

FINANCIAL CHRONICLE

Reg. U. S. Pat. Office

Thursday

WITH WHICH HAS BEEN COMBINED THE FINANCIAL REPORTER

Thursday

Volume 154 Number 3991

New York, N. Y., Thursday, October 9, 1941

Price 40 Cents a Copy

JOTTINGS

While the A.B.A. convention was not the largest on record, its sessions were the best attended. To a reporter who struggled through reams of mimeographed press releases on speeches for something meaty to report, it is had to understand, but the bankers crowded in day after day to hear sessions are round-tables with unprecented interest.

The whole burden and theme of the convention was "defense," and its effect on finance. It nearly monopolized the speeches as well as between-session room-party conversation. Incidentally defense is nearly monopolizing all the conventions. In the last week the mortgage bankers (also in Chi-

cago) heard about it from Charles Palmer and George Van Schaick, the American Bar Association at Indianapolis heard about it from Robert Jackson, the Farm Equipment people from Walter Tower (Iron & Steel Institute) and the American Metal Congress heard about it in San Francisco from John Hamm, Henderson aide; while the National Association of Food Chains will build their convention next week around it at Chicago.

Most cheering word of the week to the bankers was Secretary Morgenthau's request that they scrutinize their loan applications to turn down unnecessary non-defense loans even before priorities applied. Very little pleases a banker more than official approval for his natural caution.

Mr. Morgenthau looked slightly embarrassed at the applause the bankers gave him on some of his statements about how farmers and labor should chip in their sacrifices also for defense.

The Chicago newspaper world is agog over the new morning paper Marshall Field III will soon angel in competition with the Chicago Tribune. It will be no P. M., but will carry advertising, presumably avoid the fellow-traveller slant but be strongly interventionist (vis-a-vis Col. McCormick). They say the Tribune threatens to spend \$20,000,000 to beat it, but that is chicken-feed

(Continued on page 508)

OUR REPORTER'S REPORT

With Secretary of the Treasury Morgenthau having definitely announced that financing, for which details are due today, would be long-term, the consensus among Wall Street government bond men was that he would probably set a maturity of thirty years on the new issue.

Notwithstanding the fact that the Treasury's decision to seek \$1,300,000,000 in new money at this time came with a slight element of surprise, in view of the fact that it passed up the September 15 quarterly date, observers were satisfied that the new securities would find the market decidedly receptive.

The idea prevailing generally in government bond circles was that Mr. Morgenthau might be expected to fix an interest rate of 2½ per cent for the issue which, it was conceded, would move to a premium.

American Telephone & Telegraph Company, it was recalled, hardly a fortnight ago disposed of thirty-five year 2¾s to a group of insurance companies at 101.842 or the equivalent of about a 2.67 yield basis.

The Treasury's over-all operation will involve an aggregate of \$1,504,425,000 new bonds, of which \$1,200,000,000 will be offered publicly for cash and \$100,000,000 sold direct to government trust funds.

Plans provide for the balance, \$204,425,000 to be offered to holders of the outstanding 1¼ per cent notes, maturing December 15 next, in exchange. The latter currently are selling to reflect the market's value of the "right to subscribe" or the "exchange option," which they carry, ruling at 102 10/32s bid and 102 11/32s offered.

(Continued on page 511)

IN THIS SECTION

President Roosevelt to ask congress for extension of social security program—Plan may cover additional 27,000,000 workers. Page 494

Three major tasks faced by nation says Economic Policy Commission of A. B. A. Page 498

Cultivation of banks of field of selling credit urged by Fred L. O'Hair of national bank division of A. B. A. Page 504

War emergency radically affecting real estate says E. M. Fisher at A. B. A. Convention. Page 500

A. B. A. presents testimonial of honor to Brig. Gen. Leonard P. Ayres. Page 497

R. R. Marquardt before A. B. A. terms savings business a stabilizing factor in bank activity. Page 496

(Continued on page 508)

BROOKLYN TRUST COMPANY

Chartered 1866

George V. McLaughlin
President

NEW YORK BROOKLYN

Member Federal Deposit Insurance Corporation

BANK OF NEW YORK

OTIS & CO.

(Incorporated)
Established 1899

CLEVELAND
New York Chicago

CARL M. LOEB, RHOADES & Co.

61 BROADWAY
NEW YORK

London Geneva Buenos Aires

R. H. JOHNSON & CO.

INVESTMENT SECURITIES

64 Wall Street
New York

BOSTON PHILADELPHIA

Over-the-Counter Securities

Kobbé, Gearhart & Co.

INCORPORATED

Members N. Y. Security Dealers Ass'n
45 Nassau Street New York
Tel. Rector 2-3600 Teletype N. Y. 1-576

THE NEW YORK TRUST COMPANY

Capital Funds . \$37,500,000

100 BROADWAY

MADISON AVENUE AND 40TH STREET

TEN ROCKEFELLER PLAZA

Member of the Federal Deposit Insurance Corporation



City of Philadelphia Bonds

Moncure Biddle & Co.

PHILADELPHIA

AMERICAN MADE MARKETS IN CANADIAN SECURITIES

HART SMITH & CO.

Members New York Security Dealers Assn.
52 WILLIAM ST., N.Y. HANOVER 2-0980
Bell Teletype NY 1-395
New York Montréal Toronto

THE CHASE NATIONAL BANK OF THE CITY OF NEW YORK

Broaden your customer service with Chase correspondent facilities

Member Federal Deposit Insurance Corporation

United States Government Securities

The FIRST BOSTON CORPORATION

NEW YORK BOSTON
CHICAGO
PHILADELPHIA SAN FRANCISCO
AND OTHER PRINCIPAL CITIES

FINCH, WILSON & CO.

Members New York Stock Exchange

Commission Orders Carefully Executed for Institutions and Individuals

120 BROADWAY, NEW YORK

TELEPHONE
OR
TELEGRAPH US
ON
LOCAL
TITLE COMPANY
MORTGAGE CERTIFICATES
"WE ARE SPECIALISTS"
Newburger, Loeb & Co.
Members New York Stock Exchange
40 Wall St., N.Y. Whitehall 4-6300
Bell Teletype NY 1-2033
Philadelphia Atlantic City Lebanon

Wickwire Spencer
Thompson
Automatic Arms
J. F. Reilly & Co.
Members
New York Security Dealers Ass'n.
50 Broad St., New York, N. Y.
H. Anover 2-4660
Bell System Teletype, N. Y. 1-2480

American Service
\$3 Preferred
Commonwealth Gas
6s-48 & Common
Detroit International Bridge
Bonds & Stock
Terminal & Transportation
Common
Utica Gas & Electric Bldg.
5s-56
Frank C. Masterson & Co.
Members New York Curb Exchange
64 WALL ST. NEW YORK
Teletype NY 1-1140 HANOVER 2-9470

So. Cities Utilities 5s, 1958 -
Crescent Public Service 6s, 1954
Old Ben Coal Co. 6s, 1948 w s
Stevens & Thompson Paper
3 1/2s, 1958
Eastern Corp. Common
Tudor City Units
Houston Oil Co. Preferred
We also specialize in all Westchester
County Securities including Mortgage
Certificates and Bank Stocks
Schoonover, deWillers & Co.
INC.
130 BROADWAY NEW YORK, N.Y.
20 S. BROADWAY YONKERS, N.Y.
RECTOR 2-7634 YONKERS 7-8500
Bell Teletype NY 1-2351

Thompson Automatic Arms
(Tommy Gun)
Autocar Common
Missouri-Kansas Pipe Line "A"
Wickwire Spencer Steel
Pollak Manufacturing Common
Peter P. McDermott & Co.
Members New York Stock Exchange
Members New York Curb Exchange
TRADING DEPARTMENT
65 BROADWAY, NEW YORK
Digby 4-7140 Tele. NY 1-1817-18

Offerings Wanted:
Central R. R. & Banking
5s, 1942
Colorado & Southern
4 1/2s, 1980
Hoboken Ferry
5s, 1946
G.A. Saxton & Co., Inc.
NEW YORK BOSTON

