of investment securities amounted to $1,267,998, compared with $6,315,958 for 1941. Deferred profits carried over from the previous year were $2,767,011.

The company's holdings of U. S. Government securities, amounting to $1,692,372,000, showed an increase of $673,886,000 over the end of last year. The maturities (to first call date), exclusive of $212,651,000 Treasury bills, are as follows: Under 3 years, $1,037,354,000; 4-5 years, $280,833,000, and over 5 years, $161,534,000.

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

In the report it is stated:

"For a number of years profits realized from sale of United States Government securities, instead of being credited to earnings, have been credited to the amortization fund to provide in part for amortization of other government securities bought at a premium. Accordingly, each year a portion of current amortization of bond premiums has been charged against the fund, thus increasing interest earnings. For the year 1942, $2,500,000 of such amortization was charged against the Fund, as compared with $3,655,100 in 1941. The balance of the current amortization has been charged directly against coupon income."

As to financing of the war, the Guaranty's report makes the following comment:

"Too large a share of the financing of the war has been carried by the banks. The new approach to the task of war borrowing in connection with the Victory Loan campaign was obviously based on a recognition of that fact. It represented an effort to deal with the problem that invariably arises in war—that of providing the Government with the enormous amount of necessary purchasing power without resorting to unwise expansion of bank credit.

"The urgency of the question increases with every rise in the prospective volume of war expenditure. The cost of the war program as already authorized will reach the total of $238 billion, and will probably increase further. During the current fiscal year alone, it is estimated, war expenditures, including net outlays by Government corporations, will amount to more than $77 billion. With other expenditures estimated at $8 billion, the aggregate financial needs of the Government are expected to total more than $85 billion, of which a net amount of less than $23 billion will come from taxes and other budget receipts, leaving more than $62 billion to be raised by borrowing. Government trust accounts are expected to supply less than $3 billion of this amount, leaving about $60 billion that must be borrowed from the public, including the banks. **It is absolutely essential in the interest of preserving as sound a financial situation as possible that the public absorb the major part of this financing.**"

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 loans, based on 15/16 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 said:

"Department officials said the reason for announcing the premium and discount schedule in advance of the complete 1943 loan program was to give cotton farmers an opportunity well ahead of planting time, 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 staples.

Also according to present plans, farmers will be given special consideration on essential farming materials and labor and consideration from draft boards in direct proportion to their production of the type of food and fiber needed in the war effort. Accordingly, cotton farmers who produce the staples 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 to plant larger acreages (within their allotments) to intermediate and 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 August 1, 1943, before the 1943 crop is harvested, of cotton stapling one to 1 3/32 will be about 60% of the amount which was needed to supply domestic, lend-lease, and export requirements for the 1942-43 marketing year; and the carryover of 1⅛-inch and over will be about 62% of the 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 23%. In addition, it is indicated that the carryover of cotton stapling 1⅛ 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 to 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 less 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."

Senate Group Calls For Aid To Small Business—Suggests Remedial Legislation

The Senate Small Business Committee on Jan. 18 criticized as "unsatisfactory" the steps so far taken to spread war contracts among smaller plants and said it had under consideration several legislative proposals to remedy the situation.

In a report to the Senate, filed by its chairman, Senator Murray (Dem., Mont.), the Committee declared that "the fundamental question of whether or not the American system of free enterprise will be restored and sustained" depends to a large extent on the solution of the smaller firm's wartime problems and to reversing the present economic trend toward the expansion of Big Business.

The Committee's report charged that "over 70% of all prime contracts are still in the hands of 100 of the large companies" and that subcontracting is proceeding at a "snail's pace."

The report said the Committee had these legislative proposals under consideration: The creation of a civilian supply administrator within the War Production Board; creation of a war minerals director to coordinate the activities of various Federal agencies in the mining industry; helping small business adjust to lease, mortgage and inventory problems brought on by the war, and Government financial assistance for industries beset by wartime burdens.

The Committee set forth these five basic principles as to its future plans for small business:

"Small business must be more effectively used in war production.

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

"Small business requires assistance in adjusting to certain war conditions.

"Small business needs better access to capital.

"If small business is to make its maximum contribution to American life, the Federal Government must improve its approach to small business problems."

Coincident with the filing of the report, Lou E. Holland, Deputy Director of the WPB and Chairman of the Smaller War Plants Corp., announced that Army contracts worth $1,047,800,000 were placed during November and December with "small business" concerns employing from 5 to 500 persons. Mr. Holland predicted that this was simply the forerunner of an even greater distribution of war contracts among distressed plants.

Secretary of the Interior Ickes told the Senate Committee on Jan. 13 that with "the major portion of war production contracts going to a few corporations, the country now faces 'the brutal fact that the war can be the final, crushing blow to small business.'

"Should the small business man go, we will all go."

Throughout his testimony he warned that "we must guard against the loss of our traditional freedom of enterprise, a loss that would result in creating a dictatorship by a few corporations and cartels over our jobs."

The House Small Business Committee report was mentioned in our Dec. 31 issue, page 2328.

Earnings, Employment At New Peaks

Earnings, employment, man-hours, and payrolls in manufacturing reached new highs in November, according to a monthly survey of 25 industries by National Industrial Conference Board.

Under date of Jan. 20, the Board explained:

"Hourly earnings maintained their rising trend for the 28th consecutive month with an advance of 0.8% in November. The new peak level of $0.966 was 12.3% over November a year ago and 27.3% above the January, 1941, level.

"Weekly earnings rose 0.9% in November to reach another new high. The November level of $42.49 was 18.9% above the $35.74 average for the same month a year ago and 38.8% greater than weekly earnings in January, 1941.

"The average work week was longer than in any month since June, 1930. It averaged 43.7 hours in November, a rise of 0.2% over the October level. This level represents a week 2.2 hours, or 5.3%, longer than in November, 1941, and an increase of 8.7% over January, 1941.

"Real weekly earnings, or weekly earnings adjusted for changes in living costs, which had declined in the previous month, regained their September peak in November to stand at 159.2 (1923 equals 100). With this weekly return, 10.1% more goods and services could be purchased than a year previous and 19.1% more than in January, 1941.

"Total man-hours worked rose 0.4% in November, establishing the ninth consecutive peak for the series. Since November of last year man-hours of work have increased 17.3% and since January, 1941, they have advanced 41.4%.

"Due to the employment of larger numbers of women in manufacturing industries, total employment increased 0.2% in November, raising it to a new peak level. Since November, 1941, the number of employed workers has advanced 11.4%, and since January, 1941, it has risen to 30.1%.

"Payrolls advanced for the 16th consecutive month with a rise of 1.2%. At 226.6 (1923 equals 100) they stood 32.4% over November, 1941, and 80.6% above January, 1941."

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

The newsprint Association of Canada has reported that total apparent newsprint consumption of United States publishers in December was 339,703 tons, 7.2% or 26,341 tons lower than in the like 1941 period. Cumulative decrease for 1942 under the previous year was 2.9%.

The following advices were also contained in a Canadian Press dispatch from Montreal, Jan. 19.

"Total apparent stocks of all U. S. publishers decreased 38,212 tons in December and amounted to 645,494 tons at the end of the month, the Association said. Corresponding stocks at the end of December in 1941 and 1940 were 521,508 and 465,733 tons, respectively.

"Shipments from Canada during 1942 represented 71% of the total United States supply, compared with 70% in 1941. Shipments from United States mills were 24% of the total, against 25% in the previous year, while Newfoundland's share remained unchanged at 5%.

The association reported on Jan. 14 that December shipments of Canadian newsprint totaled 245,523 tons, a decline of 75,759 tons, or 23.7% lower than December, 1941. Shipments to the United States were down 20.8% and to overseas customers the decline was 60.2%.

Canadian production amounted to 244,183 tons, 56,640 tons, or 18.8% below December, 1941.

Dec. War Bond Sales Near Record High

The Treasury Department revealed on Jan. 3 that sales of War Savings Bonds in December aggregated $1,014,168,000, bringing total sales for the 1942 calendar year to $9,156,958,000. The December sales for the entire country were the second largest monthly total, being exceeded only by those for January, 1942.

December sales of Series E War savings bonds, sold only to individuals with a limit of $3,750 issue price, in any calendar year, established a high of $725,777,000. The previous high for E bonds was $667,411,000 in January, 1942. Sales of Series F and G bonds in December, were $288,392,000.

The total amount of E, F and G bonds bought since their introduction to the public in May, 1941, and through December, 1942, is $11,694,000,000, of which about 98% are still in the hands of their original buyers.

Sales of war-savings bonds in the Second Federal Reserve District by agencies other than the post-offices amounted to $161,100,000 in December, against $108,900,000 in November, the Federal Reserve Bank of New York disclosed on Jan. 4.

The sales were the third largest for any month.

Sales of Series E bonds aggregated $93,800,000, against $72,700,000 in November; Series F, $11,300,000, against $6,000,000, and Series G, $56,000,000, against $30,300,000, against $6,000,000, and New York District were $440,500,000 in December, against $357,200,000 in November. For the whole country sales of tax notes were $1,312,000,000.

Chicago Mercantile Exchange Elects

Members of the Chicago Mercantile Exchange on Jan. 6 elected six governors to serve for two years, three of whom are new, and a nominating committee for 1943.

Newly elected to the governing board were V. O. Appel of Fulton Market Cold Storage, Victor C. Dauber of Dauber Bros., and Nick Fennema of S. S. Borden Co. Governors re-elected for the two-year term were Harry H. Field of Faroll Brothers, Michael E. Fox of the Peter Fox Sons Co., and L. D. Schreiber of L. D. Schreiber & Co., Inc., who polled the largest number of votes. All but Mr. Field were regular slate candidates. The new and re-elected governors will take office and meet with carryover board members on Jan. 18 to select from the governing body the Exchange's officers for the ensuing year. Governors serving two-year terms are Garrett B. Shawhan, President; Maurice Mandeville, First Vice-President; Joseph Godow, Treasurer; Frank A. Priebe; Thomas J. Ryan and Max Weinberg.

Elected to the nominating committee were R. L. Elster, H. W. Fox, E. J. LeFebvre, R. E. Scholes and C. C. Tatham, Sr.

Nomination of this slate was referred to in these columns of Dec. 10, page 2052.

Grace National Bank Gains In 1942

Grace National Bank of New York in its report to stockholders presented by Chester R. Dewey, President, at the annual meeting on Jan. 12, reported year-end deposits increased from $50,693,014 to $69,850,805. Operating income in 1942 was $218,720 or $14.58 per share, compared with $165,492 or $11.03 per share in 1941. After taking into account profits on sales of securities, charge-offs and recoveries, total results were $241,841 or $16.12 per share, compared with $242,018 or $16.13 per share at end of 1941. Thus increased operating income, it is pointed out, has almost exactly offset decline in profits on sales of securities due to the changed method of marketing Government offerings in the last few months.

Commercial loans declined, loans on collateral, principally Government bonds, increased, and holdings of Government securities were larger, constituting 42.4% of assets. Total resources were $75,843,013. Total funds in use on Dec. 31 were $54,536,000, compared with $35,216,000 in 1941 due to new Federal Reserve policies on Treasury bills. Growth in Latin American and trust department business was reported.

At the annual meeting of the Board of Directors of the bank on Jan. 13, all officers were reappointed to serve during the ensuing year. Herbert A. Nickel, formerly Chief Clerk, was appointed Assistant Cashier. The regular dividend of $3.00 per share payable March 1, 1943 to stockholders of record, Feb. 25, 1943, was declared.

Rowe Heads Sav. Banks Retirement System

Daniel T. Rowe, President of Kings Highway Savings Bank, Brooklyn, was elected Chairman of the Board of Trustees of the Savings Banks Retirement System at the annual meeting of the Trustees on Jan. 19. Mr. Rowe, who has been a Trustee since the inception of the System May 1, 1941, succeeds Perrin L. Babcock, Vice-President, Onondaga County Savings Bank, who will remain as a Trustee. Charles Diehl, Executive Vice-President of Empire City Savings Bank, was elected Vice-Chairman.

The other Trustees besides Messrs. Rowe, Babcock and Diehl, are:

Frank L. Gardner, President, Poughkeepsie Savings Bank.

Fred Gretsch, President, The Lincoln Savings Bank of Brooklyn.

Hamilton C. Griswold, Vice-President, East Side Savings Bank, Rochester.

John F. Kreeps, President, The Home Savings Bank, White Plains.

Robert Matherson, Jr., and Urbain C. LeGost were reappointed Treasurer and Secretary, respectively.

The Trustees reported assets of the System in the amount of $300,938 as of Dec. 31, 1942, with 777 participants from 24 participating banks in New York State. Since that time one additional bank, The Mechanics Savings Bank of Rochester, has become a member of the System.

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 report to stockholders at the 72nd annual meeting held at 30 Broad Street. He warned that in order to "speed the march to victory and peace" the nation must be prepared for still greater sacrifices and that the ending of the war would mark the launching of another great offensive calling for other sacrifices to implement peacetime economic readjustments and to liquidate the war's huge legacy of debt. Mr. Hasler said:

"The road back to a normal world will be a long, tortuous, uphill climb, for it will require much more time to recover from the economic repercussions of 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 forecast a national debt in excess of $210,000,000,000 on June 30, 1944, Mr. Hasler in his comments stated:

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

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 $456,227. Earnings per share of stock increased 4.8% over 1941. The bank's resources crossed the $100,000,000-mark for the first time in its history. Deposits of $96,759,799 at the close of business Dec. 31, 1942, were 9.6% higher than on the comparative date in 1941. Surplus and undivided profits increased $195,213. The bank's investment account increased from $23,053,906 at the end of 1941 to $46,945,512 at the end of 1942. United States obligations, the largest item in the investment account, totaled $33,367,977 at the year-end, an increase of 285% compared with the close of 1941.

Four directors whose terms had expired—Allen K. Brehm, Ellsworth Bunker, Siegfried Gabel and Carl O. Hoffman—were reelected 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 common with most New York banks, our institution has during the past year enjoyed an important growth in deposits, from $19,382,000 at the end of 1941 to $24,045,000 on December 31, 1942, an increase of 24%." He added that "the most gratifying fact is that this was not wholly due to the increase in Government deposits, our totals from other sources having increased by a substantial margin, and in each of our offices. Although during the past year we increased our holdings in United States Government bonds from $2,023,000 to $10,084,000, approximately 33⅓% of our deposits on December 31, 1942, were otherwise invested, in loans, a percentage which is gratifying in view of the generally decreasing demand for bank accommodations by other than war product manufacturers." In part Mr. Kleeman also stated:

"Again in 1942 the number of our clients increased substantially; we have had a special growth in our Personal Checking Department, where we feel that we are not only rendering a valuable service to smaller depositors but where we also begin to develop relationships which become of growing importance as such clients increase their earning power and thus become prospects for other services of the bank.

"Our institution will, along with other banks, do its part in the handling of ration banking; the small compensation which the Government allows for this service is an unimportant consideration in view of the desire on the part of all banking institutions to make a patriotic contribution to this vital war effort.

"Approximately 22% of our organization are in the armed services and, as a result, we have substantially increased the percentage of women members on our staff. We expect to go further in this direction for we have found that the women in our offices are giving excellent service to the bank and to our customers.

"Our credit officers have developed a special type of loan which we plan to make available to those who will require assistance with their March 15th income tax payments; we expect to provide this service for a wide list of borrowers."

Mandeville Heads Chic. Mercantile Exch.

Maurice Mandeville, associated with Fahnestock & Co., was elected President of the Chicago Mercantile Exchange on Jan. 18 by the governors of the produce futures trading center. He succeeds Garrett B. Shawhan who has served three successive terms. Harry H. Field, of Uhlmann Grain Co., was elected First Vice-President and V. O. Appel, of Fulton Market Cold Storage, a newly elected Governor, was chosen Second Vice-President. Nick Fennema, of S. S. Borden Co., was picked to serve as Secretary for the ensuing year and Joseph Godow was reelected Treasurer. Robert E. Scholes of Marwyn Dairy Products Corp. was named sergeant-at-arms.

Mr. Mandeville, a well-known figure in the butter and egg trade, is a charter 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 Commerce and Industry Association of New York announced on Jan. 26 that E. R. Stettinius, 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 Williams, also an expert on this controversial subject. The meeting will be open to the public.

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 unexpected visits. A communique, dated Jan. 24, was made available on Jan. 26 regarding the conferences, 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 Josef V. Stalin had been invited to meet the President and Mr. Churchill, but had been unable to leave Russia. The text of the communique issued at the joint press conference at Casablanca on Jan. 24 of President Roosevelt and Prime Minister Churchill was given as follows in United Press advices 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.

"And for Great Britain:

"Admiral of the Fleet Sir Dudley Pound, First Sea Lord; General Sir Alan Brooke, chief of the imperial general staff; 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; Lieutenant General Sir Hastings Ismay, chief of staff to the Office of the Minister of Defense, together with a number of staff officers from both countries.

"They have received visits from Mr. Murphy (Robert Murphy, American Minister in North Africa) and Mr. Macmillan (Harold Macmillan, British Minister at Allied headquarters); from Lieutenant General Dwight D. Eisenhower, commander in chief of the Allied expeditionary force in North Africa; from Admiral of the Fleet Sir Andrew Cunningham, naval commander of the Allied expeditionary force in North Africa; from Major General Carl Spaatz, air commander of the Allied expeditionary force in North Africa; from Lieutenant General Mark W. Clark, United States Army, and from Middle East headquarters, General Sir Harold Alexander, Air Chief Marshal Sir Arthur Tedder and Lieutenant General F. M. Andrews, United States Army.

"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 at intervals to the President and Prime Minister.

"The entire field of the war was surveyed, theatre by theatre, throughout the world, and all resources were marshaled for more intense prosecution of the war by land, sea and air. Nothing like this prolonged discussion between two allies has ever taken place before.

"Complete agreement was reached between the leaders of the two countries and their respective staffs upon the war plans and enterprises to be undertaken during the campaign of 1943 against Germany, Italy and Japan, with a view to drawing the utmost advantage from the markedly favorable turn of events at the close of 1942.

"Premier Josef V. Stalin was cordially invited to meet the President and Prime Minister, in which case the meeting would have been held much farther to the east. He was, however, unable to leave Russia at this time on account of the great offensive which he himself as commander in chief is directing.

"The President and Prime Minister realized to the full the enormous weight of the war which Russia is successfully bearing along her whole land front, and their prime object has been to draw as much of that weight as possible off the Russian armies by engaging the enemy as heavily as possible at the best selected points.

"Premier Stalin has been fully informed of the military proposals.

"The President and Prime Minister have been in communication with Generalissimo Chiang Kai-shek. They have apprised him of the measures which they are undertaking to assist him in China's magnificent and unrelaxing struggle for the common cause.

"The occasion of the meeting between the President and 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. The two generals have been in close consultation.

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

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

"Formality was brushed aside and freedom of speech was the order of the day' for President Roosevelt and Prime Minister Churchill at Casablanca, the British Ministry of Information said today in its account of the meeting, which included some hitherto suppressed details. It also disclosed that Churchill went to North Africa in the same Liberator bomber in which he flew to Cairo and Moscow last August.

"Mr. Churchill took off from a Royal Air Force station in the south of England the night of Jan. 12, with W. Averell Harriman, Defense Expediter in England; Sir Charles Wilson, president of the Royal College of Physicians and his personal physician; Air Marshal Sir Charles Portal and three members of his personal staff.

"They arrived at Casablanca after an 'uneventful' trip. A small party of British and American officers who must have been up before dawn welcomed the Prime Minister, and Mr. Churchill himself met the second plane conveying other British delegates. The American chiefs of services had arrived about half an hour earlier.

"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 hotel and a dozen villas had been requisitioned for the conferees.

"President Roosevelt and Harry L. Hopkins arrived the second day after the Prime Minister. Then, said the official account, the 'tempo of the conference speeded up' with a minimum of formality. 'Work came first, second and third, and protocol nowhere at all,' it added."

Corn Exchange Bank Trust Co. Earnings

The net current operating earnings of the Corn Exchange Bank Trust Co., New York City, exclusive of recoveries and net profits from the sale of securities, amounted to $2,478,379 in 1942, Dunham B. Sherer, Chairman, told stockholders at the annual meeting on Jan. 12. These earnings are equal to $3.30 a share on the capital shares outstanding.

Mr. Sherer commented that more than half the employees are women, as a result of the drain of manpower into the armed services, and that more than 200 are tellers.

