U. S. Mine Shutdown Is Hard Blow To Shivering Europe

DECISION AWAITED IN HOUSING FEUD

Truman Faces Choice Between Scrapping Wyatt Program or Overruling Close Friend and Adviser.

By NED BROOKS
Scripps-Howard Staff Writer

WASHINGTON, Nov. 27.—President Truman faced the choice yesterday of scrapping Housing Expediter Wilson W. Wyatt's program for factory-built homes or overruling his friend and close adviser, Director George E. Allen of the Reconstruction Finance Corp.

If he rebuffs Mr. Wyatt, as informed sources are predicting, the housing boss is expected to resign. His plan for low-cost homes for veterans already has been staggered by Mr. Truman's removal of ceilings on wages and building materials.

The senate war investigating committee called a recess until Dec. 16 in its inquiry into the Wyatt-Allen feud. The recess was called after Monday's hearing disclosed that the two officials still are in sharp disagreement over RFC loans to industrialized housing firms.

Mr. Allen said the "whole issue" of the controversy was RFC's refusal to lend up to $52 million to the Lustron Corp. to produce porcelain enamel houses in the war-built Dodge-Chrysler plant, Chicago.

RFC Flatly Opposed

He said a dozen other loans to prefabricators recommended by Mr. Wyatt probably could be worked out, but RFC is flatly opposed to the Lustron deal.

Although Mr. Wyatt contends he has the power to order RFC to make the loans, he said the dispute had been submitted to the White House because it involved an important question of policy.

Mr. Wyatt, it was learned, is waiting for Mr. Truman to make public the expediter's recommendations for carrying forward the housing program now that decontrols are under way. The Wyatt report is said in effect to ask a vote of confidence from the White House, including support for RFC loans to mass producers.

Excerpts From Testimony

Mr. Wyatt and Mr. Allen faced the senate investigators together and addressed each other as "Wilson" and "George."

Excerpts from their testimony were:

Mr. Wyatt—"The manufacturer of industrialized houses who goes to RFC for financial assistance finds he is embarking on a long obstacle race over interminable barriers."

Mr. Allen—"We want to help housing but we'd go broke if we followed such policies as he suggests. We have a responsibility to protect the taxpayers' dollars."

Mr. Wyatt—"The RFC's own counsel says we have the power to order loans. We haven't used it because it involves a policy which the White House should decide."

Mr. Allen—"If we're ordered to make the Lustron loan, we'd get another legal ruling. I'd ask the attorney general to decide."

Mr. Wyatt—"That's the kind of co-operation that's smothering us."

Mr. Allen said RFC has approved nearly 1200 loans totaling more than $57 million, with private lenders contributing $15 billion. Most of these, he said, were to firms producing brick, lumber, concrete and other materials.

Has Other Holdings

Mr. Wyatt denied that the $36,000 in cash represents the entire assets of the Lustron Corp. He said the firm has other holdings valued at $500,000, equipment worth $200,000, patents valued at $5 million and can raise another $1 million in cash.

The coated sheet steel house which the firm proposed to manufacture, he said, is "one of the sensationally good homes that the government could be groud of having promoted."

Senator Ferguson (R. Mich.), subcommittee chairman, criticized Mr. Wyatt's office for awarding top priorities to temporary housing converted from barracks and other wartime structures "while thousands of conventional houses are being left unfinished."

CHRYSLER HIKES PRICE $8-$104

Second of Auto 'Big Three' To Hike Figures.

DETROIT, Nov. 27 (U. P.).—Chrysler Corp. raised Detroit factory retail prices today on Plymouth, Dodge, De Soto and Chrysler cars "in conformance with current costs."

The company announced that the increases ranged from $8 on the lowest priced Plymouth four-door sedan to $104 on the Chrysler four-door New Yorker sedan. It said the price adjustments varied by body types.

Chrysler was the second member of the auto industry's "big three" to raise prices since OPA regulations were withdrawn. General Motors Corp. raised its prices $100 per model on all its cars. Ford said it would hold the line.

