

Annual Report

THE EAGLE-PICHER LEAD COMPANY
AND SUBSIDIARIES

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Annual Report

THE EAGLE-PICHER LEAD COMPANY AND SUBSIDIARIES

TO THE STOCKHOLDERS OF
THE EAGLE-PICHER LEAD COMPANY:

The annual report of your Company for the fiscal year ended November 30, 1942 is submitted herewith, together with financial statements as reported upon by Messrs. Barrow, Wade, Guthrie & Company, Accountants and Auditors.

It is worthy of note that the year 1943 is the one-hundredth anniversary of the inception of your Company. During this long period of its existence, it has survived and prospered during many varying phases of several cycles of industrial history. In this report to its present 5284 shareholders (of whom 1779, or approximately 37%, or three-eighths, are women) it is the purpose of the Management to give an accounting of its stewardship during the past year; an intimation of the problems which have confronted your Company; and the steps taken to surmount those problems and prepare for even greater tests of resourcefulness.

On every hand is being heralded the outstanding accomplishments of industry in converting to war production. Complete conversion would have been extremely difficult for your Company, as the bulk of its facilities are not readily convertible or adaptable to uses other than those for which originally designed. Fortunately, however, extensive conversion was not necessary as the great majority of our products continue to be in demand in their normal form. We are frequently asked what percentage of our business flows into war channels. In the broad sense, we hold that substantially all falls within that category. It will be recognized that this unquestionably applies to our mining and smelting activities. The every effort of that portion of your organization is being directed to maintaining production of that critical metal zinc—so indispensable, in alloy with copper to form brass, to continuing the flow of munitions to far-flung fighting fronts. The end usage of processed and fabricated products is not so clearly definable, but even here there is every justification for assuming that they largely find their way into war matériel. We are a large producer of oxides for electric storage batteries, so essential to the functioning of airplanes, submarines, signal devices and all forms of automotive equipment. Other types of oxides are used in large quantities by the Chemical Warfare Service, in various formulations; and by the Navy Department. Rust-inhibitive paints, compounded from pigments of our manufacture, protect ships from the ravages of corrosion. Other protective coatings—including EAGLE White Lead—are used in large volume in cantonments, war plants, and throughout the military establishment. Our insulation products are in wide demand in shipbuilding—both naval and merchant marine; in the construction of synthetic rubber and high-octane gasoline plants; and—by no means of least importance—in conserving much-needed fuel through the insulation of homes, factories and institutions.

The entire personnel of your Company shared in the year's accomplishments. While your executive officers laid out general policies, these policies could not have been brought to successful fruition without the whole-hearted cooperation of divisional and plant managers, production superintendents and foremen, research and control chemists, accounting and clerical staff and—on the industrial firing line—the men in mines, mills, smelters and on furnaces and other processing equipment. The sales force made its contribution in securing an essential volume of permitted civilian goods and maintaining the position of your Company in the respective industries and applied its technical talents

in assisting consumers to make the most efficient utilization of our many products. All of these men and women well merit recognition.

In order to facilitate and intensify studies of post-war problems, including product and process research and production and engineering design, our Research and Engineering Departments were reorganized during the year and consolidated in a Technical Division. The appropriation for the Research Department was increased in 1942 and a further increase has been made in the appropriation for the 1943 fiscal year. The program for this department includes many new assignments designed to improve manufacturing processes, extend end usages of present products and develop new products. Its past successes have brought wide recognition to your Company and lead us to look with confidence for further profit-producing developments. The Engineering Department has been given the assignment of studying production methods and facilities to the ultimate end of relocating and redesigning plants for maximum efficiency.

With the purpose of retaining the generous customer-acceptance now enjoyed by our products and creating equal acceptance for new products in our present lines—or in whatever new lines of endeavor we may engage—we are continuing established advertising policies. For the duration of the war, a larger portion of the total appropriation is being devoted to institutional or good-will publicity, rather than to advertising specific products; and a modest sum has been allocated to export journals serving, principally, the South American countries.

All of the foregoing plans are predicated on the proposition that the American people are cognizant of the magnificent response of industry to the war demands; that our system of free enterprise will endure; and that industry will rise with equal vigor to the responsibilities of peace.

