Final Edition

In 2 Sections — Section 1

The COMMERCIAL and FINANCIAL CHRONICLE

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WITH WHICH HAS BEEN COMBINED THE FINANCIAL REPORTER

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15 Good Reasons Why You Should Attend The NSTA Convention Down In New Orleans

If members need any reasons for attending what promises to be an all-time high in Conventions, the National Security Traders Association offers the following reasons for heading for New Orleans for September 23rd, 24th and 25th:

1. The Municipal Forum . . . Mr. Dave Wood of Thomson, Wood & Hoffman, New York, outstanding figure in the field of municipal law, speaking on "American Municipalities in Transition."

2. The Corporate Forum . . . Mr. William Duff, of Duff & Phelps, Chicago, national authority on public utility engineering and appraisal, discussing the "Evaluation of Public Utility Stocks."

3. The Business Meetings of the Association each morning . . . Everyone in Attendance is invited and urged to be present at these very educational gatherings.

4. The Personal Contact Feature . . . Where else can so many friendships he made and cultivated at one time?

5. Sazarac Cocktail Party . . . We moistened your tongue in Detroit last year; we'll quench your thirst this year.

6. Stag Dinner (special for the men) . . . A union of good fellowship, fun, and relaxation, a soothing balm for jangled nerves.

(Continued on page 108)

OUR REPORTER'S REPORT

But for the fact that the introduction of the competitive bidding, or auction method of selling public utility company securities, has created no little confusion in underwriting and distributing circles, opinion in banking quarters is that much of the potential refunding which still remains in the "discussion stage" would long since have materialized.

Now, however, despite the belief in some directions that refinancing by various components of the Electric Bond & Share aggregation is not likely to reach the point of actuality for some weeks, an-

(Continued on page 109)

Foreign Bond Defaults

Lack of proper coordination and intelligent planning is the obvious reason for the unholy mess into which the New Deal has plunged the defense program. There are many other spheres in which the Administration has blundered similarly during the last eight years, and not the least important of these is the business of foreign lending. Warren Lee Pierson, the able head of the official Export-Import Bank of Washington, adds a little to the written record on this subject is a "Report to the American People" concerning the institution.

Mr. Pierson discloses that the operational field of the official bank has been widened in recent months. Ever since the bank was organized in 1934 and liberally supplied with public funds, short-term credits have been extended to aid in the exportation of American products, when private banks found such business beyond their scope. Of much the same order has been the important business of extending medium-term credits to firms desiring to do an export business. In these two spheres the bank unquestionably has performed good service.

(Continued on page 109)

INDEX

"JOTTINGS"

It looks as though the life insurance industry may presently run into another political problem nearly as troublesome as the TNEC investigation—namely, the defense savings program. One of the TNEC ideological masterpieces was an attack on the companies, in Monograph No. 37, on the ground that the companies contributed substantially to the depression of the 1930's by drawing in a large volume of savings from policy-holders and then failing to return these to the flow of national income and purchasing power. It was ironic that this proved to be the last major expression of Washington's fashionable anti-savings theories before the defense program reversed the entire situation and, beginning with the Treasury's defense savings bond program, changed saving in the lexicon of Washington economists from a vice to a virtue. The insurance companies, incidentally, with their customary lack of public relations astuteness, have failed so far to capitalize this reversal of viewpoint.

However, the big question now is whether the Washington authorities will take the attitude that insurance sales, particularly of endowment policies and others which include a large element of true saving as well as of straight insurance, shall be encouraged as one more means of

(Continued on page 103)

N. S. T. A. Year Book Notes

By HAROLD S. SMITH, (Duryea & Company, New York City)

Your Committee has succeeded in getting a few days extension for advertising. While we had planned to close September 10th, the publisher of the Financial Chronicle (formerly Financial Reporter) has given us until September 15th. (May even be able to work in ads a day or two later but can't promise.) I trust in the next few days our out-of-town members will endeavor to get their orders in direct to the publisher and let us make this, our Convention issue, a greater success than previous years for the N.S.T.A. Treasury. It has been encouraging to note some of the post-convention issues which demonstrate the usual cooperation of our membership.

Your Committee reports having received orders from eleven affiliates only. A special letter is being mailed to all Presidents with complete recaps to date. Every member is urged to use every effort to assist their N.S.T.A. treasury by securing advertising for the N.S.T.A. Year-Book and Convention issue of the Financial Chronicle.

Sutro Bros. & Co. Open New Over-Counter Dept. With R. Sims Reeves As Mgr., Bezer & Connell

Sutro Bros. & Co., 120 Broadway, New York City, announce the opening of a trading department to deal in general over-the-counter securities.

R. Sims Reeves, who has been associated with Robert C. Mayer & Co., Inc. for the past three years and prior thereto conducted business under his own name for seven years will be in charge of the new department. Associated with him will be Charles A. Bezer and Lawrence Connell. Mr. Bezer was recently with Van Alstyne, Noel & Co. and prior to that was vice-president and manager of the trading department of Berets, Bezer & Co., Inc., Mr. Connell has been in the trading department of Fitzgerald & Co., Inc., and previously was manager of the trading department for Hartley Rogers & Co.

The firm maintains a direct private wire to their Chicago office.

As previously reported in these columns, Paul Yarrow recently became associated with the Chicago office of Sutro Bros. & Co., 134 South La Salle Street, as manager of their trading department, and William J. Sennott and Frederick J. Cook are associated with him. All three were previously in the trading department of Kirstein & Co.

Boatwright, Gulden Formed In New York

Boatwright, Gulden & Co. has been formed to continue the business formerly conducted by the firm of Gwaltney, Gulden & Co., with offices at 41 Broad Street, New York City. Partners in the new firm are John L. Boatwright and Paul A. Gulden, who will continue a general unlisted securities business.

Neumark Commander Of Wall St. Legion Post

Arthur J. Neumark, partner of H. Hentz & Co., was elected commander of the Wall Street Post No. 1217 American Legion, at the annual meeting. Charles L. Davis, of R. H. Jantzer & Co., was chosen First Vice Commander; Stanley J. Colling, of The National City Bank of New York, Second Vice Commander; and Reeve C. Lahr, of Marmac Oil & Supply Co., Third Vice Commander.

Four new members were admitted to the post: Edward V. Molyneaux, Standard Oil Company of New Jersey; Edward V. Arras, S. R. Melvin & Co.; and Charles Endrich and Arthur J. O'Connell, both of Coy, Disbrow & Co.

August Reimer was selected as chaplain of the post, and the following officers were re-elected: Joseph F. Steiner, adjutant; Al. Wax, finance officer; Peter J. Murray, sergeant at arms; and Joseph A. Fischer, historian. William F. Scanlan, past commander, and Mr. Steiner were chosen county delegates, and their alternates are Mr. Davis and Edward Leven.

Dealer Briefs

New York City

The policy just announced by a substantial group of New York hotels of an approximate 10% increase in room rates may have a very beneficial effect on the market prices of bonds secured by New York hotel properties, which have been showing consistent strength during recent months.—*H. F. Amott, Amott, Baker & Co.*

Philadelphia, Pa.

Specifically speaking, our investment business in this section of the country has been mostly the selling of Water Authority bonds, some municipals to the banks and occasionally a new issue, such as Philadelphia Company 4¼% bonds. The individuals generally buy stocks to a great degree. The large investors buy Water Authority Bonds or occasionally an attractive Municipal bond. Local stocks of the banks and our Water Company are much in demand.

Generally speaking, the investment business seems to be at a period of waiting to see the final Income Tax bill from Washington and its effect on the stock market or Company earnings. The average individual is very apprehensive at the present moment and in a number of cases he retains his money, and in quite a number of cases cash is going into bank deposit boxes.—*Clarence H. Smyser, Graham, Parsons & Co.*

It has always been a fundamental principal in this business that securities sell at prices in relation to their earnings. Each quarter many Corporations have continuously showed increased earnings after allowing for taxes and for that reason we believe that the American Investing Public is just "watching the world go by" when they do not invest now.

To be sure the market is fluctuating depending on the news as to how the war is going, with or against the Anti-Axis Forces. But of late, the market has practically remained stationery and any bad news that comes out it takes very well.

We have passed through many trying times in the pase twelve years and earnings today are higher in a great many cases than they were during the boom period of 1927 to 1929 and yet securities are selling at a much lower level.

Therefore, we believe there are greater opportunities at this time to purchase securities with proven records than has existed for some years.—*Charles A. Taggart & Co.*

We feel when individuals realize the extent of the increase in their tax bills that many will buy municipals for the first time. At the rate of improvement of the credit of the City of Philadelphia, the obligations of the City, in our opinion, are out of line. Unless conditions radically change the bonds which Philadelphia expects to sell in October should establish a new low interest cost to the City.—*Schmidt, Poole & Co., Philadelphia, Pa.*

D. L. & W. Looks Good

B. W. Pizzini & Co., 52 Broadway, New York City have issued a circular containing an interesting discussion of the current situation in the fixed income securities of the Delaware, Lackawanna & Western Railroad. Copies of this may be had on request from the Pizzini firm.

COMMERCIAL and FINANCIAL CHRONICLE
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Subscriptions in United States and Possessions, $18.00 per year, $10.00 for 6 months; in Dominion of Canada, $19.50 per year, $10.75 for 6 months. South and Central America, Spain, Mexico and Cuba, $21.50 per year, $11.75 for 6 months; Great Britain, Continental Europe (except Spain), Asia, Australia and Africa, $23.00 per year, $12.50 for 6 months. NOTE: On account of the fluctuations in the rates of exchange, remittances for foreign subscriptions and advertisements must be made in New York funds.

Prudential Ins. Co. Fin. Dept. Promotions

NEWARK, N. J. — Three important promotions in financial departments of the Prudential Insurance Company of America have been announced by President Franklin D'Olier.

The Board of Directors has elected H. Woodruff Tatlock, formerly associate manager of the Bond Department, to the position of assistant treasurer.

George T. Wofford, Jr., who also was associate manager of the Bond Department, has been promoted to manager of that department, and Kerby H. Fisk, becomes assistant manager.

Mr. Tatlock became associated with the Prudential in 1927, and he was made associate manager in 1936. Mr. Wofford has been connected with the company since his graduation from Princeton in 1929. Mr. Fisk was associated with New York financial institutions before his appointment with the Prudential on May 1, 1941.

NY Traders Appoint Nominating Committee

The Security Traders Association of New York announce that a Nominating Committee has just been appointed by the Board of Directors to present a slate of officers for 1942 to be submitted to the members at the regular election meeting of the Association in December.

Members of the Committee are: George Kranz, Amott, Baker & Co., John Laver, R. F. Gladwin & Co., Frank Mulligan, G. A. Saxton & Co., and Richard Barnes, A. M. Kidder & Co.; Benjamin H. Van Keegan, Frank C. Masterson & Co. will be the representative of the Board of Directors.

Tomorrows Markets Walter Whyte Says——

Instead of talking about markets as if they were a unit it is better to check over the list readers of this should now be holding; the record with recommendations follows.

By WALTER WHYTE

The action of the stock market for the past six days can be best as described as one of those things found in the lexicon of Broadway, e.g. "strictly from hunger."

* * *

As last week began the market kept looking over it's shoulder as if it were scared of something sneaking up behind it's back. It's jitters were so marked that by Friday it looked as if it would fall over in a dead faint if anybody as much as whispered boo! Fortunately or unfortunately—depending what side you're rooting for—nobody made any sudden noises so instead of the market turning around and running like hell it just tip-toed softly back from the highs it almost reached a week ago.

* * *

So far as news was concerned, most of it was on the optimistic side. The Russians seem to be putting up a much better fight than anybody dreamed they would; Japan seems to have stopped throwing her weight around and here in America business is doing all right. Of course Mr. Morgenthau came out again warning of the dangers of immediate inflation unless restrictions were applied at once and Mr. Jones of the Texas Jones's allowed that it wouldn't be at all a bad idea if the United States sold some of the American securities it took over from Britain. But all this had little real effect

(Continued on Page 107)

Our Reporter On "Governments"

The Treasury's cash balance is at an exceedingly "satisfactory" level—or "comfortable" might be the better word. . . . And even without a September financing by Secretary Morgenthau, the cash balance will be at a respectable level at the end of this month. . . . The sales of tax anticipation notes plus the September income tax collections plus sales of defense bonds will assure tha decidedly significant accomplishment. . . .

Any casual observer glancing at the Treasury cash figures these days would conclude that the defense program is being financed with ease and dispatch by Morgenthau and his assistants. . . . Any superficial survey of the Government financial reports would suggest that large-scale borrowing from the nation's banks and insurance companies is a thing of the past—a phenomenon out of the dead '30s. . . .

Well, maybe. . . At this writing, there's no question about the fact that Morgenthau has the cash to pay for September's defense expenditures. . . . But the big problem is not meeting the expenses of this month, but meeting the expenses of next month and the month after that and the month after that. . . .

And a serious investigation of the present fiscal position of the Government indicates that there's trouble ahead — unless something is done about expanding the sales of Government defense bonds. . . .

Tax Anticipation Notes

"Marvelous" and "stupendous" are the only words that properly characterize the results of the first month's sale of tax anticipation notes. . . . The total of $1,037,124,525 exceeded even the most optimistic forecasts. . . . And that billion dollars represents just the beginning, judging from the terms of the new tax bill and the reserves being put aside by America's leading corporations. . . .

How much this month?. . . . Of course, a prediction is foolhardy at this time, for we know that many of the biggest companies bought their full allotments in August and there's no way of guessing when the other, less alert concerns will come in and buy these highly attractive securities. . . .

But let's say the amount approximates $400,000,000, less than half August's sales. . . . That would be conservative. . . . And yet, that forecast indicates how easy will be the Treasury's cash problem—for the time being. . . .

The defense bonds

Add to this $400,000,000, the $700,000,000 or so that will be collected in taxes and the fiscal picture is rounded out. . . .

Then add the $250,000,000 or so that the Treasury will get from defense bond sales and the statement that no new cash borrowing is necessary for a while at least is entirely justified. . . .

But now let's stop for a moment—study that last statistic on defense bond sales. . . .

For therein lies the story of foremost importance to every investor in Government bonds. . . . Therein lies the tale that will in all probability influence the banking system of the United States for many years to come. . . .

A Failure

Between May 1 and September 1, the Treasury sold $1,278,083,000 defense bonds and stamps to the American public. . . .

In August, the sales amounted to $265,606,000. . . . In July, to $342,132,000. . . . In June, to $314,527,000. . . . In May, to $349,818,000. . . .

The August sales were the lowest since the sale began. . . . They compared with defense expenditures of about $1,300,000,000 in the same month. . . .

Of the total, only $117,603,000 represented sales of the Series E bonds—the obligations designed for the portfolios of "little fellows". . . . That's scarcely as good a record as Morgenthau main-

(Continued on page 106)

D. M. Hawkins Is Now S. F. Mgr. For Otis

CLEVELAND, OHIO — Otis & Co., Terminal Tower, underwriters and distributors of municipal and corporate securities, has announced the appointment of Daniel M. Hawkins as Manager of its San Francisco office, 1727 Russ Building.

Mr. Hawkins, who has spent his entire business career with Otis & Co., goes to the Coast from Cleveland with a wide experience in all branches of the stock and bond business.

DIVIDEND NOTICES

LOEW'S INCORPORATED
"THEATRES EVERYWHERE"
September 5, 1941

THE Board of Directors on September 3rd, 1941 declared a dividend at the rate of 50c. per share on the outstanding Common Stock of this Company, payable on September 30th, 1941 to stockholders of record at the close of business on September 19th, 1941. Checks will be mailed.

DAVID BERNSTEIN
Vice President & Treasurer

WESTERN TABLET & STATIONARY CORPORATION

Notice is hereby given that a dividend at the rate of $2.00 per share on the issued and outstanding shares without par value of the Common Stock of Western Tablet & Stationery Corporation has been declared payable on September 30, 1941, to the holders of record of such shares at the close of business on September 19, 1941.

E. H. BACH, Treasurer

AMERICAN MANUFACTURING COMPANY
Noble and West Streets
Brooklyn, New York

The stock record books of the American Manufacturing Company will be closed for the purpose of transfer of stock on September 20th until October 1st. Directors' Meeting will be held on Friday, September 19th, 1941.

ROBERT B. BROWN, Treasurer.

New York & Honduras Rosario Mining Company
120 Broadway, New York, N. Y.

September 10, 1941.

DIVIDEND No. 356

The Board of Directors of this Company, at a meeting held this day, declared an interim dividend for the third quarter of 1941, of Sixty-two and a half cents ($.62½) a share on the outstanding capital stock of this Company, payable on September 27, 1941, to stockholders of record at the close of business on September 17, 1941.

WILLIAM C. LANGLEY, Treasurer.

HOMESTAKE MINING COMPANY
Dividend No. 845

The Board of Directors has declared dividend No. 845 of thirty-seven and one-half cents ($.37½) per share of $12.50 par value Capital Stock, payable September 25, 1941 to stockholders of record 12:00 o'clock noon September 20, 1941.

Checks will be mailed by Irving Trust Company, Dividend Disbursing Agent.

R. A. CLARK, Secretary.
September 2, 1941.

A. HOLLANDER & SON, INC.
HOLLANDER DYED FURS
Common Dividend

A dividend of 25c per share on the Common Stock has been declared, payable September 15, 1941, to stockholders of record at the close of business on September 5, 1941. Checks will be mailed.

ALBERT J. FELDMAN, Sec.
Newark, N. J.
August 25, 1941.

United Shoe Machinery Corporation

The Directors of this Corporation have declared a dividend of 37½c. per share on the Preferred capital stock. They have also declared a dividend of 62½c. per share on the Common capital stock. The dividends on both Preferred and Common stock are payable October 6, 1941, to stockholders of record at the close of business September 16, 1941.

WALLACE M. KEMP, Treasurer.

NEW YORK TRANSIT COMPANY
26 Broadway

New York, August 19, 1941.

A dividend of Thirty (30) Cents per share has been declared on the Capital Stock ($5.00 par value) of this Company, payable October 15, 1941 to stockholders of record at the close of business September 26, 1941.

J. R. FAST, Secretary.

UNITED FRUIT COMPANY
Dividend No. 169

A dividend of one dollar per share on the capital stock of this Company has been declared payable October 15, 1941 to stockholders of record at the close of business September 18, 1941.

LIONEL W. UDELL, Treasurer.

MARGAY OIL CORPORATION
DIVIDEND NO. 45

The Board of Directors of the MARGAY OIL CORPORATION has this day declared a dividend of twenty-five cents a share on the outstanding stock of the corporation of the issue of 160,000 shares provided by amendment to the certificate of incorporation of April 27, 1926, payable October 10, 1941, to stockholders of record at the close of business September 20, 1941

J. I. TAYLOR, *Treasurer.*
Tulsa, Oklahoma, September 2, 1941.

Harold B. Smith Is Now With Duryea Co.

Harold B. Smith, one of the first presidents of the Security Traders Association of New York, is now at Duryea & Co., 65 Broadway, New York City.