The Studebaker Corp. announced at South Bend yesterday that it had raised list prices of its new passenger cars about 3½ per cent. The hikes on various models ranged from $32 to $64.

Hudson Motor Car Co. announced hikes of $60 to $90 on current models last week. Willys-Overland and Crosley previously had raised their car prices.

GATES DELAYS NAMING JUDGE

Hints Appointment Won't Be Made Before Next Week.

Governor Gates indicated yesterday that his appointment of a new judge of Municipal court 4 will not be made before next week.

He did not indicate which way he intends to go in the apparent deadlock between factions of the Marion county Republican leadership over candidates for the judgeship.

The war veterans' division of the G. O. P. has brought widespread pressure for the appointment of an ex-service man to the post.

A delegation of veterans headed by Cale J. Holder called on the governor Monday, urging the appointment of a veteran. They have suggested Lawrence H. Hinds, George House and Alex M. Clark, who was defeated for the G. O. P. prosecutor nomination.

Sided With Veterans

County Chairman Henry E. Ostrom has sided with the veterans, recommending that the governor appoint Mr. Clark.

Joseph J. Daniels, 11th district chairman, has recommended the appointment of Paul C. Wetter, Beech Grove magistrate court judge and 13th ward G. O. P. chairman. This recommendation was reportedly based upon a commitment made during the primary election campaign.

Up to Tuesday, no compromise had been reached on the appointment. The municipal court 4 bench will be vacated Jan. 1 by Judge John Niblack when he becomes judge of superior court 1.

LOCAL ISSUES

Nominal quotations furnished by Indianapolis securities dealers:

STOCKS	Bid	Asked
Agents Fin Corp com	7½	....
Agents Fin Corp pfd	19	....
American States pfd	24	....
American States cl A	33	....
L S Ayres 4½% pfd	108	....
Ayrshire Col com	29¼	33
Belt R Stk Yds com	34	....
Belt R Stk Yds pfd	60	....
Bobbs-Merrill 4½% pfd	75	....
Bobbs-Merrill com	15	....
Central Soya com	28	30
Circle Theater com	78	81
Comwith Loan 4% pfd	102	105
Consolidated Industries com	1	1¼
Consolidated Industries pfd	4⅛	4⅝
Cons Fin Corp pfd	97	....
Delta Electric com	14½	16½
Electronic Lab com	2¾	3¼
Ft Wayne & Jackson RR pfd	96	99
Herff-Jones cl A pfd	14½	15
Hook Drug Co com	24	26½
Ind Asso Tel Co 2 pfd	51	....
Ind & Mich Elec 4½% pfd	108	110½
Indpls P & L com	25¼	26¾
Indpls P & L 4% pfd	110	112
Indianapolis Water pfd	106	....
Indpls Water cl A com	19½	21¼
Indpls Railways com	13½	....
Jeff Nat Life com	15½	17
Kingan & Co com	4⅝	5⅝
Kingan & Co pfd	78	82
Lincoln Nat Life 5½ pfd	80½	83½
Marmon-Herrington com	7¼	8¼
Lincoln Loan Co 5½s pfd	101	....
Mastic Asphalt	7¼	8¼
Natl Homes com	11⅛	....
N Ind Pub Serv 5%	107½	110½
N Ind Pub Serv com	17¼	18½
P R Mallory com	21¾	23¾
Progress Laundry com	23	25
*Pub Serv of Ind com	40¾	42¾
*Pub Serv of Ind 3½ pfd	96½	98½
Ross Gear & Tool com	29	....
So Ind G & E 4.3% pfd	106½	109½
Stokely-Van Camp pfd	21	22
Stokely-Van Camp com	21½	23½
Terre Haute Malleable	6¾	8
U S Machine com	2⅛	2¾
United Tel Co 5%	99	....
Union Title com	43	....
BONDS		
American Loan 4½s 50	97	....
American Loan 4½s 58	97	....
Buhner Fertilizer 5s 54	97	....
Ch of Com Bldg 4½s 61	96	....
Citizens Ind Tel 4½s 61	103	....
Columbia Club 2½s 55	85	....
Consol Fin 5s 66	97	....
Hamilton Mfg Co 6s 56	97	....
Hoosier Crown 5s 56	97	....
Indpls Brass & Alum 5s 56	97	....
Indpls P&L 2½s 70	105½	107
Indpls Railways Co 5s 67	85	90
Ind Asso Tel Co 5s 75	104	....
Investors Telephone 3s 61	96	99
Kuhner Packing Co 4s 54	99	....
N Ind Pub Serv 2½s 75	105	107
Pub Serv of Ind 3½s 75	105½	107½
Pub Tel 4½s 65	100	....
Williamson Inc 5s 55	97	....
Trac Term Corp 5s 57	94½	96