According to the New York "Sun" of Jan. 12, recoveries and the net profit from securities were credited to reserve accounts, the total of reserves being $6,911,000. Mr. Sherer said most current borrowing is for war work and that the bank had 272 of such direct loans.

From the New York "Times" of Jan. 13 we take the following:

Questioned by a stockholder regarding excess profits tax, Mr. Sherer said the bank would not be subject to such tax until earnings exceeded $3,000,000 in a year. He said that last year the Federal surtax amounted to $345,000, and deposit insurance payments to $325,000.

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

Elliott V. Bell, New York State Superintendent of Banks, announced on Jan. 14 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 "Herald Tribune" since 1928. Mr. Lyon, who is 40 years old, was born in Colt, Ark. He is a graduate of the University of Arkansas. Prior to entering newspaper work, Mr. Lyon had been a high-school teacher in Fort Smith, Ark. He was the first treasurer of the New York Financial Writers Association. In addition to the above advices from the State Banking Department we quote the following from the "Herald Tribune" of Jan. 15:

"Mr. Lyon, an expert on banking problems, has specialized since 1928 in covering stories concerning the intricacies of money and credit, inflation and related banking problems, and in this work wrote many of the leading financial stories of the "Herald Tribune."

"He joined the "Herald Tribune" after taking post-graduate work at Columbia University in 1924. For the first few years he worked with the newspaper's news service and then with its marine department, joining the financial staff in 1928."

Phillips Reaches India

William Phillips, President Roosevelt's personal representative to India, arrived at New Delhi by airplane on Jan. 8. Mr. Phillips, who was former Ambassador to Italy, said that, in addition to studying the problems of India for the President, he would coordinate various American civil activities in the country.

The President's appointment of Mr. Phillips was reported in our issue of Dec. 31, page 2335.

Collection Of Income Tax At Source Favored As Best Way Of Putting On Current Basis

The simplest, most effective method of placing individual income tax payments on a current basis is collection of the taxes at the source of the income, the National Retail Dry Goods Association was told in New York on Jan. 13 by Stanley S. Surrey, tax legislative counsel of the Treasury Department. Mr. Surrey addressed the association on the subject, "Some Aspects of the 1943 Tax Picture."

Mr. Surrey pointed out that the President's Budget message to Congress, forecasting Federal expenditures of more than $100,000,000,000 in the fiscal year 1944 and calling for $16,000,000,000 in new collections "by taxation, savings or both," presented two fiscal problems which serve as a background for all 1943 tax studies.

The first of these problems, he explained, is how best to supply the funds the Federal Government needs; the second is how to absorb excess purchasing power and thus protect the nation's stabilization program. Mr. Surrey declared:

"The Treasury Department has said for some time that the best method of placing the income tax on a current basis is through collection at the source. If such collection were made applicable at the normal plus first bracket surtax rate, the vast majority of our taxpayers would be placed on a current basis—about 25,000,000 of the estimated 35,000,000 income taxpayers. In addition, they would have their income taxes automatically budgeted for them."

Mr. Surrey likewise said that the foundations of a collection at the source system have been laid in the 5% withholding tax on wages and salaries which is a feature of the Victory tax. With 50,000,000 persons subject to the Victory tax and about 35,000,000 to the regular income tax, "income taxation is now on a shirt sleeves rather than a silk stocking basis," he pointed out, adding that "the case for collection at the source can be rested upon this inescapable fact alone."

Comparing the sales tax and spendings tax, Mr. Surrey said:

"A manufacturer's or a wholesaler's tax would play havoc with price controls, and a retail sales tax would yield little revenue except at very high rates. The retail sales tax operates on a piecemeal basis and hence it cannot satisfactorily provide the necessary exemption for the lowest income brackets, nor take into account family size and dependency status. Neither can it differentiate between luxury spending and essential expenditures except on the crude and wholly unsatisfactory basis of a classification of articles to be taxed at different rates.

"The spendings tax, however, operates on an overall basis and thus, through exemptions and progressive rates, can accomplish these ends quite readily."

In contemplating the weight of the tax burden, it must be remembered that back of the burden is a record flow of income, Mr. Surrey summed up. "And even the heaviest of burdens is made light by the realization that it is a small price to pay if it will help us obtain the things that are at stake in the world today," he said.

Treasury Can Redeem War Bonds Says Bell

The statement that "if the war should end tomorrow" the Treasury has enough money in its general fund to redeem nearly half of the approximately $15,000,000,000 in war savings bonds now outstanding, was made on Jan. 18 by Under Secretary of the Treasury Daniel W. Bell. Should additional funds be needed, he added, the Treasury could borrow them. Reporting this from Washington Jan. 18, the Associated Press added:

"Of course," said Mr. Bell, "we do not anticipate any such demands for redemptions. We believe the majority of bondholders will want to hold on to their bonds until maturity and thus get the benefit of the full amount of interest they have earned."

The maturity terms range from ten years on the series E bonds, bought mainly by the general public, to 12 years on the F and G bonds, which because of the lower interest return, are held mostly by large investors and corporations.

The problem of meeting large scale demands for redemptions has been given "considerable thought from time to time," Mr. Bell said, and the Treasury is confident it could be met, especially if present high tax rates continue to swell Federal revenues.

"We will handle the redemption of these bonds just like any other refunding operation," he said. "First we will pay out from funds in the general fund and if more money is needed we will borrow it in the market. That has been the procedure for years."

Series E bonds are redeemable for cash after 60 days and the other two issues after six months, but the Treasury may require "reasonable notice" of the bondholder's intention to cash in his bond if it so desires.

Treasury officials estimated there were about $11,000,000,000 in series E bonds outstanding, including $3,300,000,000 of the old "baby bonds"; $3,600,000,000 of series G and $850,000,000 of series F.

Jeffers Has Full Control Of Rubber Distribution

The War Production Board recently announced that authority to allot rubber among all claimant agencies, military and civilian, is conferred on Rubber Director William Jeffers in an amendment to WPB Regulation No. 1 signed by Chairman Donald M. Nelson. The WPB said:

"This order gives Mr. Jeffers complete control over distribution of the nation's rubber supply, including all allocations and apportionments from the rubber stockpile. It also vests in him the power to issue, administer, and if necessary to amend or repeal orders regulating the production, distribution and use of rubber and rubber products; it does not, however, include the authority to control the distribution of materials used in the production of rubber."

The order states that the Rubber Director shall have the authority:

"1. To allot rubber among the Department, Navy Department, Maritime Commission, Aircraft Scheduling Unit, Office of Lend-Lease Administration, Board of Economic Warfare, Dominion of Canada, the Domestic Requirements Section of the Office of Rubber Director, and any other public or private agency authorized to act as a Claimant Agency before the War Production Board, and also to allot rubber for civilian requirements.

"2. To allocate and apportion rubber among the users thereof, including all allocations and apportionments from the rubber stockpile.

"3. To issue, administer, and, where necessary, amend or repeal new orders regulating the production, distribution and use of rubber and rubber products, and to amend, repeal and supersede any existing orders heretofore issued by the War Production Board regulating such production, distribution and use, provided, however, 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 hereby 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 also is provided that the Rubber Director may exercise these powers either in his own name, through the WPB Director General for Operations, or through such other official, agency or person as he may designate.

Mr. Jeffers on Jan. 9 also assumed control over all rubber import programs, taking over powers formerly exercised by the Board of Economic Warfare, through the Rubber Reserve Co., a subsidiary of the Reconstruction Finance Corp. Mr. Jeffers had been given this authority last September under sweeping powers granted by President Roosevelt but had confined himself up to that time to domestic synthetic production programs. In the future the BEW will simply act in an advisory capacity, recommending development programs, among other things. The BEW, whose chairman is Vice-President Wallace, was given control over imports of strategic and critical war materials, including rubber, on April 13, 1942, 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. 13 that the short interest existing as of the close of business on the Dec. 31, 1942, settlement date, as compiled from information obtained by the Exchange from its members and member firms, was 501,833 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 18,323 shares, compared with 27,655 shares, on Nov. 30, 1942.

The Exchange's announcement further said:

"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 433 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:

1941—	
Jan. 31	498,427
Feb. 28	487,151
Mar. 31	537,613
Apr. 30	510,969
May 29	496,892
June 30	478,859
July 31	487,169
Aug. 29	470,002
Sept. 30	486,912
Oct. 31	444,745
Nov. 28	453,244
Dec. 31	349,154
1942—	
Jan. 31	460,577
Feb. 27	489,223
Mar. 31	513,546
Apr. 30	530,636
May 29	534,396
June 30	514,158
July 31	*517,422
Aug. 31	532,867
Sept. 30	548,365
Oct. 30	558,446
Nov. 30	551,053
Dec. 31	501,833

*Revised.

Construction Contracts In 37 Eastern States Broke All Previous Records, Says Dodge Revue

Construction contracts to a total of $8,255,061,000 were awarded in the 37 eastern states during the calendar year 1942, F. W. Dodge Corporation announced on Jan. 25. This was 37% greater than the total for the preceding year, and nearly 25% greater than the figure for the previous high-record year 1928. Building contracts, amounting to $5,714,458,000, increased 34% over their 1941 volume; heavy engineering contracts, amounting to $2,540,603,000, increased 46% over the preceding year. The announcement went on to say:

Most spectacular increase was in new factory construction, contracts for which amounted to $2,227,458,000 in 1942, compared with $1,181,523,000 in 1941; both year's figures exceeded all previous records. Contracts for residential building, exclusive of barracks for the armed services and war workers, declined from $1,817,419,000 in 1941 to $1,149,481,000 in 1942. On the other hand, contracts for the barracks type of housing accommodations increased nearly five-fold over 1941.

Commenting on the record-breaking construction program carried out in 1942, Thomas S. Holden, President of F. W. Dodge Corporation, stated: "Public-ownership projects represented 87% of the enormous 1942 total, reflecting the dominance of war construction in the year's activity. It is generally understood that the peak of war construction has been passed and that this year's program will shift emphasis strongly to end-products. It is estimated that construction contracts in 1943 may approximate half the dollar volume of 1942. Even this reduced volume, however, would be greater than that of the average peacetime year."

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

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

Partial ownership of the institution passed into the hands of over 600 of the general public last February when a block of 16,500 shares were distributed. For 81 years previous to that time, the company's capital stock was held by a group of about 80 or 90 who were either identified with the company or were members of the families of former partners of the private banking firm of J. P. Morgan & Co. The institution became a State-chartered bank on April 1, 1940, taking over most of the business conducted by the former private banking firm.

Only about 50 of the new stockholders attended the meeting presided over by J. P. Morgan, Chairman of the Board, the feature of which was presentation of a detailed annual report of the President, George Whitney. The report showed that the net earnings for 1942 were $3,251,131, as compared with $4,089,845 in 1941. Of the 1942 earnings, $1,200,000 was disbursed to stockholders in dividends, and $1,448,164 transferred to general reserve, leaving a net balance in undivided profits of $1,817,508 as of Dec. 31, 1942, an increase during the year of $602,967. The operating results for the year ended Dec. 31, 1942, showed that gross income was $7,825,011, made up of $5,864,562 in net earnings from interest received and accrued, $1,707,746 in fees and commissions, and $252,703 in security profits; this compared with 1941 gross income of $8,462,072, consisting, respectively, of $4,113,264, $2,689,966 and $1,658,842. The 1942 operating expenses amounted to $3,641,791, against $3,579,806 in 1941, and taxes and miscellaneous expenses and accruals totaled $932,089, compared with $792,421 in the previous year.

Mr. Whitney's report disclosed that the company's holdings of U. S. Government securities on Dec. 31, 1942, were $426,827,000, or about 60% of the total assets, compared with holdings of $356,023,500 on Dec. 31, 1941, the percentage of total assets being 47%. The holdings at the close of 1942 averaged 6⅓ years to maturity and 4¼ years to earlier call date. Mr. Whitney explained that the company has extended credit facilities to many of its clients engaged in producing war materials and supplies and that a considerable part has been through the medium of the so-called Regulation V loans. He added that the volume of financing of this type totaled $28,300,000 as of a recent date and it is expected to increase further.

Mr. Whitney's report also disclosed that, since the close of the year, the board of directors has accepted the resignation of Francis D. Bartow, who has retired from active business. In the "Wall Street Journal" it was stated that when the time came for inviting stockholders to ask questions Mr. Whitney took over, but only two questions were forthcoming, both being answered by reference to the annual report. No other stockholders responded in spite of repeated suggestions that questions were in order. In the same advices it was stated that following the reading of President George Whitney's report, retiring directors H. P. Davison, Thomas S. Lamont, R. C. Leffingwell, John S. Zinnser and Mr. Whitney were reelected to serve three-year terms. Mr. Morgan stated, said the paper from which we quote, that during the interval that Mr. Davison and Mr. Lamont were serving in the armed forces, but added, "I do not believe that this disqualifies them from serving on our board."

WLB Staff Changes

The National War Labor Board announced on Jan. 16 that Lloyd K. Garrison, its general counsel, has been given the additional duties of Executive Director. Mr. Garrison, who will be responsible for administrative operation of both the Washington and field offices of the War Labor Board, is Dean of the University of Wisconsin Law School. He was Chairman of the first National Labor Relations Board which preceded the current NLRB created by the Wagner Act.

The WLB also announced the appointment of Burton E. Oppenheim, formerly Special Assistant to the Deputy Administrator of the Office of Price Administration, as Deputy Executive Director. Mr. Oppenheim has been a price executive at the OPA in charge of textiles, leather and apparel, and was formerly Director of the Industry Committee Branch of the Wage and Hour Division, Department of Labor. Carl Schedler, who has been Director of Operations for the WLB, has also been named a Deputy Executive Director. His duties, however, will remain the same. Mr. Schedler came to the Board from the U. S. Conciliation Service, where he was Assistant Director.

NY Bankers Praised For Financing Of War

Commending the bankers of New York State for their "vital contribution" toward the winning of the war, Elliott V. Bell, Superintendent of Banks of New York State declared on Jan. 18 that they have in fact "carried more than their proportionate share of the war financing." Mr. Bell went on to say that "they have furnished the Treasury with far more money than has been spent here. As a result the State banks and trust companies have kept only a fraction of the deposits created by their war loan subscriptions. In a recent twelve-months' period they kept only one-eighth. And for every dollar they lent the government cash reserves fell 80 cents.

Mr. Elliott, who addressed the mid-winter meeting of the New York State Bankers' Association in New York City, at which banking in war time was the theme, also had the following to say:

"Whatever sums are needed to win the war—they will be forthcoming. However much the banking system must expand its credit—that will be done. It will be done even though it means extraordinary departures from some of the old rules. When bankers all over the country get behind the war effort as whole-heartedly as you bankers have, a greater share of war financing will come from States where the biggest part of the government's war expenditures is being made.

"Second only to the winning of the war, our greatest problem is to make sure that when peace comes we do not find we have slipped into a permanent regulated economy. Here again the bankers, as leaders in their communities, have a vital role to play.

Nothing could more surely force us into such a regulated economy than inflation resulting from the bungling of war financing.

"One of the strongest defenses on this front—and it is only one among many—is savings. The banks man this defense. A dollar saved is a dollar taken from the stream of spending. It is a dollar which relieves by just so much the upward pressure on prices. The banking system can increase its service to the nation by redoubling its efforts to attract every dollar of potential savings left over after war bond purchases.

"It will not be enough merely to open the tellers' windows and wait for the public to bring its savings in. Nor will it be enough merely to urge savings in the abstract. Only a miser saves for the sake of saving. The ordinary human being must have a goal. Millions of our people want to plan now for the houses, cars, washing machines that will again become available when the war is over. The banks can help by encouraging installment savings for future consumption. Saving in wartime to buy a car or house in peacetime can help win both the war and the peace.

"Ten years ago the banks of this nation were plunging into their greatest crisis. Since then they have fought their way back to greater strength than ever. In the years immediately ahead there will be anxious times. I am deeply sensible of the honor and responsibility that have come to me in sharing with you bankers these future problems and in working out with you their solutions. I am completely confident that they will be met by the banks of this State with understanding and with courage."

1942 War Expenditures Were $52.4 Billions

War expenditures by the United States Government in 1942 totaled $52,406,000,000, or 3.8 times the $13,895,000,000 spent in 1941, the War Production Board announced on Jan. 16. The Board states that the average daily rate of expenditure during the 310 days in 1942 on which checks were cleared was $169,100,000. This compared with $45,600,000 for the 305 days on which checks were cleared in 1941. From the Board's announcement we also quote:

During the month of December war expenditure totaled $6,125,000,000, which was an increase of $13,000,000, or 0.2%, over November. November expenditures were $390,000,000 higher than those of October, an increase of 6.8%.

The daily rate of expenditures averaged $235,600,000 in December, compared with $244,500,000 in November. In December there were 26 days on which Treasury checks were cleared, compared with twenty-five such days in November.

The figures cover expenditures both by the Treasury and by the Reconstruction Finance Corporation and its subsidiaries.

Monthly war expenditures and the average daily rate for each month from July 1940, through December, 1942, are given in the following table:

UNITED STATES WAR EXPENDITURES
(In millions of dollars)

	*Expenditures	No. of days checks were cleared	Daily rate
6-mo. total 1940	1,911	153	12.5
12-mo. total 1941	13,895	305	45.6
12-mo. total 1942	52,406	310	169.1

*Includes checks cleared by the Treasury and payable from war appropriations, and net outlays of Government corporations for war purposes. With the exception of some months, the data have been revised back to July 1940. These revisions are based on more complete data on expenditures by Government corporations.

Lamborn Sugar Calendar

The 11th annual edition of Lamborn's Sugar Calendar containing statistical data and other vital information pertaining to the sugar industry of the United States and the world is being distributed by Lamborn & Co., Inc., New York.

This unique calendar provides for each day of 1943 the prices for raw and refined sugar effective the same date in 1942, together with the monthly averages. It gives other useful and interesting material such as the harvesting periods of the sugar crops in the various countries of the world, and the highlights of government regulations and controls during 1942.

MacDonald Again Heads N. Y. Home Loan Bank

The reappointment of George MacDonald of New York City as Chairman of the Federal Home Loan Bank of New York was recently announced by the Federal Home Loan Bank Administration. At the same time, the redesignation of Francis V. D. Lloyd of Ridgefield Park, N. J., as Vice-Chairman of the bank was announced. Both terms are for the calendar year 1943.

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 $80.

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 firmed 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 $14,881,156 were derived to the extent of $13,761,000 from investments and $1,120,000 from loans. From United States governments the earnings were $11,500,000 gross and $8,300,000 net after deduction of $3,200,000 amortization. The amount reserved for taxes and assessments of $3,290,682 was not bigger because of the $875,753 net loss on securities. Net income was $9,765,998, against $10,050,000 in 1941.

"Mr. Fraser said the bank now had 203 employees, an increase of ten to 15 in the last year. Twenty-seven percent of the male employees had joined the armed forces, he said. These employees had been replaced with women, who were proving very satisfactory; but it had been discovered that a few more women were needed to do the same amount of work, he said.

"Nine percent of the government securities sold in this district in the December Victory Loan drive had gone through the First National Bank, said Mr. Fraser. Of the bank's portfolio of governments, one-third would mature in a year or less, another one-third in one to five years and one-third in more than five years. Only 7% of the bank's governments have a maturity of more than ten years.

"All the directors were reelected except Snowden A. Fahnestock, now absent on duty as a lieutenant colonel in the United States Army."

Central Hanover Bank & Trust Co. Earnings

The Central Hanover Bank and Trust Co., New York City, had net operating earnings of $6,047,868 for the year ending Dec. 31, 1942, 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 $283,648, not including substantial recoveries made during 1942 which were transferred to reserves. Total operating income for the year was $17,254,166 and total operating expenses were $11,206,298. Dividends paid or declared in the year amounted to $4,200,000.

Mr. Gray said that of the bank's holdings of $918,773,000 of Government securities on Dec. 31, a total of 28.5% mature within one year, figured on the maturity date, 38.1% 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 Commercial Solvents Corp., South 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. 19, reelected for three-year terms ten retiring Governors to represent the various groups of the Exchange and elected Abraham L. Dorgin to succeed Richard V. Z. Salembier as a Governor of the Silk Group. The reelected Governors are: Frank R. Hope and Jerome Lewine for the Commission House Group; Edward L. McKendrew and Merrill A. Watson for the Hide Group; Adolph J. Borner for the Silk Group; Irving J. Louis and Martin H. Wehncke for the Metal Group; Louis V. Keeler and Charles T. Wilson for the Rubber Group, and Joseph Fischer for the Non-Trade Group.