EARNINGS AND SALES

As a result of the change in the fiscal year of the Company from December 31 to November 30, which became effective January 1, 1941, the operations of the current year are compared with a preceding eleven-months period. However, no great distortion results from this comparison and, hence, the figures of the preceding period have not been adjusted to a directly comparable basis. Consolidated net profit for the current year, after all charges, including depletion and depreciation, taxes and the appropriation of an additional \$500,000 to a reserve for future decline in inventory values, was \$1,250,173.40 or \$1.37 per share on common stock outstanding at the close of the year, after providing for preferred dividend requirements, as compared to \$1,423,666.26 or \$1.56 per share for the eleven-months ended November 30, 1941.

Government control of the prices of strategic metals has been effective throughout the year under review. The price of zinc at East St. Louis, established at \$8.25 per cwt. in October, 1941, has remained constant. Lead, which was priced at \$5.85 per cwt. New York at the beginning of the fiscal year, was advanced to \$6.50 in January, 1942, and has continued at that level to the present date.

Net sales for the year amounted to \$40,272,000, equivalent to a monthly average of \$3,356,000, which very closely approximated the corresponding average of \$3,340,000 for the preceding eleven-months' period. Aggregate sales tonnage for the current year was approximately 7¾% less than for the fiscal period ended November 30, 1941. The increase in sales realization, despite the decline in tonnage, resulted from receiving full benefit in 1942 of price increases granted in the latter part of 1941; the advance of \$13 per ton in the price of lead, which became effective in January, 1942; and premium payments on over-quota mine production.

The Northeast Oklahoma Railroad Company, a wholly owned subsidiary, had a net income, after all charges, including interest of \$13,440 on obligations owned within the consolidated group, in excess of \$240,000, in comparison with \$127,000 for the preceding period.

DEPLETION AND DEPRECIATION

Charges for depletion and depreciation amounted to \$2,713,230.73 for the year under review, in comparison with \$1,632,160.32 for the preceding period. Charges in respect of abandoned projects,

prospecting expenses and loss on retirement or sale of capital assets, for the corresponding periods, aggregated \$562,247.47 and \$285,174.58, respectively. The substantial increase in these items seems to merit explanation.

As previously mentioned, the demand for zinc has been insistent throughout the year. As an incentive to increase production, Metals Reserve Company, a governmental agency subsidiary to Reconstruction Finance Corporation, inaugurated as of February 1, 1942, a schedule of bonus payments on production in excess of quotas established by the Agency. Substantial increase in your Company's production was not possible, but your Management directed every effort to maintaining previous production schedules and, to date, has been successful in this endeavor. However, this necessitated reaching into lower grade ores and full employment of mining, milling and smelting facilities—even beyond rated capacities. As a result, depletion allowances, on previously established bases, have been larger; and provision has been made in the accounts and will be claimed in tax returns for accelerated depreciation of physical equipment.

Charges during the current year for exploration and prospecting amounted to \$439,172.91; and losses on sale or retirement of fixed assets, to \$123,074.56. The increase in the former item is likewise related to the effort to maintain ore production, in that it became necessary to develop reserves far beyond normal requirements and schedules; and, to that end, prospecting was extended farther from areas of normal operations and into deposits of known lower grade. Losses on sales and retirements represent, in part, disposition of lands and leases mined out or determined to be barren; and, in part, result from cooperation in the drive to obtain iron and steel scrap in sufficient supply to maintain steel production at peak capacity. In connection with the latter program we dismantled and scrapped some equipment that, under other conditions, would have been retained for replacement or stand-by purposes.

TAXES

Taxes paid and accrued during the current year were approximately \$2,556,000, in comparison with \$2,090,000 in 1941. Provision for Federal and State Taxes on Income increased \$500,000, while other types of taxes declined slightly. Favorable progress was made during the year in reaching an agreement with the Treasury Department upon depletable and depreciable bases and rates with respect to mining, milling and smelting properties. Tax liability for years to December 31, 1939, if any, is negligible. The Federal Excess Profits Tax became effective January 1, 1940. We consulted with competent counsel in computing invested capital and feel that the amount so arrived at meets the requirements of the law and regulations; however, the returns for 1940 and 1941 have not yet been examined. Estimation of liability under the 1942 Act is difficult because of the unavailability of regulations thereunder. In the opinion of the Management and its tax counsel, the provision made should prove adequate to the maximum potential liability.

