In 2 Sections — Section 1

The COMMERCIAL and FINANCIAL CHRONICLE

Reg. U. S. Pat. Office

WITH WHICH HAS BEEN COMBINED THE FINANCIAL REPORTER

Volume 154 Number 3985 | New York, N. Y., Thursday, September 25, 1941 | Price 40 Cents a Copy

"JOTTINGS"

Social Security appears a natural for the forced-savings, inflation-gap-covering ideas of Washington, and if only part of the present talk materializes it could raise billions. The present old-age part of the law, which takes one per cent from employer and one per cent from employee, brought direct into the U. S. Treasury last year some $690,000,000 and would probably bring in $900,000,000 on present payrolls. Proposal is to double this, i.e. bring in nearly another $1,000,000,000. A sound accounting argument could be given for this (quite apart from the real reason) namely that the actuarial cost is now running nearly eight per cent, or four times the premiums, which were supposed to advance men would hardly miss the added per cent each and at the beginning of 1943 to 2 per cent each. So the date of the increase could be merely advanced one year. A purely political argument could also be made that with current vastly increased payrolls, workone per cent tax anyway and the at the beginning of 1940 to 1½ employer couldn't do anything about it. On the unemployment side, the current rate of 3 per cent on the employer (2.7 per cent to the State, 0.3 per cent Federal) brought in last year $100,000,000 to the Federal government and about $900,000,000 to the States, or a total of about $1,000,000,000. Withdrawals (for benefits) were only round $450,000,000, and this year are down 50 per cent. There is talk of increasing benefit rates, but this would be offset by the declining call for unemployment payments, so that even with higher rates total benefit payments might not increase over last year.

Not wages, but power seems to be the current issue in labor disputes, with the exception of the effort of the Seafarers' International to force American shipowners to pay "bonus beef" on ships operating in the Caribbean following the sinking of the Montana (the raider, perhaps operating off the Galapagos, is reported sunk). But—the Kansas City power shut-off

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OUR REPORTER'S REPORT

Disagreeable news, but better out of the way. That just about summed up the underwriting fraternity's ideas as far as the boost in excess reserve requirements of member banks, ordered by the Federal Reserve Board, was concerned.

For weeks the threat of such a development has been hanging over the new issue market, like the famed "Sword of Damocles," keeping underwriting bankers on the anxious seat and holding in leash what had all the appearances of a substantial volume of potential new business.

Bankers were apprehensive of going after such business aggressively for the reason that they expected the Reserve Board would act, especially since it finally had won over the Treasury, which had opposed its suggestions some months ago.

The action of the seasoned market, in response to the news of the lift in reserve requirements, it was taken in stride, should prove reassuring to underwriters and likewise to companies which have new financing and refundings in view.

Generally speaking, security bankers were disposed to accept the Reserve Board's action as being in the nature of a "green light" for the underwriting industry since it served to remove an unknown quantity which had been retarding activity.

Since "one swallow does not make a summer," however, it will probably be several days before the rank and file are willing to accept the current firmness of the market as genuine.

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John S. Fleek Is Nominated For Presidency of IBA; Vice-Presidential Nominees

John S. Fleek, partner of the Cleveland investment banking firm of Hayden, Miller & Co., has been nominated for the presidency of the Investment Bankers Association of America, it was announced on Sept. 18 by Emmett F. Connely of Detroit, President of the Association. Mr. Fleek will also become Chairman of the association's Public Information Committee and in this capacity will serve as a full-time executive of the association, taking a leave of absence from his own business to assume direction of the comprehensive program of public relations that the IBA has been conducting for the last year-and-a-half. He is at present a Vice-President of the association and one of those most active in its public relations work, having served as a member of the Public Information Committee under the Chairmanship of Mr. Connely since the inauguration of the program.

Officers of the association are nominated by the Board of Governors and elected at the annual convention, which this year is to be held at Hollywood, Fla., Nov. 30 to Dec. 5. Nomination is considered tantamount to election, since the selections of the board have always been approved by the convention.

Vice presidential nominees who will complete the regular ticket to be voted upon at the convention include three presently holding that office. These are Edward H. Hilliard of J. J. B. Hilliard & Son, Louisville; John K.

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Side Glances Way Down Yonder in New Orleans News & Views From the NSTA Convention

Our own inquiring reporter gives you "foot-notes on headliners" at the Convention of the National Security Traders Association at the Hotel Roosevelt in New Orleans:

"When entering the train at N. Y. C. for New Orleans Convention, Harold Smith, Duryea & Co., 240 lbs. and Abe Strauss, Strauss Bros., 230 lbs., got stuck in the aisle when they tried to pass each other. An argument followed and Harold charged Abe with being too fat. Abe immediately challenged Harold to a 100 yard dash. Watch for time and place in these columns.

Both smoke a box of cigars a day while in training. Do they puff. Ben Van Keegan, Frank Masterson & Co. just made the train. He told about his son-in-law, Adrien Rollini keeping him out partying to the wee hours Sat. A. M. Felt he should get him in shape for the two days train ride.

B. W. Pizzini, B. W. Pizzini & Co., the gentleman farmer had the train stop at Trenton, for him exclusively. He said the cows needed milking before he could get away.

Frank J. Morrissey, Frank J. Morrissey & Co. (Phila.) Bank Stock Specialists, arrived at the last minute and was put in with Abe Strauss, Traders version of "Abie's Irish Rose."

Chet DeWillers, of Schoonover, DeWillers & Co., after shaking hands with his many friends was in need of Sloans liniment.

Mrs. Ruth Phelps of the Campbell Phelps, N. Y., broke up the Boland-Saffin joint account by sitting at the dinner table with them Sat. night.

Arthur Robinson, of Colyer Robinson & Co., Inc., and Kenneth Spear, Julius A. Rippel Inc., went joint account on 8 highballs. 4 to Robinson and the other 4 divided equally (Eastern form account).

Ronald A. Morton, of the Blue List upon seeing his room mate was Ed Beck, of the Commercial & Financial Chronicle said, "Chronicle" and "Blue List" in bed together. That's news.

Jack B. Hanauer, J. B. Hanauer & Co., famous Atlantic City specialist was paying marked attention to Mrs. Pincus, it's true, but he still stayed on the water drinks throughout the trip.

James F. Musson, B. J. Van Ingen & Co., N. Y. asked to have the train stopped in Philadelphia after learning the Penna. R.R. was not using the turnpike.

Julius A. Rippel, J. A. Rippel, Inc., reports they are working on a syndicate to refund the state house dome.

John W. Kress, of the Howard Savings Institute (Newark, N. J.) who was a guest and main speaker at last year's convention. Having satisfied the N. J. Municipal market in that address, reports this year that he has successfully distributed his position at the top of the market.

Richard F. Saffin, partner of H. B. Boland & Co., who does considerable business in Trenton, N. J., is being accused of stealing the dome from the State House. Attested to by Bill Albright, State Treasurer and Jim Sautter, Deputy State Treasurer.

Charlie Phillips, Penington Colket & Wisner (Phila.), was giving out rubber quoits as we were going around the horse shoe curve.

Philadelphia boys certainly believe in justice these days because they have just elected Floyd Justice, of Butcher & Sherrerd as their president.

Thomas A. Akin, Akin-Lambert Co., L. A., came to the convention via Winnipeg, Canada. It was the shortest route to N. O., Tommy is telling the firm. Wish him luck!

Jack E. Jones, Hartley Rogers & Co., Seattle, and Robert E. Daniel, Drumheller, Ehrlichman Co. (Seattle), the only two from Seattle to attend the party, are taking color movies of everything in order to show their buddies back home what they missed. Hollywood beware. Perhaps Seattle is out to get your business.

Edward E. Parsons, Jr., Wm. J. Mericka & Co., Cleveland, Ohio, acted as Doctor at large. His room was the hospital for the boys enroute. Fixed them up for headaches, sore throats, blues, etc.

Mrs. Parsons, a great advertiser for Cleveland. She will make sure "It's Cleveland in 1942." Gave out balloons in her canary (yellow) color p-j's—did she wow the boys!

Pullman conductor for a day, Larry A. Higgins, Hubbard Warren & Chandler (Chicago).

Cy Murphy, Mackubin Legg & Co., N. Y., did a balloon dance a la Sally Rand for us in the Club Car. (Balloons donated by the Cleveland boys.)

John F. Reilly, J. F. Reilly & Co., seen sitting out on the outside observation platform, was heard to remark, "This is the 'Life of Reilly,'" forgetting all about the soot that covered his face.

Tour Director Edward Welch, McGuire, Welch & Co. (Chicago) is an honest to goodness R.R. man at heart. He did a swell job all around. Keeping the train on time, getting the baggage through for us and having cabs on hand at all times for us to fall right into.

Silver Dollar Phil Clark, of Amos C. Sudler & Co., Denver, Colo., gave all the ladies a silver dollar as a reminder to visit Denver,—the mile high city. Mrs. Graham Walker found it very handy to open ginger ale bottles with. Phil thought you'd like to know.

R. Victor Mosley, Stroud & Co. (Phila.), was found to have most of the diner's silverware in his pockets. Said to the steward it was just there for decoration, etc. ---Trust it worked!

Stan Roggenburg, Roggenburg & Co., refused to sit down on a sofa because he couldn't get be-

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Parsons Elected Pres. by Cleveland Traders

CLEVELAND, OHIO — E. E. Parsons, Jr., partner of Wm. J. Mericka & Co., Inc., has just been elected President of the Cleveland Security Traders Association for the 1940-41 year.

Ed. E. Parsons, Jr.

Mr. Parsons is also First Vice President of the National Security Traders Association, Inc., as well as Chairman of the Membership Committee, for this organization. He attended the first meeting in Chicago, which led to its formation. Mr. Parsons is attending the Convention of the National Association in the capacity of Chairman of the Corporate Forum.

His first position was with W. S. Tyler & Co., manufacturers, from 1924-28. He entered the security business with The Herrick Co. in 1928, which later merged with the R. V. Mitchell & Co., forming Mitchell-Herrick & Co. He was one of the organizers of Wm. J. Mericka & Co., Inc. on January 1, 1931. He is Secretary of this company, at the present time.

Detroit-Mich. Traders Nominate '41-'42 Slate

DETROIT, MICH. — The Committee on Nominations of the Securities Traders Association of Detroit and Michigan, Inc. announce that the following were named as candidates for the various offices of the association:

President: Frank P. Meyer, First of Michigan Corp., and John K. Roney, Wm. C. Roney & Co.

Vice-President: H. Russell Hastings and Paul I. Moreland, Allman, Everham & Co.

Secretary: Ray P. Bernardi, Cray, McFawn & Co., and Herbert Schollenberger, Jr., Campbell, McCarty & Co.

Treasurer: Don W. Miller, McDonald, Moore & Hayes, and Robert Stoetzer, Keane & Co.

The annual election is to be held on September 29th and will be by mail ballot. Members of the Association attending the National Security Traders Association Convention may vote by absentee ballot, but all ballots must be returned by 5:00 p.m. September 29th.

S. L. Austin Forms Own Municipal Firm

HOUSTON, TEX. — Samuel L. Austin has formed S. L. Austin & Company with offices in the Second National Bank Building, Houston, and also in Austin, Tex., to deal in Southern municipal bonds. Mr. Austin was formerly manager of the midwestern division of the investment department of Fenner & Beane, with headquarters in Chicago.

John W. Eddins, formerly municipal buyer for Fenner & Beane, and prior thereto with Mahan, Dittmar & Co., will be in charge of the new firm's office in Austin, Tex.

COMMERCIAL and FINANCIAL CHRONICLE
Reg. U. S. Patent Office
with which has been combined the
Financial Reporter
William B. Dana Company
Publishers
25 Spruce Street, New York
BEekman 3-3341
Herbert D. Seibert,
Editor and Publisher
Frederick W. Jones, Managing Editor
William Dana Seibert, President
William D. Riggs, Business Manager
Thursday, September 25, 1941
Published three times a week [every Thursday (general news and advertising issue) with statistical issues on Tuesday and Saturday]

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

Reentered as second-class matter September 12 1941, at the post office at New York, N. Y., under the Act of March 3, 1879.
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.

Dock & Holland Elected Officers of Doremus

Doremus & Company, 120 Broadway, New York City, announce the election of Dewey B. Holland as secretary of the company and of George Dock, Jr. as vice-president.


Dewey B. Holland

Mr. Holland has been associated with the advertising agency for twenty years and for the past fifteen years has been Production Manager and Account Executive. Before joining Doremus & Company, he served as Production Manager of the McJunkin Advertising Agency and in a similar capacity with the Corman Cheltenham Advertising Agency.


George Dock, Jr.

Mr. Dock has been with Doremus & Company since 1936, and has been engaged in financial advertising for 20 years. He had previously been Public Relations Advisor, Federal Home Loan Bank Board, 1933-1936; Assistant Advertising Manager, Halsey, Stuart & Co., 1929-1932; and Advertising Manager, William R. Compton Co., 1919-1929. He is the author of "Constructive Customer Relations," written for the American Bankers Association, and co-author of "Advertising Investment Securities" written for the Investment Bankers Association of America.

Tomorrow's Markets Walter Whyte Says—

The Market is acting well; the leaders are doing better and all positions should remain undisturbed unless and until "stops" are broken.

By WALTER WHYTE

"Say Jed" asked one farmer disconsolately looking up at the gray weeping skies, "do you think this consarn rain 'll ever stop?" Jed looked up from his whittlin' squinted out at the flooded fields, took a bite of chawin' rolled it ruminately around his check, took aim at a buzzing fly in the corner of the bar and let fly. After watching the fly struggle in the brown juice he looked up again. "Well, I dunno" he began speculatively. "But like the feller says, she always has."

* * *

That, dear readers, is about the best advise I can give those who keep asking "do you think this market will ever go up again?" For like the feller in the story said "She always has."

* * *

I realize that's poor consolation for anybody who has been sitting all these months with a fist full of stocks waiting for them to do anything. Sure, I know that. Still there is this satisfaction: If you held the right stocks then come rain or shine, up or down, or just plain nothing at all your stocks have made money for you.

* * *

Of course if you held the leaders that's something else again. For the leaders, during the past few months anyway, have been leaders in reputation only, not in fact. It wasn't stocks like Steel or Motors that have been in the forefront of any move in the last few months. It was the

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Maine Dealers Moving To Avert "Imminent Extinction" of Distributing Dealers in Nation

We are in receipt of a letter from Roger B. Ray of Portland, Maine, informing us that the Maine investment dealers are contacting other dealers throughout the country to institute concerted action to prevent the amendments to the Securities and Exchange Act of 1934 permitting unlisted trading privileges on Exchanges, which would virtually wipe out the over-the-counter business.

The letter follows:

In an effort to avert the imminent extinction of the distributing investment dealers throughout the country, a group of eight in the State of Maine on September 13th sent a letter and a petition to about seventy dealers located in various communities over the country. An enthusiastic response was received from nearby Boston, Hartford, and Springfield and from dealers as far distant as Columbus and St. Paul.

Because we, here in Maine, have now been assured that we speak not only for practically every dealer in Maine but also for a large number in other states, we wish to ask that our "cause" be given notice. The "cause" is this: There have been proposed to Congress certain amendments to the Securities & Exchange Act (1934). As is explained in the petition which we sent out for signatures (a copy is enclosed) one of these amendments would give the stock exchanges, especially the New York Curb Exchange an advantage over the distributing dealers so great as to threaten their existence. The advantage is that the Curb on its own initiative, with or without the approval of the issuer, may seek the admittance to "unlisted trading privileges" of any security of a company required to disclose complete information under the proxy provisions.