Harold B. Smith

Nationally known for his native wit and good nature, Harold Smith is presently serving as Chairman of the National Security Traders Association Year Book Committee and hopes to see all his many friends at New Orleans.

L. R. Johnson Joins Mitchum, Tully & Co.

(Special to The Financial Chronicle)

SAN FRANCISCO, CAL. — Lawrence R. Johnson has become associated with Mitchum, Tully & Co., members of the Los Angeles and San Francisco Stock Exchanges, 405 Montgomery Street. Mr. Johnnson was formerly local manager for Otis & Co. and prior thereto for many years was with Conrad, Bruce & Co.

Street Cashiers Will Hold Annual Outing

The Cashiers Association of Wall Street, Inc., announces that it will hold its annual outing September 13, 1941 at the Elks Club House, Oakwood Heights, S. I. Facilities for soft ball, hand ball, horse shoes, bowling and ski ball will be available at the Club.

NOTICES

The Winters National Bank located at Winters, in the State of California, is closing its affairs. All note holders and other creditors of the association are therefore hereby notified to present the notes and other claims for payment.

W. W. STARK, *Cashier.*
Dated July 8, 1941

The Bank of Suisun, National Association located at Suisun, in the State of California, is closing its affairs. All note holders and other creditors of the association are therefore hereby notified to present the notes and other claims for payment.

F. S. JONES, *President*
Dated July 9, 1941

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.

NEW YORK, N. Y.—**Hampton S. Sealy,** formerly with J. R. Williston & Co., has become associated with **Holsapple & Co.,** 30 Pine Street.

(Special to The Financial Chronicle)
CHARLOTTE, N. C. — **Bayard Hancock Storm, Jr.** has become associated with **McAlister, Smith & Pate, Inc.,** Johnston Building.

(Special to The Financial Chronicle)
CHICAGO, ILL.—**John M. Burrows** has become associated with **Standard Bond & Share Co.** whose main office is located in the Rock Island Bank Building, Rock Island, Ill. Mr. Burrows was formerly with F. E. Harvey & Associates, Inc. and prior thereto with Commercial Investment Discount Co.

(Special to The Financial Chronicle)
CHICAGO, ILL.—**H. W. Coakley** has become affiliated with the staff of **Arthur H. Wyatt,** Guaranty Building, Indianapolis, Ind.

(Special to The Financial Chronicle)
CLEVELAND, OHIO — **Carl Abbott** has rejoined the staff of **J. E. Neubauer & Co.,** Guardian Building. In the past Mr. Abbott was with Joseph A. Eger, Securities Financing Co. and Tillotson & Co.

(Special to The Financial Chronicle)
DENVER, COLO.—**George Edwin Smith** is now with **Charles J. Rice & Co.,** First National Bank Building. Mr. Smith for five years was connected with R. G. Bulkley & Co.

(Special to The Financial Chronicle)
DETROIT, MICH.—**Charles T. Bartow,** for many years with Heber-Fuger-Wendin, Inc., has joined the staff of **First of Michigan Corp.,** Buhl Building.

(Special to The Financial Chronicle)
DETROIT, MICH. — **Nathan Plotkin** has joined the staff of **Merrill Lynch, Pierce, Fenner & Beane,** Buhl Building. Mr. Plotkin was previously with Baker, Weeks & Harden and prior thereto with Sutro Bros. & Co.

(Special to The Financial Chronicle)
KALAMAZOO, MICH.—**Gerritt B. Takens** has joined the staff of **Alison & Co.,** whose main office is located in the Buhl Building, Detroit, Mich. Mr. Takens was previously with Olmsted & Mulhall, Inc. and in the past conducted his own firm in Grand Rapids.

(Special to The Financial Chronicle)
PORTLAND, MAINE — **Albert B. Collins,** formerly with F. L. Putnam & Co., is now connected with **J. Arthur Warner & Co.,** Chapman Building.

(Special to The Financial Chronicle)
PORTLAND, OREG.—**Lynn Y. Keady** has become associated with **Daugherty, Cole & Co.,** U. S. Bank Building. Mr. Keady for many years was affiliated with Federal Securities Company.

(Special to The Financial Chronicle)
PORTLAND, OREG. — **Gerald E. Gaylord,** previously with Interstate Securities Co., Inc. and in the past with Humphrey & Galbraith, is now associated with **John Galbraith & Company,** Porter Building.

(Special to The Financial Chronicle)
RALEIGH, N. C.—**Frank Bergmann Mund** has been added to the staff of **McAlister, Smith & Pate, Inc.,** Johnston Building.

(Special to The Financial Chronicle)
SAN FRANCISCO, CAL. — **Norman K. Tyler** has become affiliated with **Bankamerica Company,** 300 Montgomery Street. Mr. Tyler has formerly with H. R. Baker & Co.

(Special to The Financial Chronicle)
SAN FRANCISCO, CAL. — **Merrill Lynch, Pierce, Fenner & Beane,** 221 Montgomery Street, have added **Julius J. Fulton,** previously with Stone & Youngberg, to their staff.

(Special to The Financial Chronicle)
SAN FRANCISCO, CAL. — **Claude M. McPhee,** formerly with Wm. Cavalier & Co., has joined the staff of **Schwabacher & Co.,** 600 Market Street at Montgomery.

(Special to The Financial Chronicle)
SEATTLE, WASH.—**Wyatt M. Howard** is now with **Hartley Rogers & Co.,** 1411 Fourth Avenue Building.

Hunter Jr. Joins MacBride Miller Co.

Wellington Hunter, Jr. has become associated with MacBride, Miller & Co., Inc., 70 Pine Street, New York City, as manager of their trading department. Mr. Hunter was previously associated with Hunter & Co. as assistant manager of the trading department.

SITUATION WANTED

A Valuable Young Man

for some Trading Organization or Stock Exchange firm. Capable secretary; trader. Delights to and has been successful in delving into inactive and "special" situations. Box S7, The Commercial & Financial Chronicle, 25 Spruce Street, New York, N. Y.

RAILROAD SECURITIES

The results of the railroad wage negotiations so far should have occasioned no surprise, but apparently a jittery financial community is prepared to shy at practically anything. Despite sporadic and abortive rumors to the contrary it was a foregone conclusion that mediation attempts were doomed to failure, that submission to arbitration was out of the question and that the strike vote would be overwhelmingly in favor of a strike notice. Nevertheless, announcement last week that negotiations had failed and that heads of the unions had set September 11 as the date for a nation-wide strike, caused renewed uneasiness throughout all sections of the rail list. No one could harbor the slightest notion that a general railroad strike would be tolerated at this time (if ever) but people have become justifiably apprehensive over the Administration's labor policies, and awaited with trepidation announcement of the makeup of the fact finding board.

The fact finding board has 30 days in which to present its report and there is then a further waiting period of 30 days within which neither side may take definite action. While the board's recommendations are not binding on either party to the dispute, it is generally conceded that public opinion will virtually force acceptance of its suggestions.

In the present psychological state of the market, any reasonable end to the present uncertainties will be a boom, and the pattern will be definitely set by early October. A compromise favorable to the railroads, coinciding with the seasonal peak of traffic, would almost certainly bring into the market a broad buying interest, barring very serious foreign war set-backs. An increase averaging 10% would be considered more or less negatively bullish. It would be about in line with what has been generally expected and so would not be calculated to bring in any selling. At the same time, with the uncertainty out of the way it would bring in new buying from those impressed with earnings and financial progress and prospects over the visible future, who have been hesitant to step in during the negotiations. If a 10% increase in wages were accompanied by a revision of antiquated working rules, it would be definitely bullish as would any increase that worked out to less than an average of 10%.

In the meantime, traffic has again fallen into a poorer than seasonal pattern; the Dow-Jones index of carloadings in the final week of August declined two points to 108.8 and was at the lowest level since early May. Nevertheless, the showing is, in point of physical volume the showing is still highly creditable. Year-to-year gains continue to hover close to the 20% mark, and the total of 912,720 cars was the highest for any single week since November 2, 1930. Shortages in certain strategic materials, lack of storage space for grains, and labor disruptions are apparently

(Continued on Page 111)

Chicago Bond Traders Open Bowling Season

Forty members of the Bond Traders Club of Chicago started their sixth season of bowling September 8th at the Dearborn-Jackson Recreation Center.

Eight teams of five men each are captained by the eight high bowlers of the previous season. They are:

Yankees—Frederick J. Cook, Sutro Bros. & Co.

Giants—Arthur W. Fenton, E. H. Rollins & Sons, Inc.

White Sox—M. J. Cann, A. G. Becker & Co., Inc.

Cardinals — Ernest A. Mayer, Holley, Dayton & Gernon

Cubs—Frank H. Buller, Hickey & Co., Inc.

Senators — Glen A. Darfler, Alexander & Co., Inc.

Tigers — Thomas D. Walsh, Dolye, O'Connor & Co., Inc.

Pirates — Chris J. Newpart, Merrill Lynch, Pierce, Fenner & Beane

Fred E. Busbey, of Fred E. Busbey & Co., is President of the league, Joseph G. Ballisch, A. C. Allyn & Co., Inc., Sec'y and Treasurer. Play will continue each Monday night for 35 weeks.

Defaulted RR Bond Index

The defaulted railroad bond index of Pflugfelder, Bampton & Rust, 61 Broadway New York City, shows the following range for January 1, 1939 to date: High —34⅝, low—14¾, last 33¾.

Write For Folder

R. H. Johnson & Co., 64 Wall Street, members of the New York Stock Exchange, have prepared a folder on investment securities for September, 1941. Copies of the folder, which should be of interest to dealers, may be had from the firm upon request.

Alwyn A. Throckmorton With F. H. Hatch Co.

Frederic H. Hatch & Co., Inc., 63 Wall Street, New York City, announce that Alwyn A. Throckmorton, has become associated with them in their trading department. He will specialize in preferred stocks. Mr. Throckmorton was formerly with Blair & Co., Inc., and Kidder, Peabody & Co. In the past he was a partner in Dillon, Throckmorton & Shantz and was with Dominick & Dominick.

Todd Cartwright Now V.-P. Blair Securities

CHICAGO, ILL.—Todd Cartwright has been elected a vice-president of the Blair Securities Corporation, 135 South La Salle Street. He will make his headquarters in the Chicago office and will be in charge of the municipal and corporate department. Mr. Cartwright has been associated with Blair & Co. of New York (the corporation's parent firm) for the past twelve years, representing them in Ohio and the surrounding territory.

SEC Names Geraghty Denver Administrator

WASHINGTON, D. C.—The Securities and Exchange Commission has appointed John L. Geraghty of Butte, Mont. as regional administrator of its Denver office, succeeding the late Howard N. Lary. Mr. Geraghty is senior attorney in the Denver office of the Commission with which he has been associated since 1935. Prior to his connection with the SEC, he was an attorney for the FBI.

Bank and Insurance Stocks

This Week—Bank Stocks

The trend of bank loans continues upward and with it the prospects for a higher level of bank earnings seem brighter. For the week ending Sept. 3 the weekly reporting member banks showed a gain of $39,000,000 in commercial, industrial and agricultural loans. This lifts the total of such loans for the member banks in 101 leading cities to $6,222,000,000 which is $1.7 billion higher than in the same week a year ago.

At the same time loans to brokers and dealers in securities increased $159,000,000 over the previous week and this was $217,000,000 higher than the total for the same week a year ago.

This expansion in loans is combined with a steady decline in excess reserves which have showed a drop from a peak of around $7,000,000,000 to somewhat under $5,000,000,000. While this total for idle funds in the hands of the banks still looms large in proportion to past standards it is significant in relation to certain other current developments.

As a part of the contemplated efforts to control the threatened inflation there has been considerable talk lately of a further increase in the reserve requirements of the member banks. It seems likely that some action along these lines will be taken sooner or later as a defensive measure against the rise in prices and the over-expansion of credit. While the meaning of such developments to the interests of the bank stock holder may not be evident on the surface the affect which it can have on the money market have a definite relation to the interests of investors.

Since excess reserves are already declining any increase in reserve requirements will only accelerate this trend. By thus reducing the money supply seeking investment it can have an affect on interest rates. If interest rates move up it is of concern to the bond holder and the bank stock holder.

In the past the increase in reserve requirements was offset by the continued flow of gold to this country so that excess reserves continued to expand. Since the war, however, gold imports have diminished greatly and thus an increase in reserve requirements at this time should have a much more profound affect on the money market and possibly interest rates.

In this connection the banks may be forced to liquidate some of their security holdings in order to raise the cash with which to meet the higher reserve requirements. This action might well have a depressing affect on the bond market and interest rates. The sharp dip in the bond market after the increase in reserve requirements in 1936 and 1937 is a case in point.

In spite of the many false alarms in the bond market in the past several years it is certain that the next major move in bond prices can only be downward. If the tightening reserve position of the banks now portends a drop in bond prices it might presage the long-term reversal of interest rates which has been awaited for so long.

Bank stocks still offer a good medium of protection in this situation for the reasons that have been frequently set forth here in the past. Higher interest rates can only benefit the banks and their investment holdings are cushioned against a decline in bond prices by the large reserves which have been built up. Not all bank stocks are equally attractive but a selective choice among the leading issues might be an alternative for the holder of high grade bonds who would face a loss of principal in any softening of bond prices as a result of tighter money conditions.

Winslow Now In Field Of Personnel Service

HARTFORD, CONN. — R. H. Winslow has opened the Specialized Personnel Registry at 36 Pearl Street. Mr. Winslow has been indentified with the investment business in Hartford since 1926. Upon leaving Boston University School of Business Administration where he specialized in the Study of business psychology, publicity and advertising, he became engaged in the advertising business. From this he entered the brokerage field in Hartford.

After having been employed in practically every branch of this profession Winslow and Company was formed and continued from 1935 until combining with Goodbody & Company's local office in February 1941. During the existence of his own business Mr. Winslow gained a widespread reputation for his analytical ability and his clear accurate presentations.

Being continuously impressed with the cumulative uncertainty of his work and the excess of usable manpower present in investment houses, Mr. Winslow organized Specialized Personnel Registry to locate more promising employment for brokerage employes. It is his conviction that these people possess far above average qualifications for many other types of work but are at an extreme disadvantage in putting them to profitable use. By combining experience and first hand knowledge of these values, with promotional ability and a wide personal acquaintance among industrialists, bankers and other business men, he is uniquely qualified to accomplish his purpose.

Besides specializing in the employment problems of the employes of investment houses Specialized Personnel Registry is going to engage in other personnel work of specialized character.

An 88 Year Record

A comparative table on The Home Life Insurance Company showing assets, premiums written, losses paid, and dividends paid for every year since 1853 has been prepared by Butler-Huff & Co. of California, 210 West Seventh Street, Los Angeles, Calif. Copies of the circular which should be of considerable interest to dealers may be obtained from Butler-Huff & Co. The Home Insurance Company has paid a cash dividend every year since its organization except 1873.

The Securities Salesman's Corner

It is our desire to develop this column into a clearing house for ideas. If we could pass along some things that the other fellow is doing which is helping to meet present-day conditions it no doubt would be of some intetrest to all concerned. In this connection, we would sincerely appreciate your comments or criticisms and any suggestions you might wish to send along.

Plan Your Work-Work Your Plan

We once knew an unusually successful Life Insurance Agency Director. He not only conducted an organization composed of about 12 specially trained salesmen, but his own personal production of business ranked among the national leaders in his field.

Naturally, there were many factors that were responsible for the success of his business. He had tremendous energy, he was constantly attending to business, he had imagination, perserverance, a high degree of good cheer and intense concentration for the immediate task at hand.

There are many organizations which also enjoy such leadership. However, when we asked him "How he did it," there seemed to be one point upon which he laid particular emphasis. **He was constantly on the lookout for a good idea.** When he got that idea, he worked out a campaign and he **stuck to it** until he had exhausted its possibilities. He acquired good ideas anywhere he could get them. Sometimes he found them in a business far removed from life insurance. If they were applicable to merchandising another product—why not his?

People will buy if you show them "what the goods or service you offer will do for them." That was another of his cardinal principles. He believed there was a way to sell any product that had merit if you could get people to see the good they could do for themselves by their ownership of that product.

Probably we in the securities business could learn something from the life insurance business. Both are intangibles and yet life insurance has developed a sales technique that even under today's conditions is piling up a sales record that, compared with the securities business, makes our feeble efforts appear rather insignificant.

During the next few weeks in this column, we are going to present some definite sales promotional campaigns specially designed for the securities business. Some of them may not be new to all our readers; nevertheless, we believe they will be practical in their approach to present day problems in the merchandising of investments.

Again may we emphasize—get a good plan. Get one of your own or borrow someone else's, but by all means, get it. Then pick your target — don't scatter your shot. Know where you are going and go ahead. There is business around, but first one must go after it in a definite, intelligent manner.

In conclusion, we think our life insurance friend had something when he said, "Show them what it will do for them." In other words, he always de-emphasized such things as values, dividends, settlement options and other technical rigamarole. Only one out of a hundred is interested in those things. But they are very much interested in a college education for their children, going fishing at 55, or the peace of mind in knowing that if anything happens, Mary and the kids will discover that "even if old Dad did have his faults, he had his good points too."

Bonds and stocks properly selected will also provide that fishing income at 55 and a nest egg for emergencies. It is evident that from their annual sales volume, those life insurance fellows must have something after all.

Next week we will suggest a specific sales campaign built around a timely subject now right in the forefront of public interest.

LA Exchange Institute Fall Term Courses

LOS ANGELES, CAL. — The Los Angeles Stock Exchange Institute, 618 South Spring Street, announces that the Fall Term will open the week of September 15th, with classes meeting from 5:15 to 6:30 p.m.

Courses to be offered are:

Brokerage Practice, under W. G. Paul of the Los Angeles Stock Exchange on Mondays, First meeting September 15th.

Stock Market Analysis, under Charles R. Hoffman, J. A. Hogle & Co., on Tuesdays, first meeting September 16th.

Stock & Bond Cashiering, under John S. Thomson and Associates, on Tuesdays, first meeting September 16th.

Brokerage Accounting, Part I, under L. A. Carman, John F. Forbes & Co., on Wednesdays, first meeting September 17th.

Corporation Finance, under George Bjurman, Bank of America, on Wednesdays, first meeting September 17th.

World History & Culture, under Mrs. Claire Seay, University of California Extension Division, on Thursdays, first meeting September 18th.

The World Today—details to be announced.

All classes are offered upon sufficient registration only. Visitors are welcome at the opening meeting of all classes when the courses will be fully explaned. Enrollment is open to the public upon sponsorship.

The Los Angeles Stock Exchange Institute is a non-profit organization, sponsored by the Los Angeles Stock Exchange to promote educational and personnel activities for the Financial District.

More Active Interest, NASD Members Urged

Robert W. Baird, Chairman of the National Association of Securities Dealers, Inc., on Aug. 5 called on the Chicago investment banking fraternity to take a more active interest in the association, pointing out that if the association is not taken seriously somebody will get blamed for the consequences.