Associated Gas & Elec. Corp.
(all issues)
Baltimore & Ohio 4s, 1944
Autocar Co.
Braniff Airways
Hearst Cons. Pub. Pfd. "A"
Marathon Paper Mills
Marlin Rockwell
Missouri Kansas Pipe Line
Panhandle Eastern Pipe Line
Punta Alegre Sugar
Seaboard Air Line 5s, 1931
Sylvania Industrial
Thompson Automatic Arms
Wabash R.R. New "w. i."
West Indies Sugar
WERTHEIM & Co.
Members New York Stock Exchange
Telephone REctor 2-2300 120 BROADWAY, NEW YORK
Teletype NY 1-1693


HODSON & COMPANY,
Inc.
165 Broadway, New York

Actual trading markets in:
Differential Wheel
Common & V.T.C.
Aeronca Aircraft
Autocar
Common
Wickwire Spencer Steel
KATZ BROS.
Established 1920
Members New York Security Dealers Ass'n
40 Exchange Pl., N.Y. HA 2-2772
BELL TELETYPE NY 1-423

Says SEC Competitive Bidding Rule Hurts Small Investor; Nation Needs Sound Finance
Thousands of small investors are being deprived of the opportunity to hold high-grade investment securities through the operation of the Securities and Exchange Commission's ruling compelling competitive bidding for public utility securities,—"a ruling not in the public interest,"—Emmett F. Connelly, President of the Investment Bankers Association of America, alleged on Oct. 7.
Speaking before the American Life Convention at the Edgewater Beach Hotel, Chicago, Mr. Connelly asserted that more than \$100,000,000 of highest grade securities that rested in the hands of thousands of investors six months ago will now be held by four institutional buyers. He called the recent sale of a \$90,000,000 American Telephone and Telegraph Co. bond issue to three insurance companies—"a great mistake" and added, "I think it was a shortsighted policy on the part of the insurance companies. Opportunism and a plethora of investment funds may have been the dominating factor, but opportunism sometimes backfires." Mr. Connelly added:
"While there is no law or regulation that required the American Telephone and Telegraph Co. to sell its bond issue of \$90,000,000 competitively, the management has been so bedeviled for following the sound practice of financing through their traditional bankers that I assume this is the reason they elected to follow the trend that bids fair to doing irreparable harm to all classes of investors and to many security dealers.
The long range viewpoint should, in my opinion, be focussed on a firm, sound financial mechanism for this country. Recent history abroad is adequate proof that when private investment banking is eliminated private enterprise dies.
The investment banker is an essential cog in our economic structure. Just as the day may come, and I say will come, when his services will again be welcomed by the issuer, so will the day come when the insurance

Olsen to Manage Mun. Trading for Kneeland
CHICAGO, ILL. — Wilbert O. Olsen has become associated with Kneeland & Co., Inc., Board of Trade Building, and is in charge of municipal trading for dealers, banks, insurance companies and other institutional buyers. Mr. Olsen was formerly a partner of the municipal bond firm of Saunders, Olsen & Lyons, and in the past was in charge of municipal trading for Link, Gorman & Co. and Sincere & Co.
companies will need him for the purpose of shifting some of their holdings.
If, in the meantime, he has lost much of his outlet for securities because of a dearth of proper merchandise, his entire distributive machinery will have to be rebuilt. That cannot be done overnight. It is essential that our machinery of distribution be kept functioning by the cooperation of the forces of finance that have been an ally of investment banking during the last 150 years. It seems strange that the dire necessity of preserving investment banking should not be apparent to all, because of what it stands for in our system of free enterprise.
Last week, in expressing his doubts as to the soundness and desirability of competitive bidding by insurance companies, Lewis W. Douglas, president of the Mutual Life Insurance Co. of N. Y., recognized the highly important function of the investment banker and expressed grave concern over the possible damage that competitive bidding may do to the country's investment banking machinery. Mr. Douglas's company, Mr. Connelly added, headed the group of three insurance companies which recently purchased the \$90,000,000 American Telephone and Telegraph bond issue.
"I am certain that Congress, in passing the Public Utility Holding Company Act, a measure designed to break up the large holding companies, never envisaged that the day would come when small investors would be frozen out of high-grade investments through the SEC's interpretation of the powers granted it under this Act."
Mr. Connelly said that the brief submitted by the Investment Bankers Association to the SEC opposing the proposal pointed out that competitive bidding "would aggravate an already serious situation brought on by private placements in view of the fact that big insurance companies would step into the picture and buy the best credit securities on direct bids." "This," he said, "has happened in the space of five months." In conclusion he stated:
"I have heard the absurd argument that the smaller buyers shouldn't buy these high-grade securities. Why shouldn't they? If this country's biggest buyers feel that they need the protection of these top notch credits, why not the little fellow, who is all the more in need of protection."

American Ordnance Corporation
MANUFACTURERS OF THE YGUN
(depth charge projector)
The Most Effective Weapon for
Combatting the Submarine
Information on Request
MARSH and COMPANY
42 BROADWAY, NEW YORK
BO. Green 9-9085 Tele. NY 1-1206


TRADING MARKETS IN
REAL ESTATE SECURITIES
* * *
SHASKAN & CO.
Members New York Stock Exchange
40 EXCHANGE PL., N.Y. DIGBY 4-4950
Bell Teletype NY 1-953

Presidents Past and Present National Security Traders Association



HERBERT H. BLIZZARD, Herbert H. Blizzard & Co., Philadelphia, new President of the N. S. T. A., and THOMAS AKIM, Akim-Lambert Co., Los Angeles, retiring President, in front of the registration board at the Association's convention in New Orleans.

Trading Markets on
The "MINNE" Situation
Minneapolis & St. Louis 6s 1932
Minneapolis & St. Louis 5s 1934
Minneapolis & St. Louis 4s 1949
Des Moines & Ft. Dodge 4s '35
Iowa Central 4s 1951
Iowa Central 5s 1938
Frederic H. Hatch & Co.
Incorporated
Members New York Security Dealers Association
63 Wall St., New York, N. Y. Bell Teletype NY 1-897

Carey Trust Original
Group Number One Oil Co.
Postal Telegraph Com.
Southwest Co. Class "A"
Underwriters Group—All Series
Washington Carey Trust
Westgate Carey—Overriding
Royalty
Westgate Carey Trust
JOHN J. O'KANE JR. & CO.
Established 1922
Members N. Y. Security Dealers Ass'n
42 Broadway, New York
Digby 4-6320 Teletype NY 1-1525

Alabama Mills
Birmingham Elec. 6% Pfd.
Birmingham Elec. 7% Pfd.
STEINER, ROUSE & Co.
Members New York Stock Exchange
25 Broad St. Brown-Marx Bldg.
New York, N.Y. Birmingham, Ala.
NY 1-1557 BH 198
Direct Wire

Trader Wanted
We have one opening for either a trader who is thoroughly experienced in a group of securities or an assistant trader with ability to assume full responsibility after some additional training. Apply by letter only giving complete details.
Bristol & Willett
Established 1920
Members N. Y. Security Dealers Ass'n
115 Broadway, N.Y. Tel. BRayley 7-0700

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, October 9, 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 0513), London—Edwards & Smith, 1 Drapers' Gardens, London, E.C.

Copyright 1941 by William B. Dana Company. Registered 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, \$12.00 per year, \$10.00 for 6 months; in Dominion of Canada, \$19.50 per year, \$17.50 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.

Specialists in

RAILROAD BONDS

B. W. Pizzini & Co.

GUARANTEED RAILROAD STOCKS-BONDS

Telephone 52 Broadway Teletype
 BO. GR. 9-6400 NEW YORK, N. Y. 1-1063

Lewis Thomson Joins Edward D. Jones Co.

ST. LOUIS, MO.—Lewis W. Thomson is now affiliated with Edward D. Jones & Co., Boatmen's Bank Building, members of the New York, St. Louis, and Chicago Stock Exchanges. Mr. Thomson since 1909 has been head of Lewis W. Thomson & Co., specialists in municipal and corporation securities; prior thereto he was with the Mercantile Trust Company of St. Louis.