ABA Head Endorses Victory Book Campaign

Endorsement of the 1943 Victory Book Campaign to provide books for men and women in the armed forces is announced by W. L. Hemingway, President of the American Bankers Association in response to the invitation of the 1943 Victory Book Campaign Committee. Mr. Hemingway 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 solders, sailors and marines. It is planned to see that every member of the armed forces has one or more books to read when he or she sails overseas and to provide books at United States camps throughout this country 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.

Supreme Court Upholds Labor Department Subpoena Powers Under Walsh-Healey Act

In a 6-to-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 for the Labor Department and not a judicial function for the courts. Accordingly, it reversed a Federal District Court's refusal to grant a subpoena to Secretary of Labor Frances Perkins requiring the Endicott Johnson Corp. of Binghamton and Johnson City, N. Y., to produce pay-roll records for examination.

In Washington advices 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 parts of the shoes were made, contending that these were not covered by the act.

The Supreme Court's opinion, written by Justice Robert H. Jackson, said that "Congress submitted the administration of the act to the judgment of the Secretary of Labor, not to the judgment of the courts" and that "the District Court had no authority to control her procedure" nor "to decide the question of coverage itself."

Justice Frank Murphy, in a dissenting opinion joined by Justice Owen J. Roberts, contended that Congress had not conferred, "upon any agency which it has created," the power to enforce its own subpoenas. He added that administrative agencies, "if they are freed of all restraints upon inquisitorial activities and are allowed uncontrolled 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 $5,365,659

Reporting that "the bank had a splendid growth and development during the year and reached all-time highs in deposits and resources," Percy H. Johnston, Chairman of the Chemical Bank & Trust Co. of New York, also told the shareholders at their annual meeting on Jan. 20 that "the scope of operation was vastly changed during the year, war industry loans and commitments made amounted to $191,073,071; holdings of U. S. Government obligations rose from $321,211,478 to $536,810,141." Mr. Johnston's report was read in his absence (due to illness) by Frank K. Houston, President of the bank; net operating earnings of the bank for 1942 were $5,365,659 in 1942, according to the report, in which was indicated that this total did not include net profits and recoveries on securities, amounting to $281,137.

Describing 1942 (the 119th of the bank's existence) as "a good year for the bank," Mr. Johnston said:

"It earned and paid the regular dividend of $3,600,000; cared for all expenses and losses; set up the largest tax reserve in its history—$1,392,000; paid $754,210 Federal Deposit Insurance assessment; took out of the current year's earnings $5,173,161 for amortization of bond premiums; used $379,808 of the year's earnings for employee welfare and added $1,294,549 to the bank's net worth.

"During the year $5,000,000 was transferred to the surplus account, bringing the surplus to $55,000,000.

"The bank operated during the year with average excess reserves amounting to $33,136,238."

Mr. Johnston noted that "it has been our practice, in this annual report, to comment on the economic situation and the policies of our Government—in this report we will refrain from doing so." He added: "We are in the midst of a costly and deadly war and we should be a united people with one purpose only—to win this war and to make a sound peace—one under which the whole world can live. We again pledge this historic institution's resources and its manpower for that purpose."

The New York "Times" of Jan. 21 reported that "Mr. Houston explained to stockholders that the average return on the bank's holdings of Government obligations last year averaged 1.30%, and that 31.6% of the total Government holdings mature under one year, 25.6% between one and five years, 42.16% between five and ten years, and 0.63% over ten years. In the Victory Loan drive of last December he said that the bank purchased $90,000,000 of Government bonds."

The "Times" likewise stated that "in response to a question Mr. Houston said that the bank held $4,749,000 of Canadian Government bonds and that these constituted its entire holdings of foreign securities."

Bankers Trust Co. Oper. Net $8,467,463

S. Sloan Colt, President of Bankers Trust Co. of New York, reported to stockholders at their annual meeting on Jan. 14 that the bank's 1942 net current operating earnings, after provision for additional reserves for tax requirements, amounted to $8,467,463, compared to $7,967,486 in 1941. The bank's gross operating earnings for the year were $19,406,377 and operating expenses $10,938,914.

Mr. Colt explained that, after providing for $3,500,000 in dividends during the year, the balance in undivided profits showed an increase of $3,968,322, bringing the bank's total capital funds to $115,171,789. The bank's general reserve account on Dec. 31, 1942, showed a balance of $17,725,590, a net increase of $2,010,662 for the year, of which $935,754 represented net securities profits in the investment account.

The principal changes in the assets of the company during the year were listed by President Colt as follows: Cash and due from banks increased $30,759,916; U. S. Government securities increased $125,991,408; loans and bills discounted increased $17,675,550; State and municipal bonds down $22,514,945, and other securities and investments down $18,044,857.

Mr. Colt said that as was the case last year, the increase in loans was primarily due to loans directly and indirectly connected with the war program.

At the end of 1942, gross deposits of Bankers Trust amounted to $1,504,657,609, compared with $1,375,481,863 on Dec. 31, 1941. Included in the above figures on the respective dates were $230,198,668 and $172,420,270 in the U. S. Government's "war loan account."

With respect to the $711,606,351 of U. S. Government obligations held on Dec. 31, 1942, in the investment account, Mr. Colt explained the following as the percentages of deposits: 31.5% maturing within five years, 12.49% maturing in five to ten years, and 3.06% in 10 to 12 years. From the "Wall Street Journal" it is learned that in reply to a stockholder's question about reinstatement of the $2 annual dividend rate, which was reduced to $1.40 during the past year, Mr. Colt said the bank would "maintain its present policy until the skies are clearer."

Continued Gains Shown In Savs. Banks Accts.

Savings banks deposits in New York State increased by $42,100,156 during December with a net gain of 2,075 in accounts, after turning over 5,829 dormant accounts to the State Comptroller, according to an announcement issued Jan. 18 by the Savings Banks Association. They also sold $20,798,117 of War Bonds and stamps during the month, a gain of 13½% over sales during November. The December gain in deposits represents the 50th consecutive month in which there has been a gain in dollar deposits and the seventh consecutive month in which there has been a gain in the number of accounts. The announcement from the Association added:

The gain in dollar deposits for the last six months was $148,150,841, and the gain for the year was $20,379,022. Total deposits as of Dec. 31 were $5,570,090,600. The total number of accounts on the same date was 6,002,004, representing a gain of 36,501 during the last six months but a loss of 42,789 for the year.

War Bond sales by the savings banks are continuing heavy. The savings banks have sold, through the end of the year, $418,695,000 of War Bonds and stamps. Preliminary reports for the eleven largest savings banks for the first week in January show a heavy increase in war bond purchases this month with a total of $3,379,670. This is approximately double the average weekly sales of war bonds by these institutions.

In announcing these figures, Myron S. Short, President of the Savings Banks Association of New York and Executive Vice-President of the Buffalo Savings Bank, said:

"The continued trend of greater savings shows how seriously Americans want to play their part in winning the war. After all, it doesn't make much difference whether you invest your extra income in War Bonds or deposit it in a savings account. In either case, the money is used to buy Government securities to finance the war, so it is largely a matter of personal selection.

"During 1943, however, according to President Roosevelt's $109,000,000,000 budget program, we've got to do much more. We must revert to the life of our pioneer forefathers and like them, put aside every dollar we can for a better life and a better world after the war."

Pay Minas Geraes 6½%

The National City Bank of New York, as special agent, is notifying holders of State of Minas Geraes (United States of Brazil) 6½% secured external sinking fund gold bonds of 1928, due March 1, 1958, and secured external gold loan of 1929, series A, 6½% bonds due Sept. 1, 1959, that funds have been deposited with it to pay, in lawful currency of the United States of America, 15.05% of the face amount of the coupons due March 1, 1940, amounting to $4.89125 for each $32.50 coupon and $2.445625 for each $16.25 coupon.

The acceptance of such payment is optional with the holders of the bonds and coupons, but pursuant to the terms of the Presidential decrees of the United States of Brazil, such payment, if accepted by the holders, must be accepted in full payment of such coupons and of the claims for interest represented thereby.

Savs. Banks Trust Co. Reports Deposits Up

Stockholders of Savings Banks Trust Co., which is wholly owned by the savings banks in New York State, were informed on Jan. 20 by August Ihlefeld, President, at the annual meeting that earnings per share were $29.02 for 1942 after adjustment of taxes, compared with $68.68 for 1941, reflecting mainly smaller net profits taken on securities sold. He stated also that after provision for taxes and the payment of dividends of $200,000, undivided profits increased $525,517, bringing total capital funds to $39,414,370.

Mr. Ihlefeld stated that aggregate deposits amounted to $249,374,267, or about $57,000,000 over the total a year ago. The trust company acts as depositary for mutual savings banks of New York State and their instrumentalities. Mr. Ihlefeld pointed out that although there was an increase in total deposits, the demand and time balances due 130 savings banks were $95,160,820, as compared with $130,767,482 reported at the end of 1941. The 1942 decline, he said, was largely the result of withdrawals of funds by the savings banks to increase their purchases of United States Government securities. The trust company paid $574,517 to savings banks as interest on time deposits. Further advices state:

"The United States Treasury had on deposit with the trust company $153,290,173 on Dec. 31, 1942, as against $50,000,000 a year before. The larger balance maintained at the end of 1942 reflected mainly the subscriptions of over 100 savings banks to the December, 1942 Treasury war financing placed through the trust company.

"Cash due from banks, principally the Federal Reserve Bank of New York, totaled $47,187,211 at Dec. 31, 1942, as compared with $117,077,295 a year previous, the lower cash position reflecting in part a policy of full employment of available funds in Government securities. Investments in United States Government obligations held by the trust company were $127,414,000 greater than a year ago. The liquidity ratio, consisting of cash and United States Government securities to deposits, stood at the high figure of 115%.

"Earning assets were carried at $217,821,881, and consisted entirely of United States Government obligations on which the premium has been completely charged off. The market value of these earning assets as of Dec. 31, 1942 was $2,082,203 in excess of the book value."

Mr. Ihlefeld reported a substantial growth in custody accounts. He also stated that the Investment Information Department had 95 savings bank subscribers with bond accounts totaling $1,811,120,000 par value, and that the trust company had entered subscriptions for savings banks in New York State to public offerings of new United States Government issues during 1942 aggregating $727,746,500.

Non-Ferrous Metals—Lead Order Amended —February Copper Allocations Released

Editor's Note.—At the direction of the Office of Censorship certain production and shipment figures and other data have been omitted for the duration of the war.

"E. & M. J. Metal and Mineral Markets," in its issue of Jan. 21, stated: "The price order for lead was amended during the last week by the Office of Price Administration to simplify the measure and correct some inconsistencies in basing points outside of the regular New York and St. Louis zones. No major revisions were made in the order. Word on copper allocations came through from Washington several days ahead of time. Bismuth was placed under full allocation by WPB in Conservation Order M-276, effective Feb. 1." The publication further went on to say in part:

Copper

"Brass mills received word last week from Washington on the tonnages allotted to them for February, but wire mills have not yet been provided with this information, which tends to retard activity in some directions in reference to releasing metal and issuing shipping instructions. The domestic market for copper held at 12¢, Valley, with foreign copper moving to Metals Reserve on the basis of 11.75¢, f.a.s. United States ports.

"An increase in pay of $1 a day for miners in Butte and Anaconda, Mont., approved by the WLB and Director of Economic Stabilization Byrnes, has been accepted by employees of Anaconda in that area.

Lead

"OPA's lead order has been amended in the manner suggested by the industry to simplify the measure and make it conform with trade practices in reference to existing basing points and establishing new basing points where necessary, according to an announcement from that office on Jan. 15. Under the revised order all of Pennsylvania now takes the 6.50¢ base price for common lead. Basing points have been added in Florida and other centers not covered adequately in the original document. The premium allowed smelters over the pig lead price for ingots, linked ingots, and billets is made uniform for primary, antimonial, and secondary lead at one-quarter cent a pound.

"After the meeting of the Lead Producers Advisory Committee took place in Washington on Jan. 14 the head of the Tin and Lead Branch issued a comprehensive statement on the position of the metal as viewed by WPB. It was revealed that the total supply of lead for 1943 will cover present known requirements and leave a margin for stockpiling. WPB is no longer counting on imports of lead from Australia and Canada, an important factor in augenting our supply during 1942, and South American imports will take second place in shipping to more critical materials.

"It was suggested that lead allocation should be determined earlier in the month than at present to start deliveries moving earlier. This problem, WPB held, could be solved if consumers would file requests for lead on time, or before the 20th of each month as required.

"Sales of common lead during the last week were lower than in the week previous. Prices were unchanged.

Zinc

"Zinc allocations for February are expected soon, but with civilian consumption of the metal greatly restricted, release of this information has become little more than a routine event. The price of Prime Western continues at 8¼¢, St. Louis. The extent to which the premium plan for zinc concentrate production has been expanded (up to 8¼¢ premium where necessary) was discussed in industry circles.

Antimony

"Total of sure imports and domestic 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-Lead Division of WPB announced last week. Though industry representatives have recommended relaxing the conservation order for antimony, maintaining that the supply outlook is encouraging, WPB holds to the position that sufficient control must be continued 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. Supply is expected to be about double 1939 supply. Current consumption of antimony is greater than normal world production.

Tin

"W. A. Janssen, chief of the metals division of the Bureau of Foreign and Domestic Commerce, told the members of the Institute of Scrap Iron and Steel last Saturday that tin is the one metal for which we were definitely dependent on the Far East for supplies, and, paradoxical as it may seem, it has so far caused us the least concern of all strategic metals.

"The price situation here in tin remains unchanged. Straits quality tin for future shipment was nominally as follows:

	Jan.	Feb.	March
Jan. 14	52.000	52.000	52.000
Jan. 15	52.000	52.000	52.000
Jan. 16	52.000	52.000	52.000
Jan. 18	52.000	52.000	52.000
Jan. 19	52.000	52.000	52.000
Jan. 20	52.000	52.000	52.000

"Chinese tin, 99% grade, spot or nearby delivery, 51.125¢ all week.

Quicksilver

"Conditions in the Pacific Coast area have been satisfactory so far this winter to maintain production of quicksilver at a high level, trade authorities claim. On the other hand, consumption of the metal has not slackened and no selling pressure, even in forward metal, has appeared in the market. The Government stands ready to stockpile quicksilver should any surplus production be available. Quotations in New York continued at $196@$198 per flask.

Silver

"During the past week the silver market in London has been unchanged at 23½d.

"The New York Official and the U. S. Treasury prices are also unchanged at 44¾¢ and 35¢ respectively."

Daily Prices

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

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 impression that the supply of copper is adequate to meet all military and essential civilian requirements.

"Widespread acceptance of such statements would constitute a threat to our entire war production program. The supply of copper is not adequate and never will be while this war is on.

"A number of WPB limitation orders have eliminated the use of copper from thousands of civilian products. The Army and Navy have saved considerable amounts of copper by reducing their requirements wherever possible. A vigorous program of substitution has been carried on.

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

"Because some of these efforts have been successful, and have resulted in a reduction of the overall deficit is 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 Autonomous Institute for the Amortization of the Public Debt of the Republic of Chile has announced that under the consolidation decrees affecting various dollar loans, holders of bonds assenting to the plan are entitled on and after Feb. 1, 1943, upon presentation of stamped coupons relating to the payment, to receive interest at the rate of $16.80 per $1,000 bond. Stamped coupons should be presented to Schroder Trust Co. with appropriate letter of transmittal. In the case of bonds which have not assented to the plan, payment will be made at Schroder Trust Co. against their presentation with all unpaid coupons attached for stamping to evidence their assent to the plan on or before Dec. 31, 1943.

The bonds affected are those of the Republic of Chile, Mortgage Bank of Chile, Water Company of Valparaiso, City of Santiago, and Chilean Consolidated Municipal Loan. Letters of transmittal, and, in the case of dollar bonds of the City of Santiago and the Consolidated Municipal Loan, copies of the prospectus may be obtained at Schroder Trust Co.

The report on the funds available for debt service was referred to in these columns of Jan. 14, page 205.

Iraq Declares War On Axis

The Government of Iraq on Jan. 16 declared war on Germany, Italy and Japan. Iraq had already broken diplomatic relations with the Axis Powers, the break with Germany coming in September, 1939; with Italy in June, 1941, and with Japan in November, 1941. On this latter date diplomatic relations with the Vichy Government were ended.

According to a communication from the Ministry of Foreign Affairs in Iraq, transmitted to the State Department in Washington by the Iraq Legation there, the reasons for the declaration included increasing hostile acts constituting interference in the domestic affairs of Iraq designed to promote outright rebellion and the dissemination through Axis radio broadcasts of "untruthful rumors and prevaricating reports," as well as utterances disrespectful to the royal family and calculated to undermine the loyalty of the Iraq people.

Over 3½ Million Regular War Bond Buyers In N. Y.

Richard C. Patterson Jr., Chairman of the New York State War Savings Staff of the Treasury Department, recently revealed that in New York State there are more than 5,000,000 war bond owners, with 3,554,244 of them buying regularly through the Payroll Savings Plan at 42,896 places of employment. Mr. Patterson said that the State's bond sales in 1942 totaled $1,430,000,000, or one-sixth the entire country's total. Explaining that the State's quota for series E bonds in January is $150,000,000, compared with $130,000,000 last January, Mr. Patterson called on those individuals who are able to buy the full annual limit of $5,000 this month and for others to make smaller purchases through Payroll Savings Plan investments. He also expressed the belief that the voluntary method of payroll savings is still superior in every respect to compulsory methods.

Decline In Farm Labor Cuts Employment In November, Conference Board Reports

Employment in November dropped about 550,000 below the record level of 59,500,000 set in October, according to the National Industrial Conference Board, New York. This decline was due to a falling off in the number at work on farms at the completion of fall harvests. Fully half the reduction of 1,200,000 in farm employment during the month, however, was offset by the continuing expansion of the armed forces and of non-agricultural activities. A year ago the comparable decrease in employment reached nearly 1,300,000, the Board said Jan. 16, further reporting:

"By November, 1942, over 5,500,000 more persons were at work in civilian industry, excluding agriculture, than in the closing months of 1940, while about that number had been added to the armed forces. In his annual message to Congress on Jan. 7, 1943, the President placed the number in uniform at 7,000,000, or 6,200,000 more than in November, 1940. Of the 5,500,000 added to non-farm civilian industries since the early months of the defense program, fully 3,500,000 were placed on factory payrolls. Manufacturing employment totaled 15,600,000, or 36% of all employment in civilian non-farm activities. Two years previous the nation's factories were employing about 12,000,000 workers, or about 32% of all non-farm employment.

"Manufacturing and trade were the only civilian industries in which employment was substantially increased during the month. The latter expanded its personnel by about 60,000 to meet holiday buying, particularly in department stores and related retail fields. The total number engaged in trade, distribution and finance, however, remained fully 400,000 below the corresponding 1941 employment.

"Farm family" members continue to form an increasing proportion of all agricultural workers, and numbered almost 150,000 more than in 1941. Total farm employment is placed at 10,215,000, as compared with 10,088,000 in the preceding year, while the corresponding totals for hired workers were 2,553,000, as against 2,572,000 in 1941.

"Construction employment also continued to recede, and fell off by almost 140,000 during the month, largely on public projects. The number at construction work has dropped by 11%, or nearly 350,000, since its August peak. In mining the number at work was lower than in the preceding year, not only in bituminous and anthracite fields, but in metal mining as well.

"Civilian employment in regular Federal services rose to nearly 2,800,000, as more than 50,000 were again added to public payrolls during the month. This brought the increase in Federal civilian employment since November, 1940, to 1,700,000. Federal civil payrolls alone in November were at an annual rate of $5,500,000,000. Public emergency activities were further curtailed, the number on WPA projects totaling 363,000, as against 381,000 in October and 1,056,000 a year ago."

Cleveland Reserve Waives Restrictions On Flood Area Loans

M. J. Fleming, President of Federal Reserve Bank of Cleveland, announced on Jan. 5 that the bank had temporarily waived the restrictions of Regulation W insofar as they apply to extensions of credit to finance the replacement or repair of real or personal property damaged or lost by persons in areas affected by current floods in the Fourth (Cleveland) Federal Reserve District. Mr. Fleming stated:

"Regulation W was not designed to impose additional hardship on people already in distress. No useful purpose could be served by adding to the difficulties of people who need dealer credit or other financing to repair or replace articles which have been lost or damaged by flood. Therefore, the Reserve bank has removed the restrictions of the regulation in the Allegheny, Monongahela, and Ohio River areas, to permit extensions of credit on any terms which dealers or lenders may choose to grant, to replace goods damaged or lost by reason of floods in the period between Dec. 25, 1942, and Jan. 20, 1943.