But we cannot expect the investor or the issuer of securities to forget their own troubles because a large number of investment dealers faces extermination. What we believe is of vital interest to them is that the amendment as now written imperils them as well.

Many securities having a local or regional investment interest could, if the curb succeeded, be uprooted. Many securities having a national investment interest are sustained by distribution and redistribution. If the Curb should assume a market for them it is difficult to see how it could sustain their present values. Indeed the function of the Curb is diametrically opposed to the investment market. That institution conducting what they term "an auction market" serves the speculator. If the market for the securities in which the investor has placed his savings is dominated by the unlisted trading privileges of the Curb market the value of these securities will certainly gyrate. The issuer in turn may find future financing difficult because his now outstanding securities traded under "unlisted trading privileges" conditions enjoy no stability and no sponsorship.

The public interest is served by requiring corporations over a certain size to disclose more information to their stockholders. We do not oppose the proxy provisions of this Amendment recommended by the two New York exchanges. But the public interest is not served by the passage of this amendment as now written. It would permit the elimination of the investment markets sustained by distributing dealers. On this market not on speculative trading depend the savings of the individual and the financing of American industry.

The committee is composed of: Chairman, Edward E. Chase, Maine Securities Co., Portland, Maine; Carrell K. Pierce of H. M. Payson & Co., Carl K. Ross of Carl K. Ross & Co., Roger B. Ray of Roger B. Ray, Gilbert M. Elliott, Jr. of the State Investment Co., and John M. Kimball of Harry A. Rounds Co., all of Portland; Alwyn M. Rees of Morton Hall & Rounds, Lewiston; and Ashmead White of Pierce, White & Drummond of Bangor. Dealers who wish to join in signing this

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Philadelphia Traders Elect Justice Pres.

PHILADELPHIA, PA. — Floyd E. Justice of Butcher & Sherrerd has been elected President of the Investment Traders Association of Philadelphia. Harry B. Snyder, Yarnall & Co. was chosen as first vice-president; Edmund J. Davis, Rambo, Keen, Close & Kerener, second vice-president; Benjamin H. Lowry, Laird & Co., treasurer; and George J. Muller, Janney & Co., secretary.

Floyd E. Justice

Herbet H. Blizzard, Herbert H. Blizzard & Co.; Leo M. Dolphin, Dolphin & Co., Inc.; Russell M. Dotts, Bioren & Co.; Thomas J. Love, Geo. E. Snyder & Co.; Henry B. Warner, E. H. Rollins & Sons, Inc.; Joseph A. Zeller, Bankers Securities Corp.; and John P. McFadden, Smith, Barney & Co. were elected members of the Board of Governors.

Loomis Elected Head of Central States IBA

The Central States Group of the Investment Bankers Association of America at its annual meeting in Chicago on Sept. 22, elected John S. Loomis, President of The Illinois Company of Chicago, as its Chairman for the next association year, which means he will take office at the close of the national IBA convention in December. D. Dean McCormick, Chicago manager of Alex. Brown & Sons, was elected Vice Chairman, and John E. Blunt 3rd, Vice President of Lee Higginson Corporation, Chicago, was named Secretary-Treasurer.

John S. Loomis

New members elected for three-year terms on the Group executive committee were: Carl J. Easterberg, Riter & Co., Chicago; Ludlow F. North, The Wisconsin Company, Milwaukee; Plummer P. Purdham, Burns, Potter & Company, Omaha; and Hempstead Washburne, Chicago representative of the Mercantile-Commerce Bank and Trust Company of St. Louis.

Nathan D. McClure, Chicago Vice President of Harriman Ripley & Co., will be an ex-officio member of the committee as the retiring chairman of the Group. Nomination of these officers was noted in our issue of Sept. 18, page 195.

PERSONNEL ITEMS

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

(Special to The Financial Chronicle)
BOSTON, MASS. — **Leander Hull Redfield** has become connected with **Fifty State Street Company,** 50 State Street.

(Special to The Financial Chronicle)
BOSTON, MASS.—**Malcolm N. Fay** is now associated with **E. H. Rollins & Sons, Inc.,** 75 Federal Street.

(Special to The Financial Chronicle)
CHICAGO, ILL.—**C. A. Gueutal** is now associated with **Benjamin Lewis & Co.,** 135 South La Salle Street, in their buying department. Mr. Gueutal was formerly with Barcus, Kindred & Co.

(Special to The Financial Chronicle)
CHICAGO, ILL.—**David Quigg Lewis, Jr.** is now with **Lehman Brothers,** 231 South La Salle Street. Mr. Lewis was formerly with Paine, Webber & Co. for many years and prior thereto was with McGowen, Cassady and White.

(Special to The Financial Chronicle)
CINCINNATI, OHIO — **Stanley O. Davis** has joined the staff of **Don D. Kuemmerling,** Union Trust Building. Mr. Davis was previously with H. B. Cohle & Co. and prior thereto with W. C. Thornburgh Co. and Westheimer & Co.

(Special to The Financial Chronicle)
CLEVELAND, OHIO — **Wilbur H. Russell** has become affiliated with **Lowry Sweney, Inc.,** whose main office is located in the Huntington Bank Building, Columbus, Ohio. Mr. Russell was previously with Pratt & Williams, and Gassman & Co.

(Special to The Financial Chronicle)
DALLAS, TEX.—**Louis Leonard Thalheimer, Jr.** has become associated with **Carothers & Company, Inc.,** Gulf State Building. Mr. Thalheimer was formerly connected with Charles R. Dent and prior thereto with Mahan, Dittmar & Co. and Donald O'Neil & Co.

(Special to The Financial Chronicle)
DALLAS, TEX. — **Schneider, Bernet & Hickman, Inc.,** Southwestern Life Building have added **Robert A. B. Goodman** to their staff.

(Special to The Financial Chronicle)
LOS ANGELES, CAL. — **Bankamerica Company,** 650 South Spring Street, has added **Harold F. Brown** to its sales staff.

(Special to The Financial Chronicle)
LOS ANGELES, CAL.—**Harold E. Curtis,** formerly with Leo & Curtis, Inc., is now associated with **Klehmet & Company,** 650 South Spring Street.

(Special to The Financial Chronicle)
LOS ANGELES, CAL.—**Robert E. Tieman,** previously with Dean Witter & Co., has joined the staff of **O'Melveny, Wagenseller & Durst,** 626 South Spring Street.

(Special to The Financial Chronicle)
LOS ANGELES, CAL.—**William James Elliott** is now connected with **Searl-Merrick Co.,** 634 South Spring Street.

(Special to The Financial Chronicle)
LOUISVILLE, KY. — **Smart & Wagner, Inc.,** 415 West Jefferson Street, have added **Byron H. Boyd** to their staff.

(Special to The Financial Chronicle)
SAN FRANCISCO, CAL. — **Douglas Sanford Freed,** for many years with Walston, Hoffman & Goodwin, and in the past with Steinhardt & Co., has become affiliated with **Davies & Co.,** Russ Building.

(Special to The Financial Chronicle)
SANTA CRUZ, CAL. — **Benjamin F. Black** has been added to the staff of **Richey & Baikie,** 60 Pacific Avenue.

(Special to The Financial Chronicle)
SPRINGFIELD, MASS. — **A. Mayo Fisk** has been added to the staff of **Tifft Brothers,** 1387 Main Street.

(Special to The Financial Chronicle)
TOLEDO, OHIO — **Jasper Charles Hayward** has become associated with **Bliss Bowman & Co.,** 715 Madison Avenue.

Assel, Kreimer, Fuller Form Securities Firm

(Special to The Financial Chronicle)
CINCINNATI, OHIO — Joseph H. Assel, Herbert F. Kreimer and Douglas K. Fuller have formed Assel, Kreimer & Fuller with offices in the Provident Bank Building to conduct a general securities business. All were formerly officers of Assel, Goetz & Moerlein, Inc.

Schwabacher Co. Adds Greenwood & Mannick

(Special to The Financial Chronicle)

LOS ANGELES, CAL.—Schwabacher & Co., 515 West Sixth Street, announce the association with their local investment department of Donald L. Greenwood and David Mannick. Mr. Greenwood, a member of the Los Angeles Stock Exchange, was formerly a partner in Greenwood, Bennett & Co. of Hollywood and its predecessor Greenwood & Co. Mr. Mannick was previously with Morrison Bond Co., Ltd. and Fewel, Marache & Co.

Stewart J. Lee Co. Is Formed In New York

Stewart J. Lee has opened offices at 44 Beaver Street, New York City to engage in a securities business under the name of Stewart J. Lee Company. The new firm will act as dealers in industrial, utility, bank and insurance stocks and bonds. Associated with Mr. Lee as sales manager will be A. H. Peterkin.

Mr. Lee was formerly sales manager for The J. Morton Steiner Co. and prior thereto was with Bittner & Co.

Annual Fall Outing of Pittsburgh Bond Club

PITTSBURGH, PA.—The Annual Fall Outing of the Bond Club of Pittsburgh will be held on Friday, October 3rd at the Butler Country Club. (Take Route No. 8 to Stepp-Inn — 23 miles from Downtown. Turn Left on Pittsburgh-Butler Airport Road—one mile to Club House and the big events of the day.)

There will be a golf tournament for the Bankers Cup, which goes to the player with low net score. Prizes will also be awarded for low net; low gross; low score on ? hole; least number of putts. There will be one golf prize per person (kickers ex.). Greens fee is $2.00, to be paid on the tee; caddie, $1.00. Norman B. Ward, Norman Ward & Co., is Chairman.

There will also be a program of minor sports events from 4 to 7 p. m. arranged by G. C. Bodell, Peoples Savings & Trust Company, and L. R. Schmertz, Jr. of Mellon Securities Co. Prizes will be offered for all events—Le Boccie; Horseshoes; Mo-Skeet-O. There will also be a plane ride as an extra special attraction (one mile from the Club)—$1.00 per person for a fifteen minute ride. (Bond Club assumes no liability).

Dinner will be served promptly at 7:15 p. m. No charge to members in good standing, guests $3.00. Entertainment is in charge of Ralph Thomas. There will be door prizes, special dinner music, and George Bailey, entertainer. A special feature will be movies of the Spring outing. There will be plenty of free beer, but the Club does not have a liquor license, so those wishing to do so BY. Y. O. L. (Set-ups furnished.)

The bond market will also be open—bidding on two series E. Defense Bonds, one $250 face value, the other $125 face value.

Members should make reservations early with L. W. Voigt, Chairman of the Outing Committee, First National Bank Building, Pittsburgh.

B. B. McAlpin, Jr. To Be Laird & Co. Partner

Benjamin B. McAlpin, Jr., for many years a partner in Taylor, Bates & Co., will be admitted to partnership in Laird & Co., Nemours Building, Wilmington, Del., members of the New York Stock Exchange and other leading Exchanges. Mr. McAlpin will make his headquarters in the firm's New York office at 61 Broadway.

RAILROAD SECURITIES

The new Erie junior securities are still obviously handicapped, marketwise, by the tendency of the general speculative public to shy away from anything foreign to the usual norm ("when issued" securities fall in this category), and by the confusion, in initial Exchange trading, over the difference between the common stock and certificates of beneficial interest in the common stock. At least one of these market handicaps will disappear shortly, as it is now indicated that the actual new securities will be delivered by late October or early November. Shortly thereafter it is expected that a dividend will be paid on the preferred stock, covering operations for 1940. The dividend from 1941 earnings will probably not be paid until next year even though cash position is strong and earnings will amount to close to $30.00 a share. Earnings on the new common, on the basis of fixed charges provided in the plan, should run about $3.50 a snare.

There has been little recognition given to the improvement in the fundamental status of the junior securities through recent developments. Published pro forma earnings statements of previous years applied against the new capitalization allow for the full fixed charges set up under the I.C.C. reorganization plan. There is included, interest on $14,000,000 of new money 4s. Judging by recent balance sheets, little, if any, of this money should be needed which will mean a saving of $560,000 in interest. There will be a further interest saving of $190,000 through the current refunding of underlying bonds at the low coupon rate of 3¼%. In other words, before the company is even out of the courts it will have cut its fixed charges more than 10% below the highly conservative level proposed in the plan.

Many railroad men have been urging their clients to take advantage of the psychological depressants temporarily influencing Erie certificates of beneficial interest in common stock to switch out of poorly situated equities of such roads as Baltimore & Ohio, Lehigh Valley and Delaware, Lackawanna & Western. On the average none of these three roads was able even to cover fixed charges during the past decade much less show earnings on their stocks. Baltimore & Ohio and Lehigh Valley were in such a sorry plight a few years back that they were forced to obtain temporary relief from burdensome interest charges and principal maturities through readjustment under the Chandler Act. It is pointed out that such readjustments, involving little permanent reduction in interest charges and merely postponing the principal maturities do not bring the fundamental credit improvement inherent in a thorough judicial reorganization such as that of Erie.

While Erie's new capital structure is considered virtually impervious to future depressions, the threat continues to overhang the weaker marginal carriers. Their credit position can only be really improved if the current boom in earnings is of sufficient duration to allow important debt retirements. This prospect naturally precludes the possibility that earnings can be passed along to stock holders. Freedom from worry over future solvency should alone justify a considerably higher price-earnings ratio for Erie certificatas than for the stocks of solvent marginal roads.

There is another reason that Erie common stock (the certificates will get the same dividends as the regular common) may be considered much closer to possible dividends than the usual run of railroad equities. Earnings reported by Erie, and other reorganization properties, are after deductions for sinking funds and the additions and betterment fund. In the case of Erie this latter fund amounts to 2% of gross. As debt retirement and improvements to the property have already been provided for before arriving at earnings for the stock, there is no reason why a large part of the

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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 31⅞.

Bank and Insurance Stocks

This Week — Bank Stocks

The growing influence of the defense program on the demand for bank credit is shown by a review of bank lending for defense, made by the Federal Reserve Board. This points out that the financing of business concerns engaged in supplying the Government with goods and in building new plants under national defense contracts has been an important activity of the banks of the country and has accounted for a substantial increase in banks loans during the past year.

While a considerable volume of financing for the purpose has been provided in various ways by the Government and many businesses have had large amounts of their own funds available to meet all or part of their own needs, many firms have found it necessary or desirable to borrow from the banks.

According to this survey the member banks in 101 leading cities which account for almost all of the lending by the banking system, have shown a sharp and steady increase in total commercial loans amounting to about $1,700 million in the year ending Aug. 20th 1941. This expansion in the volume of loans is a reflection of the lending directly to the defense producers and suppliers as well as to others whose business has improved coincident with the developement of the defense program.

On April 30th of this year defense loans outstanding at the city banks totaled $460 million. About 67 per cent of these loans were to be used for production purposes and the remainder for providing new plant facilities. It is pointed out that the fact that most of the banks are making most of their loans for production purposes is in line with their customary practices; banks have been traditional sources of working capital funds and ordinarily furnish loans for plant expansion to a lesser extent. It appears, however, that roughly 10 to 15 per cent of the financing required for the new defense plant facilities has so far been provided by the banks.

An analysis of defense loans made by the banks shows that the demand for new funds by producers of defense goods has been felt by the banks throughout the country. The strongest demand has been in the Northeastern and Central industrial areas and on the West Coast.