"I don't want the investment banker to get blamed again," Mr. Baird told a luncheon meeting of The Bond Club of Chicago at the Palmer House, according to Chicago "Journal of Commerce" of Aug. 6. According to the account in the paper indicated, which also said:

Mr. Baird, who also is President of The Wisconsin Company, Milwaukee, pictured the N.A.S.D. as "going very well," with its investigation work proceeding favorably in most districts. The association, he noted, is attempting to take over as much regulative area as possible, but is trying to do this with a minimum of investigation.

Among the principal needs for improving the investment banking business, Mr. Baird listed control over those entering the business, placing more responsibility on investment offices for what their salesmen do and insisting on capital commensurate with commitments.

Freezing Foreign Assets

Byfield & Co., 61 Broadway, New York City, Members New York Stock Exchange, have prepared a comprehensively study of "Freezing of Foreign Assets." The study contains salient information on the countries affected, types of transactions prohibited, general licenses, special licenses, reports and penalties.

Copies of the study which should be of interest to dealers may be obtained from the firm upon request.

Roney In Syracuse

SYRACUSE, N. Y.—Robert E. Roney is engaging in a general securities business from offices at 332 South Warren Street.

JOTTINGS

(Continued from First Page)

cutting down civilian outlay and channelling cash into reservoirs available for investment in government securities, or whether they will take the opposite tack and discourage insurance as a form of savings which competes with the government's own savings programs. As these government savings programs are likely to blossom out from the present savings bond drive into various forms of forced loans, etc., the issue may become a very live one in a few months.

The type of price ceilings to be announced to the textile industry this week by the Office of Price Administration for carded cotton yarns may give some important clues to future OPA price ceiling policy. In the previous textile price ceilings on combed yarns and on various types of gray goods, OPA has followed the theory of fixing "key prices" only, the idea being that other parts of a complicated price structure would "automatically" adjust themselves to these ceilings. This policy has also been followed in other industries, including scrap steel and hides, but so far has not worked out happily. Textile men say it would work all right in a "normal" market but not in a boom market like the present. OPA has also applied the theory vertically, in the sense of assuming that if prices were fixed at one or two steps in the conversion process from raw material to finished goods, prices at the other steps would "automatically" adjust. This week's carded yarn ceilings will tell whether the policy is to be continued.

One of the next major issues in the labor situation is the question of how far civil servants can be organized, and what right labor officials have to negotiate for civil servants, obtain exclusive bargaining privileges, call strikes or impose the closed shop. The strike threat in the New York transit system was recently put off with a reference to the Supreme Court, but the Mayor of Detroit, with expressions of extreme distaste, yielded to labor pressure in a jurisdictional dispute which threatened to tie up Detroit's municipal services, and municipal officers and civil service officials are keenly afraid of developments. A round-robin of opinions from the National Institute of Municipal Law Officers was recently published, and the National Civil Service Reform League has become actively interested in the question. Labor officials, on the other hand, anticipate that if government ownership, federal or local, spreads further, they will either gain or lose ground as the question is decided whether they can use their usual methods against public as well as private employers.

Although President Roosevelt denies that the British abuse their lease-lend position, the continually closer dovetailing of American and Empire economy is bound to raise possible points of friction in coming months which must be settled or severe criticism will result. The charge that the British were keeping their tankers and dry-cargo ships on money-making runs while getting ships from us on lend-lease seems to have been wholly cleared up. On the other hand three minor sources of possible trouble have recently popped up. It is charged in the tin trade that British tin producers in the East Indies are not living up to their agreement to produce up to 130 per cent of quota, i.e. to capacity for our stock-piling program. Again, the price of burlap has recently risen in Calcutta to the point where shipments to this country are impossible under the recent OPA price ceiling. And, third, Canadian mills are making textiles, and even shipping them here, from Brazilian cotton bought at prices below the current artificial level in this country. As these illustrations show, however, the British cannot always be blamed for such things. The Indian bazaars are not easily controlled from London, and Canada can hardly be blamed for buying cotton where it is cheapest.

Recent sharp rise of certain Cuban sugar securities seems amply justified by the strangely changed sugar outlook. Even at OPA'S new 3½-cent ceiling for duty-paid sugar, the Cubans are getting very cushy prices. The ceiling allows them 2.69 cents, which means about 2.10 cents after freight and bagging. A year ago they were getting around 2 cents, which after freight, etc., left only about 1.75 cents, and Cuban costs are generally figured round 1½ cents. Cuban companies don't come under our increasing corporation taxes, and shipping shortages are steadily tending to concentrate world purchases in the West Indies, while the Cubans seem to stand an excellent chance of getting a tariff reduction from the present 90 points down to 75.

A really phenomenal change has taken place in the balance of trade between South America and this country in the last six months. The war cut off South America's European sources for many manufactured goods and forced the Latin countries to turn to us, with the result that their purchases here ran up smartly and they were hard put to it to get the necessary dollar exchange. In recent months, however, our heavy need for raw materials such as copper, manganese, wool, tin, etc., has sharply increased American purchases in South America and reversed the intercontinental balance of trade. Now the question is how we shall be able to supply South America with the automobiles, machine tools, and electrical equipment they want, in view of the growing scarcity of these things in this country itself.

50,000 Pfd. Shares Of Jewel Tea Co. Offered

A syndicate headed by Lehman Brothers and Goldman, Sachs & Co. offered Sept. 10 an issue of 50,000 shares of 4¼% cumulative preferred stock, par value, $100. The offering price was $105 per share, plus accrued dividends from Sept. 15, 1941. The net proceeds will be used to finance the cost of certain additional production and warehousing facilities and sales outlets and for working capital.

Investment Trusts

Simultaneously with last week's tabulation comparing the performance of investment companies with individual securities in the Dow Jones Industrial Average came a study from Bull Wheaton & Co., Inc. comparing the results of 44 investment trusts with the Dow Jones Composite Average, and showing really astonishing results.

Our tabulation showed that from the low of June, 1940 to the high of July, 1941, twenty leading open-end investment companies turned in an average performance of 31%, against an average performance of 29% for the 30 issues in the Dow Jones Industrial Average. Moreover, the poorest record of any of the twenty trusts was a gain of 19%, whereas the poorest record among the industrials was a gain of only 4%, and ten of the industrials had gains of less than 19%.

The tabulation by Bull Wheaton & Co. (who is the Distributing Agent for Republic Investors Fund, Inc.) shows that 40 out of 44 open-end and closed-end investment companies out-performed the Dow Jones Composite Average for the period from June 30, 1940 to June 30, 1941. The companies and figures used were those appearing in the "Investment Trust Gauge" and "Closed-End Investment Trust Results" published in "Barron's" magazine of July 14, 1941 and August 25, 1941, respectively.

Of the 44 companies, 40 did better than the Dow Jones Composite Average; 18 did more than twice as well as the Average; and 6 did more than three times as well as the Average. The gains made by the trusts ranged from 1.8% to 25.4%; the gain for the Average was 5.3%. All figures including those for the Average have been adjusted for dividends.

These figures are cited to show once more what has been pointed out frequently in these columns in the past, namely, that the investment trusts are equipped to handle their shareholders' funds in a "better than average" fashion in the war-time markets. It is now that experience, knowledge, and full-time management can be utilized to the best advantage. Chance alone is not sufficient for the average investor.

* * *

Investment Company Briefs

During the month of August no issues were added to or eliminated from the holdings of Manhattan Bond Fund, portfolio revisions consisting of alterations in percentage weightings.

The Board of Directors has added to the list of bonds approved for purchase Baltimore and Ohio Railroad Company First Mortgage 4s, due July 1, 1948: Pittsburgh, Lake Erie and West Virginia Refunding Mortgage Stamped Extended 4s, due November 1, 1951 and Toledo-Cincinnati Division First & Refunding Series "A" 4s, due July 1, 1959. These bonds are all obligations of the Baltimore and Ohio system.

* * *

Hare's Ltd., distributor of Insurance Group Shares, reports that operating and balance sheet figures for the first six months are available, thus far, for about half of the fire insurance companies in which Insurance Group Shares provide ownership interest. Significant figures from these reports are shown below:

	First Six Months		
	1940	1941	% Change
Net Premiums Written	$ 54,251,000	$ 64,451,000	+18.8
Average Loss and Expense Ratio	95.0%	93.3%	— 1.8
Average Underwriting Profit Margin	5.0%	6.7%	+34.0
Investment Income	$ 6,469,000	$ 7,059,000	+ 9.1
	June 30, 1940	June 30, 1941	
Unearned Premium Reserves	$122,802,000	$130,567,000	+ 6.3

Many individuals who in the past have made just about enough to take care of their current living expenses are now accumulating money and have it available for some sort of investment. North American Securities Company, distributors of Commonwealth Investment Company shares, suggests that the following classes of people may be among these.

1. owners of small factories furnishing parts for large plants
2. retail merchants near defense plants and military camps
3. highly-skilled workmen in defense industries
4. suppliers of defense materials
5. young architects and engineers
6. small building contractors.

These new investors should be started soundly—and the investment scepticism of today may help—so as to avoid the reckless gambling type of security trading of the late twenties which put Wall Street in such ill favor. Good investment trusts shares are going to be one answer.

* * *

After a careful study of the pending tax bill, W. F. Shelley, editor of Massachusetts Distribu-

(Continued on Page 103)

The Municipal Market

Cities issuing callable bonds to borrow money a few years ago when interest rates were high are profiting now because of low interest rates prevailing in the municipal bond market, the Municipal Finance Officers Association of the United States and Canada reported on Monday.

Interest rates on "municipals" have declined steadily since the first of the year, the Association said, and stood at 2.07 per cent in July and August—an all-time low.

This decline has allowed many cities to call in bond issues on which they paid as high as 5 per cent, and re-issue—or refund—them at much lower interest rates, the operation resulting in substantial savings.

The Pontiac, Mich., refunding plan was cited by the Association as typical of callable bond refunding plans. Since Aug. 15, 1939, Pontiac has completed four refunding operations involving $2,945,000 in bonds which originally paid 4½ per cent interest. The new lower interest rates represent a total interest saving of more than $480,000. The bonds were made callable during the depression period after Pontiac had defaulted and readjusted its debt.

In the first refunding, $750,000 in bonds were called in and re-issued on a 3.79 per cent interest-bearing basis at a saving of $56,395. The saving represents the difference between interest paid by the city under the lower rate and what would have been paid had the bonds been non-callable, requiring payment of the 4½ per cent interest until the stated maturity date.

The three subsequent refundings were as follows: Feb. 1, 1940, $945,000 in bonds were refunded at 3.20 per cent, saving $140,695; Aug. 1, 1940, $500,000 in bonds were refunded at 2.98 per cent, saving $80,898; Jan. 1, 1941, $750,000 in bonds were refunded at an average interest cost of 2.47 per cent, saving $202,897.

Another feature of the callable bond plan is that bonds can be called in under certain conditions and paid off entirely to stop payment of interest. To do this, of course, a city would have to build up a reserve fund which would enable it to buy back its bonds. Lincoln, Nebr., for example, plans to pay off in advance $1,000,000 of a $1,500,000 water extension bond issue on Jan. 1, 1942, through use of a special fund built up for this purpose.

Among the cities cited by the Association as refunding bond issues recently to take advantage of low interest rates are Detroit, which sold $51,157,000 in bonds at an average interest cost of 2.64, lowest in the city's history; Kansas City, which refunded a $11,000,000 water term bond issue to obtain interest rates of 1.89 and 1.84 per cent; and Oil City, Pa., which refunded $105,000 in 4¾ per cent bonds at .92 per cent.

Elimination of Tax Exemption Still Pending

One assured result of the vastly enhanced tax bills to be presented to the public after Congress completes action will be to revive the controversy regarding the tax immunity of interest on state and city securities. Wall Street observers believe that another administration drive will develop to force action by Congress to eliminate such immunity on future issues through the simple statute demanded on several occasions by President Roosevelt. Meanwhile, the Treasury litigation to bring such income within its tax authority is expected to proceed through the courts in the ordinary manner.

The two-pronged drive of the Administration to effect this reform in its own chosen manner, rather than by means of the constitutional amendment favored by nearly all independent authorities, has made no progress to date. Congress remains extremely apathetic to the Presidential call for a simple statute, for state officials are almost unanimously opposed to Mr. Roosevelt's view. It is for this reason, observers here assume, that the Treasury has entered upon protracted litigation designed to establish its asserted right to tax all state and city issues, whether now outstanding or to be issued in the future.

(Ed. note—The above statements are taken from George Wanders' article in Monday's issue of the New York "Herald Tribune.")

Municipal Exemption Importance Viewed

The increasing importance of the present tax exemption of municipal securities to the investor is emphasized in a preview of taxes which has been prepared in booklet form by the Arrowsmith Co., Inc., with an accompanying chart illustrating the percentage of taxable income paid in taxes in 1940 and likely in 1941. It is explained that since final Congressional action on the Revenue Act of 1941 has yet to be taken the figures shown are not necessarily precise but can be assumed to be minimum.

The aim of the study, the Arrowsmith Co. points out, is to inform individuals and corporations of the more important changes and increases in rates which might affect their investment policy.

Municipal League Schedules Conference

The National Municipal League will hold its 47th annual Conference on Government in St. Louis, November 17, 18 and 19.

The announcement was made by Henry L. Shattuck, vice-president of the League and Boston civic leader, in the absence of League President John G. Winant, Ambassador to Great Britain.

This year the theme of the conference will be "Democracy At Work."

"For too long," said League Secretary Howard P. Jones, "we have been self-consciously asking ourselves if democracy will work.

"Democracy is at work right now in this country putting its own house in order to build morale as well as arms.

"At the conference we're going to discuss how the leading cities, counties and States are reorganizing their democratic structures to function more efficiently for the duration of the crisis and post-war reconstruction.

"We're going to hear how citizens in alert communities are taking hold of their local democratic machinery to strengthen it for the long fight.

"We will also learn from speakers in the Federal defense set-up how local and State government can help most effectively not only to increase arms production but to quicken the public sense of participation in a free society."

Conference speakers will include men and women of national prominence in local, State and Federal government. Citizen leaders, public administrators and elective officials will attend from all parts of the country to participate in the conference which has come to be recognized as a national congress of civic leaders.

Cities Deny Power On Union Contracts

The power of any city to enter into contracts with labor unions and the right of city employes to strike to enforce such agreements are strongly denied in a survey made public last week by the National Institute of Municipal Law Officers. The report is founded on replies to questionnaires from all over the United States.

The attitude of Mayor La Guardia and President Roosevelt against collective bargaining and strikes in public employment are sustained by the report.

Opinions of State Attorneys General, municipal law departments and court decisions, as well as individual answers from 385 City attorneys led to conclusions of the Institute as compiled by Charles S. Rhyne, executive director.

"The recent strike in Detroit and the threatened strike in New York City's transit system have focused national attention on public-employee unions, and there seems to be nation-wide activity in this field at present on the Federal and State as well as the local level," the Institute states.

"Out of 385 municipal law officers to whom the questionnaire was forwarded, not one expressed an opinion that a collective bargaining agreement could be lawfully entered into by a municipality."

Revenue Bonds Meet With Favor

The recent sale of the $4,000,000 Tacoma, Wash., light and power revenue bonds attracted the attention of the municipal fraternity in all sections of the country, emphasizing the demand now current for this type of obligation.

The close bidding and number of competing groups called attention to the relative scarcity of new municipal revenue issues, despite their widening use in recent years. The New Deal has contributed to the increasing application of that type of bond, payments on interest and principal of which are made from revenues of specific projects or services rather than from tax income.

Development of the Tennessee Valley Authority not only brought about considerable use of this type of financing by communities in its territory seeking to establish their own electric distributing systems, but also tended to accelerate the general movement toward public ownership of utilities. Also in recent years, the attempts of federal agencies to provide work for those on its relief rolls stimulated the installation of sewer systems, many of which were financed by revenue obligations.

The issuance of revenue bonds has a direct advantage for the borrowing municipality in that such obligations are not added to its legal debt and the city can thus avoid an impairment of its statutory borrowing margin. In many cases, cities have been able to obtain funds on a more advantageous basis through revenue bonds than through general obligations.

Municipal experts are of the opinion that the use of revenue issues will increase further. An important piece of such financing in the offing is involved in the proposed move of San Francisco to purchase the power distribution facilities of Pacific Gas & Electric Company. A plan similar to the one now under consideration, involving a $55,000,000 revenue bond issue, was defeated by voters in 1939.

La. Mail Poll on Bond Issue Successful

Governor Sam Jones announced last Friday the successful outcome of the mail ballot that was taken of Louisiana house and senate members on a proposal to issue $540,000 of bonds to maintain the department of finance, paying agent for many of the state's welfare and institutional undertakings. The move was necessitated by the fund shortage created by the invalidation of the reorganization act.

Louisiana Spending Down

Compared with appropriations by the Louisiana legislature and board of liquidation of state debt, expenditures of the state in the last fiscal year showed economies of $4,172,160 in the form of treasury balances in 72 accounts. The department of finance, which made the report, said it transferred a balance of $600,158 of its $750,000 appropriation, and Gov. Sam H. Jones returned $200,000 of a $500,000 appropriation for emergency defense purposes.

Bonded Debt in Kansas Lower

Kansas and its various governmental units trimmed $6,783,038 from their aggregate bonded debts the past year. The total remaining on June 30, the State Auditor's office reported, was $109,093,379, compared with a peak of $142,383,837 in 1934.

Bonds, issued by cities and outstanding on June 30 totaled $45,089,699 — comprising the largest share of any class of units. School districts came next with $24,991,192 and counties followed with $17,150,565.

The debt of the State Government was $14,520,000 all of it representing soldiers' bonus bonds.

Philadelphia's Revenue Increased by Municipal Tax

Receipts from Philadelphia's 1½% tax on earned income, which for the first six months of 1941 showed a large increase over the same period in 1940, may rise to more than $18,000,000 by the end of the year, according to information from the Federation of Tax Administrators.

The effect of two recent court decisions and growth of defense industries in the area will add to the city's gain from a tax that is unique among local governments in the country.

Under the court decisions, handed down by the municipal and State Supreme courts respectively, the city can impose the tax upon wages of persons employed in the Philadelphia Navy Yard, operated by the Federal Government, and upon salaries of officers and employees of the Commonwealth of Pennsylvania who are stationed or reside in Philadelphia.

Des Moines School Refunding Nears End

Eastern municipal circles were advised early this week that the Des Moines school debt refunding, handled by the Lehman Bros. syndicate, is nearing completion with some 85% of the $5,140,000 bonds already exchanged for new securities. The Des Moines refinancing is similar to that of Philadelphia in that the new bonds carry interest rates similar to the outstanding securities up to the reuemption date of the latter and at smaller coupon rates thereafter.

St. Louis Municipal Debt Reduced

The outstanding municipal debt of St. Louis was reduced by $3,688,000—from $72,252,000 to $68,564,000—during the fiscal year ending April 7, 1941, it was revealed recently with publication of the annual report of Comptroller Louis Nolte.