*Ex-dividend.

STRIKE STOPS FLOW OF FUEL FOR INDUSTRY

Britain Barely Producing Enough to Meet Its Consumption.

By LUDWELL DENNY
Scripps-Howard Staff Writer

LONDON, Nov. 27.—The United States coal strike comes like a clap of doom to Europeans facing a cold winter. They had been counting on American supplies as a bare margin to see them through, and they have nowhere else to turn.

Mr. Denny

This blow is all the harder to take because it comes on the heels of American shipping strikes which cut off the flow of supplies in this direction. These losses cannot now be made up completely when most needed this winter.

The mine shutdown affects all three commodities on which European recovery depends most—coal, food and steel. All Europe will be hit, as well as India and the Far East.

Stockpiles Exhausted

Europe is dependent on American coal because its own major sources, British, German and Polish are greatly hampered.

While Britain is anxious to export coal as formerly, her sick industry barely is producing enough for the curtailed domestic consumption of 3,500,000 tons weekly.

Stockpiles are exhausted, with industrial reserves ranging from three weeks' down to one week's supply. Railroads are limited, electricity and gas to consumers sporadically is cut off in London and elsewhere.

Because the fuel shortage slowed down steel production here, jeopardizing other industries, Britain has been negotiating purchase from America of 2,000,000 tons of raw and semi-finished steel.

Retards British Industry

Now the British have been informed they could get little or no American steel during the next year. This not only will retard British industry but also continental countries depending on British finished products.

In the bombed-out German Ruhr—European's chief coal and steel source—the mine otuput is less than half the requirement. This has paralyzed steel production upon which not only the British but the American zone's recovery is dependent.

Cutting off coal, coke and power exports from the Ruhr and the Rhineland already is having serious effects in France, The Netherlands and Belgium.

France Short of Fuel

France is so short of fuel and power she is cutting off electricity two days a week.

Polish mines are retarded by lack of machinery and especially by the transportation bottleneck. This affects eastern Europe and Scandinavia.

So anything that reduces or slows down American coal shipments to Europe increases suffering, exposure and disease, while at the same time crippling industrial recovery by which Europe could help itself.

'GIFTS FOR YANKS' DRIVE IS PLANNED

The American Legion again this year will conduct a Christmas drive to obtain "Gifts for Yanks Who Gave."

Commander W. I. Brunton, Scottsburg, of the Indiana department, yesterday asked the public to contribute gift packages to collection centers to be announced later. Deadline for collection of these gifts will be Dec. 14.

John Samulowitz, Mrs. John A. Noon and Mrs. Louise Murphy will head the joint Legion-auxiliary state committee for the drive.

Books, stationery, games, toiletries, articles of apparel and smoking accessories are among gift suggestions.

HOOSIER FAIR DATES TO BE SET JAN. 6-8

WASHINGTON, Nov. 27.—The P.).—Arrangements for 46 Hoosier county fairs will be made at the 27th annual meeting of the Indiana Association of County and District Fairs in Indianapolis Jan. 6-8.