By April 30th of this year defense loans amounted to 8 per cent of total commercial loans at the city banks. It is evident that lending for defense purposes in the first 10 months of the defense program had begun to assume an important portion of the business of the banks in many parts of the country. With further increases in lending activity since April it is considered probable by the Reserve Board that defense loans at the city banks in August amounted to about 12 per cent of their total commercial loans and it is expected that the proportion will no doubt continue to increase in the future.

The volume of defense loans alone is not considered by the Board to fully reflect the role of the banks in aiding the Government in its attempt to mobilize the production facilities of the country. This is due to the fact that the special field of the banks is in the domain of small and medium-size business and, consequently numerous defense loans are made by banks though they do not bulk large in dollar amount when compared with the total defense program.

It is pointed out by the Board that most small and medium-size firms look to the banks as the principal and, frequently, the only source of their credit requirements. These requirements are met by the banks in their local communities with a foundation of long standing knowledge of the borrowers and their business.

With this proof of the extent to which the banks are sharing in the current defense boom there is good reason for the investor to consider bank stocks as a medium to employ at least a portion of his funds. For several reasons these equities are more favorably situated to benefit from this expansion of business than are many of the industrial companies which attract first attention because of their direct interest in defense contracts.

From the standpoint of taxation, intrinsic value of their shares and the steady income afforded by the unbroken dividend records, bank stocks may have the edge on the securities of many industrial companies.

Frank Smith Forming Own Investment Firm

(Special to The Financial Chronicle)

COLUMBIA, S. C. — Frank S. Smith has formed the firm of Farnk S. Smith Company, Inc. with offices in the Liberty Life Building, to engage in a securities business. Mr. Smith will act as president and treasurer of the new organization. Associated with him will be Harold C. McCarley.

Mr. Smith was formerly Secretary and Treasurer of McAlister, Smith & Pate, Inc. Greenville, with headquarters in Columbia. Mr. McCarley was assistant manager of McAlister, Smith & Pate's local office.

Steiner, Rouse Opening New Orleans Office

Herbert E. Steiner and Howard E. Myers of Steiner, Rouse & Co., 25 Broad Street, New York City, members of the New York Stock Exchange, have just returned from a trip to the South and announce that they have made arrangements to open an office in the Maritime Building in New Orleans on October 1st.

Montanye In Trading Dept. of Fitzgerald

Fitzgerald & Co., Inc., 40 Wall Street, New York City, announce that Richard B. Montanye has become associated with them in their trading department. Mr. Montanye was formerly in the trading department of Newman Bros. & Worms and prior thereto for fifteen years in the trading department of Dominick & Dominick. In his new connection he will continue to specialize in unlisted and reorganization railroad issues.

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 interest to all concerned. In this connection, we would sincerely appreciate your comments or criticisms and any suggestions you might wish to send along.

New Account Campaign Based Upon Stockholders' List

There are a number of reliable sources where up-to-date names and addresses of stockholders and bondholders can be secured. Many securities dealers have used these lists with varying degrees of success, both for circularization or personal solicitation or both.

For those dealers who are not familiar with this method of finding qualified investors in their territory, this campaign may be of interest.

Step number one: Contact a dealer in stockholders' lists. Step number two: Select a company from the available list offerings that may, at the present time, be giving its stockholders some realistic cause for concern and possible worry about the future outlook, but where a thorough study of the situation, regardless of present superficial indications, **warrant retention by the stockholder.** (This could also be true of certain bond situations.) Some examples of this type of situation might now be discovoered among the public utility holding company preferreds that are threatened under the Holding Company Act; reorganizations where the present prices of outstanding securities may be overly depressed; defaulted bonds with an improving outlook and such particular securities as nearly every alert dealer is constantly watching.

Step number three: Call upon the stockholders in person. Eliminate all premailings, unless you wish to verify addresses by sending a letter using first class mail. This usually implies an offer to supply information. The returned mail will validate all the other addresses that have been selected for canvass. Most list dealers however, guarantee about ninety percent correct addresses on standard lists which are available.

Step number four: The main purpose of the first call is to establish confidence and to become acquainted with the new potential customer. The very fact that the salesman introduces himself and mentions at the same time that he is calling to see the prospect about a certain security in which they both have an interest usually secures an invitation to "come in." The salesman then informs the potential customer that his firm has made a study of the situation in question and explains why **the security should be held.** This is exactly the reverse of the type of approach that Mr. Investor has usually been annoyed with in the past. Then again, he is pleased to know that his worries over his failing security are not so discouraging after all, and he can only be more friendly and at ease with this salesman, who has brought him some real information and has not tried to pry an order out of him almost as soon as they have met.

Step number five: The competent securities salesman will strive to impress his prospective clients with his ability and that of his firm, plus his willingness to serve his future client in any way within his power. Good customers however, like good houses, cannot be built in a day. With proper intelligent work, a nucleus of prospective clients and customers can be acquired in a few weeks time if this plan is consistently followed. Naturally, not all calls will be productive, but the law of averages will enable the sales force to eliminate non-promising names and still leave many new contacts for further development.

Buffalo Forge Stock Offered at $18.50

Hornblower & Weeks on Sept. 23 headed an underwriting group which made a public offering of 115,120 shares of common stock of Buffalo Forge Co. The stock is priced at $18.50 per share. Of the shares presently offered, 15,120 are being sold by the company and the remainder by stockholders.

Associated with Hornblower & Weeks in the underwriting are: Blyth & Co., Inc.; Shields & Co.; Paul H. Davis & Co; Schoellkopf, Hutton & Pomeroy, Inc.; W. E. Hutton & Co.; F. S. Moseley & Co.; Eastman, Dillon & Co.; G. M.-P. Murphy & Co.; Piper, Jaffray & Hopwood, Alfred L. Baker & Co.; Moors & Cabot, and Soucy & Co.

Net proceeds from the sale of stock by the company are to be applied to reimburse in part the treasury of the company for its expenditure of $246,059 for the purchase in August, 1941, of 2,305 shares of the company's then outstanding preferred stock, or to be used for such other purposes of the company as may be determined by the board of directors.

As of August 31, 1941, the company and its subsidiaries had unfilled orders aggregating $13,470,000, of which $8,246,000 are specified for delivery within the ensuing 12 months period, and $5,224,000 for delivery in the period from September 1, 1942 to June 1, 1944.

Westmore Willcox, Jr. Opens Offices in N. Y.

Westmroe Willcox, Jr. has opened offices at 115 Broadway, New York City to engage in a general securities business. Mr. Willcox was formerly a partner in Jackson & Curtis and prior thereto was an officer of Blyth & Co., Inc. and Dillon, Read & Co.

Issues 1941 Sugar Manual

Farr & Co., 90 Wall Street, New York City, members of the New York Stock Exchange, have just issued the 1941 Manual of Sugar Companies, the nineteenth edition of this manual. Included are descriptions and synopses of various sugar companies, information on companies discontinued through reorganization, merger, liquidation, etc. Also discussed in the new edition are the Sugar Quotas of 1940 and 1941 and sketches of both the beet and cane sugar industries. The statistical tables include yields and comparative statistics on leading Hawaiian sugar companies and Cuban centrals. Tables covering production, yields domestic and world prices, distribution, exports, imports, etc. have this year been extended to cover the past 25 and 30 years to enable comparison with the previous World War conditions.

Copies of the manual may be obtained from Farr & Company. Price is $1.00 per copy.

Of Interest To Dealers

A series of interesting booklets on insurance stocks has been prepared for distribution by Butler-Huff & Co. of California, 210 West 7th Street, Los Angeles, Calif. These are entitled "Fire Insurance Stocks—What Do They Offer Today's Investor?"; "The World War and The Fire Insurance Industry"; "Insurance Stocks in War Time . . . and After"; "Insurance Stocks as Inflation Hedges"; and "Insurance Stocks and The Investment Dealer." Copies of these booklets may be obtained from Butler-Huff & Co. on request.

Fleek Is Nominated For IBA Presidency

(Continued from First Page)

Starkweather of Starkweather & Co., New York; and John O. Stubbs of Whiting, Weeks & Stubbs Inc., Boston. In addition the Board named for Vice-Presidencies Jay N. Whipple of Bacon. Whipple & Co., Chicago, presently a Governor of the association, and John Clifford Folger of Folger, Nolan & Co., Inc., Washington.

New Governors who have already been elected by their respective groups and who will take office at the close of the convention simultaneously with the new President and Vice Presidents, are as follows:

Central States Group — John S. Loomis, The Illinois Co. of Chicago; John W. Newey, Stern, Wampler & Co. Inc., Chicago.

Eastern Pennsylvania Group —Robert G. Rowe, Stroud & Co., Inc., Philadelphia.

Mississippi Valley Group — I. A. Long, Mercantile-Commerce Bank and Trust Co., St. Louis

New York Group—Benjamin J. Buttenwieser, Kuhn, Loeb & Co., New York; Henry H. Egly, Dillon, Read & Co., New York; Lloyd S. Gilmour, Eastman, Dillon & Co., New York; R. McLean Stewart, Harriman Ripley & Co., Inc., New York.

Pacific Northwest Group — Frederic J. Blanchett, Conrad, Bruce & Co., Seattle.

Southeastern Group — Rush S. Dickson, R. S. Dickson & Co., Charlotte.

Southern Group — Errol E. Buckner, The National Bank of Commerce in New Orleans.

Texas Group—E. Jedd Roe, & Co., San Antonio.

Governors are elected for three-year terms and the other ten groups represented by carry-over governors did not elect new ones this year.

Mr. Fleek the nominee for President has been in the investment business in Cleveland with his present firm since 1921. His activities in the IBA date back to 1928, from which time he has an uninterrupted record of service on one or more important committees of the Northern Ohio Group of the association. His work in the national organization started at the same time and has included membership on such important committees as those dealing with state legislation, finance, and press relations.

Mr. Fleek was born in Newark, Ohio, August 29, 1893, and lived there until 1921. He was educated at Phillips Exeter Academy and Harvard, receiving an A. B. degree from the college in 1915 and returning after the 1914-18 war and after a number of years in business to obtain a M.B.A. degree, cum laude, from the graduate school of business in 1921. His business connection during this period was with Fleek & Son Co., of Newark, a wholesale grocery establishment founded by his grandfather in 1861. As to his other activities the announcement issued by the IBA states:

Whereas the public relations activities of the IBA have received his major attention recently, his earlier interest was centered in the legislation work of the association, particularly that dealing with state regulation of the investment business. He served on the legislation committee of the Northern Ohio Group from 1931 to 1938, as its chairman in the last three years of that period, and also was a member of the national committee on state legislation from 1934 to 1938.

With business organizations he has served as a director of numerous corporations and is at present on the board of the Western Reserve Investing Corp., Midwest Vessel Corp., The William Edwards Co., and is President and Director of Fleek & Son Co. He has also served as trustee of the Cleveland Institute of Music, the Cleveland Crime Commission and the John Huntington Benevolent Trust of Cleveland.

It is observed by the Association that in a few instances Mr. Connelly has been referred to as a "paid President" of the IBA. That says the Association is incorrect, as it will be also in Mr. Fleek's case. He will become a full-time executive officer of the Association as Chairman of the Public Information Committee. The presidency is, as always, not a salaried position.

Chicago Municipal Club Annual Sports Tourney

CHICAGO, ILL. — Members of the Municipal Bond Club of Chicago and their guests met for the Club's annual dinner and sports tournament on September 18th and 19th. On Thursday evening, September 18th, the group entertained at dinner at the Chicago Athletic Association. The following day featured golf and tennis matches at the BobO'Link Golf Club.

Chuck Morris of Charles K. Morris & Co., won the golf championship with a score of 37-37-74; George Martin of Martin. Burns & Corbett, Inc., was runner up. Gross winners among the guests were Robert McCrary, Murdoch, Dearth & White, Des Moines, Iowa, and Wendell Spraggins, Municipal Bond & Investment Co., Memphis. Several of the net scores were below par —with Hugh Jacks of Chicago having 89-24-65 and James McGee of Toledo having 95-30-65. All reverted back to par, the handicaps governing the disposal of trophies. The first low net foursome was comprised of Chuck Morris, Chicago, 74-3-71; Bob McCrary, Des Doines, 75-2-73; Wendell Spraggins, Memphis, 76-5-71; Bill Kerr, Beverly, Chicago, 83-4-79. Their total was 294.

Victor Sahner of Kansas City won the tennis singles, with Woodward Burgert of Chicago the runner-up. John Stephenson of New York and Todd Cartwright of Chicago won the doubles matches with John Thackara, Jr., of Philadelphia and Robert Pelton, Chicago, runners up.

Jo Gibson of Webster & Gibson, Nashville, Tenn. won the principal raffle prize.

Out of Town guests attending the party were:

OUT OF TOWN GUESTS ATTENDING

MONTGOMERY, ALABAMA

Sidney J. Mohr, King Mohr & Company.

LITTLE ROCK, ARKANSAS

J. E. Womeldorff, W. R. Stephens Investments; Dabbs Sullivan, Walton, Sullivan & Co.

DENVER, COLORADO

Malcolm Roberts, Sidlo, Simons, Roberts & Co.

CHICAGO, ILLINOIS

Charles S. Frye, Chicago Journal of Commerce; Dudley Smith, Investment Bankers Association.

PEORIA, ILLINOIS

Don L. Negley, Negley, Jens & Rowe, Inc.

DAVENPORT, IOWA

John M. Beyer, John H. Ruhl, Quail & Co.; Walter E. Vieth, Vieth Duncan & Wood; Carl N. Stutz, Blair A. Phillips, White, Phillips Corp.

DES MOINES, IOWA

Sherman W. Fowler, Iowa-Des Moines Natl. Bank & Trust Co.; James A. Cummins, Wheelock & Cummins, Inc.; Jack Sparks, Shaw,

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Investment Trusts

A permanent "National Association of Investment Companies" was proposed last week to various leading investment trusts in a special memorandum from The National Committee of Investment Companies. The new organization would be headed by Paul Bartholet, who is vice-president and treasurer of the Tri-Continental Group of investment companies, and has been a primary factor in ironing out the industry's problems with the Securities and Exchange Commission. Mr. Bartholet would resign from his other positions in order to devote his full time to the National Association.

Plans for the organization call for a continuation of the work of the present National Committee in cooperation with the Securities and Exchange Commission in the administration of the Investment Company Act of 1940. In addition the National Association would keep the industry informed regarding the development and administration of other federal regulations affecting the trusts.

The proposed annual budget for the new association for each of the next two years is \$60,000, of which \$29,000 would go for salaries and \$12,000 for legal services. It is proposed to raise the necessary funds by annual membership dues of 3/400 of 1% of gross assets at market as of June 30, 1941, for open-end companies, with a minimum of \$40 and maximum of \$4,000 for any one company or group of companies under the same management. For closed-end companies the fee would be 2/300 of 1% of gross assets with limits of \$35 and \$3,500. The membership fee for the open-end companies is somewhat higher because of the inclusion of "blue-sky" work in the activities of the Association.

The new association would have an executive committee composed of the eight members of the present National Committee's executive committee and four additional investment company directors. The members of the present board who would serve on the new executive committee are:

Hugh Bullock, Vice President—Dividend Shares; Arthur H. Bunker, Executive Vice President — Lehman Corp.; Paul C. Cabot, Vice President—State Street Investment Corp.; William Tudor Gardiner, Chairman — Incorporated Investors; Merrill Griswold, Chairman — Massachusetts Investors Trust; James H. Orr, President—Railway & Light Securities Co.; Cyril J. C. Quinn, Vice President — Tri-Continental Corp.; Richard Wagner, President—Chicago Corp.