P. Bates in Rollins Municipal Department

Percy H. Bates has become associated with the municipal department of E. H. Rollins & Sons, Inc., 44 Wall Street, New York City. Mr. Bates was formerly manager of the municipal trading department of Granberry & Co. and prior thereto was New York manager for Dougherty, Corkran & Co. and was a partner in C. M. Osborne & Co.

Nimmo in Municipal Dept. of Content-Hano

Content, Hano & Co., 39 Broadway, New York City, members of the New York Stock Exchange, announce that Alfred L. Nimmo has become associated with them in their municipal bond department. Mr. Nimmo was formerly with Turner, Knight & Sholten and Knight & Co., specializing in New York Municipals and authorities and prior thereto was in the trading department of T. M. Lynch & Co. and was with Burr & Co., Inc. and Hemphill, Noyes & Co.

Wabash Ry. Study Ready

R. H. Johnson & Co., 64 Wall street, New York City, have prepared a statistical study of the Reorganization Plan of the Wabash Railway Co., as approved by the I. C. C. and the Court, copies of which will be sent by the firm upon request.

**Tomorrow's Markets
 Walter Whyte
 Says—**

Two points under last Tuesday's lows now looks like important level—If severe reaction to be avoided these prices must hold—Stocks in list still above individual stop prices.

By **WALTER WHYTE**

If there is anything more tiresome than to finger a lack-adaisacal stock tape and come out with nice-nice predictions when everybody else is wearing sackcloth and ashes, then I don't know what it is.

There are days when the market seems to say, "up! up!" There are other days when it's shrieking "down! down!" Yet no single day is given over wholly to outright bullishness or complete bearishness. The sum total at the end of almost any given day is scarcely nothing more than an Irish standoff—one of those "he's-up-he's-down-he's-up-he's-down" affairs. Neither side stays on its feet long enough to permit the other to be counted out.

Last Tuesday was one of the few days when it began to look like the optimists were slowly but surely taking it on the chin. That morning the market took a smacking around, and even though it recovered a little before the close, it was still glassy eyed and reeling when the bell ended that day.

The obvious and generally accepted reason was the all out Nazi drive against Moscow.

It's a strange commentary on the state of affairs when the very capitalistic stock market acts punchdrunk because the chief Communist city is threatened.

(Continued on page 508)

Cincinnati Gas & Electric Co.

5% Cumulative Preferred Stock, Series A

Bought - Sold - Quoted

Spencer Trask & Co.

25 Broad Street, New York
 Telephone: HANover 2-4300 Teletype: NY 15

Over-the-Counter Dealers Unite

It now seems quite evident that the strictly Over-the-Counter dealers will have to unite to oppose certain proposed amendments to the Securities Exchange Act, which if made law, would virtually wipe out Over-the-Counter trading.

From letters received by us from Over-the-Counter dealers throughout the country, it appears that they were not adequately represented in previous discussions of the proposed amendments and they will, in all likelihood, look to local groups of dealers to oppose amendments to the Act which, if enacted into law, might expand "unlisted trading privileges" in securities that are now traded in the Over-the-Counter markets.

**Geo. M. Gillette with
 Burton, Cluett, Dana**

Burton, Cluett & Dana, 120 Broadway, New York City, members of the New York Stock Exchange, announce that George M. Gillette has become associated with them. Mr. Gillette was formerly with Frazier Jelke & Co. for many years, recently being a partner in the firm.

**Joseph H. Amy To Be
 McClave Co. Partner**

Joseph H. Amy, member of the New York Stock Exchange, will become a partner in McClave & Co., 254 Park Avenue, New York City, as of October 15th. Mr. Amy was formerly an individual floor broker and prior thereto a partner in R. J. Johnson & Co.

The old partnership of McClave & Co. will be dissolved as of October 14th and a new partnership formed on the 15th, with Clifford H. McCall, Arthur Sewall, 2nd, Robert W. Stokes and Joseph H. Amy as general partners, and M. N. Kearny, as limited partner, Charles S. O'Neill, Jr., having withdrawn from the firm.

V. L. Mason Promoted

Jackson & Curtis, 115 Broadway, New York City, announce that Vernon L. Mason has been appointed manager of their municipal bond department. Mr. Mason has been associated with Jackson & Curtis for the past ten years.

**Hugg & Sherry With
 Reynolds Co. in Phila.**

PHILADELPHIA, PA.—Reynolds & Co., members of New York, Philadelphia and other stock and commodity exchanges, announce that John L. Hugg and John J. Sherry, formerly President and Secretary-Treasurer, respectively, of Sherry, Hugg & Marshbank, Inc., have become associated with them in their local office, 1500 Walnut Street.

**Alta R. Kalley Joins
 Bateman, Eichler Co.**

(Special to The Financial Chronicle)
 LOS ANGELES, CALIF.—Alta R. Kalley has become associated with Bateman, Eichler & Co., 453 South Spring Street, members of the Los Angeles Stock Exchange. Miss Kalley was formerly vice-president and manager of the trading department of D. G. Grant Company.

**Investment Advisers
 Must Register in Pa.**

The Pennsylvania Securities Commission has announced that on and after October 8th all persons giving investment advice for compensation or soliciting clients must be licensed by the State in accordance with an act passed by the legislature last June. Those not complying with this requirement will be subject to fine and imprisonment.

B. S. LICHTENSTEIN

CDD

Not M D's, or LL D's or even D D's! We're C D D's (Cat and Dog Doctors). Bring in your stray securities that nobody else wants, for a professional O O.

Obsolete Securities Dept.
 99 WALL STREET, NEW YORK
 Telephone: WHitehall 4-6551

Aldred Investment Trust
 4 1/2%, 1967

Cespedes Sugar
 7 1/2%, 1939

Flour Mills of America
 Common

Joseph McManus & Co.

Members
 New York Curb Exchange
 Chicago Stock Exchange
 39 Broadway, New York
 Dlgby 4-2290 Tele. NY 1-1610-11

**We Are Specialists In
 REAL ESTATE SECURITIES**

Inquiries Invited In
 Lawyers Mtge. Co. Cfts.
 Lawyers Title Co. Cfts.
 Bond & Mtge. Co. Cfts.
 and all other Title Co.'s
 Bank Trust Participations
 Complete Statistical Information

L. J. GOLDWATER & CO.

INC.
 Members New York Security Dealers Assn.
 39 Broadway, New York, N. Y.
 HANover 2-8970 Teletype NY 1-1203

**Market Place for—
 Low Priced Stocks**

American Ordnance
Bagdad Copper
Bendix Home Appliances
Cuba Co.
Majestic Radio & Tel.

STEIN BROS.
 50 Broad St., N. Y. HANover 2-7783
 Teletype N. Y. 1-1481

**"CAN YOU
 TOP THIS?"**

BANK QUALITY BOND
YIELDING 6 3/4%
 Circular on Request

A. O. VAN SUETENDAEL
 15 N. B'WAY - YONKERS, N. Y.
 N. Y. City Telephone MARble 7-9524
 Bell Teletype Yonkers 2318

We have orders in:

- FOOTE BROS. GEAR & MACHINE CORP. Preferred Stock
- FOOTE BROS. GEAR & MACHINE CORP. Common Stock
- HAMILTON MFG. CO. Class A. Pref. Partic. Stock
- UNITED PRINTERS & PUBLISHERS Preferred Stock
- GISHOLT MACHINE CO. Common Stock
- HART-CARTER CO. Preferred Stock
- VIKING PUMP CO. Common Stock

A.C. ALLYN AND COMPANY

CHICAGO INCORPORATED NEW YORK

**Washington Gas
 & Electric Company**

5s, due 1955 5 1/2s, due 1953
 5 1/2s, due 1947 6s, due 1960

Bought—Sold—Quoted

R.E. SWART & Co.

INCORPORATED
 40 EXCHANGE PLACE, NEW YORK
 Tel.: HANover 2-0510 Tele.: NY 1-1073

Canadian Mining Securities

Traded in U. S. Funds

Complete statistical data available on all Canadian mines

Macdonald & Bunting

Members Toronto Stock Exchange

41 Broad St., New York, N. Y.
HANover 2-7673 Tele. NY 1-1619
Toronto New York

DIVIDEND NOTICES

COLUMBIA GAS & ELECTRIC CORPORATION

The Board of Directors has declared this day the following dividends:

Cumulative 6% Preferred Stock, Series A No. 60, quarterly, \$1.50 per share
Cumulative Preferred Stock, 5% Series No. 50, quarterly, \$1.25 per share
5% Cumulative Preference Stock No. 39, quarterly, \$1.25 per share
payable on November 15, 1941, to holders of record at close of business October 20, 1941.