Vice President William Thomas Jr., said today that Governor Gates would be asked to deliver the principal address at the meeting. The board of directors of the organization met here yesterday to plan the annual session.

TRUCK WHEAT

Indianapolis flour mills and grain elevators are paying $2.14 per bushel for No. 1 red wheat (other grades on their merit); corn, new, No. 2 yellow, $1.20 per bushel, and No. 2 white, $1.40 per bushel; oats testing 34 pounds or better, 80c per bushel; No. 2 yellow soybeans, 14 per cent moisture, $2.45 per bushel.

U. S. CONTINUES FIGHT AGAINST FOOD BOARD

WASHINGTON, Nov. 27 (U. P.).—The United States is continuing its campaign to sidetrack proposals for a world food board in favor of a system of multi-nation agreements covering food and other commodities.

Its latest move against the food board idea came Monday when it suggested instead a temporary committee which would lay the groundwork for any international commodity agreements that may be needed later.

At the same time, this country emphasized that it believes such agreements ultimately must come under the jurisdiction of the international trade organization rather than the United Nations food and agriculture organization (FAC).

A FAC preparatory commission on world food proposals is now meeting here. The U. S. proposal was outlined to it by Leslie Wheeler, acting chief of the American delegation.

LOCAL PRODUCE

PRICES FOR PLANT DELIVERY

Poultry: Hens, 4½ lbs. and over, 27c; under, 23c; Leghorn hens, 23c; 1946 springs, friers, broilers and roasters, 30c; Leghorn springs, 30c; roosters, 16c; ducks, 10c; geese, 10c; No. 2 poultry, 4c less than No. 1.

Butterfat: No. 1, 83c; No. 2, 80c.

Eggs: Current receipts, 54 lbs. to case, 42c; grade A large, 52c; medium, 43c; grade B large, 40c; no grade, 25c.

Local Livestock Market

GOOD TO CHOICE HOGS (10,025)

Butchers	
120- 140 pounds	$24.00
140- 160 pounds	24.00
160- 180 pounds	24.00
180- 200 pounds	24.00@24.15
200- 220 pounds	24.00@24.25
220- 240 pounds	24.00@24.25
240- 270 pounds	24.00@24.25
270- 300 pounds	24.00@24.15
300- 330 pounds	24.00
330- 360 pounds	24.00
Medium—	
160- 220 pounds	23.00@24.00
Packing Sows	
Good to Choice—	
270- 300 pounds	22.50@23.00
300- 330 pounds	22.50@23.00
330- 360 pounds	22.50@23.00
360- 400 pounds	22.50@22.75
Good—	
400- 450 pounds	22.25@22.75
450- 500 pounds	22.00@22.50
Medium—	
90- 120 pounds	20.00@22.00
Slaughter Pigs	
Medium to Good—	
90- 120 pounds	21.50@23.00

CATTLE (1900)

Choice—	
700- 900 pounds	23.00@30.00
900-1100 pounds	23.50@30.00
1100-1300 pounds	24.00@32.00
1300-1500 pounds	24.00@32.00
Good—	
700- 900 pounds	18.00@23.00
900-1100 pounds	18.00@23.50
1100-1300 pounds	19.00@24.00
1300-1500 pounds	19.50@24.00
Medium—	
700-1100 pounds	14.50@19.00
1100-1300 pounds	15.00@19.00
Common—	
700-1100 pounds	11.50@15.00
Heifers	
600- 800 pounds	22.50@27.00
800-1000 pounds	22.50@27.00
Good—	
600- 800 pounds	17.50@22.50
800-1100 pounds	17.50@22.50
Medium—	
500- 900 pounds	14.00@17.50
Common—	
500- 900 pounds	11.50@14.00
Cows (all weights)	
Good	13.50@16.00
Medium	12.00@13.50
Cutter and common	9.50@12.00
Canner	8.00@ 9.50
Bulls (all weights)	
Beef—	
Good (all weights)	15.00@16.00
Sausage—	
Good	14.00@15.00
Medium	12.00@14.00
Cutter and common	9.50@12.00
CALVES (400)	
Good and choice	25.00@27.00
Common and medium	14.50@24.50
Culls (75 pounds up)	9.00@14.50
Feeder and Stocker Cattle and Calves	
Steers	
Choice—	
500- 800 pounds	16.50@17.50
800-1050 pounds	16.50@17.50
Good—	
500- 800 pounds	14.00@16.50
800-1050 pounds	14.00@16.50
Medium—	
500-1000 pounds	12.50@14.00
Common—	
500- 900 pounds	10.00@12.50
SHEEP (1500)	
Lambs	
Choice (closely sorted)	24.00
Good and choice	21.50@23.50
Medium and good	16.50@21.00
Common	13.00@16.00
Ewes (Shorn)	
Good and choice	6.50@ 8.00
Common and medium	5.50@ 6.50