Reduction of the debt was accomplished by the purchase and retirement of $8,668,000 in bonds and the issuance of only $4,980,000 worth of additional bonds. This brought tne net debt per capita to $81.94, as compared to $86.09 at the beginning of the fiscal year.

Alberta Again Defaults

Increasing Alberta's total bond defaults since 1936 to $18,605,200, the provincial government defaulted on Sept. 2 on a $2,250,000 maturity that fell due the previous day. The maturity was a 6% issue sold in 1921 for general revenue purposes. The province will continue to offer to pay interest at one-half tne coupon rate, officials said.

Keen Bidding Displayed

The market for new municipal loans does not depend always upon the volume of offerings for an occasional highlight, and despite the scant supply of new material in this field of late, last Friday's bidding for a relatively small issue provided one of those instances. Demonstrative of the keen competition as well as the uniformity of opinion in appraising the market, two groups of bankers differed only 19 cents in their bids for an issue of $190,000 of Erie, Pa., funding and improvement bonds. The successful bid named a premium of $317.30, or 100.167, for 1¼s, while the second bidder named a premium of $317.11, or 100.1669, for the same coupon.

New Bond Offering Volume Small

With new offerings of municipal bonds few and for relatively small amounts, present indications are that the September financing total in the tax exempt field will be unusually small.

Offerings have aggregated less than $4,000,000 both during last week and this week, and new issues announced in recent sessions indicates a limited supply for the remainder of the month.

Next week will bring along 19 issues of housing bonds aggregating nearly $5 million. But with that exception there are no sizable offerings scheduled either for next week or the following several days.

In the meantime, the market continues steady and firm and dealers are finding a little more investment interest in their current offerings.

San Francisco-Oakland Bay Bridge

The "Bay Bridge" is an outstanding success. The passenger car toll has been cut progressively from 65 cents to 25 cents, while revenue has risen to the highest point in the almost five year history of the facility. Toll revenue (excluding that derived from traffic to Yerba Buena Island, the site of the 1939 and 1940 Expositions) in the twelve months ending July 31, 1941, was almost $5,200,000, an increase of 12½ per cent over the previous year. The passenger car toll was 25 cents during this last year, compared with an average of about 36 cents in the prior period. In the months of July only, 1941 vehicular toll revenue increased 11 per cent over 1940 before adjusting for Exposition traffic, and 29 per cent after. In both months the passenger car toll was 25 cents.

The interest requirement in the twelve months ending March 1, 1942, is $2,668,000 while the serial maturity at the end of the period amounts to $440,000. Under the Resolution authorizing the bonds, revenue must be maintained at a level 1.20 times debt service requirements. In the present fiscal year this would amount to $3,730,000. Revenue of $5,200,000 covers interest 1.95 times, total debt service 1.67 times, and covenanted revenue 1.39 times. No consideration is given above to non-operating revenue and certain expenses paid from revenue. In the fiscal year ending February 28, 1941, this revenue amounted to $1,04,235, while expense totaled $47,916. The net expenses paid by the State of California during this period amounted to $627,500.

(The above information is taken from a recent brochure on "Pacific Coast Bridge Revenue Bonds," issued by Kaiser & Co. of San Francisco.)

N. J. Tax Set-up Schedule for Revision

Governor Charles Edison disclosed last week that an extensive investigation of the entire tax structure in New Jersey has been under way at his behest for several month. Recent enactment of the railroad tax compromise laws, which are about to receive a court test of their constitutionality, was only one result of the inquiry into the complicated State tax problem.

Earlier action was taken on the deferred railroad taxes, Governor Edison said, because that phase of the problem could be "carved out" of the whole tax muddle and the action would benefit thousand of taxpayers. Legislation, designed to cure other tax ills will be drawn up as rapidly as the inquiry can be completed on individual phases of the problem, he said. He expressed the hope that many reforms would be ready for the Legislature in January.

The inquiry thus far has disclosed, he said, that "home owners are in the middle in a lot of things," that real estate taxes generally are out of balance and that a wholesale revamping of the State's tax structure must be effected. In working the reforms, he said, there must be certainty as to their legality and the measures must be embracive of sound business, equity and common sense. One of the first reform measures will be designed to give relief to the home owner.

Texas Legislators Consider Road Bond Assumption

Convening in special session on Tuesday, the Texas legislature resumed consideration of the highly controversial road bond subject on which the Senate and House were in disagreement when the regular session was adjourned. It will be the first special session in four years. Governor Coke Stevenson in issuing call expressed the belief that an agreement can be reached.

Should State aid be withheld, virtually all of the taxing units would face the alternative of restoring ad valorem taxation or allowing their bonds to default.

A statute which expired September 1, allotted one cent of the four-cent gasoline tax for principal and interest on road bonds issued prior to September 2, 1939. The statute authorized distribution of the surplus in this account to counties for several uses, including payment of debt on locally built roads not part of the State's network.

$200,000,000 Arkansas Bonds To Burn

Secretary of Commerce Jesse L. Jones expects to visit Arkansas in December to participate in a ceremony for the burning of $200,000,000 of highway, bridge district and road bonds which have been redeemed or refunded.

As Federal Loan Administrator, Secretary Jones ordered the purchase of the State's $136,000,000 highway refunding issue offered early in 1941. Governor Homer M. Adkins will set the date of the bond burning when Secretary Jones has notified him of his travel plans.

Philadelphia is planning an offering next month of $14,100,000 refunding and water bonds, and the Los Angeles Department of Water and Power has had an offering of around $20 million in the discussion stage for a while. With those exceptions there are no important sales anticipated at present by municipal men.

Dealers look for a continuation of the firmer price tone unless some unexpected development in the foreign situation or a change in the tax plans in Washington upsets the market.

Still another instance in the same category was the award on Tuesday of Rockville Centre, N. Y., obligations. Fifteen banking accounts competed for the $225,000 of one to 20-year electric light system issue, and the price obtained by the municipality exceeded substantially that on an issue of about half the size and of shorter average maturity marketed a little more than a month ago.

Pa. Turnpike Pays Bonds and Costs

Pennsylvania's super-highway has earned "more than enough" in eleven months of operation to meet its bond obligations and operation costs, Walter A. Jones, turnpike chairman, announced on Tuesday. The express toll road, Mr. Jones said in an answer to assertions of E. S. Shuck, president of the Central Pennsylvania Hotels Association, that the project was losing money, has earned more than $2,600,000 as of Aug. 31. He added that travel during Labor Day and the day following brought the total to more than $2,670,000, originally estimated as necessary to meet all costs.

Bonds covering 55 per cent of the road's $70,059,000 costs were taken by the Reconstruction Finance Corporation. An outright grant by the Public Works Administration paid for the remainder.

Major Sales Scheduled

We list herewith the more important municipal offerings ($500,000 or over—short term issues excluded), which are to come up in the near future. The names of the successful bidder and the runner-up for the last previous issue sold are also appended.

Sept. 11th (Today)

$740,987 Utica, N. Y.

Glore, Forgan & Co., and Schwabacher & Co., both of New York, bidding jointly, obtained the award of the bonds offered on May 1. The joint account of Graham, Parsons & Co., and Hemphill, Noyes & Co., both of New York, was runner-up.

Sept. 12th

$1,230,000 Cuyahoga Co., Ohio

The county awarded bonds last March to a syndicate headed by Field, Richards & Co. of Cleveland, while Halsey, Stuart & Co., Inc. of Chicago, was second best.

Sept. 15th

$1,722,000 Rochester, N. Y. (notes and bonds)

The last bond sale by the city took place in April, the award going to a syndicate headed by Lehman Bros. of New York. Second best bid was entered by Geo. B. Gibbons & Co., Inc. of New York, and associates.

Sept. 16th

$1,734,000 Osceola Co., Fla.

No recent bond sales are on record for this county.

Sept. 17th

$4,767,000 USHA bonds

This offering is made up of: $133,000 Alexandria, Va., $98,000 Decatur, Ga., $97,000 Fort Lauderdale, Fla., $97,000 Granite City, Ill., $227,000 High Point, N. C., $227,000 Hammond, Ind., $82,000 Key West, Fla., $138,000 Kinston, N. C., $52,000 Lakeland, Fla., $389,000 Macon, Ga., $38,000 Madisonville, Ky., $277,000 New Bedford, Mass., $196,000 New Bern, N. C., $63,000 North Little Rock, Ark., $816,000 Peoria, Ill., $1,338,000 San Antonio, Texas, $21,000 Sarasota, Fla., $346,000 Springfield, Ill., and $132,000 Texarkana, Texas, housing bonds.

Sept. 18th

$723,000 Centralia, Ill.

No recent bond sales have been negotiated by this city.

Sept. 23rd

$500,000 Prince George's Co., Md.

Small bond issue was awarded in Oct. 1939 to Butcher & Sherrerd of Philadelphia. Next highest bidder was Halsey, Stuart & Co., Inc., while John Nuveen & Co. of Chicago, was third.

WHISPERINGS

David (Newburger, Loeb) Goldstein, real estate trader has three acquaintances—young men —who recently went in business for themselves. They opened a ladies coat and suit place in Manhattan's garment center and were doing rather well. One morning while going over their incoming orders they were interrupted by a special delivery carrier who brought each one a notification to appear at the local draft board for physical examination. Downcast at this summons they wondered what would happen to the young but thriving business if all three were called for army duty, although they found some consolation in the belief that at least two of them might obtain a deferment. The next morning found them in the outer office of the examining physician waiting to be called. First one went in but in a few minutes came out with his face down to here. "What did he say?" asked the two partners. "What did he say!" exclaimed the young man. "He said I'm in A-1 tip-top shape. He never saw anybody in such good shape like me." The next young man went in and in the course of time also came out. He, too, was downcast. "The doctor" he explained disgustedly, "said that compared to me Wiessmuller was a cripple." The last partner was called in, worried that he, too, would pass the physical. After about ten minutes he came out beaming and hysterical with joy. "Look-look!!" he screamed joyfully poking himself in the chest. "Cancer-cancer!!!"

From-The News-Files

The Norfolk, Virginia Police Chief laid a very clever trap for a gang of hold-up men who were expected to stick up one of the local business places. But there was a slip up and the gang escaped. Upon being asked by local newspaper men for the reason the chief plaintively replied: "Our squad car got there too late, we couldn't find a parking place."

Edward Sorochin was driving in his car when it stalled on the railroad track. Seeing a train (B & O express) approaching, he jumped out. The car was completly demolished. But that wasn't the end of the story. The Bayonne, N. J. police have charged him with leaving the scene of an accident.

A good deal of the Child's buying (from 7 to 8½) was done by Francis I. du Pont for the account of one of the largest merchants of novelty jewelery... Now they are sellers. . . . Same house for same account is now picking up Devoe & Reynolds... Cantonement construction costs during World War 1 amounted to $216 a soldier . . . after investigation of nine camps it was discovered the average coat now is $702.41 per man. . . . Despite ballyhoo of reduction in number of autos produced it is estimated that during month of August industry accounted for 111,430 passenger cars as against 56,000 passenger cars in August, 1940. . . . City of Cleveland is replacing all metal manhole covers with worden . . . too many of the metal ones have been stolen and sold for scrap. . . . Girls serving in the various British auxiliary services have to obey regulations regarding colors of lipstick chosen. . . . WRNS (Women's Royal Naval Service) must use red lipstick with no blue or brown undertones. . . . WATS (Women's Auxiliary Territorial Service) must use a warm or brownish red—no pink allowed. . . . WAAF (Women's Auxiliary Air Force) must use a soft red with more pink in it.

Abe Strauss of Strauss Bros., was walking along Broad Street one afternoon when a panhandler approached him. "Mister" asked the man, "could you spare ten cents for a cup of coffee?" . . . "Ten cents?" repeated Abe questioningly, "since when is coffee a dime-coffee's a nickel." . . . "In that case" replied the panhandler, tipping his hat politely, "will you join me?"

Frank E. Mulligan, trader at G. A. Saxton & Co., was sitting in his office listening to the news broadcast on the radio when a neighbor from a few doors away popped in. "Hey, Frank!" asked the neighbor, "may I borrow your radio for an hour or so. I want to listen to the ball game." . . . "I'm sorry" replied Frank very gently, "I'm just going to shave." . . . "Going to shave?" asked the potential borrower, "what's that gotta do with the radio—you can't shave with a radio." . . . "You'd be surprised at what I can do with a radio" replied Frank, "when I don't want to lend it!"

George Murdoch Going Out To Pacific Coast

DES MOINES, IOWA—George D. Murdoch, president of Murdoch, Dearth & White, Inc., Des Moines Building, will go to Los Angeles on October 1st where he will represent the firm's interests on the Pacific Coast. Mr. Murdoch will also become a member of the firm of Cavanaugh, Morgan & Co., 634 South Spring Street, Los Angeles, members of the Los Angeles Stock Exchange, but he will retain his interest in Murdoch, Dearth & White.

Robert H McCrary, manager of Murdoch-Dearth's municipal department since 1938 has been elected vice-president of the firm. No other changes in personnel are contemplated by the organization it was announced.

SEC Applications For Broker-Dealer Registry

The following applications for registration as brokers and dealers have been made with the Securities and Exchange Commission on the dates indicated:

August 20, 1941—Clarence A. Cotton, Inc., 303 Turks Head Building, Providence, R. I., Anne W. Cotton, John F. Cotton, and Lillian M. Brady, officers — the business was formerly conducted as a sole proprietorship by Clarence A. Cotton.

August 23, 1941—D. Dudley Jaffin & Co., 192 Goldsmith Avenue, Newark, N. J., David Dudley Jaffin, sole proprietor; United Resources Corporation, 110 East 42nd Street, New York City. Horace S. Pope, Harrison Wright, and Lloyd W. Maxwell, officers.

August 25, 1941 — Charles N. Tripp Company. 601 American Bank Bldg., Portland, Oreg. Charles N. Tripp and Eloise F. Tripp as partners. Prescott W. Cookingham and Ralph N. Burgiss, formerly officers of the firm, having withdrawn.

August 30, 1941—Schwabach & Co., 67 Broad St., New York City, Eugene Richard Schwabach, Julius Schure, Meyer William Feingold, and Paul Perutz, partners.

UP-TOWN AFTER 3

THE SCREEN

"Navy Blues" (Warner Bros.) with Ann Sheridan, Jack Oakie, Martha Raye and Jack Haley. Directed by Lloyd Bacon. Rating "BB."

The United States Navy is out chasing submarines and keeping sea lanes free from Nazi raiders. You can learn all this if you read the newspaper headlines. But in this picture the U. S. Navy is doing something else. It is having itself a time in that tropical island paradise, Hawaii. Of course the Navy takes a little time off from its dances, song fests and general fun, to engage in a little gunnery practice. It all starts out when a couple of gobs Jack Oakie and Jack Haley, get involved in a betting tangle about which ship can shoot better on the gunnery range. During the course of the plot both sailors run wild around the island though their headquarters (as that of the rest of the fleet) seems to be in a glorified night club that features a bevy of Powers and Conover models, Ann Sheridan as a singer, and Martha Raye as the cigaret girl. The kindest thing that can be said of "Navy Blues" is that the songs are catchy and the girls are eye-filling, but having said that, there is little left to add.

"Life Begins for Andy Hardy" (MGM) with Lewis Stone, Mickey Rooney, Judy Garland, Fay Holden and Ann Rutherford. Directed by George B. Seitz. Rating "BA."

The Hardy lad has grown up. He is now out of high school and out in the Big City looking for and finally landing a job. Of course his father, the judge, wants him to go to college but the young man insists on first having his fling. For some reason our Keepers of the Morals have decided that this picture is unfit for adolescent consumption. If it weren't for the fact that Hollywood doesn't court such publicity, we would be inclined to dismiss this as just another press agent stunt, but having seen it we can't for the world understand what there is in this latest of the Hardy series to shock anyone. True, in one scene the Judge advises young Rooney about the facts of life. And he doesn't do it via the birds and bees method. But he does it so well that parents who don't know how to approach this subject could do worse than see it for themselves; or better still send their offspring to see it.

DINING & DANCING

"Ben Marden's Riviera" unveiled its new review to a typical New York first night crowd, last Thursday night. The show consists of **Harry Richman, Phil Baker, Joan Merrill**, Gower & Jeanne, Carol King and a stage full of Chester Hale girls. The girls, all good lookers, do a kind of a dance routine but mostly strut around so everybody can get a chance to ooh and ah. Richman acts as m.c., and tells the usual gags. Naturally he sings, too, but the songs he rumbles out are the same old ones you have heard before. Still they are a nice background for private conversations. Phil Baker is as good in person as he was on the radio. Better. Despite the fact that this is his first night club appearance in years he hasn't lost his touch. His jokes are really funny and his songs amusing. His "Thank You Mr. Ickes" describing the adventures of a young swain and his girl who run out of gas after 7 and have to park until 7 next morning, will make you howl. The dance team of Gower & Jeanne is grand to see. They dance like they really enjoyed their work. Joan Merrill sings that tear jerker "Did He Ask For Me?" and other tunes well enough to get a big hand. There is another little dancer, Carol King, who does surprisingly well. She isn't a Pavlova but her infectious grin and little girl appearance makes her act an effective one. So much for the show.

A great deal of a first night audience gets its fun not so much from what is happening on the stage but from what is happening around them. So before I run out of space here are a few things that happened around us you might like to know about: **Paul (PM) Ross** sitting up on the rim with actress **Miriam Smith** eating—of all things—a sandwich. . . **Dick (N. Y. Post) Manson** placidly looking over the crowd. . . **Louis (Journal) Sobol** shell rimmed glasses and bald head without daughter Natalie. . . The **dancing Hartman's (Paul & Grace)** shaking hands with everybody. . . **Didy Codre** actress trying to teach French to **Phil Baker** (incidentally we danced once with Miss Codre. . . (P. S. we still can't dance). . . **Frank (World-Telegram) Farrell**. . . tall, dark and handsome with blonde **Jo Ann Sayers. . . Paul (Morning Telegraph) Martin** holding hands with **Carmen (Louisiana Purchase) D'Antonio**. . . she's that gorgeous dancer but off the stage she wears glasses. . . **Ethel Merman** looking frowzy. . . **Nick (Mirror) Kenny** lounging on a couch in the lobby telling about his new song hit. . . **Dan (N. Y. News) Walker** in a white jacket trying not to notice that people are pointing him out but making a bad job of it. . . Sorry no **Winchell** . . . anyway we didn't see him here.

Investment Trust

(Continued from page 103)

tors' "Brevits" reports that because of sharply higher tax rates, realizable losses will be more "valuable" this year than ever before. He also suggests that investors may find it worth while to examine their investment lists for opportunities to establish long-term capital losses.

It is announced also that "Brevits" intends "to publish an article on this subject of establishing losses for tax purposes shortly after the new tax bill becomes law. This article will explain the appropriate provisions and furnish examples of how tax savings may be effected."