The four new members who have agreed to serve are:

Frank Altschul, President — General American Investors Co.; F. Wilder Bellamy, President—National Bond & Share Corp.; Charles F. Eaton, Jr, Trustee—Eaton & Howard Balanced Fund; David M. Milton, President — Equity Corp.

If the National Association were to accomplish no more than a continuation of the work of the present National Committee it would furnish a real service to the investment trusts and to the financial community as a whole. The National Committee was an outgrowth of the cooperation between the trusts which developed at the hearings on the Investment Company Act. Its aim has been to help the SEC make its regulations workable on the theory that much grief could be avoided if, from the start, the regulatory body had practical information and suggestions regarding the method of operation. Though the National Committee has kept in the background and has received little publicity it has done much toward showing the SEC that the financial community can cooperate on methods, and more particularly in smoothing out the specific regulations affecting the trust and in clarifying the innumerable forms which the trusts have been required to file.

However, the investment trusts are in urgent need of an organization to further public relations as well as one to work on technical aspects of regulations. Perhaps the new National Association is not the proper organization to carry out a public relations program, but the industry would be ready to submit to quite a bit of ill-designed regulation in exchange for the complete confidence of the general public. This is, of course, especially true of the open-end investment companies who have shares to sell to the public; and it is interesting to note that the open-end companies are outnumbered about two-to-one on the proposed executive committee.

* * *

Investment Company Briefs

The lag in American stock prices since the beginning of the defense effort has not had any counterpart in the British market. A chart showing the ratio of industrial common stock yields to government bond yields for the period 1929 to date in the

(Continued on Page 303)

The Municipal Market

Home rule is little by little being sold by the municipalities for cash just as centuries ago they bought it from the kings of England for cash, David M. Wood, municipal finance expert and senior partner in Thomson, Wood & Hoffman, New York municipal attorneys, declared Tuesday at the annual convention of the National Security Traders Association in New Orleans. Mr. Wood addressed the convention's municipal forum on the subject "American Municipalities in Transition."

"A subtle change is now taking place in our municipalities," Mr. Wood said, "which in my opinion, bodes no good for the democratic form of government. The sturdy, almost beligerent, assertion of home rule, which reached its peak in the early Nineteen Hundreds, has been replaced by plaintive pleas for aid from the State or from the Federal Government."

This dependency of local governments upon the State and Federal Governments has resulted in the incorporation of local political organizations as subordinate branches of the State or national party in power, according to Mr. Wood, and the municipalities are being subjected to remote control.

Discussing the financial problems of the municipalities in respect to the increasing social service functions demanded of them, Mr. Wood said that the municipalities, to avoid constitutional debt limits, have created separate districts such as school districts, sanitary districts and street improvement districts, for the financing of which bonds are floated. In addition, he discussed the "revenue bond," another device for evading constitutional debt limitation. These evasions, Mr. Wood conceded, have been the results of necessity, but because of them the inhabitants of our municipalities are paying through the nose.

Municipal Credits Surveyed

The Committee on Municipal Obligations of the National Association of Supervisors of State Banks has prepared and plans to release tomorrow an interesting and valuable book, "Municipals". The work of this Committee on subject has been most thorough and painstaking. The Committee has sought and obtained able assistance and cooperation in the undertaking.

The study and preparation was started about three years ago for the purpose of providing in serviceable form a useful and practical outline of pertinent factors essential in analyzing municipal obligations from the point of view of investors.

The Committee makes clear that there is no thought in their presentation of attempting to develop a uniform system of classifying, grouping or rating municipal securities but that the effort is directed to the creation of a form or file which clearly and logically presents those factors important in analyzing the credit quality of a municipal obligation.

Following an interesting foreword and introductory chapter in the form of a brief report by the Committee explanatory of the purpose, there is presented a form of uniform credit file for municipal obligations which serves as an outline of the information necessary for a careful credit analysis and in appraising investment soundness. The form also serves as a work sheet for use in assembling the desired credit information. This is an excellent guide for uniform arrangement of pertinent data for current and subsequent use. There are also clear and informative advices for preparing municipal credit reports for the file including, for the purpose of illustration, specific examples.

In addition, under the general heading of "Municipal Credit Analysis" there are a number of chapters setting forth in a comprehensive manner fundamental considerations essential in evaluating general credit obligations and including a chapter on special types of general credit obligations. These chapters are of themselves an interesting and worthwhile study.

Also of interest and informative are a number of tables showing as of the close of last year the holdings of municipals by insured commercial banks. These tables are arranged so as to reflect the status of such holdings from different comparative angles. They evidence that the commercial banks insured by the Federal Deposit Insurance Corporation have a larger investment in obligations of state and municipal bonds than in any other class of security except U. S. Government obligations. These holdings equal 15% of total securities owned and over 50% of securities other than those of the U. S. Government. The book also includes a chapter of suggestive questions for use in analyzing municipal credits and an extensive and valuable bibliography.

The volume merits thoughtful and considered study by commercial bankers, investment bankers and investors interested in municipal; also financial officials of states and their political subdivisions, bank examiners, municipal accountants and students of municipal finance.

Numerous Municipal Waterworks Built by PWA

Since 1933, The American City reminds us, the Public Works Administration (PWA) has made direct grants in excess of $142,000,000 and repayable loans in excess of $67,000,000 toward waterworks projects costing in excess of $381,000,000.

An outstanding feature of this water-works construction program has been the large number of villages, towns, and unincorporated communities which have been enabled to install public water systems. Hundreds of communities which had been unable to afford such systems, formed water-works districts or incorporated as villages or towns in order to obtain PWA aid. An analysis of the PWA water supply projects shows that 700 communities, ranging in population from 200 to 6,000, installed complete new systems, 75 of the communities having populations of less than 1,000.

N. Y. State Highway Construction Advocate Elected

Proponents of a huge "pay-as-you-go" highway construction program won a powerful voice in the state legislature last week with the appointment of Senator Arthur H. Wicks, Ulster county Republican to succeed the late George L. Thompson as chairman of the important Senate Finance committee.

Wicks immediately revealed that he would make strong effort to defeat the $60,000,000 proposed bond issue for highways, an amount to be diverted from grade crossing elimination projects. Instead, Wicks is understood to be

prepared to revive his proposal for a $200,000,000 highway bond issue to be financed out of gasoline taxes.

Texas Road Bond Assumption Bill Passed

The special session of the Texas Legislature last Friday accorded final approval to the State Road Bond Assumption Bill, which had been of primary importance to the counties and road districts. This new measure serves to re-enact the act of 1939 insofar as it provided for the servicing of eligible county and district bonds as had been used in the construction of State highways, and provide the funds this year and next.

The salient differences between the bill just signed by Governor Stevenson and the existing though nonoperating law is that instead of all the counties, during this and next year, will get only half the so-called surplus, meaning that which is left in the servicing fund after existing eligible bonds have been cared for, which surplus, it is estimated, will amount to something like $2,750,000 this year, and perhaps more next year. The other half of the surplus will go into the state highway fund and so be available for building and maintaing state-designated highways.

The half going to the counties will be apportioned among them through the lateral road account in accordance with the same formula that has heretofore governed; that is, one tenth the total amount on the basis of county areas, two tenths on the basis of populations, three tenths on the basis of motor vehicle registration and four tenths on the basis of lateral road mileages.

Commenting on the features of the above act, Jack Garret of Garrett & Co., Dallas, states:

"Briefly, this bill as passed reenacts for the next two years the old law which reinstates exactly the same state aid on Texas county and district road bonds as existed heretofore. Our legislature was never divided on this question, and the only controversial matter was the allocation of the surplus over and above the amount necessary to service the state aid bonds. This controversial question was settled by an agreement to divide this surplus 50% to the state highway department and 50% to the various counties, allocation to be on the same basis as in the previous law. This surplus based on the present consumption of gasoline in the state amounts to some $150 million for the next 15 years which, as stated above, is to be divided equally.

"There was a great deal of adverse publicity due to the fact that this question was not thoroughly understood, especially outside the State of Texas, but Texas is glad to announce to the world that this law has now been reenacted and should quiet future rumors and fears as to state aid bonds."

New Miss. Road Building Financing Planned

It is stated on good authority that at the January session of the Mississippi legislature a new highway building program will be proposed to be financed with a $25,000,000 or $30,000,000 bond issue.

Proponents say that the steady increase of gasoline tax collections will be sufficient to finance the program, taking care of the interest and creating a sinking fund for redemption of the bonds when due.

Ohio Tax Chief Say Cities Don't Need State Funds

Replying to critics of the Bricker administration's fiscal policies, Ohio Tax Commissioner William S. Evatt asserted last week that local government needs for state money actually had declined in the last two years, instead of increasing.

"In 1941 local governments will spend for aid to dependent children $750,000 less of their own funds than they spent in 1939," Mr. Evatt said in a statement. "Expenditures for relief will decline approximately $3,250,000 below 1940. At the same time, revenues from local taxation have generally increased. * * *

"Although counties and cities are still refunding bonds, their debts have been generally reduced in recent years. * * * Local government debt has been reduced from almost one billion dollars in 1930 to less than $700,000,000 in 1940."

"For every dollar of tax revenues the state has to spend on old age pensions, highways, universities, welfare institutions and other functions of state government, the local governments have $4.39 of tax revenue for the governmental functions they perform."

Minn. Auditor Urges Reduction on Borrowing

Minnesota's indebtedness has beed reduced $14,185,171 in the last 2½ years—the greatest for a comparative period of time in the history of the state.

Stafford King, state auditor, so advised Gov. Harold E. Stassen in a report, which reveals that the state's total indebtedness on June 30, 1941, was $115,602,489 as against $129,787,660 on Jan. 1, 1939. King reported that in 1937 the indebtedness reached an all-time high of $134,155,892.

Four specific recommedations, in which he explained his reasons, were made to the governor by the state auditor as follows:

Credit should not be used by the state to subsidize private industry.

Borrowing should be done slowly, and always with a long-range plan which should never carry repayment beyond the state's current ability to pay.

The state should never borrow to established a "loan fund."

No state bonds or certificates should be issued for a longer period than 20 years.

Connecticut Cannot Use Surplus Fund

The State of Connecticut has a surplus of $3,117,511, which, under a new law, may be used only for the retirement of State bonds, and pending such use the funds may be deposited in mutual savings banks.

"We don't know what to do with it," the State's Finance Commissioner, Lewis W. Phelps, commented on Tuesday. "There are no Connecticut bonds on the market for purchase, because they are first-rank investments, which holders don't like to give up. We also are stumped by the fact that banks don't want large deposits. So, it is possible that

the money may rest indefinitely in the treasurer's safe."

Fla. Airport Bond Law Held Valid

The Supreme Court recently upheld an act of the 1941 Legislature authorizing county commissions to issue bonds for construction of airports.

The court affirmed a Monroe county circuit court validation of a $40,000 bond issue for financing an airport at Key West.

The lower court's ruling was appealed here on the contention that construction of an airport was not a county purpose within the meaning of the state constitution.

"What constitutes a county purpose is not static and inflexible," the Supreme Court said in a decision by Justice Glenn Terrell.

Housing Bonds Awarded

Last week a total of 19 series A local housing authority bonds were offered and syndicates headed by Phelps, Fenn & Co. of New York, obtained the award of 14 issues, outbidding other interested houses. These issues are said to have been received with gratifying public demand, indicating that, as they become more widely known, their worth and fairly liberal yield are better understood.

The bond sales represented 10% of the cost of the several projects, the other 90% being sold at the same time to the U. S. Housing Authority. Short-term notes to banks had been previously sold to finance the projects and bond sales are made upon completion of such housing projects.

Sept. 25th (Today)

$697,000 Essex Co., N. J.
The county awarded bonds in Dec. 1939, to a syndicate headed by H. L. Allen & Co. of New York. Runner-up in the bidding was the West Side Trust Co. of Newark, and M. M. Freeman & Co. of Philadelphia, bidding jointly.

Sept. 26th

$731,000 North Arlington, N. J.
There have been no important sales by this borough recently.

Sept. 30th

$9,000,000 State of Maryland
The general bond issue of 1941 was awarded on June 25 to the First National Bank, and the Harris Trust & Savings Bank, both of Chicago, jointly. Runner-up in the bidding was Dick & Merle-Smith of New York. On June 12, a $6,000,000 bridge revenue refunding issue went to a group headed by Alex. Brown & Sons of Baltimore.

Oct. 9th

$14,100,000 Philadelphia, Pa.
Syndicate headed by Drexel & Co. of Philadelphia, obtained award of the bonds offered in Dec. 1939. Second best bid was entered by the First Boston Corp., and associates.

Winslow, Douglas To Admit Walter Austin

Walter V. Austin, member of the New York Curb Exchange, will become a partner in Winslow, Douglas & McEvoy, 120 Broadway, New York City, members of the New York Stock and Curb Exchanges, as of October 1st. Mr. Austin was formerly an individual Curb floor broker in New York and prior thereto was a partner in Whitehouse, Hudson & Co. and Dyer, Hudson & Co.

DIVIDEND NOTICES

AMERICAN MANUFACTURING COMPANY
Noble and West Streets
Brooklyn, New York

The Board of Directors of the American Manufacturing Company has declared the regular quarterly dividend of $1.25 per share on the Preferred Stock and a dividend of 75c per share on the Common Stock of the Company. Both payable October 1, 1941 to Stockholders of record September 19, 1941.

ROBERT B. BROWN, Treasurer.

JOHN MORRELL & CO.

Morrell PRIDE meats

DIVIDEND NO. 48

A dividend of Fifty Cents ($0.50) per share on the capital stock of John Morrell & Co., will be paid October 25, 1941, to stockholders of record September 30, 1941, as shown on the books of the Company.

Ottumwa, Iowa, Geo. A. Morrell, Treas.

NATIONAL POWER & LIGHT COMPANY
$6 Preferred Stock Dividend

The regular quarterly dividend of $1.50 per share on the $6 Preferred Stock of National Power & Light Company has been declared for payment November 1, 1941, to holders of record at the close of business October 2, 1941.

ALEXANDER SIMPSON, Treasurer.

New York, N. Y.
September 17, 1941

Philip Morris & Co. Ltd. Inc.

A regular quarterly dividend of $1.06¼ per share on the Cumulative Preferred Stock, 4¼% Series, has been declared payable November 1, 1941 to Preferred Stockholders of Record at the close of business on October 15, 1941.

There also has been declared a regular quarterly dividend of 75c per share on the Common Stock, payable October 15, 1941 to Common Stockholders of Record at the close of business on September 30, 1941.

L. G. HANSON, Treasurer.

UNITED STATES SMELTING REFINING AND MINING COMPANY

The Directors have declared a quarterly dividend of 1¾% (87½ cents per share) on the Preferred Capital Stock, and a dividend of One Dollar ($1.00) per share on the Common Capital Stock, both payable on October 15, 1941 to stockholders of record at the close of business October 2, 1941.

GEORGE MIXTER, Treasurer.
September 23, 1941.

Maine Dealers Move To Avert Extinction

(Continued from Page 291)

petition may communicate with Edward E. Chase.

The text of the petition follows:

To the Congress of the United States:

There have been proposed to Congress certain amendments to the Securities and Exchange Act. One proposed amendment recommended by the New York Stock Exchange and the New York Curb Exchange, and apparently desired by the Securities and Exchange Commission, would greatly extend the requirements for publication of corporate information in connection with the solicitation of proxies. (SEC report, August 7, 1941, page 35. Also conference report on pages 242-247).