Reference is made, in an explanatory note following the financial statements, to the provisions of the War Profits Control Act. Your Management feels that your Company, as part of its contribution to the war effort, has an obligation to handle all war orders at a margin of profit which will be recognized as fair and moderate. In our opinion, profits on business even remotely related to the war have in no case been excessive.

DIVIDENDS

Dividends have been regularly paid during the year on the Company's 6% cumulative preferred stock, and 60¢ per share was declared and paid on the common stock. It is the desire and aim of your Management to establish the common stock on a recognized regular dividend basis; and, to avoid thereby wide market fluctuations reflecting corresponding variations in yield.

BALANCE SHEET

Net working capital at November 30, 1942, as reflected by the excess of current assets over the aggregate of current liabilities and deferred indebtedness, amounted to \$5,033,334.39, in comparison with \$2,916,255.72 at November 30, 1941.

The cash position of the Company continues satisfactory, a major contributing factor being the prompt liquidation of receivables. So long as present conditions persist, the receivables balance will be abnormally low in relation to sales volume. Inventories of ores, metals and metal-bearing products showed an insignificant increase in tonnage at the year-end, but the values of such inventories increased substantially, reflecting replacement on a rising market. Inventories are being watched closely and every effort is being exerted to keep them at a minimum and thereby reduce the hazard of losses resulting from a sudden and sharp price decline. However, it is very difficult to balance inventories and production with sales in the face of violent fluctuations in the requirements of governmental departments and industries engaged in supplying war needs. Unrealized appreciation such as is represented by the aforementioned increase in values can vanish in a declining market even more rapidly than it builds up in a rising market. To provide for this contingency, your Management deemed it desirable to establish a reserve thereagainst. Such a reserve was initiated in 1941 by the appropriation of \$500,000 from earnings of that fiscal period. From the earnings of the current fiscal year, a like amount has been appropriated, so that, at November 30, 1942, the accumulated reserve amounted to \$1,000,000, which closely approximates the appreciation represented by the increase in metal inventory values since December 31, 1940. However, the mere establishment of such a reserve does not of itself insure accumulation and availability of liquid funds in a corresponding amount. Hence, it is the intention of Management, as a matter of conservative financial policy and as and when possible, to segregate cash or liquid assets equivalent to this reserve.

Net income of the current year—before provision of \$2,713,230.73 for depletion and depreciation; and the appropriation of \$500,000 to inventory reserve, all of which have been commented upon hereinbefore—amounted to \$4,463,404.13. Of this amount, \$1,398,663.68 was applied in reduction of bank and purchase money indebtedness; \$1,728,286.59 was expended in the development of additional ore reserves, in bringing new mines into production and reconditioning previously abandoned workings and in plant extensions, improvements and replacements; and \$565,879.60 was disbursed in dividends to preferred and common shareholders. The foregoing amounts total \$3,692,829.87, leaving a balance retained in the business of \$770,574.26, which is reflected in increased working capital and in other working assets required in the conduct of the Company's operations. It will be recognized that large sums are needed in financing increased requirements for wages, materials, taxes, etc.

MINING AND SMELTING OPERATIONS

In the preceding paragraph mention is made of the amount of \$1,728,286.59 in respect of capital expenditures. Of this amount, \$196,716.37 represents expenditures on fabricating and processing plants and equipment, leaving \$1,531,570.22 applicable to mining and smelting facilities and services supplemental thereto. This latter amount may be summarized as follows:

Developing and equipping new mines and reconditioning previously abandoned properties.....	\$1,125,920.87
Expanding concentrating mill facilities.....	186,974.69
Expanding smelting facilities and extending processes.....	80,836.07
Purchases of additional rail and automotive equipment.....	98,584.47
Miscellaneous equipment.....	39,254.12

In the annexed Balance Sheet will be found an item "Investment in and advances to subsidiary not consolidated—\$268,374.16", which reflects the cost of acquiring extensive mining lands, leases and rights in the vicinity of Taxco, State of Guerrero, Republic of Mexico; and of development work to date. The area in which these operations are being conducted has produced very large quantities of gold and silver over a period of centuries. It is highly mineralized and the existence of base metals in paying quantities and of commercial grade was strongly indicated. Exploration to date has confirmed these indications to a degree far exceeding our expectations. We originally investigated this territory just as one phase of a broad and routine program which we are carrying on constantly and

which extends to many sections of the United States—a program designed to develop new ore reserves to replace the annual depletion of present reserves—and did not intend to bring the properties into immediate production. However, the war demand for zinc—which is the predominant metal in these Mexican ores—has moved governmental agencies of the United States to urge that these properties be developed and brought into production with the utmost expedition. Negotiations with these agencies have been under way for some time and it is expected that they will culminate in the execution of a contract for purchase by the Government of the zinc production from these properties.