Defense Bond Sale Down

The Treasury Department announced on Sept. 4 that sales of defense savings bonds for August amounted to $265,606,000, the lowest monthly total since the program began on May 1. Total sales for the four months were $1,272,083,000. The August total compared with $349,818,000 bond sales in May, $314,527,000 in June and $342,132,000 in July, the Treasury says. The May and June totals differ from the figures we previously reported in the basis of Treasury announcements Secretary Morgenthau had announced on June 5 that May bonds sales aggregated $438,2?0,000 and the Department disclosed on July 3 that June sales had been only $268,965,000.

Our Reporter On "Governments"

(Continued from Page 99)

tained on the "baby bond" sales. . . .

To put it bluntly, the defense bond sale so far has been a failure. . . . It is not raising the cash that should be raised from the public. . . .

It is not helping to cut down the public's excess buying power during this crucial period. . . .

It is not helping to bring home to the average American the need for paying for defense, for making a real effort to help the nation through this period of great stress. . . .

It is not relieving Morgenthau of the necessity of returning to the open market for cash later this year — and again creating bank credit at a time when inflation is so deep a threat. . . .

These are harsh words but these are significant words, for:

(1) Either the defense bond sale is to be put over—and that means an entirely different setup in the Treasury Department. . . .

(2) Or Morgenthau must return once more to the nation's banks and insurance companies for the money to pay for defense. . . .

Predictions

To be specific about this, experts today believe that:

(1) For a little longer, Morgenthau will continue his present program of making this a "sale" rather than a "drive" or "campaign". . . .

(2) That will mean further cash borrowing in the open market through the issuance of taxable bonds later this year—perhaps this fall or in December. . . .

(3) After a few more months of this disappointing handling of the most important phase of the defense financing program, pressure probably will grow so strong that the Treasury will be forced to do something about making the sale a success. . . .

(4) That will mean an effort at payroll deduction plans or some very mild form of "forced savings". . . . The market will grow less important as a source for cash as this development takes place. . . .

(5) And while the first reaction to a more successful defense bond drive may be an advance in Government bond prices, the second reaction will be a decline in the market for there no longer will be so great a need for high bond prices and Washington authorities will not bother with maintaining interest rates at so low a level. . . .

Stability with minor reactions on news (such as increased reserve requirements). . . . Then a gradual recession in prices. . . .

Inside The Market

Some refunding by Government agencies due soon, especially by the RFC. . . . Cash borrowing by RFC coming, too, indicating an opportunity for purchase of attractive short-term issues at par. . . .

Many big investors buying the December and March notes, with idea of "rolling over" the maturities as the refunding date approaches—and thus keeping cash invested with a minimum of risk. . . .

Excess reserves of New York City banks at $1,815,000,000, lowest level since December, 1938, and still reports circulate of a near-term boost in reserve requirements. . . .

Check of bond district reveals little confidence in market's continued stability during fall months. . . . Little trading going on as a result. . . . Mostly professional in-and-out dealings. . . .

To Be Dealer

(Special to The Financial Chronicle)

MIAMI, FLA.—J. R. Durrance will shortly engage in a securities business as an individual, dealing in municipal issues. Mr. Durrance was formerly proprietor of J. R. Durrance & Co. of Miami and prior thereto did business from New York City. He may be reached at present at 208 Alcazar Ave., Coral Gables, Fla.

J. A. Browne Corp.

BURLINGTON, VT.—The John Adams Browne Corporation has been formed with offices at 86 Church Street, to deal in municipal securities, specializing in Vermont issues. John Adams Browne, formerly local manager for F. W. Horne & Co., Inc. of Hartford, is president of the new Corporation.

Jones In Denver

(Special to The Financial Chronicle)

DENVER, COLO. — Albert G. Jones is conducting a general securities business here from offices in the E. & C. Building.

Tomorrow's Markets Walter Whyte Says—

(Continued from page 99)

on what action the market displayed.

* * *

People in board rooms (here in New York anyway) seemed much more concerned with how the Dodgers were doing in their pennant race than with international, national or any other kind of financial news. Of course the arm chair generals are having a field day. They know exactly how this war in the east is to be run.

* * *

But all this, while interesting has little to do with what stocks — particularly your stocks—are doing or may do. So instead of talking about markets as if they were a unit, or about averages, which nobody buys, we'll limit the rest of this column to a technical discussion of the stocks held in our list.

* * *

Anaconda Copper: Was recommended at 27 with a stop at 25. Stock has been as high as 30 in the recent past but currently is selling around 28. A long term indication shows a move to about 40 but it will run into heavy offerings just across 32. On the downside Anaconda has a near term stopping or support point at 27 although the much heavier resistance area begins at 25. However for our purposes the stop at 27 still applies.

* * *

Bendix: Bought at 37 with a stop at 34 is currently about 38-39. On the up side the stock has recently made a new high of 40 and in doing that indicates no nearby offerings of importance. Bendix is, of course, a typical defense beneficiary though in peace times the company doesn't exactly starve either. Technically the best support zone is 34-36. The stock could go down into that area without detracting anything from it's bullish picture.

* * *

N. Y. Shipbuilding: This is an old stock. It was recommended way back in the middle of last year at 15 and held since. In recent weeks it has reached 33 and dipped at least once under 30. Right now it's selling at about 32 and acting as well as any stock on the board. From a careful study of it's action the only reasonable conclusion I can arrive at is that the stock seems full of dynamite. It can go up considerably and by the same token, go down proportionately. It's a stock that needs constant watching. In any case protect yourself by keeping the stop at 26.

* * *

Savage Arms: This is another oldie. It was first recommended here at 17. Subsequently it ran up to the high 70's where it was split four for one. The new stock is currently about 20 or equivalent to about 80 on the old. We carry a stop of 14½ on the new stock but in view of it's comparitive wide swings that price may not hold. As a matter of fact 10-12 would be the better zone at which to expect solid support. So for trading purposes I suggest reducing present stop to just under 10.

* * *

Swift & Co.: Bought a few weeks ago between 24-25 has done little since. It's right up against some old 1940, 1939 and 1937 offerings that begin at 25. Stock may have to lay here for some time before these old offerings are absorbed. For trading purposes the stop at 23½ still applies.

* * *

Warner Bros.: Bought recently at 5 has only just gotten out of it's long rut where it has been for the past two years. In doing this it took large offerings at 4 but probably has to rest now before it can attempt the next hurdle, 7. But on any set back it should not go below 3¾. Western Union: Bought at 24; profits advised at 30 or better, a figure reached during last week. From 30 on stock will run into offering that may bring reaction to lower 20's.

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.]

High Grade Bond Suggestions

Prime Rail Bonds for Investment; Suggested Switches from Utilities

It seems almost trite to express amazement at the continuing low yields offered by prime bonds. And yet the fact that the high grade bond market continues on its even course in the face of current domestic and international chaos can well be considered the most remarkable performance in the history of securities markets. Common stocks sell at two or three times current earnings; preferreds earning their dividends many time over are quoted only slightly above the value of the arrears they carry; and junior rail bonds yield up to 10% while the roads cover their charges five and six times.

Unusual as are these latter phenomena, there are tangible factors inherent in our war economy which can explain them—taxes, priorities and shortages, rising costs, price fixing and what not. The bond market is not so easy to explain. Reams have been written since 1936 prognosticating a deterioration of money rates and still the high grade market continues on its high plateau. Equally as much has been written in explanation of the intricate and esoteric workings of gold, credit, excess reserves and Federal fiscal operations which **keep** the bond market up. There still remains much to be explained; particularly so in view of the inflationary stream upon which we are already embarked, while prime bonds maintain their ceiling.

High or low, be the trend of money rates up or down, institutions and trustees, as their funds become available, must buy the best quality bonds the market affords. Thus, the only question to be answered is: What issues should be bought? Industrials? The dearth of seasoned industrials precludes a great deal of selection from this group. Utilities, the old standby? Prime utilities average about a 2.60 basis, they all sell substantially above their redemption prices and a good many are now refundable. But utility bonds have been practically the only corporate classification into which institutional funds have poured during the past several years; so the prospective buyer considers an offering of $100,000 Cleveland Electric 3s, 1970, on a 2.55 basis, selling a point and a quarter above the present call price.

How about the rails? Certainly this buyer could better his return considerably with a rail issue, but this group is in distinct disfavor, so the utility bonds are bought on a 2.55 basis. Let's look into this high-grade rail situation and attempt to find out why the institution must take a 2.55% return instead of 3.00% which is available on a prime rail issue.

One need but review briefly the 1937 bond market to perceive that during periods of high industrial activity, spreads between yields on prime utilities and best quality rails tend to disappear entirely. During the first eight months of 1937, average yields on high grade rails and utilities were practically identical. When the boom started to collapse, then there was a discernible spread between the two groups since rail traffic fell while power consumption continued at a high rate. According to tabulations compiled by Homer & Co., Inc., specialists in high grade bonds, the average yield on long high grade rails at the end of 1938 was

(Continued on page 112)

15 Reasons For Going To NSTA Convention

(Continued from First Page)

7. Gulf Coast Excursion (special for the ladies) . . . Delightful journey to the beautiful Mississippi Gulf Coast providing distinctive and unusual entertainment.

8. French Quarter Sight Seeing Tour . . . Experienced guides directing through the Vieux Carre, America's outstanding memorial of the Old World.

9. Mississippi River Boat Ride . . . An afternoon of sight seeing and frolic on the Father of All Waters.

10. New Orleans Foods . . . Famous the world over for their distinctiveness.

11. New Orleans Night Life . . . Informal, gay, rollicking entertainment from dusk to dawn.

12. New Orleans Atmosphere . . Abounding in gayety, friendliness and conviviality.

13. Field Day . . . A complete schedule of sports to meet everyone's desires.

14. Post-Convention Deep Sea Fishing Party . . . to be held in the Gulf of Mexico. (N. B. It is imperative that you notify Jack Kerrigan at Newman, Brown & Company in advance if you wish to enjoy this event in order that he can arrange for the proper amount of bait, tackle, boats, etc. Your cooperation will be very much appreciated).

15. Post-Convention Football Game . . . Boston College vs. Tulane. Last year's champions of the East meeting this year's outstanding prospect of the south.

A record crowd is expected—see the following list of advance registrations. The Convention Committee urges your cooperation in sending your registration in now if you have not already done so.

(Through September 3, 1941)

Thomas A. Akin, Akin-Lambar & Co., New Orleans, La.

Milton E. Allison, Ranson-Davidson Company, Inc., San Antonio, Texas.

Norman B. Baum, Selected Investments Co., Chicago, Ill.

Herbert H. Blizzard, Mrs. H. H. Blizzard, Herbert H. Blizzard & Co., Philadelphia, Pa.

Louis J. Bouche, White, Dunbar & Co., New Orleans, La.

F. P. Breckinridge, Whitney National Bank, New Orleans, La.

Wm. Perry Brown, Newman, Brown & Company, New Orleans, La.

H. Frank Burkholder, Equitable Securities Corp., New Orleans, La.

Errol E. Buckner, The National Bank of Commerce in New Orleans, N. O., La.

Laurence B. Carroll, Prescott, Wright, Snider Company, Kansas City, Missouri.

Robert Cass, Quincy Cass Associates Los Angeles, Calif.

John W. Clarke, John W. Clarke, Inc., Chicago, Ill.

Phillip J. Clark, Amos C. Sudler & Co., Denver, Colo.

John P. Corrigan & Co., Brown, Corrigan & Co., New Orleans, La.

John Dane, Mrs. John Dane, John Dane, New Orleans, La.

Joe H. Davis, First National Bank, Memphis, Tenn.

Joe E. Denham, First National Bank, Memphis, Tenn.

Chester E. de Willers, Schoonover, de Willers & Co., New York, N. Y.

Neil De Young, De Young, Larson & Tornga, Grand Rapids, Mich.

Ladd Dinkins, Louisiana Savings Bank & Trust Co., New Orleans, La.

Russell M. Dotts, Mrs. Russell M. Dotts, Bioren & Co., Philadelphia, Pa.

Leo J. Doyle, Mrs. Leo J. Doyle, Doyle, O'Connor & Co., Chicago, Ill.

Oscar B. Drinkard, Scott, Horner & Mason, Inc., Lynchburg, Va.

Jac. P. Ducournau, Jac. P. Ducournau, New Orleans, La.

W. H. Duff, Mrs. W. H. Duff, Duff & Phelps, Chicago, Ill.

T. J. Feibelman, T. J. Feibleman, New Orleans, La.

Mrs. Ora M. Ferguson, Merrill Lynch, Pierce, Fenner & Beane, Louisville, Ky.

Paul O. Frederick, Commerce Union Bank, Nashville, Tenn.

Firmin D. Fusz, Jr., Fusz-Schmelzle and Co., St. Louis, Mo.

R. Jerry Glas, Hyams, Glas & Carothers, New Orleans, La.

Chester M. Glass, Jr., Bankamerica Co., San Francisco, Calif.

F. Wesley Gleason, Jr., Wheeler & Woolfolk, New Orleans, La.

Thomas Graham, The Bankers Bond Co., Louisville, Ky.

Mark Zollar, Welch, Davis & Co., Chicago, Ill.

Wm. A. Grigsby, John Nuveen & Co., Chicago, Ill.

Charles W. Hahn, Scherck, Richter Company, St. Louis. Mo.

Miss Emma M. Hall, Commerce Trust Company, Kansas City, Mo.

Frank E. Haas, Rufus Waples & Co., Philadelphia, Pa.

Jack B. Hanauer, J. B. Hanauer & Co., Newark, N. J.

Ford T. Hardy, Merrill, Lynch, Pierce, Fenner & Beane, New Orleans, La.

Gilbert Hattier, Jr., White, Dunbar & Company, New Orleans, La.

Russ Hastings, H. Russel Hastings, Detroit, Mich.

Michael Heaney, Joseph McManus & Co., New York, N. Y.

J. C. Hecht, Butler, Huff and Co., Los Angeles, Calif.

Henry G. Isaacs, Guaranty Underwriters, Inc., Jacksonville, Fla.

J. Earle Jardine, Jr., William R. Staats Co., Los Angeles, Calif.

Roy W. Jordan, Gatch Bros., Jordan & McKinney, Inc., St. Louis, Mo.

Rudolph S. Juran, Juran & Moody, St. Paul, Minn.

Jack Kerrigan, Newman, Brown & Co., New Orleans, La.

Charles King, Charles King & Co., New York, N. Y.

Charles C. King, The Bankers Bond Co., Louisville, Ky.

Porter King, King, Mohr & Company, Mobile, Ala.

J. W. Kingsbury, Kingsbury & Alvis, New Orleans, La.

E. J. Knight, Wells-Dickey Co., Minneapolis, Minn.

Walter D. Kingston, Lamar, Kingston & Labouisse, New Orleans, La.

A. M. Leary, Barrow, Leary & Co., Shreveport, La.

Louis S. Lebenthal, Mrs. Louis S. Lebenthal, Lebenthal & Company, New York, N. Y.

Ed. S. Lewis, Jr., Lewis & Co., Jackson, Miss.

Charles Lob, Weil & Co., Inc., New Orleans, La.

William N. Louque, American Bank & Trust Co., New Orleans, La.

J. S. Love, Jr., J. S. Love Company, Jackson, Miss.

B. F. Ludington, Watling Lerchen & Co., Detroit, Mich.

C. Laurence Macurda, Guaranty Underwriters, Inc. Miami, Fla.

Robert D. Mannix, Earl M. Scanlan & Co., Denver, Colo.

A. L. McDougal, Jr., Mrs. A. L. McDougal, McDougal & Condon, Inc., Chicago, Ill.

Joseph McManus, Joseph McManus & Co., New York, N. Y.

J. W. Means, Trust Company of Georgia Atlanta, Ga.

Frank P. Meyer, First of Michigan Corporation, Detroit, Mich.

Joseph P. Minetree, Merrill Lynch, Pierce, Fenner & Beane, New Orleans, La.

Don W. Miller, Mrs. Don W. Miller, McDonald, Moore & Hayes, Inc., Detroit, Mich.

R. Conover Miller, E. W. & R. C. Miller & Co., Philadelphia, Pa.

James F. Musson, Mrs. James F. Musson, B. J. Van Ingen & Co., New York, N. Y.

Leon Newman, Kohlmeyer, Newburger & Co.,

Cason Nichols, Nichols & Co., Nashville, Tenn.

R. H. Nichols, Nichols & Co., Nashville, Tenn.

Fred N. Ogden, New Orleans, La.

E. E. Parsons, Jr., Mrs. E. E. Parsons, Jr., Wm. J. Mericka & Co., Inc., Cleveland, Ohio.

Carr Payne, Cumberland Securities Corp., Nashville, Tenn.

Joseph G. Petersen, Eckhardt-Petersen & Co., Inc., St. Louis, Mo.

Herbert Pettey, Equitable Securities Corp., Nashville, Tenn.

Charles H. B. Phillips, Penington, Colket & Wisner, Philadelphia, Pa.

Thos. J. Phillips, W. H. Bell & Co., Inc., Philadelphia, Pa.

Clyde C. Pierce, Mrs. Clyde C. Pierce, Clyde C. Pierce Corporation, Jacksonville, Fla.

David A. Pincus, Mrs. David A. Pincus, Charles Clark & Co., New York, N. Y.

Alfred N. Plumley, First Natl. Bank & Trust Co., Minneapolis, Minn.

Henry J. Richter, Scherck, Richter Company, St. Louis, Missouri.

J. E. Roddy, Scharff & Jones, New Orleans, La.

Stanley L. Roggenburg, Roggenburg & Co., New York, N. Y.

Gerald B. Ryan, Peters, Writer & Christensen, Inc., Denver, Colo.

Walter F. Saunders, The Dominion Securities Corp., New York, N. Y.

Rudolph J. Schjott, Hyams, Glas & Carothers, New Orleans, La.

L. W. Schoonl, Mrs. L. W. Schoonl, King, Wulf & Co., Grand Rapids, Mich.

Forest Shipley, Quincy Cass Associates, Los Angeles, Calif.

Lawrence E. Shaugnessy, Park-Shaugnessy & Company, St. Paul, Minn.

A. Palmer Smith, Jr., Nusloch, Baudean & Smith, New Orleans, La.

Ludwell A. Strader, Scott, Horner & Mason, Inc., Lynchburg. Va.

Willis M. Summers, Hoit, Rose & Troster, New York, N. Y.

Leland Speed, Leland Speed Company, Jackson, Miss.

Oliver J. Troster, Hoit, Rose & Troster, New York N. Y.

Ernest C. Villere, St. Denis J. Villere & Co., New Orleans, La.

Edward H. Welch, McGuire, Welch & Co., Chicago, Ill.

Mac B. Wheeler, Wheeler & Woolfolk, Inc., New Orleans, La.

Jos. H. Weil, Weil & Arnold, New Orleans, La.

Walter Weil, Jr., Weil & Co., Inc., New Orleans, La.

B. Frank Williams, The National Bank of Commerce in N. O., New Orleans, La.

Robert R. Wolfe, Robert R. Wolfe, New Orleans, La.

David M. Wood, Thomson, Wood & Hoffman, New York, N. Y.