As a group, we neither approve nor oppose this amendment, which is ostensibly designed for protection of stockholders. We desire to point out, however, that in practical operation the effect of this amendment upon our business would be to place the distributor dealers at a great disadvantage in competition with Exchanges, and especially with the New York Curb Exchange.

The New York Curb Exchange may now apply to the Securities and Exchange Commission for unlisted trading privileges in securities upon which complete information is available, and the Commission may grant such application without the consent of, or even against the wish of, the issuer. If the proposed amendment should be adopted, and the publication of complete information required by law, corporations would be unable to prevent exchange trading in their securities, even if they should deem such exchange trading conducive to speculation and irresponsible ownership; while the distributing dealer would be exposed to the trouble and expense of continually opposing the ambitions of the Curb Exchange, and other Exchanges, to take away his business.

We oppose the adoption of this amendment, unless it should be supplemented by another amendment protecting us against this inherent danger.

To this end, we propose a further amendment, which will be embodied in a bill now being prepared for introduction in Congress, to amend Section 12(f) of the Securities and Exchange Act so as to prevent the granting of unlisted trading privileges to any Exchange, except in securities fully listed by application of the issuer upon some Exchange.

At the hearings on this and other proposed amendments we shall explain in greater detail why we believe that our position is consistent with fair play, and in the public interest.

We ask for your support of our position.

Firms Merging to Form Content, Hano & Co.

Effective October 1st, Content, Zuckerman & Co., one of the oldest New York Stock Exchange houses, will merge with Hano & Co. of Philadelphia to form Content, Hano & Co. The new organization will have offices at 39 Broadway, New York City, 1505 Walnut Street, Philadelphia, and the Calvert Building, Baltimore.

Partners of Content, Hano & Co. will be: Harry Grobosky, Exchange member, H. Bertram Smith, Manfred Neumoegen, Exchange member, all of New York, Leonard B. Geis, Lester Hano, Lester E. Degenstein, and John Small, of Philadelphia, general partners; Samuel Goldsmith, New York, H. E. Gerstley and Nathan Hamburger, of Philadelphia, Limited partners.

Cleveland Bond Club Annual Fall Outing

CLEVELAND, OHIO—The annual Fall Frolic of the Bond Club of Cleveland will be held on September 26th at the Country Club, featuring the group's third annual party for syndicate managers.

Golf will be the main event of the outing which is to be an all-day affair. Breakfast, buffet luncheon and dinner will be served members and their guests.

The Bond Club announces that already many representatives of underwriting houses in New York and other cities have accepted invitations to attend.

Write For Rail Circular

Clark, Kohl & Eyman, 55 Liberty Street, New York City, have prepared a circular comparing the stocks of The Boston & Maine Railroad with the stocks of marginal roads such as New York Central, Illinois Central, Southern Railway, etc. Copies of the circular will be sent by Clark, Kohl & Eyman on request.

The firm has just installed a new Bell System teletype — NY 1-1047.

Tomorrow's Markets Walter Whyte Says—

(Continued from Page 291)

so called second grade issues, the dogs of yester-year which grabbed off what limelight there was to grab.

* * *

A lot of people refer to such stocks by the mysterious sounding words: "Special Situations." The term is probably as good as any. I feel, however, that most stocks which come in this high falutin special-situation category, are anything but.

* * *

As far as I am concerned a special situation is a stock the other fellow always has. Yours is always a dog, though not at the beginning. For at the beginning it is always the cream of the market—it's going to make you rich. It isn't until a few months have gone by that you begin to realize that the stock you bought with such high hopes has done nothing while the other guy's stock has gone up ten points or so. It is then that the words "special situation" begin popping up and you get busy looking around for them.

* * *

In the last few months I have recommended a number of stocks which, I suppose, can be called "special situations." I assure you however that none of these came into our list because of any involved studies of their statistical positions. They were advised because of one thing only; their market action.

* * *

If you're curious to know what stocks I'm talking about, take a look at say, Savage Arms of N. Y. Shipbuilding.

* * *

When I first recommend them nobody wanted them. They were war babies and everybody knew how lousy the war babies had acted in this war. Instead the favorites were Bethelehem or Big Steel or General Motors. I had nothing against any of these stocks then. I haven't now. But their tape action didn't say "up" to me. So despite the formidable array of figures proving that such companies were making money hand over fist I decided to let the other guy worry about them.

* * *

But all this is in the past and hardly answers the all important question, "what about from here on?" So without further ado I'll try to answer that.

* * *

Last week I told you that despite the inability of the averages to get through widely publicised resistance levels a number of stocks have not only done so but in a few cases have managed to go through the equivalent of 150 in the Dow averages. Last Wednesday the market closed up with a puff and this time it was the leaders that did most of the puffing. The next day, apparently all out of breath, they sank back into their customary lethargy yet they managed to do a nice piece of work. The leaders finally managed to get up to what is called "mass centers" a feat they haven't been able to accomplish for these many months. This means that the leaders in common with the second grades are now in a position to move fast on the slightest opportunity.

* * *

But this doesn't mean that the leaders are now in a buy position but it does mean that any further advance will put them in the clear where a buy can be given serious consideration.

* * *

In any case the whole market is again beginning to shape up as one capable of finally breaking out of its long rut.

* * *

Of course there is news to consider. But neither you nor I know what this news will be or what form it will take. However the market will, in its own fashion, warn you if the news is good or bad. That means of course that "stops" cannot be lightly ignored.

* * *

Summing it up: The market it acting well; the leaders are doing better and all positions should remain undisturbed unless and until "stops" are broken.

* * *

W. F. St. Louis, Mo. Sorry pressure of work doesn't permit personal replies. Recommended Western Union at 24 and advised profits at 30. Stock is now about 28. Stock now in indeterminate market position. Has nothing to do with earnings ratio. I advise purchases based on market action not earnings outlook. The former usually foretells the latter. Suggest limiting new buys to stocks in list. Refer you to previous columns.

* * *

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.]

N. Y. Stock Exchange Weekly Firm Changes

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

James J. Minot, Jr., partner in Jackson & Curtis, New York and Boston, now signs James J. Minot.

Charles H. Van Buren, special partner in McClave & Co., New York City, died on September 13th.

Interest of John E. Riley, deceased, in Francis, Bro. & Co., St. Louis, Mo., ceased as of August 26, 1941.

A Bond Buy For Banks

An interesting circular describing a bond of bank quality yielding 6¾% has been prepared for distribution by A. O. Van Suetendael, 15 North Broadway, Yonkers, N. Y., from whom copies may be obtained upon request.

WHISPERINGS

Norman Sitzenstatter of J. H. Acker & Co., is not going around these days boasting of his financial acumen. It all dates back to the day when Norman was sitting in the office wondering about nothing at all when a necktie salesman walked in and proceeded to display his wares. More in a desire for company than anything else Norman encouraged the salesman to keep on with his sales talk, a desire which resulted in the salesman selling Norman three ties. However, the impression left on the salesman must have been a lasting one for the next day he rushed in and explained excitingly that he had just been offered a Big Deal. Some firm or other was sending its people out to a convention or something and had ordered 20 red ties. The only catch, according to the salesman, was that he did not have the capital to finance such a purchase, and would Norman, who showed himself to be a regular guy, help him out. Just for a few hours, the salesman assured him, and the money would be returned gratefully. Overcome by the forceful rhetoric of the salesman Norman dug down and handed over $4 and received undying assurances of not only gratefulness but an earnest promise that the money would be returned in a few hours. Two weeks have passed and Norman's belief in human nature is shattered — for no four bucks or any salesman has materialized.

Piper Aircraft may soon find itself in the General Motors family. . . . According to CBS the first question asked by foreign correspondents when the wires open mornings is "How did the Dodgers make out?". . . .

Defense program has brought out a lot of funny things—anyway they're odd. For example a couple of Wisconsin grandmothers were excited and flattered no end to get mash notes from soldiers. It turns out that they (the grandmothers) had put their names into aluminum canteens they helped make for the U. S. Army 24 years ago. How could the soldiers know these canteens were made for War No. 1 and are just now being distributed. . . . One of the brass hats deciding that Molotov cocktails (gasoline filled bottles used to disable tanks) were just the thing ordered 1,500 bottles from one of the largest glass companies. In due time they arrived; beautiful things, but they didn't work. Instead of exploding and bursting into flame when thrown at a tank they just bounced and rolled away harmlessly. Seems the company filling the order tried to outdo itself (specifications were hazy anyway) and sent unbreakable (dura-glass) bottles.

E. W. & R. C. Miller of the Philadelphia Millers amuse themselves these days — particularly when business just "ain't"—by peering across the street into the beauty parlor which always seems to be doing a rushing business. One day the Millers received a letter from the beauticians asking them to refrain from using field glasses to look through into their windows. "We'll stop" replied Connie in answering the letter, as soon as you wash your windows."

During the recent electrical disturbance, which played all kinds of tricks on radio programs, we heard one announcer extolling the benefits of Ex-Lax. Suddenly another voice—a booming one—broke in. "It's modern design that makes the difference!"

Harold Nash of H. N. Nash & Co., Phila., met a friend the other day who promptly proceeded to tell him about the $135 tax refund he had received from the income tax people. "That's great!" broke in Harold. "You can now pay me the $50 you owe me." The friend replied quickly: "Hold your horses! Let me tell you the rest of my dream!"

There may be a shortage of gasoline on the eastern seaboard but in Canada, you can still buy all the gas you want.

A certain broker was called upon to do a service for a client. It consisted of convincing a certain lady acquaintance that some things were just not done. The lady being of a legal frame of mind insisted that as her heart-balm she get some stock in her ex-friend's radio station. "But you can't do that!" explained the broker. "Your ownership of the stock would have to be shown in the data filed with the Federal Communications Commission". . . . "That's all right" assured the lady. "I've got lots of things that are on file with the SEC. What's good enough for the SEC shouldn't trouble the FCC."

Railroad Securities

(Continued from Page 293)

remaining net may not be passed along to stock holders after the new company has been in operation for a reasonable time.

Erie is expected to earn around $3.50 a share on its common after deduction of the additions and betterment fund in 1941. In comparison, New York Central is expected to earn a maximum of $5.00, but without any such deduction. If "Central" had to report an additions and betterment fund such as Erie's, the estimated $5.00 earnings would be reduced to $3.65. Even this would be without any deductions for sinking fund.

These statistics give some idea of just how much larger earnings other roads would have to report than Erie would, in order to justify a similar dividend policy. While it is obvious that a considerable portion of Erie's current earnings stem from the armament effort, it is notable that even without such a stimulus there would have been earnings on the common in seven of the past ten years. As the Erie reorganization does not contemplate transfer of the properties to a new company, the road does not face the possibility of a heavy excess profits tax liability such as other reorganization roads may. When the unique status of Erie in this respect gets wider general recognition it should further bolster sentiment towards the new equities.

Continuing As Individuals

The partnership of H. G. Tully & Co., 19 Rector Street, New York City, is being dissolved as of the close of business September 30th, 1941.

Herbert G. Tully and Richard G. Tully, both members of the New York Curb Exchange, will continue in the securities business as curb floor brokers from offices at the same address; the same telephone number will also be retained.

"JOTTINGS"

(Continued from First Page)

was an AFL effort to oust an independent union. The "captive mine" strike is a bid for a union shop. The strikes in the Birmingham mines, at Crucible, Great Lakes, Clairton, and in the anthracite fields, were wild-cat strikes. The ship strike and the threatened strikes at Bethlehem are in violation of agreements. The Detroit street-railway strike was for exclusive bargaining privileges.

Meantime the Canadian government has banned strikes unless they start with a majority vote of the workmen involved, in a government-supervised election. The abortive rebellion in the Hod-Carriers' Union, squelched by Green, the strike of the anthracite men against higher assessments by United Mine Workers, and popular polls recently taken among workmen indicate an apparently growing rank-and-file dissatisfaction with union policies.

Despite Bernard Baruch's blessing, Henderson is obviously going to have considerable opposition as price boss when the new price control bill is passed and not simply because the job "naturally" produces a crop of dead cats. Henderson's OPA hasn't accumulated a very good record and its mistakes, far from being unavoidable, appear to have been in considerable part due to an anti-business slant on the part of his staff and to wilful ignorance of trade technicalities. Several commodity trades have been thoroughly mauled by OPA's methods and some, particularly importers, put out of business "for the duration." The first gray goods ceilings stopped Worth Street trading for a month, had to be revised, and have now been replaced by a direct tieing of gray goods to the day-to-day price of cotton. A recent hasty anthracite price ruling has had to be reversed, liquidation of rubber futures has at last been allowed, and after months of delay the confusion produced by the initial hide ceilings finally led OPA to accept differentials. Many price ceilings, established only by the "jawbone method," have proved to be written in sand, for those affected, including Chrysler, many steel scrap dealers, the anthracite people, and some textile mills, have simply felt that the ceilings were too unfair to be accepted without coercion. OPA's tracks through the American price structure in recent months are marked by a long series of complaints and grievances and that isn't due simply to the fact that anybody whose prices are controlled automatically is antagonised. Whether OPA is actually staffed with fellow-travellers or not, its record indicates that it is largely staffed by men without the feeling of free enterprise.

On the other hand, few people probably realize the political costs of a general price ceiling. Even the present bill involves injunctions against violators, authorization of treble damages to buyers of above - ceiling wares, licensing of sellers and buyers, and penalties of $5000 or a year in jail for wilful imprisonment.

Despite recent publicity in connection with its request for more money, RFC's size, scope, and recent rebirth are little realized. Its total authorizations and commitments run well over $18,000,000,000. It has made commitments of some $3,900,000,000 for defense, over $3,000,000,000 of that in the last six months. Its money is available to cities to take over utility death-sentence orphans; to countries all over the world for lease-lend and total-purchase programs. It recently advanced $50,000,000 to Amtorg, for which it will soon receive platinum, manganese, etc. Its Defense Plant Corporation has invested over $2,000,000,000 in defense plant construction, and that doesn't mean merely armaments, but magnesium, aluminum, and even steel plants. It is already the world's largest owner, through its filials, of commodities, in which its investments will soon pass those of CCC. In fact it or its affiliates are already the sole importers of rubber and silk, and soon may have a monopoly on the handling of other staples.

The shipping shortage appears likely to be considerably relaxed in coming months. For one thing, the rate of construction is actually already a shade ahead of sinkings—far sooner than could have been expected. Sinkings are running around a rate of 2,000,000 tons a year; British launchings around 1,000,000 tons, and American launchings well above that. Add 300,000 tons of Axis ships taken over recently in South America; economies from centralized operation under the Ship Warrant Act and modification of the Neutrality Act; and even a slight chance of some use of Japanese ships if the Far Eastern tension relaxes.

Corporation Bond Traders Luncheon

The Committee on Arrangements of The Corporation Bond Traders Club of New York has announced that beginning Tuesday, Sept. 23rd, members will meet for luncheon at the Au Coq D'Or Restaurant at 129 Maiden Lane, New York City, from 12:00 to 2:00. It is planned to hold luncheons every other Tuesday.

The club was organized in 1934 by a small group of corporate bond traders. It now has a membership of about 150 men from the leading investment houses in Wall Street.