BOARD STUDIES SEWAGE FEES

Charge Would Affect 28 Outside City Limits.

The board of works yesterday set machinery into operation to assess residents and industries outside of the city limits whose sewage lines connect with the municipal system.

Service fees recommended by Thomas R. Jacobi, city engineer, and H. W. Frazier, sanitation plant superintendent, and approved by the board were:

ONE: $6 per year for individual families.

TWO: $44 per year per million gallons of sewage for commercial users.

Mr. Jacobi suggested that the rates be so established that they may be revised annually "if necessary."

It was expected that the service charge will be placed in effect Jan. 1, 1947.

28 Use Facility

The plan was drawn up after the city determined "many property owners connected to the public sewer system have not contributed to the cost of sewer maintenance."

An uncompleted survey of areas near the corporate limits of Indianapolis revealed that 28 residences and industrial plants connect to the city sewage system. These units have not been paying for the service, according to Mr. Jacobi.

Under the new setup several government owned industries will not be charged for the service. They are plants 5 and 6 of Allison's, the Bridgeport Brass Co., and the housing and aviation installations at Stout field.

NEW SAVINGS BOND CAMPAIGN TO OPEN

Bankers and industrialists from 40 central Indiana counties yesterday launched plans for a concerted effort to successfully end the state's 1946 savings bond selling campaign.

Unless purchases of bonds increase greatly in November and December, Indiana will fall nearly $20,000,000 short of its $220,000,000 goal in 1946, Orville Maxwell, state director of the treasury department savings bonds division told more than 100 leaders at a luncheon at the Columbia club.

"About 50 per cent of the people don't even know E, F and G bonds are still on sale," Mr. Maxwell asserted.

A member of President Truman's decontrol board, Daniel Bell, former undersecretary of the treasury and now president of the American Security and Trust Co. in Washington, urged the employers and bankers to introduce to their employees and customers the pay roll deduction plan for the purchase of savings bonds.

FINANCE MEN WILL HEAR VAN ORMAN

F. Harold Van Orman, former lieutenant governor of Indiana, will address the Hoosier Association of Finance Companies at its 21st annual meeting, Monday and Tuesday in the Lincoln hotel.

Other speakers for the two-day conference include C. Floyd Brunton, Motor Financing Corp., Lafayette; Thomas W. Rogers, American Finance Conference, Chicago; Laurence M. Jeger, Wisconsin Association of Finance Companies, Milwaukee, and Leland K. Fishback, Indiana Petroleum Industries committee, Indianapolis.

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INDICT 4 PERSONS, FIRM IN SWINDLE

NEW YORK, Nov. 27 (U. P.).—W. Arthur Nickel, a $64-a-week cashier, three other persons and one corporation were indicted yesterday by a Kings county grand jury on charges of grand larceny and forgery in the embezzlement of $780,000 from the Mergenthaler Linotype Co.

The four individuals and the corporation were indicted on a total of approximately 470 counts of grand larceny and forgery. The four individuals were held in a total of $750,000 bail. They pleaded innocent.