Robert M. Woolfolk, Woolfolk, Huggins & Shober, New Orleans, La.

H. F. Wulf, Mrs. H. F. Wulf, King, Wulf & Co., Grand Rapids, Mich.

Warren W. York, Mrs. Warren W. York, Warren W. York & Co., Allentown, Pa.

Merrill Lynch Picnic

The annual outing of employees of the firm of Merrill Lynch, Pierce, Fenner & Beane, 70 Pine Street, New York City, will be held Saturday afternoon, September 13th, at Schmidt's Farm, Scarsdale, New York A feature will be a soft game between the firm's partners and the employees. This will be the first employees' picnic held since the consolidation of Merrill Lynch, E. A. Pierce & Cassatt and Fenner & Beane.

CHRONICLE STORK DERBY

The Financial Chronicle is awarding a silver medal to the daddy of the National Security Traders Association who has the largest family of boys and/or girls and has sent in a picture of himself and them to our Contest Editor. Blessed events after August 31 (closing date of the Contest) not counted. We will run the photographs of the winners and runners-up in our Convention issue to be distributed at the NSTA Convention in New Orleans.

In case of a tie the daddies with top honors will be awarded duplicate medals.

We present below photographs of two entries recently received.

JOHN MARSHALL JONES *of John Marshall Jones & Co.*, Baltimore, and family. Mr. and Mrs. Jones, Marshall, Helen, Shriver, Elizabeth, Gerald, Carbrey, Semmes, Mary Jeannette, and Ann Lewis.

Three of Mr. Jones' boys are now in the Army.

THOMAS J. LOVE *of Geo. E. Snyder & Co.*, Philadelphia, and family. Elizabeth J., Fleurette T., Lorraine B. (twins) and Barbara A. (Betty's twin) Joan P., Thomas J., Helene D.

Mr. Love says he believes his are the only two sets of twins in one family in the NSTA.

Foreign Bond Defaults

(Continued from First Page)

But now another program has been added, the report states, in the form of the financing of productive public works projects of modest size in certain countries to the south. This program would normally be financed by floating bonds through private bankers in the investment market, but "the investment market does not now take kindly to foreign bonds." The great official bank, says Mr. Pierson, is "bridging the gap until the foreign sections of the public investment market are able to function again."

Nothing is said by Mr. Pierson of the many and complicated reasons why our investment market is virtually closed to foreign flotations, after ten years in which the financial wreckage of the 1920's might well have been cleared away in large part. There is, however, no secret about that aspect of affairs. The facts disclose an amazing vacillation in the highest Administration circles, which prompted many of the Latin-American defaulters on dollar bonds to neglect service on their debts, even in periods when full or partial service was well within their capacity.

Hardly a day goes by without fresh evidence on this score. Indeed, Mr. Pierson by his own comments indicates plainly that the attitude of certain debtors is not to stand in the way of access by the defaulters to American capital. Within the last week that arch-defaulter, Mexico, virtually was promised additional accommodation by Secretary of the Treasury Henry Morgenthau, Jr., and it is rumored that Colombia and Ecuador also may receive "stabilization" loans. The record supplied by Mr. Pierson shows that Peru, which has made no attempt whatever to adjust its debts, has a $10,000,000 credit available at the Export-Import Bank.

It is a curiously mottled picture that the Latin-American loan field presents, as a consequence of the utter disregard in official Washington of some of the simplest fundamentals of finance and of human psychology. Argentina, with a high regard for its own pledges and its credit standing, bravely made the sacrifices necessary for maintenance of its integrity. Cuba, Haiti, Colombia, Panama and Uruguay remedied their defaults in part, reluctantly in some cases and willingly in others. Brazil, Chile, Peru and Bolivia are hardly to be classified as honest debtors, since absurdly small payments are made currently by the first two countries, and none whatever by the last two.

The inconvenience of debt payment is quite understandable, and the fact also is comprehensible that a debtor of the highest integrity may meet disaster and find necessary a plea for postponement or adjustment. But under the New Deal program of the "Good Neighbor," little was done to inculcate a sense of ultimate responsibility in Latin-America for debts honestly contracted. Instead, we have the amazing situation of fresh extensions, this time of public funds, when the debtors simply did not care to make provision for old debts.

Being alert people, the Latin-Americans have been quite as much puzzled by this tendency as have American investors. Many an American businessman, returning from a tour of the countries to the South, has remarked on the scornful view taken in many Latin-American circles of the United States. The colossus of the north seemed unwilling to attend to its most ordinary interests, and the feeling grew and in some cases has become ingrained that the United States was suffering an attack of bad conscience. This, the complacent bad debtors assumed, fully justified them in further disregard of their pledges.

But what of the American investors, many of them dependent upon income from small holdings? There are said to be more than 500,000 holders of foreign dollar bonds in the United States, and the figure would not appear to be an exaggeration, since such bonds are outstanding in the approximate amount of $5,500,000,000. They are not only forced to do without their income, from such sources, but are made willy-nilly to pay taxes toward vast extensions of official funds to the very debtors who have harmed them.

Early in its checkered career the New Deal paid a little heed to this problem. At the request of the Administration the Foreign Bondholders Protective Council was formed, along lines made familiar by the British equivalent, to negotiate debt settlements. That Council still functions, but it has had little support in the past from official Washington, and in recent months none whatever. This contrasts sharply and unfavorably with the practice in London, where the Council of Foreign Bondholders steadily and widely is aided by the British Government.

There are, clearly, ample room and many reasons for a better coordination and more skillful planning in this country on the matter of foreign bond defaults. Not the least important consequence of effective debt compositions would be a restoration of the credit of Latin-America, and a resumption of private enterprise and initiative in this sphere.

Our Reporters Report

(Continued from First Page)

other operating unit in the Electric Power & Light Corporation group, the Arkansas Power & Light Company, is mentioned as a prospect.

The company has outstanding an issue of $35,000,000 of first mortgage, originally first and refunding mortgage, 5 per cent due in 1956. The bonds are subject to call at 103¾ on forty-five days notice on the first day of any month until September 1, 1944, when the redemption price drops to 103.

A sizeable banking group, headed by one of the major underwriters which will sponsor a group to bid on the forthcoming $95,000,000 American Telephone & Telegraph Company offering, is said to have done considerable groundwork with a view to going after the Arkansas situation.

The bonds currently are moving within little more than a point of the call price, invariably an indication of the possibility of an early move for redemption.

Republic Steel Revives

Report around the Street has it that Republic Steel Corporation may soon undertake to do a bit of the refinancing which was in contemplation months ago. Initial plans called for an operation involving close to $100,000,000, but only a modest part of that program was completed.

Now the story is that the company's bankers are sounding out the situation with a view to refinancing the $6,398,000 of first mortgage 4⅓s of the Gulf States Steel Corporation, which Republic assumed at the time of the acquisition of Gulf States back in 1937.

Until October 15 next this issue is subject to redemption at 104, with the call price then dropping to 103. Accordingly, since thirty days' notice is required, the company might be expected to make its intention known within the next week if immediate action is contemplated.

A. T. & T. Issue Nearer

Filing with the Securities and Exchange Commission yesterday of registration covering its proposed $90,000,000, issue of thirty-five years 2¾ per cent debentures, brings the huge American Telephone & Telegraph offering much nearer.

Having asked the SEC to expedite registration procedure, the company evidently is prepared to call for bids immediately upon notice of clearance.

Two large banking groups, one headed by Morgan Stanley & Co. Inc., and the other by Halsey, Stuart & Co. are prepared to make tenders. A third syndicate is talked of as a possibility which if it develops, probably will act in the nature of agent for a group of institutional investors.

Two Stock Offerings Rapid

That investors are around with available funds appeared clearly illustrated by the celerity with which two substantial stock offerings were snapped up yesterday.

It required by a few hours to dispose of a block of preferred offered for the Jewel Tea Company, and another of common stock of the Northern Natural Gas Company, sold for the United Light & Railways Company.

The Jewel Tea offering involved 50,000 shares of 4¼ per cent cumulative preferred stock, priced at 105, while the Northern Natural Gas common was priced at $32 a share. Books were closed on both offerings around midday in the wake of substantial over-subscription.

Confusion Still Rules

Perhaps after one or two more experiences the pieces will fall into place with some regularity. But for the present the Securities and Exchange Commission's "U-50 Rule", calling for the auction of utility company securities, continues to cause no little confusion in investment circles, particularly among smaller firms.

Outlying firms which, in the past, could count upon a more or less set participation in underwritings of the banking firms with which they worked, are now greatly perplexed.

The old routine is out and these firms must now do their own figuring in the hope of getting a participation. Over-pricing, of course, it is pointed out, would be disastrous since, with limited capital, such firms could not afford to commit themselves too extensively in advance.

The Export-Import Bank would not then need to undertake financing which, as Mr. Pierson notes, normally is done in the ordinary capital market. The Good Neighbor policy would progress far more smoothly and ably, and American investors might even receive income which would add to the taxes flowing into our Treasury coffers.

Aircraft Should Rise

Northrop Aircraft, Inc. offers an interesting speculation situation according to a circular just issued by Fewel, Marache & Co., 453 South Spring Street, Los Angeles, Calif., members of the Los Angeles Stock Exchange. The Northrop company is now emerging from its expansion program to a volume production basis and it is anticipated that earnings on the common stock within the next twelve months may be very attractive Copies of the circular will be sent by Fewel, Marache & Co. on request.

Calendar of New Security Flotations

OFFERINGS

COMMONWEALTH TELEPHONE CORPORATION

Commonwealth Telephone Corp. registered with SEC 16,071 shares $5 cumulative preferred stock, $100 par, and subscription receipts thereto to be issued pending authorization and delivery of the stock

Address—122 W. Washington Ave., Madison, Wis.

Business—Operating subsidiary of General Telephone Corp., furnishing telephone service in 113 communities and surrounding territories in Wisconsin

Underwriting — Underwriters are: Bonbright & Co., New York, Paine, Webber & Co., New York Mitchum, Tully & Co., Los Angeles Wisconsin Co., Milwaukee

Offering—13,071 shares subject to Exchange Offer, under which the company (to Wisconsin holders) and the underwriters (to holders elsewhere) offer to holders of outstanding $6 preferred stock right to subscribe, on share for share basis, to the $5 preferred stock, at price to be supplied by amendment. Unsubscribed portion of such 13,071 shares, plus the remaining 3,000 shares of $5 preferred stock registered, will be offered to the public, at a price to be supplied by amendment

Proceeds—Will be used to redeem on Oct. 21, 1941, the 13,071 shares of outstanding $6 preferred stock, at $110 per share, or purchase thereof, balance to reimburse company's treasury for expenditures made in past for additions and betterments to its property

Registration Statement No. 2-4820 Form A-2. (8-25-41)

JEWEL TEA COMPANY, INC.

Jewel Tea Co., Inc., registered with SEC 50,000 shares Cumulative Preferred Stock, $100 par, dividend rate to be supplied by amendment

Address — Principal executive office — Jewel Park, Barrington, Ill. Statutory office: Woodbury, N. Y.

Business—Engaged primarily in retailing food products and of certain articles of personal and household use, through route business in direct-to-the-home sales, and also through food stores in the Chicago area

Underwriters—Lehman Brothers, Goldman, Sachs & Co. and associates

Offered—Sept. 10, 1941 at 105 per share

Proceeds—Net proceeds will be used to finance the cost of certain additional production and warehousing facilities and sales outlets, and for working capital

Registration Statement No. 2-4817. Form A-2. (8-21-41)

Effective—Sept. 9, 1941 4:45 p.m., E.S.T.

NORTHERN NATURAL GAS COMPANY

Northern Natural Gas Co. registered with SEC 355,250 shares common stock, $20 par

Address — Aquila Court Bldg., Omaha, Neb.

Business—Owns, operates and maintains a natural gas pipeline system of 2,783 miles in length, from Texas and Kansas fields to points in Nebraska, Iowa, Minnesota and South Dakota

Underwriting — Blyth & Co., Inc., is named principal underwriter; others to be named by amendment

Offering—The 355,250 shares are already issued and outstanding and are owned and held by United Light & Railways Co., which will receive all of the proceeds. Price $32 per share

Registration Statement No. 2-4871. Form A-2. (8-25-41)

Effective — Sept. 9, 1941 at 3:30 p.m., E.S.T.

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 Standard Time as per rule 930(b).

Offerings will rarely be made before the day following.

SATURDAY, SEPT. 13

MORGANTON FURNITURE COMPANY

Morganton Furniture Co. registered with SEC 1,875 shares 6% cumulative preferred stock, $100 par, and 25,000 shares common stock, $2.50 par

Address—Morganton, N. C.

Business—Engaged in the manufacture of furniture

Underwriters—R. S. Dickson, Co., Inc., Charlotte, N. C., 1,075 shares preferred, 15,000 shares common; Stein Bros. & Boyce, Baltimore, 550 preferred, 7,500 shares common; Interstate Securities Corp., Charlotte, 250 preferred, 2,500 common

Offering—The preferred and common stock registered are to be offered to the public for the account of three selling stockholders who are to receive the proceeds from sale thereof. The preferred will be offered to the public a $102 per share, and the common stock at $17.75 per share

Registration Statement No. 2-4822 Form A-2. (8-25-41)

Effective—Sept. 9, 1941, 4:45 p.m. E.S.T.

MONDAY, SEPT. 15

TEXAMERICA OIL CORP.

Texamerica Oil Corp. registered with SEC 119,891 shares common stock, $2 par.

Address — Milam Bldg., San Antonio, Tex.

Business—Engaged in production and marketing of crude oil, acquire mineral leasehold interests in producing or proven oil properties in Texas, drilling of oil wells thereon, acquire royalty interests in proven and developed oil properties.

Underwriter—Willard York Co., San Antonio, Tex., has agreed to purchase 44,750 shares at $1.75 per share and 74,157 shares at $2, from company.

Offering—118,907 shares to be offered to public at $2.375 per share; remaining 984 shares registered constitute shares issued July 1, 1941, by company, as dividends.

Proceeds—Will be used to pay outstanding mortgage indebtedness ($200,000), and remaining $26,626 will be added to working capital

Registration Statement No. 2-4824 Form A-1. (8-27-41)

TUESDAY, SEPT. 16

COMPOSITE BOND FUND, INC.

Composite Bond Fund, Inc., registered with SEC 32,500 shares $1 par common stock.

Address—601 Riverside Ave., Spokane, Wash.

Business — Open-end investment trust, limited to investments in bonds.

Underwriting—Murphey, Favre & Co., Spokane, Wash., is underwriter and distributor, purchasing said shares at the net asset value then in effect for distribution to public at such net asset value plus 8½%.

Offering—To be offered to the public at the then prevailing market price.

Proceeds—Will be used for investment purposes.

Registration Statement No. 2-4825 Form A-1. (8-28-41)

WEDNESDAY, SEPT. 17

HOUSTON LIGHTING & POWER CO.

Houston Lighting & Power Co. registered with SEC an indeterminate number of shares of its common stock, no par. (Company has outstanding 500,000 shares of common stock, of which 499,987 shares are held by its parent National Power & Light Co., which latter company also holds options to purchase the remaining 13 shares of outstanding common stock of company).

Address—900 Fannin St., Houston, Tex.

Business—Company is an operating public utility company principally engaged in generating, transmitting, distributing and selling electricity at retail and wholesale, serving 150 communities and an extensive rural area in Texas, including cities of Houston and Galveston.

Underwriter—None.

Offering — No public offering contemplated initially. Company is advised by National Power & Light, that that company has filed with SEC a declaration under the Holding Company Act contemplating, initially, the exchange of common stock of company which National Power & Light owns, for the $6 preferred stock of National Power & Light Co. and also contemplating that if, upon termination of such proposed exchange plan, National Power & Light still holds as much as 5% of common stock of company, it will dispose of such holdings as promptly as shall be practicable in light of then market and other conditions and with the best interests of its security holders in mind. After such disposition, company will have ceased to be either a subsidiary or an affiliate of National Power & Light Co. or Electric Bond & Share Co.

Registration Statement No. 2-4827 Form A-2. (8-29-41)

MISSOURI UTILITIES CO.

Missouri Utilities Co. registered with SEC $3,150,000 First Mortgage Series A 3½% bonds, due June 1, 1971; 14,000 shares 5% cumulative preferred stock, $100 par; and 125,000 shares common stock, $1 par.

Address—Cape Girardeau, Mo.

Business—Engaged principally in generation, transmission, distribution and sale of electricity, in 56 communities in Missouri and two in Arkansas. Company is a subsidiary of Community Power & Light Co.

Underwriter—The bonds are not to be sold to public; they are to be sold by company to Dillon, Read & Co. for 104¼, and in turn to be sold to Equitable Life Assurance Society of the U. S. for 104¾. Names of underwriters of the 5% preferred stock and the common stock registered, will be supplied by amendment.

Offering—The 14,000 shares 5% preferred and 125,000 shares common stock are to be issued under a reclassification of outstanding capital stock of company. Of the 5% preferred stock registered, 11,912 shares will be offered to public for account of company, and 2,088 shares will be offered to public for account of Community Power & Light Co. The 125,000 shares common stock will be sold to public for account of Community Power & Light Co.

Proceeds—To company from sale of the $3,150,000 of bonds and 11,912 shares of 5% preferred stock, will be used as follows: $2,811,200 to purchase for cancellation from Community Power & Light Co. that amount of company's outstanding Series A and D First Mortgage bonds; $1,111,385 to pay or purchase indebtedness owing by company to its parent and an affiliate, on open account and promissory notes; $420,000 to redeem company's outstanding 4,000 shares 7% preferred stock, $100 par, at 105 Balance of proceeds will be set aside for expenditure by company for property additions and improvements.

Registration Statement No. 2-4826 Form A-2. (8-29-41)

TUESDAY, SEPT. 23

BUFFALO FORGE COMPANY

Buffalo Forge Co. registered with SEC 115,120 shares of common stock, $1 par

Address—490 Broadway, Buffalo, N. Y.

Business—Manufacture and sale of blowers and fans and equipment for use in fields of heating, ventilating, air conditioning and of removal of fumes and dust created in manufacturing operations; machine tools; and equipment employed in sugar factories and refineries and coffee and rice plantation machinery

Underwriter—Hornblower & Weeks, New York, is named principal underwriter; names of other underwriters to be furnished by amendment

Offering—Of the shares registered, 100,000 are issued and outstanding and are to be offered to the public for account of two selling stockholders; remaining 15,120 shares are to be offered for account of company. Offering price by amendment

Purpose—Net proceeds to company from sale of the 15,120 shares unissued common stock will be applied to reimburse its treasury for expenditure in Aug. 1941, of $246,058 in connection with purchase of outstanding 2,305 shares company's 7% preferred stock, $100 par, or to be used for other corporate purposes

Registration Statement No. 2-4828. Form A-2. (9-3-41)

PUEBLO MINING COMPANY

Pueblo Mining Co. registered with SEC 1,500,000 shares 1 Cent Par Value Assessable Common Stock

Address—Spokane, Wash.