"This waiver does not extend to persons not suffering from flood damage. It is designed purely to remove any obstacle to the immediate replacement or repair of articles essential to the comfort and well-being of those who already have suffered much.

"This bank will cheerfully extend the terms of this waiver to other sections where similar conditions may exist, if they are brought to our notice. Our purpose is to relieve, and not add to, the difficulties of people in distressed areas."

NYSE Amendments Voted

The New York Stock Exchange announces that the membership has approved the amendment of Section 13 of Article IX and subparagraph (1) of Section 5 of Article XI of the Constitution, which had been submitted to the members on Dec. 18. The amendments relate to the continuance of a partnership for a limited period of time with the status of a member firm after the death of the sole Exchange member partner and to describing more accurately the status of the estate of a deceased partner which continues to have an interest in a partnership.

Extension of the voting period on these amendments was noted in our issue of Jan. 14, page 191.

Moody's Daily Commodity Index

Tuesday, Jan. 19	244.3
Wednesday, Jan. 20	245.1
Thursday, Jan. 21	244.0
Friday, Jan. 22	244.3
Saturday, Jan. 23	244.2
Monday, Jan. 25	245.1
Tuesday, Jan. 26	244.9
Two weeks ago, Jan. 12	242.8
Month ago, Dec. 26	238.9
Year ago, Jan. 26	226.9
1942 High, Dec. 22	239.9
Low, Jan. 2	220.0
1943 High, Jan. 25	245.1
Low, Jan. 2	240.2

Electric Output For Week Ended Jan. 23, 1943 Shows 15.5% Gain Over Same Week Last Year

The Edison Electric Institute, in its current weekly report, estimated that the production of electricity by the electric light and power industry of the United States for the week ended Jan. 23, 1943 was approximately 3,974,202,000 kwh., compared with 3,440,163,000 kwh. in the corresponding week last year, an increase of 15.5%. The output for the week ended Jan. 16, 1943, was 14.5% in excess of the similar period in 1942.

PERCENTAGE INCREASE OVER PREVIOUS YEAR

Major Geographical Divisions—	Week Ended— Jan. 23	Jan 16	Jan. 9	Jan. 2
New England	7.0	3.7	2.7	4.4
Middle Atlantic	9.6	7.1	6.3	7.8
Central Industrial	12.6	12.2	11.6	11.4
West Central	14.3	12.4	13.6	12.6
Southern States	21.2	21.4	22.7	25.1
Rocky Mountain	11.0	13.5	11.4	11.0
Pacific Coast	30.6	29.0	25.0	27.4
Total United States	15.5	14.5	13.8	14.9

DATA FOR RECENT WEEKS (Thousands of Kilowatt-Hours)

Week Ended—	1942	1941	% Change 1942 over 1941	1940	1932	1929
Oct 3	3,682,794	3,330,582	+10.6	2,792,067	1,506,219	1,819,276
Oct 10	3,702,299	3,355,440	+10.3	2,817,465	1,507,503	1,806,403
Oct 17	3,717,360	3,313,596	+12.2	2,837,730	1,528,145	1,798,633
Oct 24	3,752,571	3,340,768	+12.3	2,866,827	1,533,028	1,824,160
Oct 31	3,774,891	3,380,488	+11.7	2,882,137	1,525,410	1,815,749
Nov 7	3,761,961	3,368,690	+11.7	2,858,054	1,520,730	1,798,164
Nov 14	3,775,878	3,347,893	+12.8	2,889,937	1,531,584	1,793,584
Nov 21	3,795,361	3,247,938	+16.9	2,839,421	1,475,268	1,818,169
Nov 28	3,766,381	3,339,364	+12.8	2,931,877	1,510,337	1,718,002
Dec 5	3,883,534	3,414,844	+13.7	2,975,704	1,518,922	1,806,225
Dec 12	3,937,524	3,475,919	+13.3	3,003,543	1,563,384	1,840,863
Dec 19	3,975,873	3,495,140	+13.8	3,052,419	1,554,473	1,860,021
Dec 26	3,655,926	3,234,128	+13.0	2,757,259	1,414,710	1,637,683

Week Ended—	1943	1942	% Change 1943 over 1942	1941	1932	1929
Jan 2	3,779,993	3,288,685	+14.9	2,845,727	1,619,265	1,542,000
Jan 9	3,952,587	3,472,579	+13.8	3,002,454	1,602,482	1,733,810
Jan 16	3,952,479	3,450,468	+14.5	3,012,638	1,598,201	1,736,729
Jan 23	3,974,202	3,440,163	+15.5	2,996,155	1,588,967	1,717,315
Jan 30		3,468,193		2,994,047	1,588,853	1,728,203

Moody's Bond Prices And Bond Yield Averages

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

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

1943— Daily Averages	U. S. Govt. Bonds	Avge. Corporate*	Corporate by Ratings* Aaa	Aa	A	Baa	Corporate by Groups* R. R.	P. U.	Indus.
Jan. 26	117.04	108.52	117.40	114.85	109.79	94.41	98.88	112.37	115.43
25	117.05	108.52	117.40	114.85	109.60	94.41	98.88	112.37	115.24
23	117.05	108.34	117.40	114.66	109.60	94.26	98.73	112.37	115.24
22	117.05	108.34	117.20	114.66	109.60	94.26	98.73	112.37	115.24
21	117.07	108.34	117.40	114.66	109.60	94.12	98.57	112.37	115.24
20	117.07	108.34	117.20	114.66	109.60	93.97	98.41	112.37	115.04
19	117.06	108.16	117.20	114.66	109.42	93.82	98.41	112.19	115.04
18	117.05	108.16	117.20	114.66	109.42	93.82	98.09	112.19	115.04
16	117.05	108.16	117.20	114.66	109.42	93.82	98.25	112.19	115.04
15	117.05	108.16	117.20	114.66	109.42	93.82	98.41	112.19	115.04
14	117.05	108.16	117.20	114.46	109.42	93.67	98.41	112.19	115.04
13	117.05	107.98	117.00	114.46	109.24	93.52	98.41	112.00	115.04
12	117.05	107.98	117.00	114.46	109.24	93.38	97.94	112.00	114.85
11	117.05	107.80	117.00	114.27	109.06	93.38	97.78	112.19	114.66
9	117.04	107.62	116.80	114.08	109.06	93.08	97.62	112.00	114.66
8	117.02	107.62	116.80	114.08	109.06	92.93	97.62	112.00	114.66
7	117.05	107.62	117.00	114.08	109.06	92.79	97.47	111.81	114.66
6	117.07	107.62	116.80	114.08	109.06	92.64	97.31	111.81	114.66
5	117.03	107.44	116.80	113.89	108.88	92.20	97.31	111.81	114.66
4	116.94	107.44	117.00	114.08	108.88	92.35	97.31	111.81	114.46
2	116.85	107.44	117.00	113.89	109.06	92.35	97.16	111.81	114.46
1 Exchange Closed									
High 1943	117.06	108.34	117.20	114.85	109.42	93.82	98.41	112.37	115.04
Low 1943	116.85	107.44	116.80	113.89	108.88	92.35	97.16	111.81	114.46
High 1942	118.41	107.62	117.20	114.27	108.88	92.64	97.47	112.19	114.66
Low 1942	115.90	106.04	115.43	112.75	107.09	90.63	95.32	109.60	112.75
1 Year ago Jan. 26, 1942	117.21	106.92	116.22	114.08	107.62	92.06	97.31	110.52	113.70
2 Years ago Jan. 25, 1941	117.54	106.56	117.80	113.70	106.56	90.91	97.16	109.97	113.50

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

1943— Daily Averages	U. S. Govt. Bonds	Avge. Corporate	Corporate by Ratings Aaa	Aa	A	Baa	Corporate by Groups R. R.	P. U.	Indus.
Jan. 26	2.06	3.25	2.78	2.91	3.18	4.11	3.82	3.04	2.88
25	2.06	3.25	2.78	2.91	3.19	4.11	3.82	3.04	2.89
23	2.06	3.26	2.78	2.92	3.19	4.12	3.83	3.04	2.89
22	2.06	3.26	2.79	2.92	3.19	4.12	3.83	3.04	2.89
21	2.06	3.26	2.78	2.92	3.19	4.13	3.84	3.04	2.89
20	2.06	3.26	2.79	2.92	3.19	4.14	3.85	3.04	2.90
19	2.06	3.27	2.79	2.92	3.20	4.15	3.85	3.05	2.90
18	2.06	3.27	2.79	2.92	3.20	4.15	3.87	3.05	2.90
16	2.06	3.27	2.79	2.92	3.20	4.15	3.86	3.05	2.90
15	2.06	3.27	2.79	2.92	3.20	4.15	3.85	3.05	2.90
14	2.06	3.27	2.79	2.93	3.20	4.16	3.85	3.05	2.90
13	2.06	3.28	2.80	2.93	3.21	4.17	3.85	3.06	2.90
12	2.06	3.28	2.80	2.93	3.21	4.18	3.88	3.06	2.91
11	2.06	3.29	2.80	2.94	3.22	4.18	3.89	3.05	2.92
9	2.07	3.30	2.81	2.95	3.22	4.20	3.90	3.06	2.92
8	2.07	3.30	2.81	2.95	3.22	4.21	3.90	3.06	2.92
7	2.06	3.30	2.80	2.95	3.22	4.22	3.91	3.07	2.92
6	2.06	3.30	2.81	2.95	3.22	4.23	3.92	3.07	2.92
5	2.07	3.31	2.81	2.95	3.22	4.24	3.92	3.07	2.92
4	2.07	3.31	2.80	2.95	3.23	4.25	3.92	3.07	2.93
2	2.08	3.31	2.80	2.96	3.22	4.25	3.93	3.07	2.93
1 Exchange Closed									
High 1943	2.08	3.31	2.81	2.96	3.23	4.25	3.93	3.07	2.93
Low 1943	2.06	3.25	2.78	2.91	3.18	4.11	3.82	3.04	2.88
High 1942	2.14	3.39	2.88	3.02	3.33	4.37	4.05	3.19	3.02
Low 1942	1.93	3.30	2.79	2.94	3.23	4.23	3.91	3.05	2.92
1 Year ago Jan. 26, 1942	2.04	3.34	2.84	2.95	3.30	4.27	3.92	3.14	2.97
2 Years ago Jan. 25, 1941	2.03	3.36	2.76	2.97	3.36	4.35	3.93	3.17	2.93

*These prices are computed from average yields on the basis of one "typical" bond (3¾% coupon, maturing in 25 years) and do not purport to show either the average level or the average movement of actual price quotations. They merely serve to illustrate in a more comprehensive way the relative levels and the relative movement of yield averages the latter being the true picture of the bond market.

†The latest complete list of bonds used in computing these indexes was published in the issue of Jan. 14, 1942, page 202.

Federal Retail Sales Tax Advocated As War Measure To Check Public Debt

(Continued from first page)

policies that are adopted by government, business, agriculture and labor. The policy of government with respect to the monetary system, to the capital markets and to taxation, if properly directed, can make an important contribution towards increasing general business activity. Of equal significance are the attitudes of industry, agriculture and labor towards prices and wages. If prices are not subject to artificial controls or monopolistic practices, the economic system will possess a flexibility which will permit it to make adjustments to changing economic conditions. . . .

"Real national income can also be increased and the burden of debt correspondingly reduced if the channels of international trade are reopened. This means that trade and tariff barriers must be reduced, foreign exchange controls removed and multilateralism substituted for the bilateralism of the past decade. A world economy must, of necessity, be based on a system of multilateral trade and this will be true as long as climatic conditions, natural resources and productive equipment vary from one area to another. . . .

"If private initiative is given encouragement and the channels of international trade are reopened, the production of civilian goods and, in consequence, real national income, should experience, in the post-war period, a substantial increase over pre-war totals. The increase may be of sufficient magnitude not only to effect a substantial reduction in the relative debt burden, but also to permit an actual reduction in the amount of debt. Certainly, we are on the threshold of important economic frontiers. Post-war potentialities in the field of housing, of consumer demand, and in foreign trade present a vista of great economic opportunity. To achieve the goal envisaged, the dynamic forces of private enterprise must be released. . . .

"A large redeemable debt places the Treasury in a precarious position. At the present time, there are 15 billion dollars of redemption obligations outstanding. It is possible that large amounts of these might be presented to the Treasury for redemption, either for the purpose of paying taxes or for the purpose, in the post-war period, of purchasing consumers' durable and non-durable goods. To meet this liability, the Treasury might be forced to sell obligations in the market, which would probably take a short-term form and be sold to the commercial banking system.

"In order to avoid the hazards involved in a large floating debt or in a large redeemable debt, or of both in combination, the Treasury should issue the greatest possible amount of its obligations in a long-term negotiable form to be sold to the ultimate investor. Our results in this direction, despite the excellent achievements of the December campaign, have not as yet equalled the record of Treasury financing in the first World War, and we must strive to equal that record if the Treasury is to avoid the latent dangers of a large short-term debt. . . .

"If a public debt is widely distributed among all income groups in the community, a larger number of people will acquire a conscious personal interest in government fiscal policy. This is as it should be in a democracy. Moreover, if the debt is widely distributed, political controversies between bondholders and non-bondholders are not likely to arise. Such controversies characterized our economic life in the two or three decades following the Civil War and characterized French political life following the first World War."

Summarizing his remarks, Mr. Aldrich in part stated:

"The questions raised at the outset had to do with the amount of debt that a nation can stand, and with the economic implications of debt increases for the war and post-war periods. These are questions that cannot be answered in a definitive fashion, since the amount of debt that a nation can stand, without substantial price increases, depends upon the use of the debt proceeds, upon the amount of the debt service charge in relation to real national income, upon the distribution of the debt between short and long maturities, and above all upon the ownership distribution of the debt. Although any conclusion must of necessity be relative in character, this analysis emphasizes, I believe, the fallacy in the point of view of those persons who assert that there is slight reason to fear a rising domestic debt.

"Although wars of great magnitude cannot be financed without an increase in debt, we have relied, as the war program has progressed, too little upon taxation and too much upon borrowings. Thus, in the calendar year 1941, about 50% of total Federal expenditures were covered by taxes, while in 1942, only 31% were so covered. These data indicate that we have not made the fullest possible use of taxation as an instrument of war finance, even though it is conceded that the entire cost of the war could not be met from taxation.

"Far from being a matter of minor importance, a rapid increase in an internal public debt gives rise to many difficult and grave problems. If our debt continues to be badly distributed, if commercial banks must continue to absorb large sums, the transfer problem will be aggravated and the economic system will be forced to operate within a rigid framework. Inflationary dangers will increase and, in consequence, it may prove difficult to reestablish the dollar on a sound basis and thus to give a sure anchorage to the currencies of other nations. The size of our domestic public debt and the manner in which it is financed will, to a considerable extent, determine the political and economic role of this country in the post-war world."

Railroad Securities

(Continued from page 357)

current debt), $8,604,000 of the 3¾s, 1946, $3,217,000 of the Secured 4s, 1949, and $2,443,000 of the Central Pacific 4s, 1949. It is believed that this direct retirement of $30,000,000 face value of debt was augmented importantly by purchases by wholly owned subsidiaries which will not be revealed until the annual report is published.

The progress towards resolving the substantial debt problem has brought a justifiable improvement in investment feeling towards the Southern Pacific bonds, reflected mainly in strength for the senior liens or the nearer maturities. The junior 4½% Debentures have been laggard. This condition can not logically continue permanently. If, as is our opinion, the present advanced prices for the senior liens is warranted, the Debentures are particularly attractively priced at current levels. There now seems little question but that the road will be able to make sufficient debt progress in the current period to completely eliminate fears as to the company's post-war solvency.

OUR REPORTER'S REPORT

(Continued from first page)

166,000 issue of first 4s falling due Feb. 15.

Two properties leased by the Pennsylvania Railroad also have maturities, one the Philadelphia, Baltimore & Washington, being called upon to meet $16,070,000 of first 4s on Dec. 1 and the Western New York & Pennsylvania, facing a payment of $9,999,000 on April 1. There is, however, no anxiety with regard to servicing of these issues.

Treasury Certificates

The Treasury had no trouble in placing its recent offering of $2,000,000,000 of ⅞% certificates of indebtedness, judging by Secretary Morgenthau's recapitulation the other day.

Apparently the only problem involved in that particular undertaking was the task of working out equitable allotments for subscribers.

With Federal Reserve Bank reports still somewhat incomplete, Mr. Morgenthau disclosed that total subscriptions ran well above the $6,000,000,000 mark, necessitating considerable scaling down of allotments against orders.

Putting On The Brake

There was ample indication in the behavior of the railroad bond market during the last few sessions that potential buyers of these obligations are in no mood to "chase the market."

Brisk bidding for such obligations developed in the wake of announcements by officials of both the New York, Chicago & St. Louis Railroad and the Pere Marquette bluntly informing stockholders that dividends would have to wait, perhaps for some years, while earnings were applied to reduction of funded debts.

But if the speculative fringe expected to "cash in" on any sudden spurt, it was doomed to disappointment, for there was evidence that railroads, which might be interested in picking up their own obligations, can be equally as nimble, when necessary, in stepping away.

Public Service of New Hampshire

Although the refinancing operation of the Public Service Company of New Hampshire has been set back for a fortnight or so and is not expected now until the middle of next month, bankers are busy on plans for seeking the issue.

It had been expected that the company would call for bids to be opened as of last Monday, but hearing is still pending before the Securities and Exchange Commission.

Involving as it does the sale of $22,000,000 of first and general 3¼s to mature in 30 years, and $2,500,000 of unsecured notes, the latter to be placed privately, the deal will be the first big undertaking of the current year.

Investment Trusts

(Continued from page 359)

to be in the hands of people who can't spend it after this war, there's going to be a $10,000,000,000 investment trust." Why not? If we're going to be a positive factor in postwar world reconstruction, large investment companies can and should play a vital part.

FROM WASHINGTON AHEAD OF THE NEWS

(Continued from first page)

sured she would be better treated in the future. Apparently she decided, a few weeks ago, to test this out. It was she, along with Paul McNutt, who blasted the plan to make Ickes the manpower administrator and shift Cabinet posts, including hers, around.

The extension of social security, or the fight to do it, will give her something to work on. She considers she is really the mother of the original Social Security Act and she did have 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 wage-earner. It is one of those ironies of things that the wage-earners, at least the representatives of their unions, are not very appreciative of Miss Perkins' work. A few weeks ago I made quite an extensive trip, with one of the top leaders of the AFL. In addressing labor groups he never missed taking a sly crack at the Secretary and it was always good for a hearty laugh. Be that as it may.

Another development in a fast moving world is that Mrs. Roosevelt's press gals, as we know them hereabouts, are getting mean with her. It's a social phenomenon or something, but I am reliably told that the long honeymoon between the gals and Mrs. R. is over and that a lot of hair pulling now goes on at the press conferences. Up to now these have been the chattiest, sweetest little things one could possibly imagine. Everything was honey and happiness. Mrs. R. said who could come to the conferences and it didn't necessarily follow that the girl was an active newspaperwomen. She could be in publicity work, in interior decorating, anyone whom Mrs. R. wanted to help by letting the girl advertise she was a member of the inner circle. Quite an establishment has been built up. The press services and the metropolitan newspapers had to take on women when Mrs. R. began holding these conferences. It afforded a new career for the women, gave them a standing in the Washington newspaper corps which they had not enjoyed before. They developed an organization just like the men; now they have their clubhouse and give annual dinners on the order of the famous Gridiron Club. They have served, in return, as a valuable publicity outlet for Mrs. R., aside from her own column. Now, something has got into them. Apparently they are tired of the taunts that they are just Mrs. R.'s press agents. Anyway, they've become more belligerent, they press Mrs. R. for explanations, don't just take her statements as gospel.

Just how long this new regime has been going on, I don't know, but I am of a mind it began about the time Clare Luce put in her appearance. The entry of the beauteous Clare onto the Washington scene with its accompanying fanfare rubbed the girls—very few of whom have Clare's wares—the wrong way. After her first contact with the women of the press she made it known quite plainly that henceforth her dealing would be with the gentlemen of the press.