DALE PARKER

October 2, 1941 Secretary

DOMESTIC FINANCE CORPORATION

DIVIDEND NOTICES

COMMON STOCK

A quarterly dividend of 35c a share, plus an extra dividend of 10c a share, has been declared on the common stock of the company, payable Nov. 1, 1941, to holders of record Oct. 27, 1941.

52ND CONSECUTIVE DIVIDEND

Cumulative Preference Stock

The 52nd consecutive quarterly dividend on the Cumulative Preference Stock of the company and predecessor constituent company has been declared at the rate of 50c a share, payable Nov. 1, 1941, to holders of record Oct. 27, 1941.

L. E. MICKLE,

Vice-Pres. and Treasurer

36 OFFICES IN 9 STATES

NATIONAL DISTILLERS PRODUCTS CORPORATION

The Board of Directors has declared a regular quarterly dividend of 50¢ per share on the outstanding Common Stock, payable on November 1, 1941, to stockholders of record on October 15, 1941. The transfer books will not close.

THOS. A. CLARK

September 25, 1941 TREASURER

PACIFIC GAS AND ELECTRIC CO.

DIVIDEND NOTICE

Common Stock Dividend No. 103

A cash dividend declared by the Board of Directors on September 17, 1941 for the quarter ending September 30, 1941, equal to 2% of its par value, will be paid upon the Common Capital Stock of this Company by check on October 15, 1941, to shareholders of record at the close of business on September 30, 1941. The Transfer Books will not be closed.

D. H. FOOTE, Secretary-Treasurer

San Francisco, California.

TRIUMPH EXPLOSIVES, Inc.

The Board of Directors has declared a quarterly dividend of 5 cents per share on the common stock, payable November 1, 1941, to stockholders of record on October 11, 1941.

G. H. KANN, President
October 1, 1941

New York City

3% Bonds

\$15,000 due 1946 @ 1.20%
5,000 due 1947 @ 1.35%

R. D. WHITE & CO.

120 Broadway, N. Y. REctor 2-5255
Teletype NY 1-356

TO HOLDERS OF RECEIPTS ISSUED BY GENERAL ELECTRIC COMPANY REPRESENTING INTEREST IN FRACTION OF ONE SHARE OF COMMON STOCK WITHOUT PAR VALUE OF RADIO CORPORATION OF AMERICA

All holders of the above Receipts representing interest in fraction of share of common stock without par value of Radio Corporation of America are reminded that the Receipts become wholly void and of no value unless surrendered for redemption to General Electric Company, 570 Lexington Avenue, New York City, on or before November 21, 1941.

The Receipts were issued to the common stockholders of General Electric Company of record December 16, 1932. The only right now remaining to the holders of the Receipts is to receive their pro rata shares of the net proceeds of the sale of the common stock of Radio Corporation of America set aside against such outstanding Receipts in accordance with their terms. These net proceeds amount to \$1.01 for each 1-5 share represented by such Receipts.

GENERAL ELECTRIC COMPANY
By: W. W. TRENCH, Secretary
October 3rd, 1941

BRITISH-AMERICAN TOBACCO COMPANY, LIMITED NOTICE TO HOLDERS OF BEARER WARRANTS FOR ORDINARY STOCK

The last coupon (No. 187) attached to Talon No. 3 in respect of Stock Warrants to Bearer for Ordinary Stock was payable 30th September, 1941. Holders of Talon No. 3 are asked NOT to deposit the Talon with the Company until Talon No. 4 is ready for exchange, of which notification will be published later.

For the benefit of holders of Stock Warrants to Bearer resident in America a plan is under consideration whereunder, if Talon No. 3 be deposited with the Guaranty Trust Company of New York in New York, that Company will issue a receipt for the deposited Talon and future dividends will be paid without presentation of coupons whilst the Talon is so deposited. If this scheme can be arranged, the actual exchange of Talons will be postponed until after the war, thus avoiding the exceptional risk of loss in transit and the heavy insurance expenses involved under existing conditions.

A further notice on this subject will in any event be published in the Press at a later date.

E. A. BLOCKLEY

Rusham House, Surrey,
Egham,
Surrey.

17th September, 1941.

With Rambo, Keen, Close

PHILADELPHIA, PA.—The investment firm of Rambo, Keen, Close & Kerner, Inc., 1518 Locust Street, announce that James M. Kutnow has become associated with them in their sales organization and that Charles I. Wells has joined them as assistant statistician. Mr. Kutnow was formerly an officer of N. S. Hall & Co., Inc.

We are pleased to announce that
VERNON L. MASON
has been appointed manager of our
Municipal Bond Department

JACKSON & CURTIS

ESTABLISHED 1879

Members Principal Stock and Commodity Exchanges
115 BROADWAY NEW YORK CITY

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.—Frederick E. Dunlap, formerly with Raymond & Co. and Sherman Gleason, has become associated with Gerald S. Colby & Co., 30 Federal Street.

(Special to The Financial Chronicle)
BOSTON, MASS.—James H. Nutter, Jr. has been added to the staff of Charles A. Day & Co., Inc., Sears Building.

(Special to The Financial Chronicle)
CHARLOTTE, N. C.—Miles Smith Carpenter has joined the staff of R. S. Dickson & Co., Inc., Wilder Building.

(Special to The Financial Chronicle)
CHICAGO, ILL.—Peter Louis Maes has become associated with S. R. Miller & Co., 231 South La Salle Street. Mr. Maes was formerly with Remer, Mitchell & Reitzel, Inc., and Bond & Goodwin, Inc. of Illinois.

(Special to The Financial Chronicle)
CHICAGO, ILL.—Leo Joseph Scheid is now connected with Ryan-Nichols & Co., 105 South La Salle Street. Mr. Scheid was previously associated with Kongsberg & Co. for many years.

(Special to The Financial Chronicle)
CHICAGO, ILL.—Stanley Morrill has become associated with Talcott, Potter & Co., 141 West Jackson Boulevard. He was formerly with Daniel F. Rice & Co. and prior thereto with Fuller, Rodney & Co., Merrill Lynch, E. A. Pierce & Cassatt, Fenner & Beane, and Abbott, Proctor & Paine.

(Special to The Financial Chronicle)
CHICAGO, ILL.—Arthur M. Hollaman is now affiliated with Thompson, Davis & Phipps, Inc., 120 South La Salle Street. Mr. Hollaman was formerly consulting accountant for Crahen, Sullivan, O'Toole & Sullivan.

(Special to The Financial Chronicle)
CLEVELAND, OHIO—Ivan L. Morton has become connected with M. A. Cayne & Co., Fidelity Building. He was previously with Lawrence Cook & Co., Investors Syndicate, and L. W. Simon & Co.

(Special to The Financial Chronicle)
CLEVELAND, OHIO—Arthur M. Davies, formerly with Merrill Lynch, Pierce, Fenner & Beane, has become associated with Goodbody & Co., National City Bank Building.

(Special to The Financial Chronicle)
COLORADO SPRINGS, COLO.—Walter Ray Parnham has become affiliated with Boettcher & Co., Exchange National Bank Building.

(Special to The Financial Chronicle)
FORT WORTH, TEX.—Crawford Lynn Gilligan has been added to the staff of Willard York Co., whose main office is located in the South Texas Bank Building, San Antonio, Texas.

(Special to The Financial Chronicle)
FRESNO, CALIF.—Fred G.

Wheaton has become associated with Davis, Skaggs & Co., whose main office is located at 211 Montgomery Street, San Francisco, Calif. Mr. Wheaton was formerly local manager for Edgerton, Bourne & Co.

(Special to The Financial Chronicle)
KANSAS CITY, MO.—Merle F. Mott is now affiliated with Barrett Herrick & Co., Inc., 1012 Baltimore Avenue.