Business—Mining

Underwriter—No underwriter named.

Offering—To be offered to public at 2 cents per share

Proceeds—Will be used for development, purchase of equipment, building, and working capital

Registration Statement No. 2-4829. Form AO-1. (9-3-41) (San Francisco)

THURSDAY, SEPT. 25

BLACK HILLS POWER & LIGHT CO.

Black Hill Power & Light Co. registered with SEC $2,115,000 First Mortgage Bonds, Series A, due 1971; 9,400 shares 5% cumulative preferred stock, $100 par; and 100,000 shares common stock, $1 par

Address—Rapid City, S. D.

Business—Incorporated in South Dakota on Aug. 27, 1941, for purpose of continuing business and operations of the Dakota Properties of General Public Utilities, Inc., and the business and operations of the Dakota Power Properties of the Dakota Power Co. Engaged in generation, transmission, distribution and sale of electricity, in 12 communities in western South Dakota, and various unincorporated communities and rural areas.

Offering—The bonds are to be sold to Dillon, Read & Co. at 103¼ and in turn will be resold by latter to Equitable Life Assurance Society of the U. S. at 103¾. The preferred stock and an undetermined number of shares of common stock are to be issued to General Public Utilities, Inc., in part payment for the so-called Dakota Power Properties to be acquired from that company and Dakota Power Co. The remaining shares of common stock, as well as the preferred and common stock to be received by General Public Utilities, Inc., will be offered to the public

Proceeds—To company from sale of the bonds and common stock will be used to pay General Public Utilities, Inc., and Dakota Power Co. the balance of the consideration for the properties to be acquired. Balance of net proceeds will be added to working capital.

Registration Statement No. 2-4832. Form A-2. (9-6-41)

EDISON BROTHERS STORES, INC.

Edison Brothers Stores, Inc., registered with the SEC 30,000 shares 5% cumulative convertible (until Sept. 15, 1950) preferred stock, $50 par; 66,666 shares of $2 par common stock, to be reserved for issuance upon conversion of the preferred; and Common Stock Scrip issuable in lieu of fractional shares of common stock upon conversion of the preferred stock

Address—710 N. Twelfth Blvd., St. Louis, Mo.

Business—Company and subsidiaries engaged in merchandising at retail through a chain of stores, women's dress shoes, sport and play shoes, hosiery and handbags, operating 152 retail stores located in 87 cities in 31 states and the District of Columbia

Offering—The preferred stock to be offered to public, at price to be supplied by amendment

Underwriters—All of St. Louis, Mo., unless otherwise noted, and number of shares underwritten, are as follows:

	No. Shares
G. H. Walker & Co.	9,700
Bacon, Whipple & Co., Chicago	6,000
Bodell & Co., Inc., Providence	3,000
Francis, Bro. & Co.	2,000
Alex. Brown & Sons, Baltimore	2,000
Newhard, Cook & Co.	1,000
Stifel, Nicolaus & Co., Inc.	1,000
Stix & Co.	1,000
Courts & Co., Atlanta	800
Crago, Smith & Canavan	500
Reinholdt & Gardner	500
I. M. Simon & Co.	500
Stern Bros. & Co., Kansas City	500
Friedman, Brokaw & Samish	500
Edward D. Jones & Co.	500
Whitaker & Co.	500

Proceeds—Will be used for general corporate purposes.

Registration Statement No. 2-4831. Form A-2. (9-6-41)

SOUTHEASTERN INDIANA POWER CO.

Southeastern Indiana Power Co. registered with SEC 2,000 shares 6% cumulative preferred stock, $100 par

Address—Rushville, Ind.

Business—A public utility company engaged in transmitting, distributing and selling electricity in southeastern Indiana

Offering — The preferred stock will be offered to public at a price to be supplied by amendment

Underwriter—Central Republic Co., Inc., Chicago, is sole underwriter

Proceeds—From sale of the 2,000 shares preferred stock, together with aggregate of $1,152,280 to be received by company from sale of other securities ($650,000 4% first mortgage bonds to an insurance company, $350,000 Serial Guaranteed Debentures to a bank and an insurance company, and 12,500 shares $10 par common stock) are to be applied by company to acquire all the outstanding capital stock and funded indebtedness of Hoosier Public Utility Co. and for other corporate purposes

Registration Statement No. 2-4830. Form A-2 (9-6-41)

SUNDAY, SEPT. 28

GULF POWER COMPANY

Gulf Power Co. registered with SEC $5,600,000 First Mortgage Bonds, due Sept. 1, 1971. Interest rate will be supplied by amendment

Address—8-10 N. Palafox St., Pensacola, Fla.

Business — An operating subsidiary of Commonwealth & Southern Corp., engaged in northwestern portion of Florida in purchase and sale of electricity and gas

Offering and Underwriting—The bonds will be sold to public at price to be supplied by amendment. Bonds will be sold under competitive bidding rule of SEC Names of underwriters by amendment

Proceeds—From sale of the bonds, together with $250,000 in cash to be received from Commonwealth & Southern Corp., will be applied as follows: redemption at 103½ of $2,500,000 5% First and Refunding Mortgage bonds, due 1968; redemption of so much of the $3,100,000 of 4% First and Refunding Mortgage bonds as may have been issued to the RFC; and balance to be used for additions and improvements to company's electric utility plant.

Registration Statement No. 2-4833. Form A-2. (9-8-41)

MISSISSIPPI POWER COMPANY

Mississippi Power Co. registered with SEC $8,927,000 First Mortgage Bonds, due Sept. 1, 1971. Interest rate to be supplied by amendment

Address—2500 14th St., Gulfport, Miss.

Business—A subsidiary of Commonwealth & Southern Corp. this company is engaged within the southeastern portion of Mississippi, in the generation, purchase, distribution and sale of electricity at retail in 135 communities, rural areas, and sale at wholesale of electricity to 6 rural cooperative associations

Offering and Underwriting—The bonds will be offered to the public at a price to be supplied by amendment. The bonds will be sold under the SEC's competitive bidding rule, with underwriters to be supplied by amendment

Proceeds—From sale of the bonds, together with $250,000 in cash to be received from Commonwealth & Southern Corp., parent company, will be used (a) to redeem $6,177,500 of 1st & Ref. Mtge. 5s, 1955, at 103½ and accrued interest, (b) redemption of so much of the $2,750,000 of 1st & Ref. Mtge. 4s of 1951 as may have been issued to the RFC, at 100 and accrued interest, and (c) to construction of additions and improvements to company's electric plant.

Registration Statement No. 2-4834. Form A-2. (9-8-41)

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.

AERONCA AIRCRAFT CORPORATION

Aeronca Aircraft Corp. registered SEC 30,000 shares of $1 cumulative convertible preferred stock, $15 par; 140,000 shares $1 par common stock; and 65,000 Stock Purchase Warrants

Address—Middletown Municipal Airport, Middletown, Ohio

Business — Design, development, manufacture sale and servicing of particular type of light airplanes, known as "Aeronca" planes, designed for commercial use

Underwriters — Bond & Goodwin, Inc., New York; Craigmyle, Rogers & Co., New York; and Whitney-Phoenix Co., Inc., New York, are underwriters for the preferred stock

Offering — The 30,000 shares preferred stock will be offered to public at $15 per share; underwriting commission is $2.25 per share. Of the common stock registered, 75,000 shares are reserved for issuance upon conversion of the preferred stock, and 65,000 shares are reserved for issuance upon exercise of the Warrants. Of the Warrants registered, 45,000 are to be exchanged by company with holders of a like amount of presently outstanding warrants, and the remaining 20,000 Warrants will be sold by company to underwriters at price of 10 cents per Warrant. Such Warrants give holders right to purchase one share of common stock for each warrant, at prices ranging from $7 per share to $10 per share, with the warrants expiring Dec. 31, 1945

Proceeds—Net proceeds will be used to pay off outstanding indebtedness, for working capital purchase of equipment and machinery plant expansion

Registration Statement No. 2-4789. Form A-2. (6-27-41) Cleveland Ohio

Effective—11:30 A.M., E.S.T. August 15 as of 4:45 P.M., E.S.T., July 16, 1941

AIRPLANE MANUFACTURING & SUPPLY CORP.

Airplane Manufacturing & Supply Corp., registered with SEC 69,000 shares common stock, $1 par

Address—Lockheed Air Terminal, Burbank, Cal.

Business—Purchase, service and sale of airplane equipment

Underwriters—G. Brashears & Co., Los Angeles, Cal.

Offering—The number of shares to be offered by the underwriter consists of the 69,800 shares currently registered with SEC, and 16,433 shares previously registered with the SEC. Such aggregate of 86,233 shares are already issued and outstanding and are to be offered to public for account of certain selling shareholders, to be offered to public at arbitrary prices to be determined by underwriter from time to time with regard to existing circumstances. Such offering price will not exceed 125% nor be less than 110% of the highest bid price during the day of sale. Underwriting commission on the 86,233 shares of 25 cents per share

Proceeds will accrue to the selling stockholders

Registration Statement No. 2-4807. Form A-1. Filed (7-31-41) (San Francisco)

AMERICAN BAKERIES CO.

American Bakeries Co. registered 15,000 shares Class B no par common stock

Address—No. 520 Ten Pryor St. Bldg., Atlanta, Ga.

Business—Manufacturing and distributing bakery products in souther states

Underwriter—None named

Offering—Stock will be offered to public at price to be filed by amendment

Proceeds—All proceeds will be received by L. A. Cushman, Jr., chairman of board of company, for whose account the stock will be sold

Registration Statement No. 2-4714. Form A-2. (3-28-41)

AUTOMATIC TELEPHONE DIALER, INC.

Automatic Telephone Dialer, Inc. registered 75,000 shares of common stock, no par

Address—1201 East Grand Street, Elizabeth, N. J.

Business — Development of automatic telephone dialing devices

Underwriter—None. Stock will be sold through registered brokers and dealers

Offering—Public offering price, $3 per share, underwriting commission 75 cents per share

Proceeds—For engineering and development expenses and working capital

Registration Statement No. 2-4752. Form A-1. (5-5-41)

Effective but apparently deficient 4:45 P.M., E.S.T., May 24, 1941

BEACON ASSOCIATES, INC.

Beacon Associates, Inc. registered SEC $500,000 6% Participating Sinking Fund Debentures, due July 1, 1971

Beacon Associates, Inc. interest rate on $500,000 Participating Sinking Fund Series A Debentures, due July 1, 1971, changed from 6% to 6½% per annum, according to amendment filed with SEC July 21, 1941

Address—216 Turks Head Bldg., Providence, R. I.

Business—Engaged in the small loan business in Rhode Island and Massachusetts

Offering—The Debentures will be offered to the public at 100 by F. L. Putnam & Co., Inc., Boston; underwriting commission is 15%, leaving net price to company of 85

Underwriter—F. L. Putnam & Co., Inc., Boston

Proceeds—Will be advanced to subsidiary for their working capital or will be used for payment of debt incurred on providing funds for advances to subsidiaries

Registration Statement No. 2-4790. Form A-2. (6-27-41)

Effective—3:00 P.M. E.S.T., August 22, as of July 17, 1941

BEAR MINING AND MILLNG COMPANY

Bear Mining and Milling Co. registered 153,145 shares of common stock, $1 par

Address — 513 Majestic Bldg., Denver, Colo.

Business—Mining and milling

Underwriter—None

Offering—Stock will be offered publicly at $1 per share, selling commission, 35%

Proceeds — For development equipment and operation mining property near Breckenridge, Colo.

Registration Statement No. 2-4571. Form A-1. (11-12-40)

BONWIT TELLER, INC.

Bonwit Teller, Inc. registered 39,334 shares of 5½% cumulative convertible preferred stock, $50 par, and 131,202 shares of common stock, $1 par

Address—721 Fifth Avenue, New York City

Business—Operation of specialty store in New York City

Underwriters—To be filed by amendment

Offering Terms — Preferred and common will be publicly offered at prices to

Calendar of New Security Flotations

be filed by amendment, except that 106,-202 common shares will be reserved for conversion of preferred

Proceeds—Stock will be sold by Atlas Corp. and the American Co., parents, and no proceeds will be received by the company

Registration Statement No. 2-4748. Form A-2. (4-30-41)

BULLION, INC.

Bullion, Inc., registered 110,000 shares of $1 par, 8% non-cumulative preferred stock and 110,000 shares of common stock, ten cent par

Address—1st Nat'l Bank Bldg., Deadwood, South Dakota

Business—Gold mining

Underwriter—None

Offering—Preferred will be offered at $1 per share, and common at 10 cents per share

Proceeds—For development of mining properties, purchase of machinery and equipment, and working capital

Registration Statement No. 2-4763. Form A-O-1 (5-20-41)

COLUMBIA GAS & ELECTRIC CORP.

Columbia Gas & Electric Corp. registered $28,000,000 serial debentures, due 1942 to 1951, and $92,000,000 sinking fund debentures due 1961

Address—61 Broadway, N. Y. C.

Business—Public utility holding company

Offering—Both issues will be publicly offered at prices to filed by amendment

Proceeds—To redeem $50,000,000 Deb 5s 1952; $4,750,700 Deb. 5s, due April 15 1952; $50,000,000 Deb. 5s, 1961; to purchase $3,750,000 4% guaranteed serial notes due 1942-46 of Ohio Fuel Gas Co. a subsidiary, and $3,750,000 guaranteed serial notes of United Fuel Gas Co., a subsidiary, from the holders thereof; and to make a $3,402,090 capital contribution to Cinn., Newport & Covington Ry Co. to enable that Company to redeem its outstanding $3,303,000 1st & Ref. 6s, 1947

Registration Statement No. 2-4736. Form A-2. (4-10-41)

KENSINGTON MINES, INC.

Kensington Mines, Inc. has filed a registration statement covering 565,000 shares of $1 par 6 per cent cumulative preferred stock and the same number of shares of 1 cent par common 35,000 shares of $1 par 6 per cent cumulative preferred shares previously sold to promoters at $1 and 1,320,000 shares of 1 cent common previously sold to promoters at 2.67 cents a share

Address—Seattle, Washington

Business—Mining and Milling

Proceeds — For property, construction development and working capital

Underwriters—Kressly and Campbell

Registration Statement No. 2-4697. Form A-1. (3-21-41)

Effective—4:45 P.M., E.S.T., April 9 1941

KIRKLAND GOLD RAND, LTD

Kirkland Gold Rand, Ltd., registered with SEC, under refiling, 500,000 shares common stock $1 par

Address—360 St. James St., West, Montreal, Quebec, Canada

Business—Engaged in development, acquiring, holding, selling and operating gold, silver and other mineral mines Company is still in the development stage

Underwriters—To be named by amendment

Offering—Above shares to be offered to public at $1.25 per share; underwriting commission is 43¾ cents per share

Proceeds—For development, purchase of equipment and working capital

Registration Statement No. 2-4727. Form A-1. Refiled (6-16-41)

LA CROSSE TELEPHONE CORP.

La Crosse Telephone Corp. registered 32,080 shares of common stock, $10 par

Address—La Crosse, Wisconsin

Business—Telephone service to La Crosse Wis.

Underwriter—Alex. Brown & Sons

Offering—All stock registered will be publicly offered at price to be filed by amendment, except that 2,406 shares will be sold to Central Electric & Telephone Co.

Proceeds—Stock registered is owned by parent company, Middle Western Telephone Co., which will donate a portion to La Crosse Telephone Corp. and latter will use proceeds to retire outstanding preferred stock

Registration Statement No. 2-4717. Form A-2. (3-29-41)

LUKENS STEEL CO.

Lukens Steel Co. registered with SEC 175,000 shares (estimated) common stock $10 par

Address—First Ave., Coatesville, Pa.

Business—Company is a non-integrated steel producer, and its principal business is manufacture of carbon and alloy hot rolled steel plates

Underwriters — Pistell, Wright & Co. Ltd., New York, named principal underwriter; others to be named by amendment

Offering—The 175,000 shares are already issued and outstanding and are to be offered to public for account of certain stockholders

Proceeds — Will accrue to the selling stockholders

Registration Statement No. 2-4799. Form A-2. (7-25-41)

MOORE-McCORMACK LINES, INC.

Moore-McCormack Lines, Inc. registered 30,000 shares of $5 cumulative convertible preferred stock, $100 par, and 235,000 shares of common, $1 par

Address—5 Broadway, New York City

Business—Operation of vessels in South American trade

Underwriters—E. H. Rollins & Sons Incorporated and Schroder Rockefeller & Co., Inc.

Offering—The preferred and 85,000 common shares will be offered publicly at prices to be filed by amendment. 150,-000 common shares will be reserved for conversion of the preferred

The proposed offering will represent about 17% of the outstanding common stock of Moore-McCormack Lines and approximately 55% of preferred stock. Albert V. Moore, president, and Emmet J. McCormack, vice president and treasurer—officers and directors associated with the company since its incorporation in 1927, retain together about 72% of the common stock, or 36% each. On Dec. 31, 1940, they sold to Kuhn, Loeb & Co., Beavan Corp. and Schroder Rockefeller & Co., Inc., 30,000 shares of $5 no par preferred stock and 2,150 shares of no par common which have since been converted into 30,000 shares of $100 par preferred and 107,500 shares of $1 par common. It is understood that Kuhn, Loeb & Co. are retaining 22,500 of such common shares as an investment.

Proceeds—None of the proceeds will be received by the company

Registration Statement No. 2-4715. Form A-2 (3-29-41)

NORTHERN NATURAL GAS CO.

Northern Natural Gas Co. registered 710,500 shares of common stock, $20 par

Address — Aquila Court Bldg., Omaha, Nebraska

Business—Production and transmission of natural gas

Underwriter—Blyth & Co., and others to be named by amendment

Offering—Stock will be publicly offered at price to be filed by amendment

Proceeds—All proceeds will be received by selling stockholders, United Light & Railways Co., and North American Light and Power Co.

Registration Statement No. 2-4741. Form A-2. (4-21-41)

Northern Natural Gas Co. filed an amendment to its registration statement with the SEC, disclosing that the number of shares of its $20 par value common stock proposed to be offered to the public has been reduced from 710,500 shares to 355,250 shares. According to the amendment, such 355,250 shares are those that are presently owned, and outstanding, by North American Light & Power Co., and are to be offered to public for the account of American Light & Power Co.

The 355,250 additional shares orginally registered with the SEC on April 21, 1941, for public offering, but now withdrawn from registration, constitute the shares outstanding and owned by United Light & Railways Co., a subsidiary of United Light & Power Co.

SENECA FALLS MACHINE CO.

Seneca Falls Machine Co. registered with SEC 225,000 shares common stock, $1 par

Address—314 Fall St., Senca Falls, N. Y.