Joseph S. Nye of Freeman & Co. is president; Frank R. Verian, Merrill Lynch, Pierce, Fenner & Beane, vice president; Elliott Bliss, Harriman Ripley & Co., Inc., secretary; and Allen J. Nix, Riter & Co., treasurer. In addition to the officers the following are members of the Board of Governors: Charles L. Bergmann, R. W. Pressprich & Co.; Charles H. Jann, Lazard Freres & Co.; and Emmett Lawshe, Shields & Co.

The following committee chairman have been named: Gibby Powell, White, Weld & Co., Committee on Arrangements; George V. Hunt, Starkweather & Co., Reception Committee; and Walter V. Kennedy, Newman Bros. & Worms, Membership Committee.

Chicago Municipal Club Annual Sports Tourney

(*Continued from Page 295*)

McDermott & Sparks; Robert H. McCrary, Murdoch, Dearth & White, Inc.

TOPEKA, KANSAS

Jack B. Snyder, Estes, Snyder & Co.

LOUISVILLE, KENTUCKY

J. P. Burkholder, Jr., Almstedt Bros.; Thomas Graham, The Bankers Bond Co.; Marion Cardwell, J. J. B. Hilliard & Son; Wm. O. Alden, O'Neal-Alden & Co., Inc.; Chester A. Lucas, Stein Bros. Boyce.

NEW ORLEANS, LOUISIANA

Walter D. Kingston, Lamar Kingston & Labouisse; James E. Roddy, Scharff & Jones, Inc.; H. W. Arnold, Weil & Arnold; Gilbert Hattier, Jr., White Dunbar & Co.

BOSTON, MASSACHUSETTS

F. Brittain Kennedy, F. Brittain Kennedy & Co.

DETROIT, MICHIGAN

Harold R. Chapel, Crouse & Co.; Douglas H. Campbell, First of Michigan Corporation; Gerald E. Miller, Miller, Kenower & Co.; Kenneth K. Martin, Peninsular State Company.

MINNEAPOLIS, MINNESOTA

W. J. Allison, Allison, Williams & Company; Milo Meier, C. S. Ashmun Co.; William W. Lewis, Bigelow, Webb & Co.; C. A. Burnham, First National Bank & Trust Co.; Donald W. Green, Investors Syndicate; Palmer Jaffray, Piper, Jaffray & Hopwood; Robert L. John, Thrall West Company; R. G. Andrews, Wells-Dickey Company; Paul Burkland, Northwest National Bank & Trust Co.

ST. PAUL, MINNESOTA

W. A. Smith, First National Bank; Rudolph S. Juran, Ralph Webber, Juran, Moody & Co.; Horace Commer, Bert Turner, Kalman & Co.; R. G. Egan, Mannheimer-Caldwell, Inc.; Leo Quist, Harold E. Wood & Co.

KANSAS CITY, MISSOURI

F. D. Farrell, City National Bank & Trust Co.; Harold C. Evans, Commerce Trust Company; Richard Stern, Stern Bros. & Company; Victor H. Zahner, Soden & Company.

ST. LOUIS, MISSOURI

H. F. Hagemann, Jr., Boatmen's National Bank; Andrew S. Mills, Francis Bros. & Co.; Clarence Blewer, Mercantile-Commerce Bank & Trust Co.; James F. Quigg, Mississippi Valley Trust Company; Wm. H. Burg, Smith, Moore & Co.; B. K. Hagemann, G. H. Walker & Co.

OMAHA, NEBRASKA

F. J. Bender, Wachob-Bender Corp.

NEW YORK, N. Y.

G. C. Stevenson, Bacon, Stevenson & Co.; W. M. Barr, Kenn, Cassin, Charles Pope, Barr Bros. & Co.; C. Bruce Campbell, Campbell, Phelps & Co., Inc.; Robert H. Rich, Charles Clark & Co.; John W. de Milhau, Chase National Bank of New York; Lee W. Carroll, John B. Carroll & Company; Harley A. Watson, Eldredge & Company; P. S. Russell, Jr., Glore, Forgan & Company; Henry Harris, Goldman, Sachs & Company; E'wood D Smith, Harriman, Ripley & Company; James D. Topping Hinkins & Topping; Walter H. Steel, Lazard Freres & Company; Ferris S. Moulton, R. H. Moulton & Co.; Wm. R. M. Fenn, Phelps, Fenn & Co.; John Clapp, E. W. Pressprich & Company; E. A. Crone, Riter & Co.; Chester A. Atwood, L. F. Rothschild & Co.; L. Eugene Marx, Salomon Bros. & Hutzler; Saul Schwamm, H. L. Schwamm & Company; Harry Downs, Harry Downs & Company; John A. Stephenson, Jr., Dun & Bradstreet, Inc., 290 Broadway; William P. King, Kaiser & Company; Frank Adams, White, Weld & Company; William S. Morrison, Jr., Harris Trust & Savings Bank.

CLEVELAND, OHIO

John S. Clark, Fahey, Clark & Company; Russell J. Olderman, Field, Richards & Company; Clarence Davis, E. Legros, The First Cleveland Corporation; R. O. Shepard, Hawley, Shepard & Co.; A. M. Newton, Hayden, Miller & Co.; R. B. Denison, Merrill, Turben & Co.

CINCINNATI, OHIO

George H. Kountz, Einhorn & Co.; Charles F. Conners, Pohl & Co., Inc.; Robt. B. Isphording, Van Lahr, Doll & Isphording; Wallace Holzman, Widmann & Holzman, Erwin J. Moster, Weil, Roth & Irving.

COLUMBUS, OHIO

Todd Cartwright, Blair & Co., Inc.

TOLEDO, OHIO

Hazen S. Arnold, James D. Magee, Braun, Bosworth & Company; Burt T. Ryan, Ryan Sutherland & Company; Durwood DuBois, Robert S. Mikesell, Stranahan, Harris & Co., Inc.

PHILADELPHIA, PA.

Charles V. Thackara, Barclay, Moore & Co.; H. Frazier Sheffer, E. W. Clarke & Co.; Walter A. Schmidt, Schmidt, Poole & Co.

MEMPHIS, TENNESSEE

J. E. Denham, First National Bank; Wendell Spraggins, Municipal Bond & Investment Co.; James C. Lancaster, Union Planters National Bank & Trust Co.

NASHVILLE, TENNESSEE

Leonard Glymp, Commerce Union Bank; Carr Payne, Cumberland Securities Corporation; Cale Haun, Wm. R. Hendrix, Equitable Securities Corporation; DeWitt Carter, Nashville Securities Co., Inc.; Jo Gibson, Jr., R. C. Webster, Webster & Gibson; Marion Thomas, W. N. Estes & Company.

GALVESTON, TEXAS

J. M. Moreland, Moseley & Moreland.

HOUSTON, TEXAS

Lovett Abercrombie, Gregory, Eddleman & Abercrombie; Waldo E. Knickerbocker, McClung & Knickerbocker, Inc.

SAN ANTONIO, TEXAS

Elmer A. Ditmar, Mahan, Ditmar & Co.; E. J. Roe, E. J. Roe & Company.

MILWAUKEE, WISCONSIN

James J. Daggett, Old Line Life Insurance Co.; N. L. Dunne, Wisconsin Company.

John D. Emery Joins McMaster Hutchinson

(Special to The Financial Chronicle)

CHICAGO, ILL.—John Douglas Emery has become associated with McMaster Hutchinson & Co., 105 South La Salle Street, members of the Chicago Stock Exchange. Mr. Emery was formerly a partner in Olin, Emery & Co. and in the past was with Apgar, Daniels & Co.

Johnson, Wood Admit Chalmers Wood

Chalmers Wood, member of the New York Stock Exchange, will be admitted to partnership in Johnson & Wood, 67 Broad Street, New York City, members of the New York Stock and Curb Exchanges. Mr. Chalmers was formerly an individual floor broker and in the past was a partner in Johnson & Wood.

UP-TOWN AFTER 3

THE STAGE

"The More The Merrier" a farce by Frank Gabrielson & Irvin Pincus. Directed by Otto I. Preminger. Produced by Otto L. Preminger and Norman Pincus at the Cort Thea. N. Y.

The first farce of the 1941 season started with a promise it never quite managed to live up to. The settings are arranged cleverly enough to permit people to dash frantically up and down stairs, a feat they accomplish with considerable noise if little comedy. It all begins with the policital ambitions of a rich man who hires a press agent to further his plans. The press agent, down with appendicitis, sends assistant instead who in turn hires ex-wife and her boy friend to help in campaign. All meet in rich man's mountain castle but find lack of cash prevents them from leaving for Colorado where politician is to meet them. So they turn home into tourist haven to get cash but new complications set in. A murdered man, a couple of ex-convicts, a finicky old maid, and other and assorted characters turn the millionaire's home into a bedlam. There's a lot of dashing in and out of doors. There are even a few hilarious moments; but only a few. This reviewer found it all confusing but the audience roared and roared.

THE SCREEN

"You'll Never Get Rich" (Col.) starring Fred Astaire and Rita Hayworth, with Robert Benchley, John Hubbard and Frieda Inescort. Directed by Sidney Lanfield.

A throughly satisfying musical featuring the swell dancing of the one and only **Astaire** and the crazy antics of **Robert Benchley.** The story isn't much. It doesn't have to be but the Nye Committee will probably find "propaganda" (good old Nye committee!!). It tells the story of a dance director (Astaire) who enlists in the army to get away from girl trouble (Rita Hayworth) most of which is caused by tomcat proclivities of producer (Benchley). The songs are pleasant; the dancing is tops; the comedy is adequate. The whole thing adds up to a grand movie.

"Texas" (Col.) starring William Holden, Glenn Ford & Clair Trevor. With George Bancroft, Edgar Buchanan and others. Directed by George Marshall.

A delightful western full of hard riding, gun shooting and cattle rustling he men which doesn't take itself too seriously until the last two reels. One of the best performances is turned in by Edgar Buchanan who acts the part of a small town dentist with a dry sense of humor. If it weren't for him the picture would be just another one of those winning-of-the-west-things. With him it's not only interesting but fun to see.

RESTAURANT

"Theodores" (4 E. 56th) reopened it's doors for the fall season showing off it's new Vernon MacFarlane decorations. These consist of new lighting effects, glass partitions new wall coverings and other doodads we can't recall. The food however needs no improvement. It's still everything you can ask for. **Mele,** owner, and **Francois,** headwaiter, are again at the front door as gracious and as willing to please as ever. By the way if you like chicken that's different try the Chicken Brazilian here. It's a specialty and just about the best chicken we have tasted.

NEW YORK NIGHT LIFE

Last Wednesday night was a big one in cafe society circles but as we have yet to discover a way to be in three places at the same time we decided to visit the **Ruban Bleu (4 E. 56)** to see what Herbert Jacoby had on tap for the opening. Well, it was plenty; in any case it was novel. The chief novelty was **Carrie Finnell** who hales from burlesque. **Miss Finnell** is a lady of vast proportions; as wide as she is tall. Her fame however rests on her ability to control certain portions of her anatomy with rather startling results. The best contribution came from the **Sophistichords,** a colored quintet who swing operatic classics as well as "Darktown Strutter's Ball" with admirable aplomb. Then there is a young man, **Richard Dyer-Bennet,** who sings old English tunes accompanying himself on what is called a Swedish lute or something. It looks just like a double necked mandolin. There's a dark haired girl, **Anita Sevillia,** who rounds out the program with something called flamenco songs but as we didn't understand a work we decided to look around us to see who was present instead.

Over on one side was **William Hawkins, of the World-Telegram** all decked out in white tie and tails (That's heresy or something, Bill, what kind of working clothes are those? Want to give the working press a bad name?) Of course the **Daily News' Danton Walker** was there all slicked up too. He even threw us a feeble grimace—probably a smile—of recognition but it was so fleeting we barely caught it. Does that mean we have arrived or was it the company we were with? Over against the wall was tall dark **Eckert Goodman** who reports on night life for that veddy veddy social slick paper mag **"Town & Country."** Against another wall and at the opposite end of the social scale was **Billboard's rep Paul Dennis** looking a little shocked at the antics of li'l Carrie and her titillating pectoral muscles. . . . Of course no evening could be counted a success without dropping in at **Reuben's (6 E. 58th)** for a cup of coffee. For **Reuben's,** in case you don't know, is to the swishy east side what Lindy's is to Broadway. We don't know about Reuben's sandwiches (named after celebrities) most of them look too formidable to try but we can heartily recommend the cheese cake. In any case between bites we saw **George Raft** (did you know he's gray?) with **Betty Grable.** If we were a Leonard Lyons or a Winchell we'd have gone over and asked them a lot of questions but as things we just sat there stuffing ourselves. We weren't neglected entirely for **Jimmy Bryant,** playboy and leading Greek-god-about-town dropped over to be followed by Monte Proser who advised us we were very pretty. Or was he talking to Sy Jacobs? We'll never know. Ho-hum-m-m.

Calendar of New Security Flotations

OFFERINGS

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

Offered—Sept. 24, 1941

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)

Offered—Sept. 23 at $18.50 per share

HYGRADE SYLVANIA CORP.
Hygrade Sylvania Corp., registered with SEC 100,000 shares no par common stock

Address—60 Boston St., Salem, Mass.

Business—Manufacture and sale of electric incandescent lamp bulbs, radio receiving tubes, fluorescent lamps and fixtures and related products

Offering—The shares will be offered to the public, at a price to be supplied by amendment

Underwriter—Names of the underwriters, and the number of shares to be underwritten by each, are as follows:

	No. Shares
Jackson & Curtis, Boston	27,000
White, Weld & Co., Boston	21,000
Lee Higginson Corp., Boston	10,500
Estabrook & Co., Boston	10,000
Hale, Waters & Co., Inc., Boston	10,000
Merrill Lynch, Pierce, Fenner & Beane, New York	5,300
Putnam & Co., Hartford	3,300
Graham, Parsons & Co., Boston	1,500
Mackubin, Legg & Co., Baltimore	1,500
Stein Bros. & Boyce, Baltimore	1,500
Whiting, Weeks & Stubbs, Inc., Boston	1,500
Yarnall & Co., Philadelphia	1,500
Minsch, Monell & Co., Inc., New York	1,500
Brush, Slocumb & Co., San Francisco	1,000
Van Alstyne, Noel & Co., New York	1,000
Wyeth, Hass & Co., Los Angeles	1,000
Herbert W. Schaeffer & Co., Baltimore	900

Stockholders of the company voted on Sept. 16, 1941, to vote on the proposal to split up the authorized common stock of the company, on the basis of two shares for each share outstanding, so that the authorized common stock would be increased to 740,000 and the amount outstanding increased to 414,368 shares. The company now has outstanding 207,184 shares of no par value common stock

Proceeds—Will be added to working capital, which the company deems advisable to increase in view of developments in the manufacture and sale of products in the fluorescent lighting field and the radio tube field

Registration Statement No. 2-4837. Form A-2 (9-11-41)

Offered—Sept. 23, 1941 at $19.375 per share

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; other underwriters are E. H. Rollins & Sons, Inc. and Allen & Co.

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)

Offered—Sept. 24, 1941 at $14 per share

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

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)

Effective—4 p.m. E.S.T. on Sept. 19 as of 4.45 p.m. E.S.T. Sept. 19, 1941

Offered—Sept. 23, 1941 at $5 per share

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.