The four persons indicted were Nickel, who was held in $150,000 bail; Isadore Rappaport, 55, president of the Ultima Optical Co., held in $250,000 bail; Irving (Izzie the Eel) Cohen, 45, held in $100,000 bail, and Julius Lobel, who also uses the name of Jimmy Collins, held in $250,000 bail.

PERMIT FOR TOURIST HOTEL IS PROTESTED

More than 200 property owners east of Sheridan ave. on E. Washington st. filed a petition in superior court 5 yesterday appealing from the decision of the city zoning board which granted Drive-In Hotels, Inc., permission to erect a $250,000 tourist hotel project.

The petition protested that proposed erection of these tourist hotels at 6221-6401 E. Washington st. would violate a zoning ordinance designed to protect residential property in that area.

COMMUTER FLIGHTS PLANNED BY AIRLINE

Eastern Air lines today announced the institution of a series of commuter flights between Indianapolis, Chicago and Louisville.

The new schedules utilizes DC-3, 21-passenger equipment and will provide one-day round trip service.

Three daily flights to Chicago have been added, departing Indianapolis at 1:50 p. m., 5 p. m. and 10:25 p. m. Two additional schedules to Louisville depart at 8:41 a. m. and 8 p. m.

Four return flights from Chicago to Indianapolis are scheduled at 7:30 a. m., 12:15 p. m., 3:30 p. m. and 6:45 p. m. A new flight also has been added from Louisville leaving at 9:30 p. m. and arriving here at 10:18 p. m.

This is not an Offering Prospectus. The offer of this Preferred Stock is made only by means of the Offering Prospectus. This is published on behalf of only such of the undersigned as are registered dealers in securities in this State. These securities, though registered, have not been approved or disapproved by the Securities and Exchange Commission, which does not pass on the merits of any registered securities.

1,000,000 Shares

General Motors Corporation

Preferred Stock—$3.75 Series
(Without Par Value)

The Preferred Stock—$3.75 Series and the outstanding Preferred Stock—$5 Series rank equally and are identical in all respects except as to the dividend rate and the amount payable upon the exercise of the right to redeem.

Redeemable, at the option of the Board of Directors of the Corporation, in whole or in part, on any dividend date on not less than 30 days' notice at the following prices and accrued dividends: on or before November 1, 1951 at $105 a share; thereafter on or before November 1, 1956 at $104 a share; thereafter on or before November 1, 1961 at $103 a share; thereafter on or before November 1, 1966 at $102 a share; thereafter on or before November 1, 1971 at $101 a share; and thereafter at $100 a share.

The Corporation will make application for the listing of this Preferred Stock on the New York Stock Exchange.

The following is the Corporation's brief outline of certain information contained in the Offering Prospectus and is subject to the more detailed statements in the Offering Prospectus and the Registration Statement, which include important information not outlined or indicated herein. The Offering Prospectus should be read prior to any purchase of this Preferred Stock.

THE CORPORATION — *The Corporation, incorporated in Delaware in 1916, is primarily an operating company principally engaged in the manufacture, assembly and sale of automotive vehicles, parts and accessories. It also manufactures and sells household appliances, Diesel engines and locomotives, airplane engines and other products. A major portion of its automotive products is sold directly to retail dealers. Operations are carried on in Canada through subsidiaries and in other foreign countries through the Overseas Operations Division and various subsidiaries.*

The Corporation has in the U. S. 57 plants in its automotive operations, 27 in its parts and accessories operations, 2 in its household appliance operations, 8 in its Diesel and airplane engine operations and one in its miscellaneous operations. Of the foregoing, 13 are being constructed and 7 are leased. Construction of 2 additional plants has been deferred. Subsidiaries have 25 plants in 17 foreign countries.