* * *

Joe Davies, to whom the last 10 years have been unadulterated happiness and sunshine, made a 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 this beautiful new world was going to be erected if there should be a change of government in 1944. He said that contingency should be provided for, that something should be done now to make the commitments of the New Dealers binding on any future administration.

It might be helpful to launch a move to this end so we could find out what the commitments are. So far they exist only in the minds of three or four men. There is no record of them, except such routine agreements as Cordell Hull has made.

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 hopes to achieve 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 $14,500,000,000, the highest dollar volume in history.

But with 25% of total food production in 1943 going to our armed forces and lend-lease, shortages in various items confront the 127,000,000 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 normal weather, no unusual losses from insects or diseases, 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 1942 were the fewest in number and lowest in dollar volume since such records were started. They numbered only 137 and cost $10,129,000. During 1941 there were 393 new food plants built at a cost of $30,271,000. Even at the bottom of the depression in 1933, 607 new plants were put up at a cost of $50,038,000.

Drastic curtailment of most food plant construction resulted from an effort to save critical materials for arms and munitions plants and products.

Reflecting higher taxes and other costs, retail food prices during 1942 rose 17.3%, according to the Bureau of Labor.

Of every dollar spent in retail stores in 1942, about 28.3 cents was expended in retail food stores, where sales volume was about twice as large as in 1933 and nearly a third larger than in 1929.

In this war year, food processors hope to increase manufacturing and distributing efficiencies, 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 are introducing new items in 1943; 38 will have new food items ready for the post-war market; and 27 said their research projects in 1943 will be more numerous than in 1942.

Earning reports of food companies for 1942 have not yet been published. Net profits for the first three-quarters of 1942 of 27 food companies, whose securities are listed on the New York Stock Exchange, were 17.3% lower than profits for the same period of a year earlier. Net profits of 390 companies of all types, in the same period, declined 16.3%.

Common dividends of $112,277,000 during 1942 by food companies showed a decline of 14.3%, compared with disbursements by the same 27 food companies during 1941. Meanwhile, the dividend payments on all common shares listed on the Exchange for 1942 totaled $1,997,461,000, a decline of 12.1% from such disbursements in 1941.

Common food shares on Jan. 1, 1943, had a market value of $2,800,300,000—a net gain of 6.8% over their value on the same date a year earlier. All common shares on Jan. 1, 1943, had a market value of $32,920,000,000, or a gain of 9.4% over Jan. 1, 1942.

Bonds of food companies had a market value on Jan. 1, 1943, of $233,444,000, a rise of 12.5% over the same day a year before. Bonds of all United States companies as of Jan. 1, 1943, had a market value of $13,487,087,000. This was an advance of 6.3% over the same day a year earlier.

SEC Issues Report On Grain-Mill Producers

The Securities and Exchange Commission made public on Jan. 20 the fourth of a new series of advance releases of the Survey of American Listed Corporations. These reports give data for net sales, net profits, net profit as a percent of sales, total dividends and total assets for fiscal years ended in 1941 and 1942 for individual companies and for the group as a whole. Remuneration data for 1942 reported for the same fiscal years are shown for the recipient of the highest, second highest and third highest individual amounts paid by these corporations and the total which each company paid to all its officers and directors. These data are presented in advance of the complete industry reports released by the Survey of American Listed Corporations and are compiled from annual reports for companies with fiscal years ending some time during the calendar year 1942. In its release Jan. 20 to the SEC, said:

"Nine corporations having securities registered under the Securities Exchange Act of 1934 at Dec. 31, 1941, were engaged primarily in the production of grain-mill products. Seven of these corporations (reporting assets which represented approximately 96% of the entire industry group) with fiscal years ending between May 31 and Aug. 31 have filed their annual reports for 1942 with the SEC prior to Jan. 1, 1943, and data for these companies are contained in Advance Release No. 4.

"For seven corporations the combined sales amounted to $367,000,000 in 1942 against $316,000,000 in 1941. Net profit after all charges totaled $11,000,000 in 1942 compared with $14,000,000 in 1941, equivalent to 3% and 4.4% of sales, respectively. Total dividends paid out by these enterprises amounted to $8,300,000 in 1942 against $10,800,000 in 1941. The combined assets of these corporations totaled $225,000,000 at the end of the 1942 fiscal year compared with $202,000,000 at the end of the 1941 fiscal year.

"For 1942, the highest individual remuneration reported by these companies ranged from $19,800 to $80,000; the second highest individual remuneration ranged from $4,766 to $55,000, while the third highest individual remuneration reported ranged from $3,920 to $50,000. The total remuneration reported paid by these companies to all officers and directors amounted to $1,588,562 during this fiscal year."

H. M. Turner Named V.-P. Of Chemical Bk.

At the annual organization meeting of the Board of Directors of the Chemical Bank & Trust Company, held Jan. 21, Huntington M. Turner, formerly an Assistant Vice-President, was appointed a Vice-President. Mr. Turner is a native of Milwaukee, Wisconsin, and received his early education in France and Switzerland. He is a graduate of Virginia Military Institute and has been connected with the Chemical Bank & Trust Company since 1928. He started his banking career with the American Security & Trust Company, Washington, D. C., in 1923, and in 1925 became associated with the Fidelity Union Trust Company of Newark, New Jersey. Prior to that time, he was with the United States Emergency Fleet Corporation in London, England. Mr. Turner entered the Chemical Bank with the Trust Department, where one of his assignments was supervising the construction of a hospital in Manissa, Turkey, for one of the bank's clients. For the past nine years he has actively participated in the handling of the bank's midwestern business and is well known in banking circles throughout the country.

At the same meeting, Leonard M. Horton, formerly an Assistant Secretary, was appointed an Assistant Vice-President, and Henry C. Ottiwell, formerly an Assistant Secretary, was appointed Trust Officer.

Other appointments were Russell H. Sherman, Assistant Secretary; Willis R. Phillips, Assistant Treasurer; Ralph G. Peterson, Assistant Comptroller; Ernest M. Gilmour, Assistant Manager of the 320 Broadway office; Harold E. Harris, Assistant Manager of the 11 West 51st Street office, and Herbert Nannen, Assistant Manager of the Eighth Avenue at 57th Street office.

New York Stock Exchange Weekly Firm Changes

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

Philip G. Rust and Henry H. Silliman general partners in Laird & Co., Wilmington, Del., became limited partners effective Jan. 1.

C. Hyland Jones, Exchange member, and partner in Jones & Co., New York City, died on Jan. 12, 1943.

Harold M. Baer, partner in Friedman, Brokaw & Samish, St. Louis, Mo., died on Jan. 7, 1943.

Donald Bauder Now With Merrill Lynch In Chicago

CHICAGO, ILL.—Donald C. Bauder has joined Merrill Lynch, Pierce, Fenner & Beane, Board of Trade Building, as an account executive. He was formerly with Daniel F. Rice & Company in charge of the bank division.

Rodman Matheny Joins A. G. Edwards Sons Staff

(Special to The Financial Chronicle)

SPRINGFIELD, ILL.—Rodman C. O. Matheny has become associated with A. G. Edwards & Sons, Myers Building. Mr. Matheny was formerly an officer of Uhl, Matheny & Company and its predecessor, Matheny & Co.

NY Finan. Advertisers Elects Wilson Pres.

William T. Wilson was elected President of the New York Financial Advertisers at the annual election meeting held at the City Midday Club on Jan. 19. Mr. Wilson, a graduate of the University of Michigan, is Director of the Committee on Public Education and Secretary of the State Secretaries Section of the American Bankers Association. Since 1921 he has devoted his entire time to banking, specializing in advertising, public education, also customer and public relations.

Other officers and directors elected were: First Vice-President, Harold L. Whittaker, Public Relations Bureau—Group V—Savings Bank Association; Second Vice-President, T. W. Norcross, Bank of New York; Secretary, William Huckel, Chase National Bank; Treasurer, Syd J. Hughes, Morris Plan Industrial Bank of New York.

Directors: John J. Lawlor, The National City Bank; Merrill Anderson, The Merrill Anderson Co.; Dudley L. Parsons, The New York Trust Co.; Bradford Warner, Fortune Magazine; Louis S. Lebenthal, Lebenthal & Co.; Charles C. Hull, N. Y. Chapter, American Institute of Banking; William D. Murray, Hudson Advertising Co.; Clinton L. Miller, Dime Savings Bank of Brooklyn; Lee C. Horney, New York Post, and Joseph Bame, The Commercial National Bank & Trust Co.

Result Of Treasury Bill Offering

Secretary of the Treasury Morgenthau announced on Jan. 25 that the tenders for $700,000,000, or thereabouts, of 91-day Treasury bills, to be dated Jan. 27, 1943, and to mature on April 28, 1943, which were offered on Jan. 22, were opened at the Federal Reserve banks on Jan. 25.

The details of this issue are as follows:

Total applied for___$1,016,768,000
Total accepted ____ 702,344,000

Range of accepted bids:

High: 99.940. Equivalent rate of discount approximately 0.236% per annum.

Low: 99.905. Equivalent rate of discount approximately 0.376% per annum.

Average price: 99.906+. Equivalent rate of discount approximately 0.370% per annum.

(32% of the amount bid for at the low price was accepted.)

There was a maturity of a similar issue of bills on Jan. 27 in amount of $504,529,000.

With respect to the previous issue of $700,000,000 of 91-day bills, dated Jan. 20 and maturing April 21, 1943, the Treasury on Jan. 18 disclosed these results.

Total applied for___$1,306,648,000
Total accepted ____ 701,511,000

Range of acceptance bids:

High: 99.940, equivalent rate of discount approximately 0.237% per annum.

Low: 99.906, equivalent rate of discount approximately 0.372% per annum.

Average price: 99.907, equivalent rate of discount approximately 0.366% per annum.

(24% of the amount bid for at the low price was accepted.)

The Treasury on Jan. 18 raised its weekly offering of bills from $600,000,000 to $700,000,000 in view of the fact that maturities over the next several weeks approximate $500,000,000 and it wished to continue its policy of realizing about $200,000,000 in "new money" from these sales. For the previous four weeks, the Treasury had been offering $600,000,000 in bills with maturities averaging $400,000,000 weekly. There was a maturity of $505,072,000 of bills on Jan. 20.

Is This To Be A "Do-Nothing" Congress? The Effects of Gas Rationing

A recent letter of a prominent Washington news service emphasizes that 1943 is likely to be a year of Congressional sparring rather than of accomplishment. The point is made that the Republicans will attempt to highlight New Deal abuses, but will make little or no effort to bring about far-reaching corrective measures at this time. The Democratic majority, it is predicted, will also attempt little in the way of important legislation and will try to convince the nation that the lack of accomplishment stems from Republican opposition.

We can't say that we are thoroughly acquainted with the complexion of Congress or its competing party strategies, but it will be highly unfortunate if in one of the most critical years of the nation's history our two parties are to devote their thinking and their energies to sparring for partisan advantage, primarily with an eye on the 1944 election. Certainly if the country's confidence in the House and the Senate is to be restored, which may be a large order, our elective representatives have to go at their job with the single-minded purpose of national betterment, rather than keeping one eye on their own political fortunes and the other on the sectional interests they feel they represent. For sectionalism and individual political ambitions are not the ingredients which make up an effective House and an effective Senate, and certainly they are not the ingredients that make for public confidence.

* * *

The Effects of Gas Rationing

Jan. 1 interest on Niagara Falls Bridge bonds was not paid, following by a few months the failure of the Thousand Islands Bridge to meet its interest payment. These two developments of course bring sharply to the fore the effect of gas rationing on similar projects even those more essential and more firmly financed.

The Port of New York Authority announced recently a fall-off of 18% in the number of vehicles using its bridges and tunnels during 1942. But the decreases have been cumulative and the final month of the year, December, showed a drop of almost 30% from the same month a year earlier. (To some extent the decrease in pleasure driving has been offset by the better showing of truck and bus traffic, the latter actually increasing over 1941.)

Obviously this is a situation tied up with the war's duration. If an investor is unworried about the more or less academic threat to the tax exemption features of these bonds, Port of New York 3s of 1975 around 95-96 and Triborough Bridge 3¼s of 1980 around 86-87, will perhaps some day prove to be highly satisfactory holdings for the patient purchaser. Generally we suppose that one can say the situation affecting these bonds is the exact reverse of many rail bonds. The latter will do well during the war's duration and may suffer thereafter; however, the reverse pattern should hold for Port of New Yorks and Triboroughs, which are in essence "peace obligations."—**Ralph E. Samuel & Co.**

Soft Coal Output In 1942 Highest Since 1918

Solid Fuels Coordinator for War Harold L. Ickes announced on Jan. 11 that a preliminary estimate by the Bituminous Coal Division indicates that soft coal production, stimulated by wartime requirements, reached an all-time high of 580,000,000 tons in 1942, but added that changes in mining conditions were necessary to assure adequate production in 1943.

The Bureau of Mines has estimated anthracite production at 59,961,000 tons for 1942, the largest since 1930, and more than 3,000,000 tons greater than the 56,368,000-ton total for 1941.

Bituminous coal requirements have been estimated at 600,000,000 tons for 1943, and anthracite at more than 65,000,000 tons.

"The bituminous coal industry has done a fine job in 1942," Coordinator Ickes said, in pointing out that it had supplied enough coal to increase consumers' stockpiles to an all-time high in addition to meeting current needs.

"However well it has done in the past, we must face the fact that the shortage of manpower, the difficulties encountered in obtaining supplies, equipment and repair parts for machinery, and the other wartime handicaps will make it impossible for the soft coal producers to repeat their excellent past performance in 1943 on the basis of the present length of the work week," Coordinator Ickes said.

"The anthracite industry already has been hard-pressed to supply enough coal for immediate requirements by working the five-day, 35-hour week, and has made arrangements for immediate institution of the six-day week in the hard coal mines to relieve the situation, but a strike has cut current production by about half," he added.

The Coal Division called attention to the fact that the estimate of 1942 production is subject to further adjustment when more complete information is available. If the figure stands, or is increased, it will be the largest production since 1918, when 579,385,820 tons of bituminous coal were produced. Also, the Division announced, the final revised 1941 production figure to be 514,149,245 tons.

SEC Orders Hearing In E. H. Rollins Stock Deals

The Securities and Exchange Commission has ordered a hearing for Feb. 23 at its Chicago regional office to determine whether E. H. Rollins & 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 Association of Securities Dealers, Inc., had violated fraud provisions of the Securities Act of 1933 and the Securities Exchange Act of 1934 by certain practices in the sale of securities. The hearing will also determine whether E. H. Rollins & Sons and Mr. Rawls should be suspended or expelled from the NASD.

The Commission charged that it had evidence which tended to show that E. H. Rollins & Sons, Incorporated, and Mr. Rawls had solicited the accounts of various religious and charitable corporations and trustees of funds held in trust for religious and charitable purposes, and had induced them to repose trust and confidence in the advice of the company and Mr. Rawls, with respect to the purchase and sale of securities; "when, in fact, they intended to act and did act in their own interests and induced such customers to purchase, and sold to such customers, various securities at prices far in excess of the prices which E. H. Rollins & Sons and Walter Cecil Rawls had paid for such securities and far in excess of the prevailing market prices therefor."

The SEC also alleged that Mr. Rawls and the Company induced the customers to sell and purchase securities at prices respectively far below and far in excess of the prevailing market prices, and that they had withheld the prevailing market prices from the customers, purchasing securities from and selling securities to them at prices having no reasonable relationship to the prevailing market prices.

Information obtained also tended to show, the Commission stated, that during the period from approximately Jan. 1, 1939, to date, E. H. Rollins & Sons and Mr. Rawls "for the purpose and with the intent of speculating on market fluctuations in the market price of securities for their own benefit but at the risk of such customers, purchased various securities and, at or about the same time, made entries in the accounts of such customers indicating that such securities had been sold to such customers at a given price."

The Commission also charged that information secured indicated that E. H. Rollins & Sons and Mr. Rawls for the purpose of obtaining profits for themselves caused excessive trading activity in the accounts of such customers in view of the financial resources and character of the accounts of such customers; that they had extended credit on securities, other than exempted securities, contrary to the provisions of Regulation T of the Board of Governors of the Federal Reserve System; that directly and indirectly they had made fictitious entries in and falsified the ledger accounts maintained with respect to purchases and sales of securities by such customers; and that they had used the mails and instruments of interstate commerce to effect the transactions.

E. H. Rollins & Sons, Inc., in connection with the notice of hearing received by them, issued the following statement:

"The hearing called by the commission is with respect to a certain related group of our institutional accounts which the Chicago office of the SEC has been investigating for more than one and one-half years. During this investigation both we and the institutions involved have from time to time furnished the SEC with detailed information.

"Representatives of the institutions involved have expressed to us their complete satisfaction with the handling of these accounts and have continued their business relations with us. Up to the time the notice of hearing was received by us this afternoon we had no information that a hearing was contemplated."

Weiskopf With Brockhaus

(Special to The Financial Chronicle)

CINCINNATI, OHIO—Henrietta A. Weiskopf has become associated with Edward Brockhaus & Co., Union Trust Building. Miss Weiskopf was formerly assistant treasurer of Fullerton & Co., Inc., in charge of their Cincinnati office. Prior thereto she was an officer of Seufferle & Co. and its predecessor and was with BancOhio Securities Co.

Commodity And Price Control Course Given

Commodity and Price Control in War and Post War will be the subject of a 15-weeks course to be given at the New School for Social Research, 66 West 12th Street, by Dr. Julius Hirsch, Chief Consultant to the OPA, beginning Monday, Feb. 1, at 8:20 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 public controversies with the help of scientific economics.

The mathematics of investment will be treated by Maurice Kraitchik, formerly of the University of Brussels and author of the newly-published book, "Mathematical Recreations." The aim of this course is to familiarize students 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 of the greatest use to bankers, investment brokers, etc.

In announcing the course in Commodity and Price Control, the New School pointed out that Dr. Hirsch is uniquely equipped to teach this subject. He was German Price Administrator at the close of the World War and German Minister of Economics in the Weimar Republic. He held numerous other posts in Europe and made various studies for both the League of Nations and the International Chamber of Commerce.

He went to Denmark following Hitler's accession to power in 1933 and was professor of economics in the University of Copenhagen up to the time of the German invasion. He came to the United States by way of Siberia and Japan in early 1941. He is the author of numerous books and articles.

The New School for Social Research has also announced the following change in the lecture schedule of the New Patterns in Business and Finance course of which Rudolph L. Weissman is chairman. The lecture dates are as follows:

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

Milton H. Cohen will speak on Friday, Jan. 29.

Max Winkler will speak on Friday, Feb. 5.

Tomorrow's Markets Walter Whyte Says—

(Continued from page 357)

universal bearishness so is there little in the current action to bring wild-eyed optimism. Mind you, I am referring only to market action, not to news. Peter Hamilton, who did the most in explaining the Dow theory, has often said that to signal an uptrend (of more than 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 offing, 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 action 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. Failing to do either, and with the industrials refusing to throw any more indications, it is this column's belief that the market will now go into a reaction of say about 26 or so 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 by a point or so, or by a slow process of attrition. If the latter obtains then dullness over a period of weeks is in the cards accompanied by increasing feelings of public pessimism. But just as wild optimism is unwarranted at present so is deep pessimism to be avoided in the immediate future.

More next Thursday.

—Walter Whyte

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

New Stock Delivery Plan Of Phila. Exch.

The Philadelphia Stock Exchange's new method of delivering securities, designed to facilitate transfer between seller and buyer, went into effect on Jan. 20, according to the Philadelphia "Evening Bulletin," which said:

"Under the new set up the member-to-member delivery, heretofore in use, will be discontinued, and all deliveries will be made through the Clearing Corporation.

"After a transaction has been made on the floor, the clearing corporation will intervene and will accept delivery direct from the selling member, making payment to him at the exact price of the sale, and likewise the corporation will make delivery to buying member, receiving from him the exact price of the purchase," said an exchange announcement.

Stating that the plan is an innovation along lines not heretofore used by any stock exchange in the country, the Philadelphia "Inquirer" of Jan. 20, stated:

"Mechanically, the work of members will be greatly simplified, as nearly all of the various operations required by the night clearing plan now in use will be eliminated.

"It is felt the plan will greatly speed delivery of securities to members, as there will be no member-to-member deliveries as at present, but all securities will be deliverable to or by Stock Clearing Corp."