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)

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)

SATURDAY, SEPT. 27

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)

Declaration Effective—The SEC on Sept. 22 permitted to become effective declarations freed by company regarding the proposed financing

Bids—for the sale of the bonds will be received at office of Commonwealth & Southern Corp. (parent), 20 Pine St., N. Y. City, before 11 a.m. E.S.T. Oct. 7, 1941. Coupon rate is to be specified by bidders in multiples of ⅛%, but not exceeding 3½%

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)

MONDAY, SEPT. 29

AMERICAN TELEPHONE & TELEGRAPH COMPANY
American Telephone & Telegraph Co. registered with SEC $90,000,000 Thirty-Five Year 2¾% Debentures, due Oct. 1, 1976

Address—195 Broadway, New York, N. Y.

Business—Principal business of company and its operating telephone subsidiaries is that of furnishing communication services, mainly telephone service. In addition, Western Electric Co., Inc., a subsidiary, is engaged principally in manufacture of telephone apparatus and equipment

Underwriter and Offering—The bonds will be sold to underwriters under the new competitive bidding rule of the SEC's Public Utility Holding Company Act, Rule U-50. Names of underwriters, and price to public, will be filed by post-effective amendment to the registration statement

Proceeds—Plus additional cash, will be used to redeem on Nov. 1, 1941, company's $94,306,000 of 20-Year Sinking Fund 5½% Debentures, due Nov. 1, 1943

Registration Statement No. 2-4836. Form A-2 (9-10-41)

Effective—3 p.m. E.S.T. Sept. 17, 1941

Bids will be received for purchase of debentures at office of company's Treasurer, 195 Broadway, N. Y. City, up to 11 a.m. E.S.T. Sept. 29

DEVOE & RAYNOLDS CO., INC.
Devoe & Raynolds Co., Inc., registered with SEC 29,000 shares 5% Cumulative Preferred Stock, $100 par

Address—787 Fifth Ave., New York, N. Y.

Business—Principal business of company and subsidiaries is manufacture, sale and distribution of diversified line of exterior, interior and industrial paints, varnishes, lacquers, enamels, synthetic resins, artists' colors and materials, paint brushes and other products incidental to the paint and varnish industry

Underwriter—Shields & Co., New York, is named principal underwriter; others to be named by amendment

Offering — To be offered to public, at price to be supplied by amendment

Proceeds — $1,028,100 to redemption on Jan. 1, 1942 at $115 per share and accrued dividends, of outstanding 8,940 shares 7% cumulative preferred stock, $100 par; $1,755,250 to redemption on Dec. 1, 1941, at 103¼ and accrued interest, of outstanding $1,700,000 of Fifteen-Year 4¼% Sinking Fund Debentures, due June 1, 1953; and balance for working capital

Registration Statement No. 2-4835. Form A-2 (9-10-41)

WEDNESDAY, OCT. 1

INTERNATIONAL PAPER COMPANY
International Paper Co., registered with SEC 1,387,748 23/40 shares of common stock, $15 par value

Address—220 E. 42nd St., New York, N. Y.

Business—After the filing of registration statement, but prior to the time when it becomes effective, International Paper Co. will acquire all of the assets of International Paper & Power Co., including over 99% of the stock of International Paper Co. (New York, formed in 1898) in exchange for stocks, warrants and warrant scrip of company and assumption by company of all liabilities of International Paper & Power Co. After this acquisition of assets, a plan of consolidation of said International Paper Co. into the company will be presented for approval of Board of Directors and stockholders of said International Paper Co. and the company. Company was formed in New York on June 23, 1941. Principal operations of company and subsidiaries are conducted in the U. S., where they are engaged primarily in manufacture and sale of kraft paper and board (bleached and unbleached), groundwood specialty paper, book and bond papers, jute boards, corrugated containers, bags and allied products. Company also has substantial investments in Canadian subsidiaries

Underwriter—No commitment to take the shares registered has been made

Offering—1,347,748 23/40 shares are to be issued upon exercise of outstanding Common Stock Purchase Warrants, entitling each holder thereof to purchase one share common stock at $25 per share, expiring Sept. 26, 1942. Remaining 40,000 shares to be issued upon exercise of outstanding option held by Calvin A. Agar, entitling him to purchase such 40,000 shares at price of $15 per share, expiring Dec. 31, 1945

Proceeds — For general corporate purposes

Registration Statement No. 2-4838. Form A-2. (9-12-41)

NATIONAL CYLINDER GAS CO.
National Cylinder Gas Co. registered with SEC 100,000 shares common stock, $1 par

Address—205 W. Wacker Drive, Chicago, Ill.

Business—Together with its subsidiaries, engaged principally in manufacture and sale of oxygen and acetylene in most of the principal industrial areas in the U. S., and it's the third largest producer in the country. Also, manufactures nitrogen and hydrogen and sells these gases as well as carbon dioxide, dry ice and propane

Underwriters—Principal underwriters are Paine, Webber & Co., and F. S. Moseley & Co., both of Chicago; others to be named by amendment

Offering—The 100,000 shares common stock are already issued and outstanding, and are to be offered to public for the account of certain selling stockholders, who will receive the proceeds from sale thereof. Public offering price will be supplied by amendment.

Registration Statement No. 2-4839. Form A2. (9-12-41)

THURSDAY, OCT. 2

BEACON BUILDING CORPORATION
Beacon Building Corp., Lucius Teter, et al, voting trustees of Beacon Building Corp., registered with SEC voting trust certificates for 109,084 shares $1 par common stock of Beacon Building Corp., Chicago, Ill.

Address of Trustee—135 S. LaSalle St., Chicago, Ill.

Address of Beacon Building Corp.—38 S. Dearborn St., Chicago, Ill.

Business—Beacon Building Corp. owns and operates an apartment building in Chicago. All outstanding common stock of company held by First National Bank of Chicago, as agent for voting trustees under voting trust agreement dated June 16, 1931

Extension of Voting Trust—The 109,084 shares of common stock of Beacon Building Corp. are subject to a Voting Trust Agreement which expired June 16, 1941. It is proposed to extend the agreement to June 16, 1951, through issuance of Voting Trust Certificates, subject of registration statement

Registration Statement No. 2-4840. Form F-1. (9-13-41)

SATURDAY, OCT. 4

KEYES FIBRE CO.
Keyes Fibre Co. registered with SEC $1,400,000 First Mortgage Sinking Fund 4½% Bonds, due Oct. 1, 1956

Address—806 Bank of Commerce Bldg., Portland, Me.

Business—Manufactures a wide variety of moulded pulp products comprising more than 60 items and including plates, dishes, egg-packing material and egg cartons made of groundwood pulp derived principally from spruce pulpwood. About 57.16% of company's voting securities are held by New England Public Service Co. and its subsidiary, Central Maine Power Co.

Underwriter—To be named by amendment to registration statement

Offering—To be offered to public, at price to be supplied by amendment

Proceeds—(a) to provide funds for retirement of entire outstanding $1,125,000 of First Mortgage Serial 6% bonds of predecessor company (assumed by company), (b) to pay $172,000 of bank loans of company and a subsidiary, and (c) balance for working capital

Registration Statement No. 2-4846. Form A2. (9-19-41)

(Continued on Page 302)

Calendar of New Security Flotations

(Continued from Page 301)

SUNDAY, OCT. 5

PARQUAY OPERATING, INC.
Parquay Operating Inc., registered with SEC 55,850 shares common stock, 50 cents par value
Address—512 E. Central Ave., Albuquerque, N.M.
Business—Engaged in development and operation of a chain of retail food stores, store buildings and controlled parking built or to be built under Revolving Top Building and Parking Control Patent Franchises owned by company in Roswell, N.M. Later, it was decided to expand operations to include 11 additional stores located in 9 cities in New Mexico, including 3 in Albuquerque
Underwriting—No underwriters. The stock will be sold by company's agents under direction of its executive vice-president
Offering—The shares will be offered to public at following prices per share for each successive block of 11,170 shares each: $13.50, $15, $16.50, $18 and $19.50 per share.
Proceeds will be used to purchase 11 grocery stores to be located in 9 communities in New Mexico
Registration Statement No. 2-4842. Form A1. (9-16-41)

PARQUAY ROYALTY CO.
Parquay Royalty Co. registered with SEC 9,091 shares common stock, 25 cents par value
Address—512 E. Central Ave., Albuquerque, N.M.
Business—Company owns one grocery store built under Revolving Top Building Patent which is leased for period of 10 years from Nov. 20, 1937. Company intends to build grocery store buildings under that patent and controlled parking patents for Parquay Operating, Inc., and for other operating companies throughout New Mexico, Arizona, Utah, Nevada and Cal.
Underwriting—No underwriting. Shares to be sold by company's agents under direction of its executive vice-president
Offering—Shares to be offered at following prices for following blocks: $30 per share for first block of 1,117 shares; $32.50, $35, $37.50 and $40 per share for each of next successive blocks of 1,117 shares each; and $50 per share for last block of 3,506 shares
Proceeds to finance purchase of construction, equipment and construction of grocery stores, finance a purchasing department including warehouses, etc.
Registration Statement No. 2-4841. Form A1. (9-16-41)

MONDAY, OCT. 6

DOW CHEMICAL CO.
Dow Chemical Co. registered with SEC 113,519 shares common stock, no par
Address—Midland, Mich.
Business—Engaged in manufacture and sale of diversified line of inorganic and organic chemicals, also magnesium and magnesium alloys
Underwriting and Offering—The shares registered will first be offered to common stockholders of company of record at close of business Sept. 26, 1941, for subscription pro rata in ratio of one share for each 10 shares then held, at price of $100 per share. Such rights will expire Oct. 6, 1941. Any unsubscribed portion of such shares will be underwritten by underwriting group headed by Smith, Barney & Co., New York, others to be named by amendment. Smith, Barney & Co. is authorized to determine whether a public or any other offering of all or any part of the unsubscribed stock shall be made in the open market, or to dealers or in any other manner. Further details as to disposition of unsubscribed portion of such shares will be supplied by amendment
Proceeds will be added to company's cash funds, of which at least $5,000,000 will be applied to payment of present bank loans
Registration Statement No. 2-4843. Form A2. (9-17-41)

FLORIDA POWER & LIGHT CO.
Florida Power & Light Co. registered with SEC $45,000,000 First Mortgage bonds, due Oct. 1, 1971; $10,000,000 Sinking Fund Debentures, due Oct. 1, 1956; and 140,000 shares Cumulative Preferred Stock, $100 Par. Interest rates on the Bonds and Debentures, and the dividend rate on the preferred stock, will be supplied by amendment
Address—25 S. E. Second Ave., Miami, Fla.
Business—This subsidiary of American Power & Light (Electric Bond & Share System) is an operating public utility engaged principally in generating, transmitting, distributing and selling electric energy (also manufacture and sale of gas), serving most of the territory along the east coast of Florida (with exception of the Jacksonville area), and other portions of Florida
Underwriting and Offering—The securities registered are to be sold by company under the competitive bidding Rule U-50 of the SEC's Public Utility Holding Company Act. Names of underwriters and price to public, will be supplied by post-effective amendment to registration statement
Proceeds will be applied as follows: $53,170,000 to redeem at 102¼, the $52,000,000 of company's First Mortgage 5s of 1954; $15,693,370 to redeem at $110 per share, the 142,667 shares of company's $7 preferred stock, no par. Further details to be supplied by post-effective amendment
Registration Statement No. 2-4845. Form A2. (9-17-41)

McDONNELL AIRCRAFT CORP.
McDonnell Aircraft Corp. registered with SEC 6,453⅓ shares 6% Non-Cumulative Convertible Preferred Stock, $100 par, and 129,063⅓ shares common stock, $1 par
Address — Lambert-St. Louis Municipal Airport, Robertson, Mo.
Business—Engaged in designing and developing aircraft and of manufacturing and selling parts for aircraft; expects presently to engage in business of manufacturing, testing and selling aircraft
Underwriting—None. Securities to be offered by company
Offering—Of the shares registered, the 6,453⅓ shares of preferred and 64,531⅔ shares of common, will be offered to public in units each unit consisting of one share of preferred and 10 shares of common stock, at price of $140 per unit. Remaining 64,531⅔ shares common reserved for issuance on conversion of the preferred
Proceeds for working capital, purchase of tools, machinery and equipment.
Registration Statement No. 2-4844. Form A-1. (9-17-41)

WEDNESDAY, OCT. 8

UNITED STATES SUGAR CORP.
United States Sugar Corp registered with SEC 200,000 shares 6.4% Series A Cumulative Participating Convertible Preferred Stock, $25 par, and 562,500 shares common stock $1 par, latter reserved for issuance upon conversion of the preferred
Address—Clewiston, Fla.
Business—Principal business consists of the culture of sugar-cane in the Everglades of Florida and extraction of raw sugar therefrom in a sugar-house adjacent to Clewiston, Fla. Sugar is presently disposed of under the contract with Savannah Sugar Refining Corp.
Underwriter—None named
Offering—The preferred shares registered are to be offered for subscription to holders of outstanding common stock and $5 preferred stock of company, of record Nov. 10, 1941, or the tenth day after offering of the stock to stockholders, whichever is later, at a price of $25 per share, on following basis: one share new preferred for each 10 shares common, and 4 shares new preferred for each share outstanding $5 preferred stock. Subscription period comprises the ten days following the record date, but company may extend the expiration date to not later than Dec. 15, 1941. Unsubscribed portion of the 200,000 shares preferred stock may be offered at others by company, at $25 per share, in sole discretion of company
Proceeds will be used for plant additions an improvements, purchase of new machinery and equipment, for retirement of outstanding $5 preferred stock, and for working capital
Registration Statement No. 2-4847. Form A2. (9-23-41)

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.

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% not 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)
Effective—3 p.m. E.S.T. Sept. 17 as of 4.45 p.m. Sept. 6, 1941

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 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)

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)

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)

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 2.65 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)

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)

MOORE-McCORMACK LINES, INC.
Moore-McCormack Lines, Inc. registered 30,000 shares of $5 cumulative con[illegible] 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 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.

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)

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
Stop Order—Issued Sept. 18, 1941 on grounds of untrue and insufficient statements of fact

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

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)

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, diswith the SEC, disclosing that the number tribution 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)

Effective—Sept. 13 at 1:15 P.M., E.S.T. as of 4.45 p.m. E.S.T. Sept. 17, 1941

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

Investment Trust

(Continued from Page 295)

United States and Great Britain which appears in the September issue of the BROAD STREET LETTER indicates that whereas the ratios paralled each other rather closely from 1929 through 1939, they have followed opposite courses since the middle of 1940. The ratio of stock yields to government bond yields in the United States has been declining while that in Great Britain has been rising with the result that there is now a wide spread between the two.

"Correction of the present wide disparity in the United States can be accomplished by a change in any one or more of three factors," it is pointed out, "a rise in money rates, a decline in dividend payments or a rise in stock prices."

* * *

BREVITS has prepared a brief explanation of the capital gains and loss provisions of the Federal tax law covering the technical considerations involved and presenting examples of how gains and losses are to be used in computing income taxes. Copies of this and other material on the subject will be made available through investment dealers within a week or so.

* * *

On a table prepared for The San Francisco News and which was printed in that paper's **Finance and Industry** colum, David P. Smith of the North American Securities Corp., distributor of the shares of Commonwealth Investment Co., has shown that 15 out of 20 open-end funds outperformed the Dow-Jones Industrial Average during the first 8 months of this year. Nine of the funds recorded gains ranging from plus 0.4% to plus 5.3% while the Dow-Jones Average lost 2.6%. The average for the 20 funds was a loss of 0.7%.