Business—Manufacture and sale of machine tools, principally automatic and semi-automatic lathes

Underwriters—Brown, Schlessman, Owen & Co., Denver, Colo., has underwritten all of the 225,000 shares, at $4 per share, and has advised company that it proposes to sell to Burr & Co., New York, a 50% participation in said 225,000 shares, at the underwriters' price of $4 per share

Offering—The 225,000 shares will be offered to the public at $5 per share

Proceeds—The entire net proceeds will accrue to certain selling stockholders, who are selling such shares, already issued and outstanding, to the underwriter

Registration Statement No. 2-4806. Form A-2. Filed (7-31-41)

SHAWNEE CHILES SYNDICATE

Shawnee Chiles Syndicate registered 9,-970 shares of common stock, $10 par

Address — 320 Denham Bldg., Denver, Colo.

Business—Development of oil and gas properties

Underwriter—None

Offering—4,985 shares are to be presently offered at $10 per share, and balance will be held reserved for options given to purchasers of the 4,985 shares, for purchase of additional shares at $10 per share

Proceeds—For drilling and development of oil and gas properties

Registration Statement No. 2-4753. Form A-1. (5-5-41)

Effective but apparently deficient 4:45 P.M., E.S.T., May 24, 1941

SNAP-ON TOOL CORPORATION

Snap-On Tools Corp. registered with SEC 41,439 shares $1 par common stock

Address—8028 28th Ave., Kenosha, Wis.

Business — Manufacture, purchase and sale of mechanics' hand tools and associated equipment and equipment type tools designed for use for production, maintenance and repair of mechanical apparatus

Underwriter—Paul H. Davis & Co., Chicago

Offering—To be offered to public, at price to be supplied by amendment. Price to underwriter is $11.50 per share, subject to adjustment under certain conditions

Proceeds—$112,000 of the proceeds to be used to redeem all the outstanding 7% preferred stock of company, at $105 per share; balance for working capital

Registration Statement No. 2-4796. Form A-2. (7-15-41)

SOUTHERN ACCEPTANCES, INC.

Southern Acceptances, Inc. registered 150 shares $50 dividend Preferred stock, no par, 20 shares Class A $60 dividend common stock, no par; and 30 shares Class B common stock, no par

Address—26 Wall St., Orlando, Fla.

Business—Discounting installment notes and making small loans

Underwriter—Leedy, Wheeler & Co., Orlando, Fla.

Offering—Preferred and Class A will be publicly offered at $1,000 per share, Class B common at $1,100 per share. Underwriting commission $50 on preferred and Class A, and $55 on Class B

Proceeds—To repay bank loans, and for working capital

Registration Statement No. 2-4570. Form A-2. (11-12-40)

Effective—Dec. 4, 1940

SPROUSE-REITZ COMPANY, INC.

Sprouse-Reitz Co., Inc. registered 500 shares of voting common stock, $100 par, and 3,500 shares of non-voting common stock, $100 par

Address—1900 N. W. 22nd Ave., Portland, Ore.

Business—Operation of 161 general merchandise stores

Underwriter—None

Offering—Shares will be offered first to stockholders, then to public, at $100 per share

Proceeds—For additional working capital and to provide funds for opening new stores

Registration Statement No. 2-4724. Form A-2 (3-31-41)

Effective—1:15 P.M., E.S.T., April 19, 1941

TOMASINI BRIDGE REVENUE BONDS

T. A. Tomasini, an individual, registered with SEC $20,000,000 of 3% Tomasini Bridge Revenue Bonds, due Aug. 1, 1970

Address—25 California St., San Francisco, Cal.

Business—Holds a franchise to build, maintain and operate a tube and toll bridge across San Francisco Bay from Alameda County, near Point Fleming, to Marin County near Bluff Point, both in California. The Obligor—T. A. Tomasini—also has secured necessary approval of plans, permits and authority to construct the bridge from War Department of the United States, and proposes to proceed with construction of the project. Project expected to be completed by June 27, 1944

Underwriting and Offering—The Obligor proposes to advertise for bids for all or part of the bonds by inserting a notice to that effect in one or more newspapers of general circulation in the city and county of San Francisco, and in New York City. There will be no underwriting

Proceeds will be used to construct, operate and maintain the tube and toll bridge

Registration Statement No. 2-4815. Form A-1. (8-15-41)

TRAILER COMPANY OF AMERICA

Trailer Co. of America registered with SEC 4,547 shares 7% cumulative preferred stock, $100 par, and 81,095 shares common stock, no par

Address—31st & Robertson Aves., Cincinnati, O.

Business—Manufacture, assembly, distribution and sale of commercial trailers and semi-trailers, trailer bodies, parts and equipment, truck bodies and cabs for tractors and trucks

Underwriters—None

Offering—The above shares to be offered by company to all its stockholders at price of $100 per share of 7% preferred and $8 per share for common, through rights, at rate of 2½% shares of 7% preferred and 5 shares of common stock for each share of 7% preferred stock held, and at rate of one share of common stock for each share of common stock held. Subscription rights evidenced by Warrants will expire on the thirtieth day after date of issue. Unsubscribed portion of the shares will be offered for sale, at same prices, to all stockholders. Any unsold shares then may be sold at same prices to general public

Proceeds—For plant extension, retirement certain bank loans, and for working capital

Registration Statement No. 2-4803. Form A-2. (7-29-41) (Cleveland)

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)

UNITED WHOLESALE DRUGGISTS OF PITTSBURGH, INC.

United Wholesale Druggists of Pittsburgh, Inc., registered with the SEC 4,000 shares no par common stock

Address—6543 Penn Ave., Pittsburgh, Pa.

Business—Incorporated in Delaware on April 28, 1941, to engage in business of selling drug store merchandise

Underwriting—None

Offering—The 4,000 shares of common stock will be sold by the company direct to (exclusively) retail druggists, at $50 per share

Proceeds—Will be used for purchase of equipment, and for working capital

Registration Statement No. 2-4818 Form A-2. (8-22-41)

VIRGINIA LAND CO.

Virginia Land Co. registered warranty deeds representing interests in oil and gas lands in the Everglades, Florida, about 50 miles west of Miami

Address—Theatre Building, Coral Gables, Dade County, Florida

Underwriters—None

Offering—Interests will be sold to the public at prices from $20 per acre up to $150 per acre

Proceeds — For development of lands, purchase of equipment, and working capital

Registration Statement No. 2-4767. Form S-10 (5-23-41)

WHITWORTH APARTMENT, INC.

Whitworth Apartment, Inc., registered with SEC 5,950 shares common stock, 25 cents par $74,375 First Mortgage 5% bonds, due Sept. 1, 1951: and $74,375 Second Mortgage Income Bonds. 6% Non-Cumulative Interest, due Sept. 1, 1961

Address—311 Securities Bldg., Seattle, Wash.

Business—Incorporated on July 3, 1941 to acquire title to Whitworth Apartment, Seattle, Wash., and to own and operate said apartment

Underwriters—None

Offering—All of the securities registered will be offered under a Plan of Reorganization, to holders of 148,750 undivided fractional shares, latter represented by Certificates of Interest. Latter may be surrendered under the plan through Seattle-First National Bank, Seattle, Wash. Owner of each 25/148,750 fractional share will receive: (a) $12.50 par value of first mortgage bonds, $12.50 par value of second mortgage income bonds, and one share of capital stock of the new company

Registration Statement No. 2-4811. Form E-1. (8-8-41) (San Francisco, Cal.)

WILLIAMS HYDRAULICS, INC.

Williams Hydraulics, Inc. registered 1,-000,000 shares $5 par Class A common stock

Address—Alameda, Cal.

Business—Deep-sea dredging and manufacture of equipment therefor

Underwriters — Brown Hartwell Company

Offering—Public offering price, $5 per share, underwriting commission, $1 per share

Proceeds—Purchase of plant and equipment; purchase of seagoing vessel; equipment, and working capital

Registration Statement No. 2-4133. Form A-1. (7-19-39)

Effective—May 29 as of April 18, 1940

Puts & Calls Attractive

Filer, Schmidt & Co., 25 Broadway, New York City, have issued a booklet on the Put and Call option business which should be particularly interesting to the large holders of securities as it outlines the procedure to gain additional income through the sale of these options. Copies may be obtained from the firm upon request.

Barysh Back From Trip

Murray L. Barysh of Ernst & Company, 120 Broadway, New York City, members of the New York Stock Exchange, has just returned to his desk after an extensive business trip through New England.

Ins. Co. Statistics

A series of interesting circulars on the current situation in American Reserve Insurance Co., Federal Insurance Company, Continental Insurance Company, Hartford Steam Boiler Inspection & Insurance Co., National Liberty Insurance Co., Continental Casualty Co., and Standard Accident Insurance Co. have been prepared by Mackubin, Legg.

Railroad Securities

(*Continued from Page 101*)

being felt in some sections. These influences will apparently be at least partially offset in the near future, if Mr. Pelley's estimate of 20,000 surplus tank cars available to relieve the oil and gasoline shortage in the east proves correct. Even with this stimulus to traffic, however, it now seems doubtful if the Fall traffic peak will top 950,000 cars, and it may even fall somewhat below that figure. Earlier, it had been expected in many quarters that a high of one million cars might be witnessed.

The altered outlook has its important compensations in that it should obviate any possibility of a car shortage, and prevent a burden on the carriers such as might have tended to lessen efficiency and increase operating expenses. The efficiency of the railroads continues as one of the brightest spots in the picture. Heavier loading, greater train speed, and more expeditious handling at terminal points are the factors leading to a wider increase in revenues than in actual carloadings, and to the carry through of a particularly large proportion of the revenue gains to net.

Despite the current good earnings, and indications that the trend will continue, although perhaps at a slower pace, the sluggish action of the second grade bonds seems likely to continue. There has been growing evidence of a determination on the part of institutions (mainly banks) to withdraw from their questionable liens (the group composed of junior bonds of marginal properties) whenever the market stabilizes. Such liquidation has not as yet run its full course and there seems to be little hope that public buying will develop in sufficient volume to fully absorb it and push prices materially higher. This type of bond, selling in the 50—65 range, does not attract the speculative trader primarily interested in price appreciation while the number of buyers seeking the higher income return is naturally limited and small in comparison to institutional holdings seeking a market.

With this in mind bond men have been paying greater attention to maturity dates, on the theory that the nearer maturities are the ones which will get support from the railroads themselves. In general, the carriers are following a policy of using increased cash to retire debt through open market purchases and where there are troublesome near maturities, it is naturally the inclination to get as many as possible of these out of the way.

Northern Natural Gas Stock Offered

Public offering of 355,250 shares of Northern Natural Gas Co. $20 par common stock was made Sept. 10 by an underwriting group headed by Blyth & Co., Inc. The stock was priced at $32 per share. Proceeds of the sale are to go to The United Light and Railways Co., as the selling stockholder, for its own use.

Sale of the stock will terminate all affiliation of Northern Natural Gas Co. with The United Light and Railways Co. and its parent, The United Light and Power Co., and will mark a step in the latter's integration program. An additional 355,250 shares of Northern Natural Gas common stock are owned by North American Light & Power Co., for which a separate registration statement has been filed with the Securities and Exchange Commission, although no plans have been announced for their sale. The remainder of the company's outstanding 1,015,000 common shares are owned by Lone Star Gas Corp.

Net income of the company for the six months ended June 30, 1941, after making provision for Federal income and excess profits taxes at rates stipulated by the 1940 Acts as amended, amounted to $2,317,090. Net income for the year ended Dec. 31, 1940, totaled $3,707,828, compared with net income of $3,617,790 for the year ended Dec. 31, 1939.

R. T. Simcock Joins Dempsey-Detmer & Co.

(Special to The Financial Chronicle)

CHICAGO, ILL.—Robberts T. Simcock has joined Dempsey-Detmer & Co., 135 South La Salle Street as manager of the statistical department. Mr. Simcock was recently with the Federal Reserve Bank of Chicago and prior thereto was with Francoeur, Moran & Co., was manager of the corporation department for Joseph M. Johnson & Co., was with Bartlett & Gordon, Inc., and Case, Bosch & Co. In the past he was head of Simcock & Co.

High Grade Bond Suggestions

(Continued from page 107)

3.15% and on long utilities 2.90%, a spread of 25 basis points. On August 28, 1941, the rail average was 2.77% and that for the utilities 2.58%, or a spread of 19 points. At the end of 1940, this spread was about the narrowest reached, amounting to only 15 basis points. If individual issues are compared, of course, even greater discrepancies appear between highest quality utilities and rails of comparable maturity.

Aside from psychological factors, there appears to be no real reason for large spreads between these two major groups. The disfavor into which all railroad bonds have fallen due to the many bankruptcies during the 1930s has tended to impair the investment regard for issues of even the soundest carriers, including senior obligations of Chesapeake & Ohio, Atchison, Norfolk & Western, Virginian, Pennsylvania and Union Pacific and even the best terminal issues, such as Chicago and Cincinnati.

The accompanying table presents a representative list of prime railroad bonds with 1932-1940 range, recent price, call feature and maturity yield.

	Oustanding (Millions)	'32-'40 Range	Recent Price	Call Price	Maturity Yield
Chesapeake & Ohio Ref. & Imp. 3½s, 1996	$ 39.1	106-85	104⅜	104½	3.34
Norfolk & Western 1st Cons. 4s, 1996	40.7	129-79	127¾	NC	2.97
Atchison, Topeka & Santa Fe Gen. 4s, 1995	151.9	117-75	110	NC	3.58
Chesapeake & Ohio Gen. 4½s, 1992	79.2	132-70	132	NC	3.21
Cincinnati Union Terminal 1st 3⅜s, 1969	12.0	114-103	113⅜	112	2.71
Virginian Railway 1st 3¾s, 1966	60.3	110-100	108¾	106	3.23
N. Y. Connecting Railway 1st 3½s, 1965	27.3	102-100	101¼	107	3.42
Chicago Union Station 1st 3⅛s, 1963	16.0	104-95	102½	106'45	2.97
Oregon Washington R. R. & Nav. 1st & Ref. 4s, 1961	53.9	109-60	106¾	105	3.54
Pennsylvania R. R. Cons. 4½s, 1960	49.0	126-87	122⅛	NC	2.99
Union Pacific 1st 4s, 1947	100.0	116-85	111⅝	NC	2.08
Oregon Short Line 1st Cons. Guar. 5s, 1946	16.4	123-92	114⅛	NC	1.90

Comparing a few of these railroad bonds at random with some high grade utilities of comparable maturity, it is immediately apparent that the former offer several favorable features. Detroit Edison Gen. & Ref. 3½s, 1966, sell at 110½ to yield 2.91% and are callable at 107. The Virginian Railway 1st 3¾s, 1966, yield 3.23%, sell at 108¾ and are redeemable at 106. Bell Telephone (Pa.) 5s, 1960, yield 2.82 compared with 2.99 for Pennsylvania R. R. Consol 4½s, 1960, and so on down the line.

This writer believes that prime rails offer an attractive medium for investment of new funds and for switches out of low-coupon utilities selling at substantial premiums above call. After the railroad wage dispute is settled, the second grade market is certainly going to take cognizance of the good level of earnings and react accordingly against the present downward trend. At such time, prime rails will undoubtedly move into the lower yield orbit now monopolized by the public utilities. There are added advantages in the rails which should command some investment attention rather soon — the fact that most high quality issues are selling below their call prices or are non-callable, and that most carry relatively high coupon rates which would cushion any inflationary reaction.

Doty Organizing Own Conn. Real Estate Co.

Archibald C. Doty, formerly of the investment firm of Doty, Fay & Co., New York, and B. C. Roberg have organized an old real estate organization in Litchfield, Connecticut, under the name of the Litchfield Realty Company, to sell suburban and farm properties in that section.

Something Special For Traders Convention

The New Orleans Security Traders Association announces that three very handsome attendance prizes will be awarded at the National Security Traders Association banquet to be held the last night of the Convention —September 25th. The group has completed a somewhat novel idea in connection with the distribution of the prizes—attending members are urged to be prompt at the banquet which is scheduled to begin at 7:00 o'clock, and to bring their tickets of admission. The only provision is that the winner be present at the banquet.

Finance Division In Defense Set-Up Urged By Connely Of IBA Before Fin. Advertisers

Emmett F. Connely, President of the Investment Bankers Association of America, urged on Sept. 8 the immediate creation of a finance division in the new national defense set-up composed of "practical experts" to be charged not only with the great problems of financing the defense effort but also with planning steps to ease the eventual transition of our free enterprise system from a war-time to a peace-time basis.

Pointing out to members of the Financial Advertisers Association, at their convention in Cleveland, that experts in every other line of industry except finance have been drafted to aid in the national defense effort, Mr. Connely declared that a financial division composed of practical experts would fill two important breaches in the national defense front. It would, he said, marshall the forces of private credit so that government credit would be available for the tasks it alone can assume, and it would lay plans for the economic readjustment that must be made when the present emergency is over.

During the first World War, Mr. Connely pointed out, the raising and apportionment of industrial capital was left largely in private hands through the formation of a Capital Issues Committee whose function was to "ration capital to those enterprises and industries which served some immediate and definite military or economic need." All capital, he added, was successfully conserved for necessary use, and the investment banking system was left intact to resume its task of funneling private savings into expanding industry when the war was over. Mr. Connely in calling upon the members of the advertising fraternity to arouse the public to the need for such a body of experts, declared that "despite the recent formation of the seven-man Supply Priorities and Allocation Board, no provision has been made for a finance division. He added:

"The Investment Bankers Association has long recognized the need for a finance division, such as the Capital Issues Committee, and believes that no time should be lost in following the example which worked so well during the First World War.

"The finance division should be manned by experts who would counsel with government agencies and make sure that just as much of this financing be done through private channels as possible, so as to leave government credit as unburdened as possible for jobs it simply must take care of."

Mr. Connely contended that the contribution such a division could make toward preparations for peace would be equally important. As to this he said:

"We are all looking forward to that day when world sanity will be restored but the transition from a war economy to normal peace-time operations will put the American way of life to a severe test. But our system of free enterprise will not be found wanting if we face the post-war period with sound plans for peace-time conversion of plants and methods for utilizing excess capacities in the various industries now engaged in defense work."

While pointing out that the post-war objectives of the National Resources Planning Board called for the maintenance of a national income of $100,000,000,000 Mr. Connely questioned the stress which the Board places on public works as a means of attaining that income, saying:

"The road to such a national income is through the free operation of the private enterprise system which we are arming to defend against those foreign systems which would overthrow it. Made work will not solve our post-war problems, but honest jobs in private industry will."

Mr. Connely has previously urged on several occasions the creation of a finance division in the defense program; his views to this end at last year's annual convention of the IBA were given in our issue of Dec. 21, page 3603, and a later address urging such a section was referred to in these columns Jan. 11 last, page 207.

R. Crocker & D. Mead With Fahnestock & Co.

(Special to The Financial Chronicle)

CHICAGO, ILL. — Reginald David Crocker and Donald B. Mead have become associated with Fahnestock & Co., 135 South La Salle Street. Both were formerly with Merrill Lynch, Pierce, Fenner & Beane.

Prior thereto Mr. Crocker was with Fuller, Rodney & Co. and Stokes, Woolf & Co. In the past he was in business as R. D. Crocker & Co. Mr. Mead in the past was with Rothschild & Co. and for many years with Paine, Webber & Co.