To Revalidate 1942 Auto License Plates

Plans of 41 States and the District of Columbia to revalidate 1942 license plates enables most of the nation's 27,000,000 motorists to write their license numbers, as required by rationing regulations, on all coupons now issued to them, OPA pointed out on Dec. 31.

Holders of "A", "B", and "C" ration books in the seven States that will change plates and numbers for the coming year were warned, however, not to write license numbers on more coupons than they will use before the new license numbers are issued. Dates for issuing new plates will vary with the States. According to information supplied OPA these States include Colorado, Illinois, Mississippi, South Carolina, Virginia and Wyoming. In West Virginia present plates are valid until July 1, 1943.

Notations identifying the coupons with the vehicle for which they were issued are required to protect the holder from misuse of his ration book in case it is lost or stolen. These written identifications also are expected to help detect any counterfeiting of coupons.

For holders of "A", "B", "C", or "D" ration books, except those for fleet, the identification consists of the car license number and the State of registration. Coupons for fleet cars must carry the fleet name. "T" coupons must be endorsed with the War Certificate number, or fleet name. "E" and "R" coupons must have name and address of user written on the back.

While rationing regulations do not require identifications until the coupon is exchanged for a purchase of gasoline, OPA has urged ration holders to write in the proper notations immediately. Besides protecting the book against loss or theft, this procedure will save motorists from the inconvenience and delay of writing on the coupons when they pull up to a service station for gasoline.

NASD Dist. 13 Comm. Elects 1943 Officers

The District No. 13 Committee of the National Association of Securities Dealers, Inc., at its annual meeting elected for the ensuing year, as Chairman, Irving D. Fish, partner of Smith, Barney & Co.; as Vice-Chairman, George N. Lindsay, President of Swiss American Corporation; and Frank L. Scheffey as Executive Secretary.

The other members of the Committee are:

George R. Cooley, George R. Cooley & Co., Inc., Albany, N. Y.

Frank Dunne, Dunne & Co., New York.

Wright Duryea, Glore, Forgan & Co., New York.

Tracy R. Engle, Engle, Abbot & Co., Inc., New York.

Lloyd S. Gilmour, Eastman, Dillon & Co., New York.

Charles F. Hazelwood, E. H. Rollins & Sons, Inc., New York.

Robert S. Morris, Robert S. Morris & Co., Hartford, Conn.

Julius A. Rippel, Julius A. Rippel, Inc., Newark, N. J.

David S. Rutty, Sage, Rutty & Co., Inc., Rochester, N. Y.

Meyer Willett, Bristol & Willett, New York.

George M. Morgan, of Breed, Abbott & Morgan, was appointed counsel to the Committee.

District No. 13 Committee comprises the States of New York, New Jersey and Connecticut and has a present membership of about one-third of the membership of the entire Association.

Mr. Scheffey was the first Secretary of the New York Group of Investment Bankers Association when it was organized in 1920, and held that office until 1934, when he retired from Callaway, Fish & Co. to take charge of the New York Office of the Investment Bankers Code Committee which position he has held continuously in the organization now known as the National Association of Securities Dealers, Inc.

Cotton Exch. Sponsors Conference-Forum

The first National Conference-Forum dinner under the auspices of the New York Cotton Exchange will be held in the main ballroom of the Biltmore Hotel in New York tomorrow (Jan. 29) at 5:30 P. M. The subject of the Forum will be "Cotton in the War World" and will be discussed by a panel of cotton industry experts. Guest speakers will be Grover A. Hill, Assistant Secretary of Agriculture, Herman Cone, President of American Cotton Manufacturers Association, and J. M. Lipscomb, economist and field director of the Mississippi Farm Bureau Federation.

Robert J. Murray, President of the Exchange, in announcing the Forum said that it constitutes the first of a series of industry-wide Conference-Forums to be sponsored by the New York Cotton Exchange to provide a regular industry-wide mechanism by which representatives of the various segments of the cotton industry may be brought into personal contact to discuss the various inter-related problems of the industry for the benefit of all concerned.

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 slanted to take in the war. These leaned on fancy more than fact. They either showed how our side always came out on top when the beautiful blonde realized the situation and the dumb but willing hero arrived in time to scramble the enemies or, if they tried to picture the war as it was, the false heroics left a bad taste. Only in such movies as "One of Our Aircraft Is Missing," "In Which We Serve," "Wake Island" and the documentary film "We Are the Marines," has realism in action shots been seen. Now a new movie can be added to this list. It is Warner's epic story of the American fighting air forces called simply **"Air Force."** Partly documentary, the picture is a powerful film about the adventures of Mary Ann—a Boeing B-17 bomber—which takes part in a routine flight from the West Coast to Hawaii on the eve of Dec. 7. The country being at peace, the air armada sets off completely equipped but ammunitionless. Within radio distance of Hickam Field, the crew of the Mary Ann learn of the Jap attack and are warned to keep away. Unable to land at Hickam they make an emergency landing at a small field. Snipers force them to take off. Making Hickam they refuel, get ammunition and set off for Wake Island. At Wake they are ordered to Clark Field in Manila. In Manila they learn the field is to be evacuated and are ordered to head for Australia. But a flurry with Zeros damages the ship, kills the pilot, and only by using parts of other damaged ships does the Mary Ann manage to take off just as the Japs close in. The photography of the action—swift and fast moving—is breathtakingly realistic. The attack made by our planes on a Jap invasion fleet, the Zeros diving in to protect them, the sinking of surface craft, the hurtling of aircraft are all depicted here with heart-stopping realism. It's like having a front row sea at a major air and sea battle, sharing the excitement and none of the dangers. When posed shots are not practical, newsreel clips have been worked in, but with such skill they add to the authenticity of a first rate war movie. The cast, which includes John Ridgely, Gig Young, John Garfield, Harry Carey, Arthur Kennedy, George Tobias, Charles Drake and others, does a standout job. Direction by Howard Hawks is flawless.

AROUND NEW-YORK-TOWN

Hardly a week goes by that a night club does not announce either a new show or a new attraction. For example, **Armando's** (East 55th Street), a small, narrow room that draws its patronage mostly from what used to be known as the "400," starts **Wilma Cox** this Thursday evening. Wilma, who can sing with the best of them, has been seen in the swankier drink-spots in the Big Town, such as the Rainbow Room. But Armando's is one of the few places in New York that doesn't have to depend on talent to attract the thirsty and hungry pleasure seekers. One of the reasons is **Armando** himself, a short, kewpie-dollfaced little man who makes with the greetings so effusively you feel like you own the joint. . . . Last week this column informed you that **Peggy Wood** was at the **Monte Carlo.** Obviously I understated the situation. For instead of just Peggy Wood, there are the following on the program: **Youle,** a Russian guitar player with one of those deep Russian voices who sits cross-legged on the piano; **George Lloyd,** who does wacky things with a piece of string and a peanut-butter sandwich. Sounds screwy but is really funny. And **Noble & King,** a handsome pair of youngsters who got their start in show business via the church. Noble was the organist, Miss King was the soloist. For the m.c. there is the zany **Art Coster,** known to New York newspapermen as the double-talk press photographer. Art, who is a "Mirror" staff photographer during the day and works in the Monte Carlo at night, is originally funny. **Johnny Walker,** star of the pre-talkie era who says he discovered Lew Lehr, claims Coster as his protege. The whole thing adds up to a well rounded show in a room as intimate as any in the city. Incidentally, Miss Wood's piano accompanist is **Stewart Ross,** who does the backstage music for Katherine Hepburn when she emotes. The new Monte Carlo has been entirely done over. For example, the room known as the Beach is now divided into two. The front is the gin-rummy rendezvouz. The back, closed off by folding partitions, is where the entertainment goes on. No dancing; but if you feel you must, you go into the Monte Carlo proper where two orchestras, **Sonny Kendis'** and **Merle Pitt's,** hold forth. In case you are curious about the current management, **Dick Nesbitt,** a former Westchester real estate broker, manages the room. **Johnny Walker**—still as handsome as when he was the heartthrob of the movies—arranges the show and decorations, and **Gene Cavellero** oversees the whole shebang.

N. Y. Reserve Bank 1942 Earnings Higher

Net earnings of the Federal Reserve Bank of New York, after all additions and deductions, amounted to $4,568,000 in 1942, which compares with net earnings of $3,302,000 for 1941, according to the Bank's 28th annual statement, issued on Jan. 8 by Allan Sproul, President. The total earnings of the Bank for 1942 are reported at $14,078,000, contrasting with $11,415,000 in 1941, and the net expenses during the year were $8,880,000 against $7,975,000 last year, leaving current net earnings in 1942 of $5,198,000, compared with $3,440,000 in 1941. Total additions to current net earnings in 1942 were $974,000, nearly all ($967,000) representing profits on sales of U. S. Government securities, and compared with additions in 1941 of $395,000, of which $386,000 was profits on securities. The total deductions from current net earnings in 1942 were $1,604,000, consisting of provisions for the retirement system and the special reserve on bank premises, as against deductions of $533,000 in 1941.

From the net earnings for 1942, the Reserve Bank paid dividends of $3,184,000, transferred $1,350,000 to surplus under Section 7 of the Federal Reserve Act, and paid the United States Treasury $34,000 under Section 13-b of the Reserve Act. A year ago the Bank paid dividends of $3,098,000 and transferred $204,000 to surplus. The Bank's surplus at the end of 1942 stood at $58,001,000 compared with $56,651,000 at the end of 1941.

During 1942 the total assets of the New York Federal Reserve Bank decreased to $9,048,863,000 on Dec. 31 from $9,148,572,000 on Dec. 31, 1941. Reserves declined during the year to $6,930,038,000 from $8,212,096,000, while holdings of U. S. Government securities amounted to $1,695,321,000 on Dec. 31, 1942, comparing with $592,196,000 at the end of 1941. Total deposits on Dec. 31, 1942, were $5,845,664,000, against $6,642,557,000 at the end of 1941.

The Bank's profit and loss account for 1942, together with 1941 figures, follows:

Profit and Loss Account
For the Calendar Years 1942 and 1941
(In thousands of dollars)

	1942	1941
Earnings	$14,078	$11,415
Net expenses	8,880	7,975
Current net earnings	$5,198	$3,440
Additions to curr. net earns.:		
Profits on sales of U. S. Govt. securities	$967	$386
All other	7	9
Total additions	$974	$395
Deducts. from curr. net earns.:		
Retirement system	$1,122	----
Spec. res. on bank prem.	482	$480
Losses and reserves for losses on industrial advances (net)	----	50
All other	----	3
Total deductions	$1,604	$533
Net earnings	$4,568	$3,302
Paid U. S. Treas. (sec. 13b)	$34	----
Dividends paid	3,184	$3,098
Transf. to surp. (sec. 7)	1,350	204
Surp. (sec. 7) beg. of yr.	$56,651	$56,447
Addition as above	1,350	204
Surp. (sec. 7) end of yr.	$58,001	$56,651

SEC Issues Report On Industrial Machinery Mfg.

The Securities and Exchange Commission made public on Jan. 16 the eighth of a new series of industry reports of the Survey of American Listed Corporations. These reports cover the calendar years of 1940 and 1941 for companies with fiscal years ending in the same calendar year, and extend earlier reports which generally covered the period 1934-1940.

Report No. 8 includes 37 companies primarily engaged in the manufacture of general industrial machinery, all of which had securities registered under the Securities Exchange Act of 1934 at Dec. 31, 1941.

The SEC summarized from the combined totals some of the more important items in the report. The net sales for the 37 corporations amounted to $530,000,000 in 1941, compared with $333,000,000 in 1940. The net profit from operations was $122,000,000 in 1941, against $58,000,000 in 1940, and the net profit after all charges totaled $48,000,000 in 1941, as compared with $38,000,000 in 1940, equivalent to 9.1% and 11.5% of sales, respectively. Total dividends paid out by these corporations amounted to $29,000,000 in 1941 and $24,000,000 in the previous year. The combined assets of the group totaled $437,000,000 at the end of 1941, compared with $338,000,000 at the end of 1940, while surplus in the latter year stood at $121,000,000, against $95,000,000 at the end of 1940. The total capital stock of these corporations declined to $161,000,000 at the end of 1941 from $168,000,000 at the end of 1940.

Chile Breaks Relations With Axis Nations

The Chilean Government on Jan. 20 severed displomatic relations with the Axis nations, leaving Argentina as the only one of the 21 American republics still maintaining relations with Germany, Italy and Japan.

President Juan Antonio Rios, whose motion to make the break was approved by the Senate on Jan. 19 by a 30 to 10 vote, signed the decree to dismiss the ambassadors of the Axis powers. In a broadcast on Jan. 20 telling his nation of the break, President Rios said that it was a step toward continental solidarity and in defense of democracy.

In a formal statement, Secretary of State Hull said on Jan. 2 that Chile's action was welcomed as "an important contribution to the security of the continent." Mr. Hull, who was officially informed by the Chilean Ambassador, Rodolfo Michels, further said that "in a large sense, however, the government of Chile has taken a step which once more confirms the identity of the ideals and aspirations of the Chilean people with those of free peoples everywhere in this great struggle."

ABA Mid-Winter Trust Conference In N. Y. C.

Completion of the program for the Mid-Winter Trust Conference to be held by the American Bankers Association in New York City, Feb. 9, 10 and 11, is announced by Louis S. Headley, President of the Association's Trust Division, who is Vice-President of the First Trust Co. of Saint Paul State Bank, Saint Paul, Minn. The dual theme of the five sessions of the conference will be "Winning the War" and "Problems of Tusteeship in Wartime." Special conference features include addresses by officers of the Army, Navy, Marine Corps and Coast Guard, and three panel discussions of economic investment problems, taxation and wartime personnel problems. There will also be ten addresses on vital phases of the trust business by experts in the various trust fields.

Easing Of Military Rule For Hawaii Expected

Partial restoration of civilian government in the Territory of Hawaii was predicted at recent conferences in Washington between President Roosevelt, Governor Ingram M. Stainback, of Hawaii, and officials of the Army, Navy, Justice and Interior Departments.

No date was set for the relinquishment of a measure of military control but it is expected that the question of Hawaii's form of government will be settled shortly. Military government was instituted in Hawaii soon after the Japanese attack on Pearl Harbor.

Agriculture Should Be Held Munitions Industry Hoover Declares In View Of War Food Problem

Discussing the war food problem, former President Herbert Hoover noted on Jan. 21 that "there is today an acute shortage in meats and fats in all the United Nations, including ourselves, needs no demonstration. And fats include the whole gamut of lard, milk, butter, cheese and edible oil products." Mr. Hoover went on to say that "the shortage of labor, of machinery and methods of price control are limiting the vitally essential expansion of this production and the flocks and herds upon which production depends. And," he warned, "unless we can quickly realize and quickly reverse these limiting forces there are dangers to the conduct of the war and the winning of the peace. It may definitely increase the suffering after the war, for the greatest need of these millions of starving people will be meats and fats."

Mr. Hoover, whose address was delivered before the National Industrial Conference Board, at the Waldorf-Astoria, in New York, declared that "agriculture simply must be envisaged as a munitions industry and that the farmer must receive men and tools if he is to perform his part which he will willingly do."

In part, he also stated:

"At the end of that war we had 26% more beef cattle for each 1,000,000 of human population than we had 23 years later, on Jan. 1, 1942. We had 26% more hogs in proportion to the population. We had proportionately 5% more milch cows than now. But the modern cow gives more milk. We have in 1943 about the same sheep proportionaately as in the last war. We have fewer chickens in proportion to our population, but the chickens work harder and produce more eggs.

"The demands upon us today call imperatively to build up our flocks and herds and our production of vegetable oils. We can, of course, slaughter our breeding herds for immediate war purposes. But that would starve ourselves and the world afterward.

* * *

"Undue slaughter of cows, ewes and sows gives a temporary increase in meats, but it is an illusion. The numbers slaughtered so far are not disastrous. We will not starve. Our allies will not starve.

"But these demoralizing forces are continuing. And if we keep traveling in this direction we shall see more hardships at home if we supply our allies and armies. And with such a situation it is nonsense to talk about furnishing meat and fat supplies to 300,000,000 additional famine-stricken people after this war is won.

"It is useless to talk about making up the farm labor shortage wholly from women or children. Much of farming is hard physical labor. Modern farming requires great skills in nursing the crops and livestock. Moreover, farming has been mechanized. Now the farmer is a mechanic. These skills cannot be learned quickly. But with organized preparatory training women can be of great service for lighter, simpler tasks.

"There are other major remedies.

"The first is to cease the draft of labor from the farms into arms and munitions.

"The second is for industry to rigidly economize on labor and for labor to economize and release the economies to the farmer.

"The third is large and temporary import of Mexican farm labor.

"The fourth is to give consideration to the method of European armies. That is to furlough farm boys from the Army for the few months of peak planting and harvest, they remaining under military direction, and in our case to draw both the Army and farmers' pay."

Mr. Hoover further said:

"Obviously price control of short commodities is necessary. Food cannot be allowed to go to the highest bidder. And prices and wages must be controlled to check inflation. But prices also dominate production. They can be the most powerful stimulant to production. They can stifle production.

* * *

"The first reform needed is to abandon retail price ceilings on food and to substitute the alternative method developed in the last war and proved by experience. That method is to fix prices as near the farm as possible. And they can then be fixed to stimulate production of the things we need. The consumer can be more effectively and more simply protected by regulating the turnover and profits of the food processor and the markups of the wholesaler and retailer.

"The second reform is that all the functions of price control should be vested in the Secretary of Agriculture instead of several other places as at present. He alone can direct price so as to secure production and protect the consumer."

In conclusion, Mr. Hoover asserted that "the first and imperative necessity is to get more production. The American farmer," he added, "will do it if he gets a chance. And the fate of the world may depend upon it."

FDR Favors Some Kind Of Pay-As-You-Go Tax

President Roosevelt indicated his approval on Jan. 8 to the placing of income taxes on a pay-as-you-go basis but qualified his endorsement by saying that the main difficulty is finding a plan to put the program in effect. When asked at his press conference for comment on the plan advanced by Beardsley Ruml, chairman of the New York Federal Reserve Bank, of skipping a year's taxes in order to put them on a current basis, the President replied that he thought everybody was in favor of getting on a pay-as-you-go basis, but the real problem is getting the program started. He indicated that he did not favor the Ruml plan since it would mean an eventual loss to the Treasury, although the taxpayer would benefit.

The following was reported in Associated Press Washington advices:

"There was a lengthy discussion on whether the Treasury would be out immediately, or whether its loss would be spread over a period of years, and the Chief Executive finally agreed that probably the loss would extend over the lives of all present taxpayers.

"Unless a portion or all of current taxes were canceled upon a shift to a pay-as-you-go tax plan, Roosevelt said, a taxpayer would be confronted with the difficulty of paying present taxes and also saving ahead for next year's taxes.

"Mr. Roosevelt laughed and remarked that probably everybody felt the same way when a reporter interrupted a complicated question by saying he did not want to get things too involved.

"The subject was brought up by a request for comment on the so-called Ruml pay-as-you-go tax program. The President said he thought we all were in favor of getting on a pay-as-we-go basis instead of saving out in 1942 the taxes we have to pay in 1943.

"This is hard to do, he said. Some people think the only thing is to forgive all or a part of current taxes, he asserted, so that people would not be paying two tax bills at once.

"One questioner suggested that the working of such a system would mean there would be no income taxes to be deducted from estates at the death of a taxpayer, and that the loss through the forgiveness system would reflect itself then. Mr. Roosevelt declined to enter a detailed discussion of this point, saying it was a problem of the future."

Calendar of New Security Flotations

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

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

Offerings will rarely be made before the day following.

SATURDAY, FEB. 6

STOVALL PROPERTIES, INC.

Committee for Holders of Class B first mortgage 5% gold bonds of Stovall Properties, Inc., has filed a registration statement with the Securities and Exchange Commission for certificates of deposit for $956,500 of such first mortgage real estate bonds.

Address—Place of business of original issuer, Tampa, Fla. Address of committee, 711 Maritime Building, New Orleans, La.

Business—Operation of office buildings, and rental of store properties owned by it.

Purpose—In addition to the $956,500 Class B 5% mortgage bonds there are outstanding $8,125 Class A 6% first mortgage gold bonds. Both classes of bonds were dated Sept. 1, 1931, with maturity date Sept. 1, 1941.

Both classes of bonds bear interest at the rate of 8% after maturity. According to the registration statement the deposit of securities is desired in order to foreclose the mortgaged and/or pledged property, and, if need be, to bid in the property at the foreclosure sale for the benefit of the bondholders.