In pursuance of national policy and in the interest of national security, the usual statistics on mine and metal production are omitted from this report.

LABOR RELATIONS

The disposition of a shrinking labor pool is so much in the public eye at present that it seems in order to devote a section of this report to the situation as it relates to your Company. Obviously, an adequate supply of labor is essential to sustaining maximum production of strategic minerals. Maintaining such an adequate supply, however, has been exceedingly difficult in the face of requirements under the Selective Service Act and competition from other war industries. The turnover of personnel in our companies has been heavy, as is best indicated by the fact that, of employees on the payroll at a recent date, over 35% had been in our employ less than one year. This has resulted in a reduction in efficiency and has demanded increased supervision. The effectiveness of this supervision is evidenced, in part, by a very satisfactory safety record, which—despite an increase in the number of employees—showed a decline of over 20% during the year.

In addition to its war production, the Company and its employees have given full support in other ways to the war effort. Nearly 800 employees of the Company are serving in the armed forces, many of them having seen active combat service. A voluntary war savings bond purchase plan was inaugurated by your Management long before the establishment of the national payroll allotment plan. Accomplishment under the voluntary plan was outstanding and it aroused much interest and favorable comment from industry and the Treasury Department. Nearly all of our units have now qualified under the Treasury sponsored plan and fly the "Minute Man" flag.

GENERAL

During the forthcoming year, mining and smelting operations will doubtless continue at capacity; and, with relatively minor exceptions, the outlook for the manufacturing divisions is favorable. Net income, however, will largely depend upon the extent to which it is determined that the cost of the war shall be currently defrayed through taxation.

It will be the purpose of your Management to conduct the business of your Companies so that they may enter the post-war period in a strong financial position, with efficient manufacturing operations and well-designed products. To this end—and to winning the war—the entire personnel of your Companies pledge their fullest measure of devotion.

For the Board of Directors,

JOSEPH HUMMEL, JR.
Chairman

JOEL M. BOWLBY,
President

CINCINNATI, OHIO
March 1, 1943

The common shares of the Company are dealt in on the New York Curb Exchange

THE EAGLE-PICHER LEAD CO
Consolidated Balance Sheets as of

ASSETS

CURRENT ASSETS:	NOVEMBER 30, 1942	NOVEMBER 30, 1941
Cash in Banks and on Hand	\$2,862,585.44	\$1,783,021.60
Accounts and Notes Receivable—Trade	\$3,856,879.48	\$4,832,052.28
Accounts and Notes Receivable—Other	174,366.98	161,788.47
	4,031,246.46	4,993,840.75
Less: Reserves for Doubtful Accounts and Notes	302,035.10	418,647.12
	3,729,211.36	4,575,193.63
U. S. Treasury Tax Anticipation Notes—at cost	139,148.80	50,006.00
Inventories of Raw Materials, Work in Process and Finished Products (including products on consignment to customers):		
Ores, Metals and Metal-bearing Products—valued at cost or market price of metal content, whichever was lower, plus manufacturing costs on Materials in Process and Finished Products	5,942,901.68	5,035,139.23
Other Products and Merchandise for Resale—at cost	547,370.88	688,620.62
	6,490,272.56	5,723,759.85
Manufacturing Supplies and Stores—at cost	672,444.99	619,683.85
	7,162,717.55	6,343,443.70
	13,893,663.15	12,751,664.93
OTHER ASSETS:		
Repair Parts, Maintenance Supplies, etc.	873,539.09	721,132.08
Employees' Expense Advances and Loans	27,787.16	24,400.79
Miscellaneous Accounts, Advances, etc.	17,173.21	69,514.84
Post-War Refund of Excess Profits Tax	19,000.00	937,499.46
	937,499.46	815,047.71
FIXED ASSETS:		
Mining Lands and Leases; Mills, Smelters and Fabricating Plants and Equipment; Railroad Properties; Pipe Lines; Automotive and Haulage Equipment; Warehouses; Furniture and Fixtures, etc. (including \$64,777.33 excess cost of acquisition over book value of net assets acquired)	33,124,403.21	32,240,784.84
Less—Reserves for Depletion, Depreciation, etc.	23,767,680.90	21,551,550.26
	9,356,722.31	10,689,234.58
Construction Work in Progress	496,239.87	393,648.20
	9,852,962.18	11,082,882.78
SELF-INSURANCE FUND SECURITIES:		
U. S. Government Obligations—at cost (Market value at November 30, 1942—\$163,021.81)	156,668.44	106,068.44
OTHER INVESTMENTS:		
Sundry Securities—at cost or estimated recoverable values	15,518.70	15,619.70
Investment in and Advances to Subsidiary not consolidated	268,374.16	283,892.86
	283,892.86	20,624.74
	36,244.44	
TREASURY STOCK—at cost:		
Preferred—65 Shares at November 30, 1942	2,330.75	2,330.75
Common—10,924 Shares at November 30, 1942	61,797.56	64,128.31
	64,128.31	110,781.73
	113,112.48	
PREPAID AND DEFERRED CHARGES:		
Prepaid Freight, Insurance, etc.	207,243.54	202,024.66
Royalty Advances	20,405.66	19,849.99
Other Deferred Charges	230,690.17	458,339.37
	458,339.37	275,556.59
	497,431.24	
PATENTS, GOODWILL, etc.	1.00	1.00
	1.00	1.00
	<u>\$25,647,154.77</u>	<u>\$25,402,453.02</u>