(Special to The Financial Chronicle)
LOS ANGELES, CALIF.—Louis M. Wiskow has been added to the staff of Conrad, Bruce & Co., 530 West Sixth Street.

(Special to The Financial Chronicle)
LOS ANGELES, CALIF.—Charles L. Ebner, Jr. has become connected with Protected Investors of America, Russ Building, San Francisco, Calif. Mr. Ebner was previously with Morrison Bond Co., Ltd. and prior thereto was manager of the trading department for Fewel, Marache & Co., Paul J. Marache & Co., and F. E. Harris & Co.

(Special to The Financial Chronicle)
LOS ANGELES, CALIF.—Hermon Stone Hatch, formerly with Mitchum, Tully & Co. and Dean Witter & Co., is now with Richardson & Co., Inc., 510 South Spring Street.

(Special to The Financial Chronicle)
MINNEAPOLIS, MINN.—Edward W. Wichman, formerly with McCahill & Co., has become connected with J. W. Goldsbury & Co., 307 Marquette Avenue.

(Special to The Financial Chronicle)
PASADENA, CALIF.—Lyman J. Gage is now associated with Lester & Co., 234 East Colorado Street. Mr. Gage was previously with Mason Brothers and prior thereto with Norman B. Courtney & Co. and B. B. Robinson & Co.

(Special to The Financial Chronicle)
SAN ANTONIO, TEX.—Edward I. Lee has joined the staff of Willard York Co., South Texas Bank Building.

(Special to The Financial Chronicle)
SAN FRANCISCO, CALIF.—Eugene H. Ratto has become associated with Bankamerica Company, 300 Montgomery Street. Mr. Ratto was previously with George H. Grant & Co., Kendall Thompson Co. and in the past was Sacramento manager for Gersten & Co. and Miller & Co.

(Special to The Financial Chronicle)
SEATTLE, WASH.—George Hemmen, for many years with Wm. P. Harper & Son Co., is now connected with Conrad, Bruce & Co., 1411 Fourth Avenue Building.

(Special to The Financial Chronicle)
SEATTLE, WASH.—Lloyd A. Martin has been added to the staff of Lester L. Fenton, Securities Building.

BIRMINGHAM

MARX & CO.

BIRMINGHAM, ALABAMA

SOUTHERN MUNICIPALS
and
CORPORATION BONDS

DALLAS

Bought — Sold — Quoted

Dr. Pepper
Republic Insurance
New Mexico Gas Co. Com. & Pfd.
Great Southern Life Ins. Co.
Southwestern Life Ins. Co.
Dallas Ry. & Ter. 6% 1951
All Texas Utility Preferred Stocks
Check us on Southwestern Securities
RAUSCHER, PIERCE & CO.
DALLAS, TEXAS
Ft. Worth-Houston-San Antonio

DETROIT

Trading Markets In All

MICHIGAN STOCKS & BONDS

ALISON & CO.

Members Detroit Stock Exchange
BUHL BUILDING
Phone Cherry 4560 Teletype DE 222

Active Trading Markets

THE LEECE-NEVILLE COMPANY

COMMON STOCK

Prospectus on Request

VAN GRANT & CO.

FENOBSCOT BLDG.
DETROIT
Telephone Cadillac 6134 Bell Teletype DE 49

Dealer Briefs

Philadelphia, Pa.

It's hard to imagine an outlook much more clouded than the present, and yet securities hold up reasonably well. Of course, there could be (and probably will be) new shocks from overseas, which could cause temporary declines but underneath it all it seems to me that there are very powerful secular forces making for the rise. Looking back for a year or so, despite extreme bearishness, the market is 10% higher. The figures mean more than today's sentiment — Frank L. Newburger, Newburger, Loeb & Co.

Write for Pamphlet

Otis & Co., Terminal Tower, Cleveland, Ohio, has prepared a special pamphlet descriptive of the City of Euclid, Ohio, and its bonds, featured by a map of the city showing the location of 18 important industrial plants.

DETROIT

LISTED AND UNLISTED SECURITIES

Charles A. Parcels & Co.
Members of Detroit Stock Exchange
PENOBSCOT BUILDING
DETROIT, MICH.

WATLING, LERCHEN & CO.

Members
New York Stock Exchange
New York Curb Associate
Detroit Stock Exchange
Chicago Stock Exchange

**Ford Building
DETROIT**

Telephone: Randolph 5530

PHILADELPHIA

AMERICAN LA FRANCE FOAMITE CORP.

Income 5 1/2 1956
& Common Stock

BOENNING & CO.

1606 Walnut St., Philadelphia
Pennypacker PH
8200 30

ST. LOUIS

St. Louis Listed and Unlisted Securities

EDWARD D. JONES & CO.

Established 1922
Boatmen's Bank Building, ST. LOUIS
Members
New York Stock Exchange
St. Louis Stock Exchange
Chicago Stk. Exch. Chicago Bd. of Trade
Assoc. Member Chicago Mercantile Exch.
New York Curb Exchange Associate

Phone Central 7600 Postal Long Distance Bell Teletype—ST L 593

STIX & Co.

SAINT LOUIS
509 OLIVE ST.

Members St. Louis Stock Exchange

CORRECTION

Mr. Baruch not in Market

In our issue of October 2nd we asserted that "Bernard M. Baruch is said to be the heavy buyer of International Nickel. And now he is active in a group buying International Tel. & Tel."

We are now reliably informed that Mr. Baruch has not been a buyer of International Nickel and is not active in International Tel. & Tel. He has not any interest in either of these stocks, nor has he been active in the securities market for some years. We regret our error.

Guaranteed Railroad Stocks

Joseph Walker & Sons

Members New York Stock Exchange
120 Broadway NEW YORK Tel. REctor 2-6600
Dealers in GUARANTEED STOCKS Since 1855

BIDS MADE ON BONDS WITH COUPONS MISSING OR MUTILATED

S. H. JUNGER CO.

Inquiries invited
40 Exchange Pl., New York
Phone Digby 4-4832 Teletype N. Y. 1-1779

Hartford Bond Club Enjoys Fall Outing

HARTFORD, CONN.—Members of the Bond Club of Hartford convened at the Manitook Lake Club in Granby on Oct. 4 for their fall outing which was pronounced a huge success by all attending. Swimming, horseshoes, fishing, badminton, and a concert by Roland Stenzel from Bach to Beethoven and back to Bach were features of the day.

The Committee in charge of the outing comprised: Harold Faust, Equitable Securities Corp., Chairman; Charles W. Gould, Comptrol Department; E. C. Palmer, Estabrook & Co.; Willard A. Snow, Jr., Lazard Freres & Co., and John H. Beardsley, Conning & Co.

Rio to Pay Bond Interest

The City of Rio de Janeiro, Federal District of the United States of Brazil, has remitted to its special agents funds for the payment of interest for the six months ended Oct. 1, 1939 on its five-year 6% external secured gold bonds due April 1, 1933, at the rate of \$3,9975 per \$1,000 bond, or 13.325% of the dollar amount of such interest. The notice regarding these also says—

These funds have been remitted in accordance with provisions of Presidential Decree No. 23829 of Feb. 5, 1934, as reenacted and modified by Decree Law No. 2085 of March 8, 1940.

Cash payment at this rate, to be in full payment of the interest due Oct. 1, 1939, is now being made upon presentation of the bonds at the offices of the special agents, White, Weld & Co., 40 Wall Street, New York, or Brown Brothers Harriman & Co., 59 Wall Street, New York.

Curb to Retire Seat

Arrangements have been made by the New York Curb Exchange to purchase and retire the membership of Orrin B. Zoline at \$1,000. The transaction will be completed at the termination of a seven-day posting period which begins tomorrow. Present market for Curb Exchange seat is \$1,000 bid by the Exchange, offered at \$2,500.

Steel Convention

The American Institute of Steel Construction, Inc., New York City, will hold its 19th annual convention Oct. 14-17 at the Greenbrier Hotel, White Sulphur Springs, W. Va.