LONG-TERM DEBT AND CAPITALIZATION	Outstanding As of June 30, 1946	Outstanding Adjusted for New Financing
2½% Promissory Notes (authorized $125,000,000; issued Aug. 1, 1946)		
Series A, maturing Aug. 1, 1966	None	$ 29,000,000
Series B, maturing Aug. 1, 1976 ($1,920,000 to be prepaid annually on each Aug. 1, from 1952 to 1975)	None	96,000,000
Total 2½% Promissory Notes	None	$125,000,000
Capital Stock		
Preferred, without par value (authorized 6,000,000 shares)		
$5 Series, stated value $100 a share (issued, 1,875,366 shares; less in treasury, 39,722 shares; outstanding, 1,835,644 shares)	$183,564,400	$183,564,400
$3.75 Series, stated value $100 a share (1,000,000 shares authorized but unissued)	None	100,000,000
Common, $10 par value (authorized 75,000,000 shares; issued, 44,104,340 shares, in which total are included 7,950 shares held in treasury and carried in a special account designated for bonus purposes)	441,043,400	441,043,400
Total Capital Stock	$624,607,800	$724,607,800

Note: The Corporation unconditionally guarantees principal and interest of loans of subsidiaries up to £675,000 South African and £2,600,000 Australian.

PURPOSE OF ISSUE — *The net proceeds ($97,755,000 after expenses) will be added to the Corporation's general funds and will be used from time to time for corporate purposes as the management determines. To meet anticipated postwar demands for its products, the Corporation has under way a program for modernization and expansion of its existing facilities, construction of new units and additions to working capital. The present program is under constant revision to conform to changing conditions, but as presently estimated may approximate $590,000,000 for plant facilities and equipment in the U. S. of which $290,000,000 was expended through September 1946. If additional funds are required for this or other purposes, the Corporation may provide them out of cash resources, from the sale of additional securities or from borrowings.*

EARNINGS — *The following condensed summary of sales and earnings of the Corporation and consolidated subsidiaries has been prepared by the Corporation and reviewed by Haskins & Sells, certified public accountants, and is subject to the financial statements and summary of earnings in the Offering Prospectus together with the notes thereto.*

Year Ended Dec. 31	Net Sales (A)	Other Income Less Income Deductions (B) (C)	Costs of Doing Business, Excluding Income Taxes (A)	Provision for Income and Excess Profits Taxes	Provision for Extraordinary Contingencies	Net Income (C)
1936	$1,439,289,940	$43,922,896	$1,201,122,784	$ 43,607,627	$.....	$238,482,436
1937	1,606,789,841	32,077,992	1,393,324,100	49,107,135	.....	196,436,598
1938	1,066,973,000	22,751,680	959,534,339	28,000,334	.....	162,190,007
1939	1,276,828,337	24,056,632	1,162,742,557	44,552,190	10,000,000(D)	188,290,222
1940	1,794,936,642	33,444,078	1,492,731,258	125,027,741	15,000,000(D)	196,621,731
1941	2,436,800,977	39,077,708	1,967,138,655	290,488,878	16,598,844(E)	201,653,598
1942	3,250,548,859	35,001,456	1,997,361,597	100,650,816	23,986,215(E)	163,051,860(F)
1943	3,796,115,800	23,555,680	2,283,064,432	261,240,114	35,406,240(E)	140,780,098
1944	4,262,249,473	13,868,095	2,533,693,853	370,427,849	.....	170,996,965
1945	3,127,934,888	24,606,954(G)	2,984,407,904	35,522,978	43,747,235*(E)	188,908,115
1946 (Not Audited)						
1st Qtr.	$ 74,950,618	$ 697,913	$ 169,583,535	$ 2,395,891*	$ 5,414,430*(E)	$ 36,124,669†
2nd Qtr.	417,310,182	3,204,742	446,609,915	26,697,091*	15,718,473*(E)	16,250,973
3rd Qtr.	622,618,885	2,139,918†	599,736,984	3,902,830*	9,171,647*(E)	33,826,400
1st 9 Mos.	$1,114,879,685	$ 1,762,737	$1,215,930,434	$ 32,995,812*(H)	$30,304,570*(E)	$ 14,012,270

Aggregate annual dividend requirements on Preferred Stock—$5 Series and $3.75 Series will amount to $12,928,230.