So far as is known to the committee, no steps have been taken by anyone to prepare a plan of readjustment or reorganization. Securities are to be called for prior to the proposal of a plan because from all information available, there is little possibility of any feasible plan of reorganization. The committee is of the opinion that the only feasible mode of procedure is to foreclose the mortgage, obtain title to the property either in the committee or in a corporate or personal nominee of the committee to operate the property for the benefit of the depositing bond holders and to seek a purchaser for the same. The members of the committee have found that prospective purchasers for the mortgaged property are unwilling to negotiate until title has been obtained through foreclosure. The deposit agreement is dated Nov. 25, 1942. The committee has not as yet fixed any limit to the period within which the bonds will be accepted.

Registration Statement No. 2-5083. Form D-1. (1-18-43).

TUESDAY, FEB. 9

522 REALTY CORPORATION

Voting trustees have filed a registration statement with the Securities and Exchange Commission for voting trust certificates for 5,837 shares of capital stock, par $1 per share, of the 522 Realty Corporation.

Address—Address of issuer or trustees in care of Walter McMeekan, 18 East 48th St., N. Y. City. Principal business or executive office of the corporation, 70 Pine St., Room 3905, N. Y. City.

Business—Apartment building.

Purpose—Edward J. Crawford, Walter McMeekan and George Weiss, all of N. Y. City, are now acting as voting trustees under a voting trust agreement dated June 28, 1933, for the capital stock of 522 Realty Corporation. All of them have consented to act as voting trustees under the voting trust agreement as amended. The present agreement expires Jan. 31, 1943. It is proposed to offer the holders of voting trust certificates outstanding under present agreement the right to consent to the extension of such agreement for five years from the latter date. Thus, holders of voting trust certificates, who do not consent, will receive stock certificates in exchange for their voting trust certificates. Those holding VTC who do consent to the extension, will continue to hold their VTC subject to the provisions of the existing voting trust agreement, except to extent they are amended in supplemental or extension agreement.

Registration Statement No. 2-5084. Form F-1. (1-21-43)

DATES OF OFFERING UNDETERMINED

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

AMPAL-AMERICAN PALESTINE TRADING CORP.

Ampal-American Palestine Trading Corp. has filed a registration statement with the SEC for 182,000 shares 4% preferred, cumulative non-voting stock, par value $5 per share

Address—1440 Broadway, New York City

Business—The corporation was organized for the purpose of developing trade relations between the United States and Palestine and its surrounding territories; to assist in the development of the economic resources of Palestine and to afford financial aid to commercial, banking, credit, industrial and agricultural enterprises, cooperative and otherwise, in and relating to Palestine. Company was organized Feb. 6, 1942, in New York.

Underwriting—There are no underwriters. The securities will be sold through the efforts of the directors and employees of the issuer

Offering—The offering price to the public will be $5.50 per share, for a total of $1,001,000. Date of proposed public offering is Dec. 1, 1942

Proceeds—A number of schemes for investment by the corporation of the proceeds of this issue have been considered by its directors. No final decisions have been reached, and no commitments have been made, except that, in a general way, and subject to re-examination, the directors believe that the corporation could with profit to itself and with substantial benefit to the economic organization of Palestine, make investments for the purposes indicated in its organization

Registration Statement No. 2-5061. Form A-1. (11-19-42)

Amendment filed Jan. 12, 1943, to defer effective date.

P. L. ANDREWS CORP.

P. L. Andrews Corp. has filed a registration statement with the SEC for $360,000 first mortgage convertible 5½% bonds, series A, maturing serially from 1943 to 1957.

Address—7800 Cooper Ave., Glendale, New York, N. Y.

Business—General character of the business done by the corporation is the design, development, manufacture and sale of paper packaging and wrapping materials in a variety of forms of envelopes, folders, wrappers, folding boxes and containers. Primarily because of the nature of the plant and products of the corporation, it is anticipated that the war or conditions arising therefrom will not alter substantially the general character of the business or products of the corporation

Underwriting—No firm commitment has been made to take any of the securities registered, but P. W. Brooks & Co., Inc., New York City, is the principal underwriter, as defined in the Securities Act of 1933

Offering—The securities will be offered at prices ranging from 99½ to 102¼ depending upon maturity date

Proceeds—Net proceeds will be used to discharge a proposed demand bank loan, to reimburse the corporation for machinery acquired and balance for such additional production facilities as are needed.

Registration Statement No. 2-5058. Form A-2 (10-28-42)

Request for withdrawal of specified material filed Nov. 18, 1942

Amendment filed Jan. 20, 1943, to defer effective date

CURTISS CANDY CO.

Curtiss Candy Co. has filed registration statement with the SEC covering 30,000 shares of participating preferred stock, par value $100

Address—622 Diversey Parkway, Chicago

Business—Company is one of the largest and leading candy and confection manufacturers in the United States

Offering—Registrant proposes to offer the participating preferred shares registered, at $100 per share. The entire amount of the consideration received shall be credited to capital account. It is not proposed to pay any commissions or underwriting fees with respect to the sale of the stock. Approximate date of proposed public offering Nov. 25, 1942

Underwriting—There is no commitment of any kind with respect to the sale or underwriting of the securities registered

Proceeds—Will be used principally in the acquisition of similar types of business $700,000; additional farm lands $750,000; trucks $100,000; raw commodities for purpose of stabilizing inventory $250,000; to provide funds for payments under pension and profit-sharing plans for its employees $900,000; in reduction of indebtedness on farm properties $200,000, and for additional working capital $75,700

Registration Statement No. 2-5059. Form A-2. (11-14-42)

Hearing on suspension of registration set for Dec. 15, 1942, as SEC states it has reasonable cause to believe that statement includes "untrue statements of material facts"

DEERFIELD PACKING CORP.

Deerfield Packing Corp. has filed a registration statement with the SEC for $1,250,000 5% sinking fund debentures due Dec. 1, 1954, and 47,215 shares of common stock, without par value. Of the stock registered, 35,715 shares will be reserved for issuance upon exercise of conversion rights with respect to the debentures, and the remaining 11,500 shares will be offered for sale. Company states that it is possible that due to future adjustments in the conversion price, not now anticipated, more than 35,715 shares will be required for issuance upon exercise of conversion rights, and it is intended that present statement shall cover, such additional shares, of any, as may be required for issuance upon exercise of the conversion rights.

Address—Bridgeton, N. J.

Business—Company is engaged primarily in the manufacture of quick-frozen vegetables. The major portion of its frozen products is quick-frozen by the Birdseye process, but the company has developed and uses other processes for quick-freezing for customers who require large packages of frozen vegetables or loose frozen commodities.

Offering—Offering price to the public of the debentures and shares of common stock will be furnished by amendment.

Underwriting—E. H. Rollins & Sons, Inc., is principal underwriter for the debentures with others to be named by amendment. E. H. Rollins & Sons, Inc., is named underwriter for the common stock.

Proceeds—About $487,000 of the net proceeds from the sale of the debentures and common stock are to be used to discharge the balance of $480,000 due on a bank loan in the amount of $600,000, together with accrued interest and premium thereon. Balance are to be added to the company's general funds.

Registration Statement No. 2-5078. Form A-2. (12-29-42)

Amendment filed Jan. 12, 1943, to defer effective date.

FLORIDA POWER & LIGHT CO.

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

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

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

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

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

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

Amendment filed Jan. 21, 1943, to defer effective date

INTERIM FINANCE CORP.

Interim Finance Corp. filed a registration statement with the SEC for 39,912 shares class A stock, $25 par; and 25,232 shares common stock, $1 par

Address—33 N. La Salle St., Chicago, Ill

Business—Primary function of company is to loan money to enterprises whose debt and/or capital structures are being adjusted or reorganized by its wholly-owned subsidiary, H. M. Preston & Co. A secondary function is to loan money, with funds not used in its primary function, to provide "interim" or intermediate financing to enterprises until the financial positions of the borrower or a change in general capital markets open avenues for longer term borrowing from customary sources

Underwriter—H. M. Preston & Co., Chicago, Ill., is the sole underwriter. The underwriting commission is $8 per unit

Offering—The class A stock is to be sold in units of 4 shares, at a price of $110 per unit. With at least the first 900 units, there will be included with each unit 4 shares of common stock; thereafter company reserves the right to reduce the number of common shares to be included in each unit of class A stock

Proceeds will be used for working capital

Registration Statement No. 2-4968. Form A-1. (3-18-42)

Registration Statement effective 11 a.m. (EWT) on Dec. 22, 1942, as of 5:30 p.m. (EWT) on Dec. 8, 1942.

METALES DE LA VICTORIA S. A.

Metales de la Victoria S. A. has filed a registration statement with SEC for 1,350,000 shares of common stock and $675,000 production notes, the latter being lawful money of the United States.

Address—Pan-American Ave. and Fourth St., Agua Prieta, Sonora, Mexico.

Business—Company was organized under the laws of the Republic of Mexico on Oct. 23, 1942, for the purpose of engaging in the business of acquiring, exploring, developing and operating mining properties in Mexico, and the milling and marketing of ores and concentrates therefrom.

Offering—Offering price is $10 per unit, lawful money of the United States. A unit consists of a production note in the face amount of $10 lawful money of the United States and 20 shares of common stock. The common stock has a par value of one centavo (Mexican money) per share.

Underwriters—The offering will be made direct to the public by the company, and to brokers and dealers for their own accounts, or through the latter as selling agents of the company. Assuming that the entire issue is sold the proceeds to the company will be $506,250, or $7.50 per unit, the difference representing selling costs and underwriting discounts and commissions. Statement says Ogden C. Chase, Francis Platt and Edward G. Frawley are believed to be the principal underwriters under the Securities Act of 1933, as defined in the regulations of the Commission. The three are officers, directors and promoters of the company.

Proceeds—Net proceeds will be utilized for acquisition of properties and installation of mill and other expenses incident to operation of the mine property.

Registration Statement No. 2-5082. Form S-3. (1-8-43)

NORTHWEST PUBLICATIONS, INC.

Northwest Publications, Inc., has filed a registration statement with SEC for $382,500 5½% subordinated debentures, due Dec. 1, 1957.

Address—55-63 East Fourth St., St. Paul, Minn.

Business—Engaged in the publication of newspapers in the cities of St. Paul and Duluth, Minn.

Offering—Under the plan of recapitalization the corporation offers a 5½% debenture in the face amount of $100 for each share of its 3,825 outstanding shares of first preferred stock together with all rights to dividends accruing thereon after Dec. 1, 1942. Under the plan of recapitalization, the holders of first preferred may deposit their exchange agreements prior to March 15, 1943, or such later date as may be determined by the corporation, but not beyond May 15, 1943. The plan shall become effective automatically, when holders of 80% of face amount of first preferred deposit their exchange agreements, or by declaration by the corporation, at its option, upon receipt of exchange agreements covering less than such 80%.

Underwriting—The corporation has not entered into any agreement providing a firm commitment for the purchase of subordinated debentures. It has entered into an agreement with Kalman & Co., Inc., Wells-Dickey Co. and Harold E. Wood & Co. to act as dealer-managers. They are to use their best efforts for a period of 60 days following the effective date of the registration statement to effectuate exchange of the securities registered for the corporation's outstanding first preferred stock.

Proceeds—Plan of recapitalization.

Registration Statement No. 2-5080. Form A-2. (12-29-42)

PINEHURST, INC.

Pinehurst, Inc., has filed a registration statement with the SEC for $250,000 first mortgage 5% bonds, due May 1, 1953.

Address—Pinehurst, N. C.

Business—Operation of a winter resort.

Offering—Pinehurst, Inc., is offering to the holders of its 6% first mortgage gold bonds due May 1, 1943, the opportunity to exchange their bonds, plus accrued interest, for first mortgage 5% bonds now registered. Exchange basis is for a like principal amount of the bonds to be offered, with adjustment in cash for accrued interest. The plan will become operative when and if, prior to May 1, 1943, holders of substantially all of the bonds of the company due May 1, 1943, shall have filed agreements, but the company reserves the right in its discretion to declare the plan operative prior to May 1, 1943, upon receipt of agreements which it may deem acceptable to it. Company reserves the right to offer for sale for cash at not less than 100% of face amount plus accrued interest, such portion of the bonds to be offered under registration statement as may not be accepted by the holders of the old bonds. At May 31, 1942, there were $236,000 of old bonds outstanding.

Underwriting—Company has not entered into any agreement providing a first commitment for the purchase of the first mortgage 5% bonds. It will, however, enter into an agreement with Mackubin, Legg & Co., Baltimore, who may be underwriters whereby the underwriters who have aided in preparing the exchange offer and plan will use their best efforts in obtaining agreements of exchange, including the obtaining of services of other dealers, for which they will be compensated.

Proceeds—To redeem old 6% first mortgage bonds and for general funds.

Registration Statement No. 2-5079. Form A-2. (12-29-42)

Amendment filed Jan. 14, 1943, to defer effective date.

PUBLIC SERVICE CO. OF NEW HAMPSHIRE

Public Service Co. of New Hampshire has filed a registration statement with the SEC for $22,000,000 first and general mortgage bonds, series A 3¼% to be dated Jan. 1, 1943, maturing Jan. 1, 1973.

Address—1087 Elm St., Manchester, N. H.

Business—Company is engaged principally in the generation of electric energy and its transmission, distribution and sale to about 78,300 domestic, commercial, industrial, agricultural and municipal customers in New Hampshire and Vermont. It also manufactures and distributes gas.

Underwriting—To be supplied by post-effective amendment.

Offering—Company proposes to sell the bonds at competitive bidding pursuant to the rules of the Commission. Contemporaneously with the issuance of the bonds, company will issue and sell 3,284 shares of its common stock, no par value, to New England Public Service Co., parent of the company, at a price of $60 per share flat or $197,040, and will issue and sell $2,500,000 face amount of its unsecured notes at private sale to financial institutions.

Proceeds—The aggregate net proceeds of said bonds, notes and common stock will be used to pay principal, premium and 30 days' interest in the redemption of all of the company's first mortgage bonds aggregating $18,929,000 face amount, to pay off bank loans totaling $1,000,000, to purchase from Twin State Gas & Electric Co. the utility properties and other assets of its New Hampshire division $4,281,897, to purchase certain assets from New England Public Service Co. $197,080 and other corporate purposes. All companies are subsidiaries of NEPSCO and the transactions are the second step in the proposed simplification of NEPSCO. First step was the recently consummated merger of Cumberland County Power & Light Co. with Central Maine Power Co. Third step contemplates the acquisition by Central Vermont Public Service Co., also a subsidiary of NEPSCO, of the remainder of the assets of Twin State located in Vermont by merger.

Registration Statement No. 2-5076. Form A-2. (12-24-42)

Amendment filed Jan. 8, 1943, to defer effective date.

PUGET SOUND POWER & LIGHT CO.

Puget Sound Power & Light Co. has filed a registration statement with the SEC for $52,000,000 first mortgage bonds series due Dec. 1, 1972, and $8,000,000 debentures due Dec. 1, 1951. The interest rates will be supplied by amendment.

Address—860 Stuart Building, Seattle, Wash.

Business—Applicant's properties consist, generally speaking, of electric, gas, steam heat and telephone utility properties located in the central and western portions of the State of Washington. It is engaged principally in the business of generating, transmitting, distributing and selling electric energy in all or parts of 19 counties in the western and central portions of the State of Washington, comprising approximately 4,500 square miles.

Underwriting—Names of underwriters will be supplied by post-effective amendment. The company proposes to sell both the bonds and debentures at competitive bidding. The invitation for bids will provide that each bid covering the bonds shall specify the coupon rate (which shall be a multiple of ¼%) and the price to be paid to the company for the bonds; and each bid covering the debentures shall specify the coupon rate (which shall be a multiple of ⅛%) and the price to be paid to the company.

Offering—The offering price to the public will be supplied by post-effective amendment.

Proceeds—Net proceeds from the sale of the new bonds and the new debentures, together with general funds of the company, are to be used for: Redemption of the old bonds, series A, in the face amount of $36,039,500 at 101½%, or $36,580,093; redemption of the old bonds, series C, in face amount of $8,850,000 at 102%, or $9,027,000, and redemption of old bonds, series D, in face amount of $13,995,000 at 102%, or $14,274,900, or grand total of $59,881,993. There is pending before the SEC an application under Section 11 (e) of the Public Utility Holding Company Act of 1935, by Engineers Public Service Co.—parent company—to which Puget joined as a party, for the approval of a plan for recapitalization of Puget. This plan, if approved, would reduce the percentage of voting power of Puget owned by Engineers from 77.4% to 1.8%. Engineers has been ordered by the Commission to dispose of its entire interest in the company. Engineers has advised Puget that it intends to comply with this order as soon as it can do so.

Registration Statement No. 2-5077. Form A-2. (12-28-42)

STEEP ROCK IRON MINES LIMITED

Donald M. Hogarth, Julian G. Gross and Russell D. Bradshaw, voting trustees, have filed a registration statement with SEC for voting trust certificates for 562,500 shares of capital stock without nominal or par value of Steep Rock Iron Mines Limited.

Address—3100 Canadian Bank of Commerce Building, Toronto, Ontario, Canada. Address of corporation, 25 King St., West, Toronto.

Offering—See registration statement of Steep Rock Iron Mines Limited No. 2-5070.

Proceeds—To deposit shares in a voting trust.

Registration Statement No. 2-5071. Form F-1. (12-9-42)

STEEP ROCK IRON MINES LIMITED

Steep Rock Iron Mines Limited has filed a registration statement with SEC covering $2,250,000 5½% sinking fund debentures, due Dec. 1, 1957.

Address—25 King St., West, Toronto, Ontario, Canada.

Business—Mining. Company owns property comprising approximately 7,000 acres in the Steep Rock Lake area, near Atikokan, Ontario, Canada, containing large bodies of high-grade iron ore. The property includes all of Steep Rock Lake, under which the known ore bodies lie.

Underwriter—Otis & Co., Cleveland, O., is principal underwriter. In the underwriting agreement Otis & Co. agreed to purchase and the company has agreed to sell the $2,250,000 face amount of debentures covered by the registration statement and 562,500 shares of the company's capital stock. The rate to be paid by the underwriter for each $1,000 face amount of debentures and shares of stock will be supplied by amendment. The capital stock is to be deposited under a voting trust agreement.

Offering—Price to the public per unit consisting of $1,000 face amount of debentures and voting trust certificates for a number of shares of capital stock to be named by amendment will also be filed by amendment.

Proceeds—For plant, equipment, drilling, development and working capital.

Registration Statement No. 2-5070. Form A-1. (12-9-42)

In an amendment filed Jan. 11, 1943, company stated the units to be offered the public would consist of $1,000 face amount of debentures and voting trust certificates representing 200 shares of the company's capital stock. Offering price per unit will be $2,250.

Voting trust certificates representing 112,500 shares of capital stock will be acquired by the underwriter and a portion of such voting trust certificates may be distributed to members of the selling group. All or any part of such voting trust certificates may be sold by the owners thereof at the then over-the-counter market price. On Dec. 22, 1942, voting trust certificates were sold on the over-the-counter market in New York at a price of $1.30 (United States dollars).

UNION ELECTRIC CO. OF MISSOURI

Union Electric Co. of Missouri filed a registration statement with the SEC for 2,695,000 shares common stock, no par

Address—315 N. Twelfth Blvd., St. Louis, Mo.

Business—This subsidiary of The North American Co. is engaged primarily in the transmission, distribution and sale of electric energy, which it generates and purchases from its subsidiaries, serving the city of St. Louis, Mo., and portion of 5 adjacent Missouri counties and of 3 counties in Missouri adjacent to the company's Osage hydroelectric plant

Underwriting—Dillon, Read & Co., New York, is named the principal underwriter Names of the other underwriters will be supplied by amendment

Offering—The 2,695,000 shares of company's common stock are outstanding and are owned by its parent, The North American Co., who will receive the entire proceeds from the sale to the public of such shares

Registration Statement No. 2-4940. Form A2 (2-2-42)

Union Electric Co. of Missouri, on Feb 9, 1942 filed an amendment to its registration statement, naming the underwriters, 141 in all, who will publicly offer the 2,695,000 shares (no par) common stock, all of which are owned by its parent company, The North American Co. The names of the underwriters, and the maximum number of shares of such common stock which each agreed to purchase were listed in the "Chronicle" of Feb. 26, 1942, page 846

Amendment filed Jan. 8, 1943, to defer effective date

UNION LIGHT, HEAT AND POWER COMPANY

Union Light, Heat and Power Co. registered 25,000 shares $100 par common stock

Address—4th & Main St., Cincinnati Ohio

Business — Operating electric utility company

Underwriter — Columbia Gas & Electric Corp.