Now Sternberger, Hicks

MEMPHIS, TENN. — The firm name of Burch, Sternberger & Hicks, Inc., Commerce Trust Building, has been changed to Sternberger, Hicks & Company, a partnership, with David Sternberger and George W. Hicks, formerly officers, as partners. The firm acts as dealers in general market, municipal and drainage bonds and local securities.

Files With Wainwright

(Special to The Financial Chronicle)

PORTLAND, MAINE — C. Edward Files has become associated with H. C. Wainwright & Co., members of the New York Stock Exchange and other leading exchanges, whose main office is located at 60 State Street, Boston, Mass. Mr. Files formerly was with the local office of Townsend, Anthony & Tyson, specializing in bonds. Prior thereto he was with Edward B. Smith & Co. and Smith, Barney & Co.

Our Reporters Report

(Continued from First Page)

Treasury Issues Undisturbed

Naturally the disposition in investment circles, after the news came out, was to watch the seasoned high-grade list, notably the Treasury group, as key to any possible change in short-term money rates.

The worst that happened in that direction was a bit of hesitation at the outset, and some lowering of bids. But when it was apparent that nothing in the way of real selling threatened, bids quickly reappeared and such activity as developed was on the recovery side.

In fact the Treasury market not only recovered its initial slight declines, but rebounded in some cases as much as half a point, notably in the longer-terms, to rule higher on the day.

Corporates Follow Suit

Much the same situation holds forth in the case of high-grade corporate liens, suggesting that the market had anticipated, and quite fully discounted the news.

Although the corporate list had given the impression of leaning to heaviness on occasion in recent weeks the so-called "gilt-edge" descriptions have been hugging the best levels of the current cycle.

Take such issues as Detroit Edison 3s for example. This issue set a high of around 107⅞ and is now around 106; while Illinois Bell Telephone 2¾s are virtually at the best levels with Cleveland Electric 3s about a point on the top prices. Institutions, however, have shown a tendency to shy away from long-term low-coupon issues.

Premium Deciding Factor

Two huge syndicates, one headed by Morgan Stanley & Co., Inc., and the second by Halsey, Stuart & Co., are set to compete for American Telephone's offering which incidently is the largest yet to go through the medium of sealed bids.

Bond men figure that the winning group probably will price the bonds, for public offering, around 102¼ or approximately a 2.65 per cent yield basis.

On this calculation it is their conviction that the bids to the company will be close and both will provide small premiums over par. The difference in premium, small though it may be, will decide the winner.

The company's outstanding 3¼s of 1961 are selling to yield about 2.68 per cent and its 3¼s of 1966 to afford about 2.75 per cent return. But it is recognized both the foregoing issues are likely held in check in some degree by the fact that they are callable at prices below those now ruling.

Not Like the Erie Spread

Something of a gauge on the views of the foregoing syndicates with regard to values was provided on Tuesday when both participated in the bidding for Erie Railroad's offering without success.

Scarcely half a point separated their tenders for the $18,000,000 of 3¼ per cent first mortgage bonds. Morgan Stanley & Co. bid 99.271 while Halsey, Stuart & Co. sought the bonds on a bid of 99.7597.

Both, however, were topped by a syndicate headed by the First Boston Corporation, dabbed the "Whirlaway group" which bid the issue on with a price of 101.9050, or about 1⅝ better than the lowest bid.

The bonds were reoffered publicly at 102½, with a concession of ¾ of a point to institutional buyers taking blocks of $500,000 or more.

News and Views From The NSTA Convention

(Continued from Page 290)

tween the two love birds for an eighth.

Chet Glass, Bankamerica Company, San Francisco, caused quite a stir with his fancy jacket. Looked like the badge of honor had been pinned on the "Little Caesar," of Montgomery Street.

Walter F. Saunders, Dominion Securities, was telling his friends about the effects of the mint juleps served at the Pendennis Club, Louisville. "After the first few drinks I saw stars way up in the blue. Later on in the evening I could hear bells, whistles, bass drums, etc., Oh me!"

Charles King, Charles King & Co., N. Y. C., keeps saying over and over again. "Have a five point profit on 14 M bonds but I can't find a bid." Can you help poor Charlie?

Herb Blizzard (Phila.), at Montgomery, Ala. Station where we had a 10 minute stop, was telling all the gang about the flags flying from the tall buildings, forecasting a hurricane for N. O. party. So far it has not hit here, but local boys admit it's the first Blizzard to blow in.

Larry Higgins, Hulburd, Warren & Chandler (Chicago), one of our oldest conventioneers was not his usual self as this is the first time he has been away from his son Lawrence, Jr., age 9 months 6 days. Old man remorse confined himself to his room enroute to N. O.

Jim Blake, Greenebaum Investment Co. (Chicago), talked for 2 hours without a break for the boys. The train passed a small town movie house. The picture playing was the "Great American Broadcast." Eldridge Robinson, Baum Bernheimer Co., asked "Have you seen that picture fellows?" Ben Lowry, Laird & Co. (Phila.), replied, "Sure there he is right there", pointing to Jim Blake.

--Paul J. Skepnek, Jr., Rogers & Tracy, Inc. (Chicago), "What time did you get to bed last night?" Paul asked O. M. Bergman, Allison-Williams Co. (Minpls.), "You mean in my bed____," asked Paul. "About 4 A. M.____"

Joseph McManus, of Joseph McManus & Co., was looking out the train window as we pulled into the Mobile, Ala. station. He asked if that was "Moonlight Bay." He was informed that Moonlight Bay was a song.

Jim Heaney, Joseph McManus & Co., took Henry Warner, E. H. Rollins & Sons (Phila.) at pinochle for the entire cost of the R.R. ticket.

So beware boys enroute back to N. Y. C.

Bond Club of Louisville, Kentucky party at the Pendennis Club, was a big success. The Mint-Juleps sure did get the proper spirit going. The menu featured—Old Kentucky Ham, Sliced Turkey, Summer Sausage, assorted cheese, cold slaw, hot baked beans, celery, pickles, olives rolls, beaten biscuits, coffee, cigarettes and liquid refreshments all night long too. Dancing to the tunes of our very own—George Opdyke (piano); Ledogar Horner & Co., Cleve., O. and Edward J. Knight (piano), Wells Dickey Co., Minneapolis.

Thomas Graham, The Bankers Bond Co., Inc., deserves a badge for thinking up the idea of the attractive matches in the silver cover for the party.

The Lexington Sightseeing trip through the Blue Grass, which really is "green", was a fine 2½-hours tour. Spent a great deal of time looking over the horses and heard the story of their records on the track. Arrived in N. O. Monday night and we were greeted by a brass band. Piled into cabs and paraded up to the "Roosevelt Hotel" by a police escort of 12 men.

Luncheon today was luscious.

Whitney-Phoenix Co. Elects E. G. Parsly

The Whitney-Phoenix Company, Inc., 70 Pine Street, New York City, announce that E. G. Parsly has been elected Executive Vice-President of that firm. Mr. Parsly has previously been a partner of Harper & Turner and president of Parsly Bros & Co., Philadelphia; more recently he was Executive Vice-President of Kobbe, Gearhart & Parsly, New York. He is a director of American Lime and Stone Company, of the Alberence Stone Corporation and the Allerton New York Corporation and was earlier a director of the City National Bank, Philadelphia and several public utility companies. He is a member of The Security Traders Association of New York.

Elmer G. Parsly

The Whitney-Phoenix Company, Inc., established in 1936, has been active in the underwriting field and in wholesale distribution. It was identified with the financing of the National Container Corporation, Triumph Explosives, Inc., and Aeronautical Corporation of America, now Aeronca Aircraft Corporation and is one of the principals in the pending offering of Cumulative Convertible Preferred Stock of the latter company. It is understood that the firm expects to be increasingly active in the underwriting field and to engage in other phases of the investment business. Mr. Strabo V. Claggett, President of Whitney-Phoenix Company, Inc., has been an active figure in the investment business as well as in other fields.

THE BOND SELECTOR

Republic of Panama 3¼s Bonds Considered An Attractive Speculation

The Panama external 3¼s, 1994, are selling around 63 to yield approximately 5.40%. Despite the fact that the bonds are selling near their high since becoming listed late in the summer, there are certain elements behind this situation which lend attraction to the issue at the present time.

The 3¼s do not represent new financing, but rather an exchange under a plan of external debt readjustment whereby the assenting holders of the old 5s, 1963, received these bonds plus a cash payment in settlement of unpaid interest. Of $11,313,500 of the 5s, 1963, $8,772,500 accepted the plan and it became operative on August 5, 1941. The story behind Panama's external debt goes back to 1904.

In 1904, the United States and Panama signed a treaty whereby the United States secured the "use, occupation and control" of the Canal Zone, a narrow strip of land across the Isthmus comprising 569 square miles. As consideration, the United States paid $10,000,000 and in addition agreed to make annual payments in perpetuity of $250,000 in gold of 1904 weight and fineness.

Of the $10,000,000 paid, Panama set aside $6,000,000 which was invested in New York City real estate. This fund is known as the Constitutional Fund, and income therefrom as Constitutional Fund Income. The annuities of $250,000 received from the United States are termed the Original Treaty Payment.

It has already been stated that the 1904 treaty between Panama and the United States provided that the United States make the annual payments in gold of 1904 weight and fineness. When the United States devalued the dollar and tendered its 1934 and subsequent payments in the depreciated currency, the Republic of Panama refused to accept the payments, standing on its treaty right to the original gold payments. Although the United States Government refused the demand for payment in gold, by the terms of a treaty ratified July 25, 1939, between the two governments, the United States agreed to raise its annual payment to 430,000 Balboas (1 Balboa equals 1 U. S. dollar), the Panamanian unit of currency. This annual payment of 430,000 Balboas is known as the Total Treaty Payment. The difference between this Total Treaty Payment and the Original Treaty Payment of $250,000 is referred to as the New Treaty Payment. In effect, the latter is equivalent to $180,000.

The total external debt consists of $4,000,000 3½s due 1967, $8,772,500 of the 3¼s, 1994 and $2,541,000 of the 5s, 1963, the latter representing bonds which did not accept the plan of readjustment referred to in the second paragraph above. All these bonds derive their income from the Constitutional Fund Income and the various Treaty Payments. The 3½s, 1967, stand prior to the 3¼s and provision is made for their complete amortization by maturity as will be shown later.

As previously stated, income available for service on Panama's external debt consists of:

1) The Original Treaty Payment. This amounts to $250,000 annually.

2) The Constitutional Fund Income. This represents income received from the $6,000,000 investment in New York City real estate. For the ten-year period, 1931-1940 inclusive, the average income from this fund after all administrative costs has been $206,480. For the past three years, however, the net income has been below $200,000 amounting in 1940 to $165,500. The Republic has agreed to make up from other sources any amount by which Constitutional Fund Income is less than 200,000. Since the income in 1940 was only $165,500, Panama remitted $34,500 to the fiscal agent. This difference, which the Republic has agreed to make up is known as the

3) Constitutional Fund Deficit.

4) The New Treaty Payment which amounts to $180,000, representing the difference between the Total Treaty Payment of $430,000 and the Original Treaty Payment of $250,000. The Republic of Panama does not consider itself obligated to pledge the New Treaty Payment to debt service, but as an attitude of good faith has agreed to do so.

From this, it is seen that total income available for service of the external debt in 1940 was $630,000. The 3½s, 1967, require $240,000 annually, including interest and amortization. They are entitled to 25% of the Original Treaty Payment, or $62,500; 25% of Constitutional Fund Income, which was $41,500 in 1940; and the necessary balance of $136,000 was allocated in 1940 from the New Treaty Payment of $180,000.

Interest requirements on the 3¼s, 1994, are $285,106. This issue is entitled to 75% of the Original Treaty Payment, 75% of the Constitutional Fund Income, the balance of the New Treaty Payment not required to service the 3½s, 1967, and the Constitutional Fund Deficit, which, it will be recalled, is paid directly by the Republic. In 1940, the pro-forma figures for debt service on the 3¼s were as follows:

Annual Interest Requirements	$285,106
Pro-rata share of 75% of Original Treaty Payment	$145,500
Pro-rata share of 75% of Constitutional Fund Income	96,000
Balance of New Treaty Payment after service of 3½s	44,000
Constitutional Fund Deficit—paid by Panama	34,500
	$320,000
Interest Coverage	1.12x
Balance for Sinking Fund	$ 34,894

Considering the 3½s, 1967, and the 3¼s, 1994, together, total interest requirements are $525,106 with a resultant overall interest coverage of 1.07 times. This figure is derived as follows:

Interest Requirements on 3½s, 1967 and 3¼s, 1994	$525,106
Pro-rata share of Original Treaty payment	$208,000
Pro-rata share of Constitutional Fund Income—1940	137,500
New Treaty Payment	180,000
Constitutional Fund Deficit—1940 ..	34,500
Interest Coverage	1.07x
Balance for S. F.	34,894

All funds necessary for debt service as outlined above are paid directly to the fiscal agents in this country with the single exception of the Constitutional Fund Deficit which is remitted by the Republic. The Treaty Payments are paid by the United States directly to the fiscal agents in New York and the Constitutional Fund Income likewise is collected by the fiscal agent in New York. Based on the 1940 rate of income on the Constitutional Fund, interest requirements on both the 3½s, 1967, and the 3¼s, 1994, would have been covered even if Panama had failed to remit the Constitutional Fund Deficit; there would not, however, have been funds available for the sinking fund on the 3¼s.

In view of these factors, the future trend of Constitutional Fund Income (or, in other words, New York City real estate conditions) is the sole important consideration governing the outlook for the bonds in the unlikely event Panama should for any reason fail to make up the difference between $200,000 and whatever Constitutional Fund Income happened to be below that figure.

In this connection, it should be pointed out that should Constitutional Fund Income exceed $200,000 in any year (and it has done so in five of the past ten years), the 3¼s are entitled to an additional ⅛ of 1% interest for every $14,141 income realized over and above $200,000, but such interest cannot exceed 3½%.

With regard to the non-assenting holders of the old 5s, who can expect but scarcely more than half of their interest, there is little they can do unless they accept the plan. They cannot sue a sovereign state and it is fairly obvious that they would make little progress in the courts of Panama.

Aeronca Aircraft Pfd. Is Offered at $15

Public offering is being made today (Thursday) of 30,000 shares of cumulative convertible preferred stock of Aeronca Aircraft Corp. by an underwriting group headed by Bond & Goodwin Inc. and including Craigmyle, Rogers & Co. and Whitney-Phoenix Co., Inc. The stock is priced at $15 per share. The underwriters are also offering 20,000 common stock purchase warrants at a price of 10 cents per warrant.

Net proceeds from the sale of the preferred stock, estimated at $368.005, will be used by the company to finance larger inventories and increase developmental work, to pay off certain unsecured notes, to purchase factory machinery, tools and equipment, to enlarge plant and to increase working capital. The net proceeds may be increased by the sale of common stock contingent upon the exercise of the common stock purchase warrants.

Company designs, develops, manufactures, sells and services light airplanes designed for commercial use and manufactures parts and accessories for airplanes manufactured by it. Aeronca planes, in addition to training uses, are employed for observation, message carrying and artillery spotting in army maneuvers.

E. C. Baldwin Joins Sutro In Los Angeles

(Special to The Financial Chronicle)

LOS ANGELES, CALIF.—Eugene Collins Baldwin has become associated with Sutro & Co., Van Nuys Building. Mr. Baldwin was formerly assistant manager of the bond department of the California Bank of Los Angeles.