TRADING MARKETS IN Unlisted Railroad Securities

New and Old

PFLUGFELDER, BAMPTON & RUST

Members New York Stock Exchange
61 Broadway NEW YORK
Telephone—Digby 4-4933 Bell Teletype—NY 1-310
RAILROAD REORGANIZATION SECURITIES

RAILROAD SECURITIES

The fourth quarter traffic estimates have been released by the Shippers' Advisory Boards, with the aggregate for the country as a whole expected to run 11.8% above a year ago. This would compare with a gain of 18% last quarter. Considering the relatively high level of business prevailing towards the end of 1940, realization of the Boards' forecast would be highly creditable and would indicate that the usual year-end seasonal decline in railroad traffic may not assume normal proportions this year.

Moreover, the Advisory Boards, when they err, seem inclined to err on the conservative side so that it is quite possible that actual results may be even more favorable. Continuation of the strong earnings background through the balance of the year, coupled with settlement of the wage question, should establish a firm base for a sharp upturn in rail security prices, particularly stocks and second grade bonds, during the next month or so.

Naturally, while traffic for the industry is expected to expand 11.8%, results in different sections of the county will vary greatly as will the performance of individual commodity groups. The following tabulation shows estimated results for the various regions, arranged in order of the prospective gains.

Region	Third Quarter Loadings (in cars)	% Increase (Estimated)
Northwest	379,053	18.7
Ohio Valley	703,867	17.9
Midwest	911,837	13.3
Pacific Coast	265,517	12.1
Central Western	224,618	12.0
Allegheny	930,936	11.8
Pacific Northwest	203,030	11.4
Atlantic States	624,361	10.2
New England	105,449	10.0
Southeast	724,064	10.0
Northwest	412,168	8.9
Trans-Mo.-Kans.	298,272	8.4
Great Lakes	518,106	5.0

The Great Lakes dropped from second on the list in third quarter estimates to last place in the coming period, a natural reflection of the curtailment in production of automobiles and other consumers goods to make way for defense needs. Among individual commodities, automobiles, trucks and parts are expected to make the poorest showing, down almost 15% from a year ago. Cotton seed and products (except oil), cotton, potatoes and fruits other than citrus are the only other groups expected to show declines. The most important gains estimated are agricultural implements and vehicles, other than automobiles; canned goods; gravel, sand and stone; machinery and boilers; chemicals and explosives; and paper, paperboard and prepared roofing. Gains in these items are expected to run from 17.7% to 29.9%.

In the heavier sections, coal and coke are estimated 14.9% higher, ores and concentrates 13.1% and petroleum products 9.6%. At least two of the gains, canned goods and petroleum products, can be traced directly to dislocations arising from the war effort, just as the decline in automobile tonnage may be attributed to the emergency. Removal of ships from intercoastal routes has made necessary the diversion to the rails of an increasing vol-

Railroad Reorganization Securities

(When Issued)

BEAR, STEARNS & CO.

Members New York Stock Exchange
New York Chicago

We can supply a limited amount of registered bonds of several underlying

NEW YORK CENTRAL

liens at substantial concessions from current levels of coupon bonds of the same issue.

Dealer inquiries invited

LEROY A. STRASBURGER & CO.

1 WALL ST., NEW YORK
Whitehall 3-3450 Teletype: NY 1-2050

ume of canned foods (also other products) moving from the west coast. Transfer of tankers to the British has had the same effect on petroleum product tonnage to the eastern seaboard.

As can be seen, the net effect will be more favorable on the southwest than on any other section of the country. On this basis it is expected that Southern Pacific will continue among the leaders in the upturn. The so-called automobile roads, and in particular Wabash, will unquestionably experience some slowing down in the rate of improvement but should continue to report at least moderate gains with other industrial activity compensating for the loss of automobile business. The unfavorable dis-

As brokers we invite inquiries on blocks or odd lots of

HIGHEST GRADE RAILS

We also maintain net markets in
MIL. NOR. 4 1/2s/39 (Brown)
SEABOARD ALL FLA. 6s/35
NEW JERSEY & N. Y. 5s/50
CHI. MIL. ST. P. Adj. 5s/2000
MOP 5 1/2s/49

l. h. rothchild & co.

specialists in rails
11 wall street n. y. c.
HANover 2-9175 Tele. NY 1-1293

AMERICAN MADE MARKETS IN CANADIAN SECURITIES

- Aluminum Ltd
- Bell Telephone of Canada
- Brazil Traction
- Canadian Pacific Ry.
- Cons. Mining & Smelting
- Distillers Seagram
- Dome Mines
- Fanny Farmer
- Hiram Walker Com. & Pfd.
- Hudson Bay Min. & Smelt.
- Imperial Oil Ltd.
- Lake Shore Mines
- Massey-Harris Com. & Pfd.
- Montreal Power
- McIntyre Porcupine Mines
- National Steel Car
- Pioneer Gold Mines
- Shawinigan Water & Power
- St. Lawrence Corp.
- Wright-Hargreaves Mines

HART SMITH & CO.

52 WILLIAM ST., N. Y. HANover 2-0980
Bell Teletype NY 1-395
New York Montreal Toronto

J. E. Yerxa Re-Elected Boston 'Change Head

John E. Yerxa was re-elected President of the Boston Stock Exchange at the annual election held on Sept. 29. Archibald R. Giroux was re-elected Vice-President and Mark R. Hodges was again elected Treasurer.

Governing committee members elected were Harry W. Besse, Ralph Hornblower, Constantine Hutchins, William B. Long, M. Wilson Robertson and Lester Watson.

Members elected to the Nominating Committee for 1941-42 are Daniel Fingree (chairman), Howard S. Harris, Chandler Hovey, Joseph J. Thorndike and Walter P. Tobey.

Col. Baer to Address New York Bond Club

Colonel Joseph A. Baer, Chief of Staff, 2nd Corps Area, will address the Bond Club of New York at its first luncheon meeting of the season to be held at the Bankers Club on Oct. 22. J. Taylor Foster, president of the Bond Club, will preside at the luncheon which will inaugurate the 1941-42 series of luncheon meetings to be addressed by prominent speakers.

Defaulted RR Bond Index

The defaulted railroad bond index of Pflugfelder, Bampton & Rust, 61 Broadway, New York City, shows the following range for Jan. 1, 1939 to date; High—34%, low—14 1/4, last 33 1/2.

locations in consumers goods will probably be aggravated as the war effort increases, while the favorable dislocations affecting the trans-continental carriers will widen further.

We specialize in
Wholesaling to Dealers

Oil Royalties

Send for our new booklet
"PETROLEUM ON PARADE"
It will help you sell Royalties

TELLIER & COMPANY

Members
Eastern Oil Royalty Dealers Ass'n.
42 Broadway New York City
Bowling Green 9-7947 Teletype NY 1-1171

Bank and Insurance Stocks

This Week—Bank Stocks

Statements of New York City banks just published as of the unofficial Sept. 30, 1941 date show a mixed earnings trend for the third quarter of 1941, but continue to show a dominantly upward earnings trend for the 9 months of 1941. Deposits continued to decline, excess reserves dropped, and loans rose substantially as holdings of Government securities were kept about unchanged. The increase in reserve requirements Nov. 1st is likely to take another half billion in excess reserves, so that if the expansion in loans continues in preference to low-yielding Governments, bank stockholders may expect a fuller invested position by the banks in better-yielding earning assets.

Of the 27 banks listed below, 13 showed higher profits for the third quarter of 1941 compared to third quarter of 1940; 12 were lower; and 2 were unchanged. Among the largest banks, however—the "big three" for instance—the third quarter earnings were distinctly higher. For the 9 months of 1941 compared to 1940, 17 banks were higher, 8 lower and 2 even. Twenty-three of the 25 dividend-paying stocks earned their dividends for the quarter, but all 25 earned their dividends for the 9 months of 1941, 10 of the banks, in fact, showing full coverage of the entire year's dividends for the 9 months of 1941. There was one dividend reduction in the third quarter, which had been discounted for some time.