COMPANY AND SUBSIDIARIES

as at November 30, 1942 and 1941

LIABILITIES

CURRENT LIABILITIES:	NOVEMBER 30, 1942		NOVEMBER 30, 1941	
Bank Indebtedness		\$ 500,000.00		\$ 500,000.00
Purchase Money Obligation		813,750.00		898,663.68
Accounts Payable		1,266,369.05		1,362,871.69
Quarterly Dividend on Preferred Stock—payable Jan. 2, 1943		8,233.50		8,233.50
Dividend on Common Stock—payable December 15, 1942		266,722.80		265,972.80
Customers' Credit Balances		37,231.20		30,126.74
Accrued Liabilities:				
Taxes—other than taxes on income	\$ 247,096.13		\$ 229,902.94	
Wages and Salaries	338,338.59		297,526.69	
Compensation Awards, etc.	26,635.47		36,952.14	
Other Accrued Liabilities	83,045.12	695,115.31	170,247.27	734,629.04
Provision for Federal and State Taxes on Income (Note D)		2,069,469.40		1,517,724.26
		<u>5,656,891.26</u>		<u>5,318,221.71</u>
DEFERRED INDEBTEDNESS:				
Bank Indebtedness—balance at November 30, 1942 due:				
\$750,000.00 each in 1944 and 1945, \$1,000,000.00 in 1946				
and \$500,000.00 in 1947	3,000,000.00		3,500,000.00	
Purchase Money Obligation—balance at November 30,				
1942 due December 31, 1943	203,437.50	3,203,437.50	1,017,187.50	4,517,187.50
RESERVES FOR SELF-INSURANCE:				
Workmen's Compensation Liability	240,595.49		212,854.59	
Fire and Tornado Coverage	78,437.89	319,033.38	70,690.39	283,544.98
RESERVE FOR FUTURE DECLINE IN INVENTORY VALUES ..		1,000,000.00		500,000.00
CAPITAL STOCK:				
Preferred 6% Cumulative:				
Par Value \$100; redeemable at \$105:				
Authorized and Outstanding	5,554 shares....	555,400.00		555,400.00
Common—Par Value \$10:				
Authorized	1,000,000 shares....			
Issued and Outstanding	900,000 shares....	9,000,000.00	9,555,400.00	9,000,000.00
				9,555,400.00
SURPLUS:				
Capital Surplus	1,900,999.32		1,900,999.32	
Earned Surplus since January 1, 1935—per accompanying				
Statement	4,011,393.31	5,912,392.63	3,327,099.51	5,228,098.83
		<u>\$25,647,154.77</u>		<u>\$25,402,453.02</u>

THE EAGLE-PICHER LEAD COMPANY AND SUBSIDIARIES

Consolidated Statements of Profit and Loss and Earned Surplus FOR THE YEAR ENDED NOVEMBER 30, 1942 AND THE ELEVEN MONTHS ENDED NOVEMBER 30, 1941