**Credit. †Loss. (A) Refunds of profits on war contracts under Renegotiation Act of 1943 for 1943, 1944, and 1945 (none required for 1946) are included in Costs of Doing Business. (B) Other Income includes equities in undistributed profits of subsidiaries not consolidated. (C) Income excludes certain profits realized abroad but not remitted to the U. S. (D) Represent provisions for special contingency reserve provided in view of conditions abroad. $31,979,064 was applied together with other reserves in 1943 in write-off of certain foreign investments of $46,913,679. (E) Provisions in 1941, 1942 and 1943 are for a reserve for postwar contingencies and rehabilitation. Credits in 1945 and 1946 represent restoration of reserve to income to offset costs of postwar reconversion. (F) Includes $31,189,475 income items of special nature of which $88,906,475 represents reduction in 1941 U. S. tax provision due to write-off in 1943 of certain foreign investments. (G) Includes $13,967,787 profit (before taxes) from sale of stockholdings in National Bank of Detroit. (H) Basis of accruing credits for 1946 U. S. taxes is set forth in the Offering Prospectus.*

NEW PREFERRED STOCK — *The Preferred Stock—$3.75 Series (1,000,000 shares authorized) is entitled to receive cumulative dividends of $3.75 per annum, payable quarterly in preference to any dividends on Common Stock; has no voting rights except upon sale of assets or as otherwise required by law, and except upon default in payment of dividends continuing for six months when the Preferred Stock as a class shall have the right to elect one fourth of the Board of Directors; is entitled to $100 a share and accrued dividends on liquidation; and upon issuance and payment will be fully paid and non-assessable. The Corporation agrees that, without the consent of the holders of three fourths of the shares of Preferred Stock as a class, the Corporation will not mortgage or pledge, with certain exceptions, the whole or any part of its property and will not permit any of its consolidated subsidiaries so to do.*

UNDERWRITING — *Subject to certain conditions, the Underwriters, named in the Offering Prospectus, have severally agreed to purchase this Preferred Stock at $98 a share, or a total of $98,000,000, and accrued dividends. Such shares are to be offered to the public at $100 a share, or a total of $100,000,000, and accrued dividends. The underwriting discounts are $2.00 a share, or a total of $2,000,000.*

Price $100 a Share
and accrued dividends

The Underwriters have agreed to purchase these shares when, as and if issued and subject to the approval of Davis Polk Wardwell Sunderland & Kiendl, counsel for the Underwriters and to certain further conditions. It is expected that delivery of certificates for these shares will be made on December 3, 1946, against payment therefor in New York funds at the office of J. P. Morgan & Co. Incorporated.

TO FACILITATE THE OFFERING, IT IS INTENDED TO STABILIZE THE PRICE OF THE NEW PREFERRED STOCK. THIS STATEMENT IS NOT AN ASSURANCE THAT THE PRICE OF THE NEW PREFERRED STOCK WILL BE STABILIZED OR THAT THE STABILIZING, IF COMMENCED, MAY NOT BE DISCONTINUED AT ANY TIME.

Further information, particularly financial information, is contained in the Registration Statement on file with the Commission, and in the Offering Prospectus which must be furnished to each purchaser and is obtainable from only such of the undersigned as are registered dealers in securities in this State.

MORGAN STANLEY & CO.

BLYTH & CO., INC. — THE FIRST BOSTON CORPORATION — GOLDMAN, SACHS & CO.

HARRIMAN RIPLEY & CO. Incorporated — SMITH, BARNEY & CO. — KIDDER, PEABODY & CO.

LAZARD FRERES & CO. — STONE & WEBSTER SECURITIES CORPORATION

UNION SECURITIES CORPORATION — INDIANAPOLIS BOND AND SHARE CORPORATION

Dated November 27, 1946.