MARKETS IN
Fidelity-Phila. Tr. Co.
Girard Trust Co.
Penna. Co. for Ins. on Lives etc.
Philadelphia National Bank
Atlantic City Fire Insurance Co.
Phila. Transportation Co.
 3-6s, 2039 & Pfd.
H. N. NASH & CO.
 1421 Chestnut Street, Philadelphia
 Phila. Phone New York Phone
 Locust 1477 HANover 2-2280
 Teletype PH 257

in earnings is clearly indicated. An interesting feature of the third quarter statements is the relative stability of holdings of Governments, as compared with the sharp expansion in loans, in the face of continuing decline in excess reserves and the Nov. 1 increase in reserve requirements. Whether the expansion in loans will continue at the fast recent

	Indicated Earnings		Book Value		Annual Dividends
	3rd Quarter	9 Months	Sept. 30, 1941	Sept. 30, 1940	
Bankers Trust	\$0.66	\$0.77	\$2.27	\$2.06	\$44.13
Bank of N. Y.	4.48	4.11	13.92	11.27	330.22
Bank of Manhattan	0.26	0.26	0.82	0.73	23.67
Brooklyn Trust	1.05	1.06	3.41	3.51	172.77
Central Hanover	1.29	1.25	3.80	3.77	92.33
Chase National	0.44	0.37	1.27	1.18	32.57
Chemical	0.58	0.65	1.70	1.80	39.30
Commercial Natl.	2.98	2.33	9.40	7.97	228.36
Continental	0.25	0.25	0.75	0.75	21.38
Corn Exchange	0.75	0.98	2.16	5.09	47.05
Empire Trust	1.12	0.75	3.42	d12.36	87.63
Fifth Avenue Bank	12.89	6.58	36.85	57.20	960.35
First National	19.29	18.97	70.58	69.47	1,192.78
Fulton Trust	2.20	3.18	7.65	8.50	245.85
Grace National	7.98	1.09	12.95	7.71	256.10
Guaranty Trust	3.86	3.17	10.58	10.22	303.31
Irving Trust	0.17	0.18	0.51	0.50	20.80
Kings County Trust	32.74	33.27	95.89	96.08	1,456.24
Lawyers Trust	0.49	0.56	1.79	1.35	50.25
Manufacturers (a)	0.99	1.01	2.91	2.91	36.76
Natl. City (b)	0.57	0.41	1.39	1.15	30.14
New York Trust	1.30	1.27	3.90	3.85	81.19
Public National	0.92	0.79	2.58	2.30	45.31
Sterling National	0.21	0.25	0.75	0.66	62.70
Title Guar. & Tr.	0.20	d1.96	d0.54	d2.06	14.54
Underwriters Trust	0.18	9.78	6.01	10.33	204.33
U. S. Trust	15.29	15.34	45.83	46.29	1,543.87

*Including extra. (a) Operating earnings, officially reported. (b) Including City Bank Farmers Trust Co. d—Deficit.

The sixteen banks reporting weekly showed a \$372,000,000 (3%) expansion in earning assets for the third quarter of 1941, compared to \$116,000,000 decline in deposits and \$450,000,000 drop in excess reserves. Compared to a year ago, the banks show a \$2,500,000,000 (26%) expansion in earning assets, compared to \$1,250,000,000 gain in deposits, which began their recent decline in the second quarter of 1941, and decline of \$1,500,000,000 in excess reserves at New York.

Commercial loans alone expanded \$218,000,000 (10%) for the third quarter and now stand \$715,000,000 (41%) above a year ago. In fact, since Feb. 8, 1939, commercial loans have increased \$1,100,000,000, or 84%.

That all this substantial expansion in earning assets, especially loans; and decline in idle excess reserves, have not resulted in sharper increases in earnings is traceable to the banks' natural conservatism in building up "hidden reserves," as well as the necessity of providing for higher taxes and in some cases, higher amortization charges as maturities of Government security holdings have been shortened. Despite these factors, however, a moderately upward trend

Suggested for Investment

An interesting leaflet has been prepared by Estabrook & Co., 15 State Street, Boston, Mass., members of the New York Stock Exchange, recommending ten common stocks listed on the New York Stock Exchange as particularly attractive for investment purchase. Copies of the leaflet containing brief summaries of the situations in these stocks may be obtained from Estabrook & Co. upon request.

Merck & Co.
Christiana Securities
West Indies Sugar
Missouri-Kansas Pipe Line
Inquiries invited in all Unlisted Issues
Laird, Bissell & Meeds
 Members New York Stock Exchange
 120 BROADWAY, NEW YORK CITY
 Telephone: BARclay 7-3500
 Bell Teletype—NY 1-1248-49
 (L. A. Gibbs, Manager Trading Department)

Ga.-Fla. Carloadings Up
 B. S. Lichtenstein & Co., who recently issued a report on the Georgia & Florida RR., have received advices that total car loadings for the railroad for the week ending Sept. 27, 1941 were 1,069 cars, as compared to 749 cars for the corresponding week in 1940, or an increase of 42%.

THE CANADIAN BANK OF COMMERCE

HEAD OFFICE: TORONTO
 Established 1867
Paid-Up Capital—\$30,000,000
Reserve—20,000,000

This Bank is in close touch with the commercial and financial life of Canada and is well equipped to serve corporations, firms and individuals interested in Canadian business.

Branches in every important city and town in Canada and Newfoundland, also in Portland, Oregon; San Francisco; Seattle; Los Angeles; London, England; Havana; Kingston, Jamaica; Bridgetown, Barbados, and Port of Spain, Trinidad.

NEW YORK AGENCY
 Exchange Pl. & Hanover St.

NATIONAL BANK of EGYPT

Head Office Cairo
 Commercial Register No. 1 Cairo
FULLY PAID CAPITAL £3,000,000
RESERVE FUND £3,000,000

LONDON AGENCY
 6 and 7 King William Street, E. C.
 Branches in all the principal Towns in EGYPT and the SUDAN

NATIONAL BANK of INDIA, LIMITED

Bankers to the Government in Kenya Colony and Uganda
 Head Office: 26, Bishopsgate, London, E. C.
 Branches in India, Burma, Ceylon, Kenya Colony and Aden and Zanzibar
Subscribed Capital £4,000,000
Paid-Up Capital £2,000,000
Reserve Fund £2,200,000
 The Bank conducts every description of banking and exchange business
 Trusteeships and Executorships also undertaken

Royal Bank of Scotland

Incorporated by Royal Charter 1727
 Over 200 Years of Commercial Banking

HEAD OFFICE—Edinburgh
 General Manager
 William Whyte
 Total number of offices, 258
 CHIEF FOREIGN DEPARTMENT
 3 Bishopsgate, London, England
Capital (fully paid) £3,780,192
Reserve fund £4,125,965
Deposits £69,921,933
 Associated Bank
 Williams Deacon's Bank, Ltd.

Australia and New Zealand

BANK OF NEW SOUTH WALES

(ESTABLISHED 1817)
Paid-Up Capital £8,780,000
Reserve Fund 6,150,000
Reserve Liability of Prop. 8,780,000
£23,710,000
Aggregate Assets 30th Sept., 1940 £143,903,000
SIR ALFRED DAVIDSON, K.B.E.,
 General Manager
 Head Office: George Street, SYDNEY

The Bank of New South Wales is the oldest and largest bank in Australasia. With over 870 branches in all States of Australia, in New Zealand, Fiji, Papua and New Guinea, and London, it offers the most complete and efficient banking service to investors, traders and travellers interested in these countries.

LONDON OFFICES:
 29 Threadneedle Street, E. C.
 47 Berkeley Square, W. 1
 Agency arrangements with Banks throughout the U. S. A.

Ins. Stocks Status Good

A timely memorandum discussing the favorable status of insurance stocks under the Revenue Act of 1941, an important factor in the outlook for equities, has been prepared by Huff, Geyer & Hecht, Inc., 67 Wall Street, New York City, specialists in insurance stocks; copies of this interesting memorandum will be sent by them to dealers and salesmen on request.

A Bond Buy for Banks

An interesting circular describing a bond of bank quality yielding 6 3/4% has been prepared for distribution by A. O. Van Suedtendael, 15 North Broadway, Yonkers, N. Y., from whom copies may be obtained upon request.

Opportunities to Reduce Tax Liabilities Shown by Capital Gain & Loss Tax Form

For the balance of 1941, sharply increased personal income tax rates, coupled with capital gain and loss provisions of the Federal Revenue Act, offer security salesmen a tremendous business-building opportunity.