	YEAR ENDED NOVEMBER 30, 1942	ELEVEN MONTHS ENDED NOVEMBER 30, 1941
NET SALES	\$40,272,209.48	\$36,742,186.87
PRODUCTION AND MANUFACTURING COSTS ..	<u>31,478,974.52</u>	<u>29,461,562.12</u>
GROSS OPERATING PROFIT—before Depletion and Depreciation	8,793,234.96	7,280,624.75
EXPENSES:		
Selling	\$ 973,523.56	\$ 887,064.18
Traffic, Warehousing and Shipping	300,770.85	289,726.46
General and Administrative	1,137,777.40	1,140,289.12
Bad Debt Provision—less Recoveries	<u>97,789.46</u>	<u>113,215.17</u>
	2,509,861.27	2,430,294.93
NET OPERATING INCOME—before Depletion and Depreciation:		
Mining and Manufacturing	6,283,373.69	4,850,329.82
Northeast Oklahoma Railroad Company	<u>567,697.95</u>	<u>334,845.07</u>
	6,851,071.64	5,185,174.89
OTHER INCOME:		
Royalties	179,975.63	125,981.48
Interest and Dividends	4,306.98	4,550.37
Miscellaneous	<u>25,984.00</u>	<u>15,190.24</u>
	210,266.61	145,722.09
	7,061,338.25	5,330,896.98
INTEREST ON INDEBTEDNESS	<u>135,686.65</u>	<u>89,895.82</u>
	6,925,651.60	5,241,001.16
DEPLETION, DEPRECIATION, etc.:		
Provision for Depletion and Depreciation— per books (Note B)	2,713,230.73	1,632,160.32
Abandoned Projects, Prospecting Expenses and Loss on Retirement or Sale of Capital Assets	<u>562,247.47</u>	<u>285,174.58</u>
	3,275,478.20	1,917,334.90
NET PROFIT—before provision for Federal and State Taxes on Income	3,650,173.40	3,323,666.26
PROVISION FOR FEDERAL AND STATE TAXES ON INCOME:		
Federal and State Income	955,000.00	635,585.00
Federal Excess Profits (less Post-War Refund Credit of \$19,000.00 in 1942.)	<u>945,000.00</u>	<u>764,415.00</u>
	1,900,000.00	1,400,000.00
NET PROFIT FOR PERIOD	1,750,173.40	1,923,666.26
APPROPRIATION TO RESERVE FOR FUTURE DECLINE IN INVENTORY VALUES	<u>500,000.00</u>	<u>500,000.00</u>
SURPLUS NET PROFIT	1,250,173.40	1,423,666.26
EARNED SURPLUS AT BEGINNING OF PERIOD	3,327,099.51	2,467,812.85
Dividends Paid and Accrued:		
Preferred	32,934.00	32,934.00
Common	<u>532,945.60</u>	<u>531,445.60</u>
	565,879.60	564,379.60
EARNED SURPLUS AT END OF PERIOD	<u>\$ 4,011,393.31</u>	<u>\$ 3,327,099.51</u>

EXPLANATORY NOTES

- A—*Funds Held as Agent for Metals Reserve Company*—The Eagle-Picher Mining and Smelting Company is accountable, as agent, for a fund amounting to \$288,178.90 at November 30, 1942, which it is disbursing for the account of Metals Reserve Company.
- B—*Provision for Depreciation*—Estimates of the remaining useful life of certain depreciable properties were revised during 1942, resulting in an increase of \$686,379.92 in the 1942 provision for depreciation over the corresponding provision computed on the basis previously employed.
- C—*Renegotiation of War Contracts*—Under the provisions of the War Profits Control Act, prices received for certain of the companies' products made or furnished in connection with war contracts may be subject to renegotiation and adjustment. There has been no indication to date that any such renegotiation is contemplated.
- D—*Federal Income Taxes*—Returns are subject to review by the Treasury Department in respect of The Eagle-Picher Lead Company and The Eagle-Picher Mining and Smelting Company for 1940 and subsequent years; and in respect of minor subsidiaries for 1939 and subsequent years.
- E—*Liability Under Order of National Labor Relations Board*—There have been no developments during the past year which will permit determination of the amount of the foregoing liability.