Offering—Stockholders will receive offer to subscribe to 25/94ths of one common share in units of 5/94ths of a share for each 5/94ths of a share held at $5.32 for each unit. On a share basis, stockholders may subscribe to 5 new shares for each share held at $100.016 per share Substantially all outstanding stock is held by Columbia Gas & Electric Corp.

Proceeds—To repay current debt and $2,835,000 first mortgage bonds held by parent and associated companies, and for construction costs

Registration Statement No. 2-4379. Form A-2 (3-30-40)

Amendment filed Jan. 9, 1943, to defer effective date

UNITED GAS CORPORATION

United Gas Corp. registered **$75,000,000 first mortgage and collateral trust 3¼% bonds due 1958**

Address—2 Rector Street, New York City

Business—Production and sale of natural gas; part of Electric Bond and Share System

Underwriters—None

Offering Terms—Bonds will be sold to institutional investors, whose names will be supplied by amendment, at 99.34%

Proceeds—To redeem $28,850,000 United Gas Public Service 6% Debentures due 1953; to pay 6% demand note of $25,925,000 to Electric Bond and Share; to repay $2,000,000 open account debt to E. B. & S.; and to purchase from United Gas Pipe Line Co., $6,000,000 of its 1st & Coll. 4% bonds due 1961. Balance will be used in part to reimburse treasury for capital expenditures and possibly to pay accumulated dividends of $9,502,490 on companys $7 preferred stock

Registration Statement No. 2-4760, Form A-2 (5-15-41)

United Gas Corp. filed amendment with SEC on Feb. 21, 1942, stating that it had been unable to further extend the purchase agreements with 14 insurance companies covering the proposed private sale to such insurance companies of $75,000,000 of the company's first mortgage and collateral trust 3¼% bonds, due 1959. This amendment states: "These purchase agreements expired on Feb. 16, 1942. The corporation intends to continue negotiations to the end that its bonds shall be either sold privately, by renewal of the aforesaid agreements or otherwise, or offered to the public as circumstances shall dictate in order to obtain the pest possible price."

Amendment filed Dec. 31, 1942, to defer effective date

Victory Loan Drive Nets $12,906,000,000

Secretary of the Treasury Morgenthau announced on Jan. 2 that the Treasury's Victory Fund Drive in December totaled $12,906,000,000 and revealed that in view of the outstanding success of the borrowing there would be no more special campaigns for funds until early April.

The original December goal of $9,000,000,000 was exceeded by 43.3%, but this was later raised to $11,000,000,000.

It was also disclosed that in addition to the borrowing the Treasury received about $2,700,000,000 in taxes and other collections during December bringing total funds for the month to about $15,600,000,000.

In commenting on the "history-making total," Secretary Morgenthau said:

"There is comfort for all of us in this grand response by the people to the war needs of the Treasury. The banks of the country promptly and willingly did their allotted share of the lending for their own account, and they are especially to be commended for the manner in which they urged their own depositors to withdraw funds and invest them in Treasury securities.

"Insurance companies and other institutional investors also purchased large amounts. Some hundreds of thousands of individual investors were able to purchase the securities, and thus rolled up the total to the largest figure in history for any single borrowing operation.

"I am especially pleased that almost all of the $3,906,000,000 increase over our goal of $9,000,000,000 came from non-banking sources."

Mr. Morgenthau issued the following breakdown on funds borrowed from all sources, on the different issues:

Funds from banking sources:	
Treasury bills	$897,000,000
⅞% certificates	2,117,000,000
1¾% Treasury bds.	2,058,000,000
Total	$5,072,000,000
Funds from non-banking sources:	
⅞% certificates	$1,678,000,000
1¾% Treasury bds.	1,003,000,000
2½% Treasury bds.	2,827,000,000
Tax notes	1,312,000,000
Savings bonds	1,014,000,000
Total	$7,834,000,000
Grand total	$12,906,000,000

Preliminary results of the December Victory drive appeared in these columns of Dec. 31, page 2332.

Early Filing Of 1942 Tax Returns Urged

An appeal for early filing of tax returns on 1942 income was made on Jan. 16 to 35,000,000 Americans by Secretary of the Treasury Morgenthau. It was pointed out by the Treasury Department that although elaborate preparations for the convenience of taxpayers have been made by the Bureau of Internal Revenue, the Secretary said that, with more than 8,000,000 additional individuals required to make returns, last-minute jams would swamp collectors' offices and consume valuable man-hours of taxpayers, many of whom will be workers in war production.

The Treasury's announcement added:

"Revenue officials recalled the help given last year by taxpayers infuriated by the attack on Pearl Harbor. Eager to file their returns and pay their taxes, they began streaming to the cashiers' windows as soon as the returns were receivable early in January. A total of 26,369,044 individuals made returns on 1941 income and the spreading of work through early filing eased what would otherwise have been a terrific strain on the tax-collecting machinery.

"Profiting by that experience, collectors have arranged wherever possible for ground-floor booths for cashiers and a one-way flow of taxpayers to and from the booths."

Mr. Morganthau also called attention to the joint statement issued on Jan. 15 by Chairman Doughton of the House Ways and Means Committee and Chairman George of the Senate Finance Committee, the legislative groups that consider tax measures. They said:

"The committees having to do with tax legislation have been advised that reports are coming from over the country to the effect that a change will be made in the tax law which would preclude the necessity of filing the 1942 return due on March 15, 1943.

"This assumption on the part of any taxpayer that he will not be required to file his 1942 return on March 15, 1943, is erroneous. In all cases, that return will have to be filed and at least the first quarter payment will have to be paid.

"Those filing early returns will be in no danger of being penalized. Whatever decision may be made as to future tax legislation will not affect that taxpayer's obligation to file his 1942 return as usual and pay his tax."

S. Fran. Reserve Bank Promotes D. E. Simms

David E. Simms, national President of the American Institute of Banking, has been advanced from Acting Assistant Manager of the Salt Lake City Branch of the Federal Reserve Bank of San Francisco, to Assistant Manager. Mr. Simms has been associated with the Salt Lake City Federal Reserve branch since 1919. He was appointed accountant of that institution in 1928, and later became Acting Assistant Manager. Mr. Simms has been identified with the activities of Salt Lake Chapter of the American Institute of Banking since 1920. He received the Standard Certificate in 1922 and the Graduate Certificate a year later. Mr. Simms has served the chapter in various capacities and was its President in 1935.

In the national activities of the Institute he has served on the National Debate Committee, Public Education Committee, and the Educational Advisory Committee. In 1936 he was appointed associate councilman, and in 1937 he was elected a member of the Executive Council at the A.I.B. convention of that year. He was elected national Vice-President of the Institute at its convention in San Francisco in 1941, and president at the New Orleans convention in in 1942.

Irving Trust Net $3,712,952 In 1942

According to the annual report of the Irving Trust Co. of New York, presented to the stockholders on Jan. 20, the net profit of the company for 1942 amounted to $3,712,952, compared with $3,501,063 in 1941. The company's operating profit in 1942 was $4,212,951.71, an increase of $711,888.88 over 1941. Net securities profits in 1942 amounted to $332,009.39 and were transferred to deferred income.

The report, signed by Harry E. Ward, Chairman, and William N. Enstrom, President, stated that "in accordance with your management's policy of building up reserves against a time when adjustments may become necessary, thus adding to the company's already strong financial position, $500,000 of the year's operating profit was transferred to reserves. In addition, recoveries received during the year from amounts previously charged off were added to reserves."

Regarding the increase in the deposits of the company from $791,675,007 on Dec. 31, 1941, to $925,045,614 on Dec. 31, 1942, the report says:

"The rise in the company's deposits since the end of 1941 was due in large measure to economic developments incident to the war, which resulted in a substantial rise in the deposits of banks generally.

"The increase in the company's deposits and the decrease in cash on hand and due from Federal Reserve Bank and other banks were reflected in increased holdings of U. S. Government securities. The larger part of the increased holdings of such securities consisted of discount bills and other issues with early maturity dates. Substantial additions were made also to holdings of intermediate maturities."

Holdings of U. S. Government securities increased from $289,808,033 at the end of 1941 to $572,672,196 on Dec. 31, 1942; from the report we quote:

"Of the total holdings of U. S. Government securities as of Dec. 31, 1942, 56% had a first call date or were due within two years, 15% within two to five years, 27% within five to 10 years, and 2% within 10 to 15 years. The average maturity on this basis was three years, and to final due dates, three years and 10 months."

The report also said:

"In 1942, there was a material shift in the distribution of loans and a net decline in their total. Those to industries serving civilian needs decreased, while those to industries producing war goods increased. At the year-end the company also had large commitments to make additional loans to war industries. * * *

"While the company's foreign business in 1942 was further curtailed by the continued spread of war to new areas and by the restriction of tonnage available for commercial shipping, nevertheless a good volume of transactions was handled. The business yielded satisfactory results and no opportunity was neglected to aid customers in solving their foreign trade problems."

In the "Wall Street Journal" of Jan. 21 it was stated:

"Stockholders present in person at the annual meeting of the Irving Trust Co. voted for the adoption of a resolution against a ceiling on salaries. The resolution was proposed by a stockholder —J. Newcomb Blackman — who obtained a similar vote last week at the Chase National Bank annual meeting.

"Dr. Charles Wolf, a holder of 300 shares, questioned the adequacy of the annual depreciation accrual for the 1 Wall Street Building, and advocated a higher rate. The matter, Harry E. Ward, Chairman of the bank said, would be given consideration by the board of directors."

Preference To Russia On War Materials

Secretary of the Interior Ickes revealed on Jan. 11 that he had received from President Roosevelt a communication directing that Russia be given preference in shipments of war supplies. Mr. Ickes, who is also Petroleum Administrator, made this disclosure in an unscheduled address at a Russian war relief luncheon in Washington. He did not amplify his description of the President's communication.

Maxim Litvinov, Soviet Ambassador, who was guest of honor at the luncheon sponsored by the Russian War Relief, Inc., expressed his appreciation for the work of the agency. Reporting for the organization, its President, Edward C. Carter, indicated that the goal of $6,000,000 set early in 1942 had been exceeded by more than 50%. The total on Dec. 31, 1942 was $9,342,204.

Glass Again President Pro Tem Of Senate

Senator Carter Glass (Dem., Va.) was reelected on Jan. 14 as President pro tempore of the Senate to serve in the absence of Vice-President Henry A. Wallace. Senator Glass was nominated by Senator Barkley of Kentucky, the Majority Leader. The nomination was seconded by Senator McNary of Oregon, the Minority Leader, after the Senate had rejected by a 43 to 29 vote Mr. McNary's motion to have Senator Vandenberg (Rep., Mich.) named for the position of President pro tempore.

By order of the Democratic steering committee, Senator Barkley, on Jan. 14, submitted the names of the majority members of the 33 standing committees of the Senate. Senator McNary also presented a list of the minority members to be represented on the committees. The Senate considered and approved these assignments.

The new chairmen are: Senator Ellender of Louisiana, succeeding former Senator Brown of Michigan, on the Claims Committee; Senator Downey of California, succeeding former Senator Bulow of South Dakota, on the Civil Service Committee, and Senator Bilbo of Mississippi, succeeding former Senator Schwartz of Wyoming, on the Pensions Committee.

Crane Co. Looks Good

The current situation in Crane Company offers attractive possibilities according to an interesting circular issued by John J. O'Brien & Co., 231 South La Salle Street, Chicago, Ill., members of the Chicago Stock Exchange. Copies of this circular may be had from John J. O'Brien & Co. upon request.

GENERAL CONTENTS

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Our Reporter On "Governments"

By S. F. PORTER

And still the Government market holds and continues to move forward at intervals. . . . News from abroad has been admittedly more encouraging but there's no question of a quick end to the war. . . . So market's strength is based on other factors, such fundamentals as faith in the persistent ease of money, the ability of the authorities to control prices and interest rates, the obvious concentration of money in Governments, the equally obvious fact that the market must remain strong or 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 2½s of 1968/63 where they are, turn to another "on sale" loan. . . . Maybe a 2¼ due earlier or a 2½ due a few years after 1968. . . . Just consider it! . . . At this stage of the war financing program, Secretary Morgenthau actually may be faced with the problem of cutting the interest rate a bit to keep the structure in balance. . . .

More specifically, the news of the market recently has been the unusual strength of the 1¾s of 1948, which have moved up to within a few 32nds of the 1968/63 2½s. . . . The 1¾s are now around 100.14 as compared with a price of 100.18 on the Victory 2½s. . . . Meaning that bank buying is coming into the five-year maturity and lifting that issue to a favored position. . . . May be that the 1¾s will get up to 100.20, according to some dealers, although from here on, the going should get tougher. . . . But there should be a level at that price, for banks may buy other issues up there which will bring them much greater returns for not much more risk. . . .

Another item has been the sale of the ⅞% certificates of indebtedness due in one year. . . . The most popular c.i. maturity and rate. . . . These are good, and don't ignore that point for an instant. . . . ⅞% interest on a one-year maturity sounds awfully attractive in comparison with 1¾% on a five-year bond and 2½% on a 25-year security. . . . It depends on your point of view, of course. . . . If you can afford to stretch out into the five and 10-year brackets, you can get a better return and that may be the determining factor. . . . But if you need some short-term stuff for your peace of mind and your operations, get into the c.i.s. . . . In addition to being attractive as such, the c.i.s become more and more popular as they reach toward maturity and buyers can get ⅞% 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 $1,588,000,000 issue was predicted here some time ago. . . . Morgenthau is simply picking up an extra half-billion to help pay the war costs until April. . . . As for bills, you know, of course, that the bill offering is now up to $700,000,000 per week, 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, $200,000,000 represents new money borrowing every seven days. . . . That too is good financing tactics. . . .

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 1955/51 at about 100.15 and yield of 1.94%. . . .

Buy the 2s of 1951/49 at costs of 100.21 to 100.29 and yields of 1.84 to 1.88%. . . .

The 2s of 1955/51 are the cheapest of the 2% issues. . . . As such, they may attract you and you 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 1952 and 1953 and so the chances are the 1955/51 2s will remain out to maturity, making them a 12-year bond yielding 1.94%. . . .

The 2s of 1951/49 also may remain out to maturity but maturity can't be beyond 1951, making them eight-year bonds yielding 1.84 to 1.88% or possibly shorter bonds. . . .

You cut your maturity considerably, therefore, at little cost and sacrifice of yield. . . . One reason the 2s of 1955/51 have been holding up so well in the last few weeks is technical in origin. . . . Report is several dealers went short these bonds some time ago, have been trying to cover with mediocre success. . . .

A REPEATED SWITCH

This one applies if you're a non-bank investor. . . . If you represent a commercial bank, then it may be passed by for personal reasons. . . .

Sell the 2½s of 1972/67 at 100.29 and yield of 2.44% to call date. . . .

Buy the Victory 2½s of 1968/63 at 100.18 and yield of 2.46%. . . .

There's no sense to holding a longer-term 2½ at a higher price and lower yield when you can get into coupon 2½s due four years earlier, cut your price and raise your yield. . . .

Only reason why the longest-term 2½s are holding up the way they are is that banks are buying them. . . . It's the only long-term 2½s which they may purchase. . . . The "on sale" 2½s of 1968/63 and 1967/62 won't be open to them until 10 years after date of issue. . . .

But if you're not part of a commercial bank, why pay the premium or hold off on freezing the profit and making the shift? What sense is there in it if you represent a trust or estate or are just an individual investor? . . . Check on this one. . . . It may be valuable to you. . . .

THE Fs AND Gs AGAIN

Story still around in usually informed quarters that Treasury officials are seriously considering discontinuing sale of F and G war bonds when next financing date comes around. . . .

No reason why Morgenthau should struggle with extra "demand bonds" outstanding when he doesn't need this type of issue on his offer books. . . . The "on sale" 2½s are competition for the Fs and Gs and vice versa and buyers might as well pick up the 2½s as get a similar rate on a bond payable on demand within 12 years. . . . Heads of Victory Fund Committees reported heavily in favor of discontinuing sale of Fs and Gs. . . . Recommended step several times last month. . . . Treasury holding out, Morgenthau reported opposed but weakening in his first stand. . . . And chances are growing that by the time the next big borrowing date rolls around, the Fs and Gs will go off the books. . . .

INSIDE THE MARKET

Treasury apparently has taken notice of large-scale switching recently from the "tap" 2½s into the "victory" 2½s, due to difference in coupon availability. . . . So beginning Feb. 1, holders of the registered bonds may shift into coupon bonds, if they so desire. . . . Meaning that there'll be less difference between the new 2½s and the $2,118,000,000 sold in the first "tap" offerings. . . . A good idea. . . .

Also the $454,000,000 of 3⅜s due 1947/43 will be up for payment June 15. . . . Cash redemption logical, for they're too small to warrant refunding. . . .

There has been considerable switching in and out of tax-exempts and taxables lately. . . . Insurance companies and savings banks, which have least reason for owning tax-exempts, are getting rid of the high-premium obligations slowly but they're keeping the supply running. . . . And as for purchase of these, well, that depends on you. . . . The only person who can decide the advisability of holding taxables, partially tax-exempts or exempts is you—knowing your own tax position and the value of the privilege to you. . . .

Banks going heavily into five to 10-year bracket of bonds on theory that this classification is safe now and if it isn't not much else is. . . .

Dealers pleased, acting better than in months because of price fluctuations recently, fact that they turned over bonds at good profits last month. . . .

Phila. Traders Ass'n To Hold Annual Dinner

PHILADELPHIA, PA.—The Investment Traders Association of Philadelphia will hold their 19th annual mid-winter dinner on Feb. 11, at the Benjamin Franklin Hotel. An interesting and entertaining program has been arranged by the committee, who are as follows: Stephen A. Massey of Parrish & Co., General Chairman, Alfred W. Tryder of H. T. Greenwood & Co., Robert A. Torrens of Harriman Ripley & Co., Charles J. Brennan of Blyth & Co., Carl Lachman, Jr. of Eastman Dillon & Co., Russell M. Dotts of Bioren & Co., John M. Hudson of Thayer Baker & Co., Robert McCook of Buckley Bros., Thomas J. Love of Geo. E. Snyder & Co., Joseph A. Zeller of Bankers Securities, and Clayton H. Terrell of Reynolds & Co.

Taussig Named Pres. Of Lafayette Savs.-Loan

ST. LOUIS, MO.—Garfield J. Taussig, President of Taussig, Day & Company, Inc., 506 Olive Street, St. Louis, Missouri, was elected President of the Lafayette Federal Savings & Loan Association, the oldest building and loan association in the State of Missouri.

American Business Credit Situation Interesting

Hill, Thompson & Co., Inc., 120 Broadway, New York City, have prepared an interesting memorandum on American Business Credit Corporation, copies of which may be had from the firm upon request.

Towne Securities Offers Interesting Situation

The 7% cumulative preferred stock of Towne Securities Corp. offers interesting possibilities at current levels, according to a circular issued by J. L. Schiffman & Co., 60 Broad Street, New York City. Copies of the circular may be had from the firm upon request.

The Business Man's Bookshelf

Accounts Receivable Financing—Raymond J. Saulnier and Neil H. Jacoby, National Bureau of Economic Research, Incorporated, 1819 Broadway, New York City. Cloth, $2.00.

Business As A System Of Power—Robert A. Brady, Columbia University Press, Morningside Heights, New York City. Cloth, $3.00.

Case Against The $25,000 Salary Limitation, The—John S. Brookes, Jr., Guy & Brookes, Washington, D. C. Paper.

Preview For 1943

The latest Bulletin issued by Strauss Bros., 32 Broadway, New York City, entitled "Preview for 1943," contains an interesting discussion of changes which will take place from the steady onward march of the United Nations, and what industries will be the first to benefit in the immediate post-war period. Copies of the Bulletin listing specific industries and issues are available on request from Strauss Bros.

B'way Motors Bldg. Corp. Currently Attractive

The First Leasehold Fixed and Cumulative Income 4-6s due Feb. 1, 1948, of the Broadway Motors Building Corporation (General Motors Building) offer attractive possibilities according to a memorandum just issued by Seligman, Lubetkin & Co., Inc., 30 Broad Street, New York City. Copies of the memorandum describing the situation in detail may be had upon request from Seligman, Lubetkin & Co.