On the basis of the new income tax rate schedule, people in almost every income bracket—even the relatively low ones—will be able to effect amazingly large tax savings by taking long-term capital losses on security holdings. Moreover, these tax savings will far outweigh any costs involved in registering the losses.

To the security salesman, this situation presents unprecedented potentialities for directly developing business. Naturally, active accounts will have to take action in accordance with short-term as well as long-term positions. More important, however, the way is now wide open for following up long lists of inactive and prospective clients without encountering the resistance that usually obstructs a pure "securities-selling" effort.

The incentive for cutting down tax liability will surely open the door to many a needed revision of dormant investment portfolios. Likewise, it may well establish the much desired confidential basis of contact between salesman and prospective client.

In working out a comprehensive program for participating in the benefits of the current tax-switching period, special attention is called to the very excellent and

inexpensive Capital Gain and Loss Tax Form published by the Monthly Stock Digest Service, 89 Broad Street, New York City.

This form makes it very easy for the customer to work out his gain and loss position and clearly reveals opportunities for reducing tax liability. It explains, simply and concisely, the capital gain and loss provisions. It provides space for computing the customer's status based on transactions already recorded this year. Further, it enables the customer to take a "gain and loss" inventory of his present investment holdings.

In past years, very many firms found the Tax Form extremely helpful in opening new doors and for directing tax-switching business their way. This year, it should be even more so. People are tax conscious and do not have to be "sold" on the idea of analyzing their situations. By providing them with the tool—a Tax Form—for making their analyses, salesmen certainly should make their expenditures of "shoeleather and salesmanship" decidedly more productive.

Asks That Dealers Handle Defense Bonds

A plea that stock brokerage firms be permitted to handle Defense Bonds purchases for the convenience of their clients was contained in a letter directed to the Secretary of the Treasury, Henry Morgenthau, Jr., by Thomas B. Meek, President of the Association of Customers' Brokers. The letter follows:

The Association of Customers' Brokers of New York has instructed me to write you endorsing the recent action of the Association of Stock Exchange firms in urging that the sale of Defense Bonds be handled through stock brokerage firms.

Our Association, as you may know is composed of men who are engaged in handling securities business for the public and our membership is drawn from the majority of commission firms doing business on the New York Stock Exchange.

Since Defense Bonds were put on sale many firms as well as individuals in this business have been recommending to their clients inclusion of these bonds in security portfolios.

Frequently clients ask us to make purchase of Defense Bonds for them and we believe that it would be a matter of convenience to the public as well as an aid to Defense Bonds sales, if we were permitted to handle these transactions.

It is our belief that no commission should be charged for such service. We hope to hear of your favorable consideration of this matter.

Old Ben Coal Bonds Recommended

The current situation for the first mortgage 6s, 1948, of Old Ben Coal Company, should be of particular interest to dealers, according to a memorandum just issued by Scherck, Richter Company, Landreth Building, St. Louis, Mo. Recent developments should make these first mortgage sinking fund 6s attractive at present prices to many investors who did not feel justified in assuming the risks involved two years ago, the memorandum states. Copies of the memorandum and a detailed analysis, including map of properties and description of oil fields, will be sent to dealers on request by Scherck, Richter Co.

FAVORABLE STATUS OF INSURANCE STOCKS UNDER THE REVENUE ACT OF 1941

A timely memorandum discussing this important factor in the outlook for equities is available, on request, to dealers and salesmen interested in Insurance Stocks.

PRIMARY MARKETS IN INSURANCE STOCKS

HUFF, GEYER & HECHT, INC.

67 Wall Street Telephone Whitehall 3-0782 New York
Bell System Teletype—NY 1-2875
10 Post Office Square, Boston—Hubbard 0650

NATIONAL SECURITIES SERIES

Bond Series—Low-Priced Bonds
Preferred Stocks—Income Series
Low-Priced Common Stocks

First Mutual Trust Fund

Prospectuses upon request

NATIONAL SECURITIES & RESEARCH CORPORATION

One Cedar Street, New York City

Investment Trusts

The only proper test for an investment trust is to compare its results with those of individual investors. The 6½ year record of an individual account, which is interesting for comparative purposes, has been analyzed by the distributors of Commonwealth Investment Company. In this account, between January, 1935 and June, 1941, there were transactions in 69 blocks of securities, in 47 of which profits were recorded.

Through this account (averaging about \$20,000) passed many highly-rated issues and market leaders: Montgomery Ward, General Electric, General Motors, Standard Oil of New Jersey, to name a few. Profits were actually taken, or were available at the end of the 6½ years on 47 of the 69 blocks. Losses were realized or existed at the end of the period on only 22 of the 69 issues. Yet the net investment result of the 6½ year period was a loss of \$1,637.

This net loss occurred despite the fact that the account was well diversified at all times for a small account—the largest single investment at one time totalling \$4,200, on which a good profit was made; despite the fact that profits were realized or available on over twice as many blocks as were losses.

The distributors of Commonwealth Investment Company—North American Securities Company—reports that this particular investor decided to sell all his individual securities and place all the proceeds in Commonwealth and two other well-managed mutual funds, based on the following considerations:

1. The better results obtained by the mutual companies as proven by the actual record.
 2. The obtaining of much broader diversification than was possible with individual securities.
 3. An income return equally as good from the mutuals and more uniform and dependable than from individual holdings.
 4. No need to make decisions on purchases and sales of individual securities.
 5. The hiring in effect of three full-time, experienced management organizations to supervise his funds.
 6. A reduction in buying and selling costs, for odd-lot brokerage, commissions and taxes on individual transactions more than equalled the original load on mutuals over a period of years.
 7. No profits or losses to report for income tax purposes and no taxes to pay for net gains. (He was usually paying taxes on profits even though many securities in the account showed book losses.)
 8. Material reduction in record keeping of dividends and individual transactions.
 9. The ability to liquidate all or part of his interest in the mutuals at any time at net asset value.
 10. The ease with which additional capital could be invested since the shares of these three mutuals involved are always available.
- It is this type of investor that the mutual trusts can serve best, and on which they rely for their

FUNDAMENTAL INVESTORS, INC.

PROSPECTUS ON REQUEST

HUGH W. LONG and COMPANY

INCORPORATED
15 EXCHANGE PLACE JERSEY CITY 634 SO. SPRING ST. LOS ANGELES

future development. A study of this 6½ year record may be helpful to other investors in the same position.

Investment Company Briefs

Lord, Abbott's authoritative Background analyzes the railroad outlook in its September issue. The study emphasizes the more realistic approach of government regulation in recent years and says in part:

"The recent increased activity of railroads owing to rearmament and aid-to-the-democracies has considerably improved the operating revenues and also the net returns of Class I railways. Reorganizations have made progress and some roads are now more satisfactorily capitalized than ever before in their history. The Transportation Act of 1940 has recognized the necessity of treating the railroads and their main competitors, motor and water traffic, on an equal basis. The Act has further encouraged companies to proceed with consolidation programs in accordance with their own ideas, thus definitely abandoning previous thoughts of maintaining every mile of trackage once created, whether profitable or not. In other words, the railroads are recognized as having left their historic status of monopoly and have been granted the rights of a type of enterprise threatened and crowded today by less costly and more profitable means of transportation."

The importance of tax savings under the new revenue law is being stressed on all sides. Hugh W. Long and Company, distributors of New York Stocks, Manhattan Bond Fund, and Fundamental Investors points out in a letter to investment dealers that a reduction of \$1,000 on a \$10,000 net income will mean a tax saving of \$226 and a similar reduction on a \$50,000 net income would mean a tax saving of \$590.

Many investors can take long-term or short-term losses on some of their investments, thereby effecting considerable tax savings (Continued on page 507)

NATIONAL INVESTORS CORPORATION

Prospectus on request

PYNE, KENDALL & HOLLISTER
484 Bloomfield Ave.
Montclair, N. J.

MANHATTAN BOND FUND
INC.
PROSPECTUS ON REQUEST
Wholesale Distributors
HUGH W. LONG and COMPANY
INCORPORATED
15 EXCHANGE PL. JERSEY CITY 634 SO. SPRING ST. LOS ANGELES

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.

Want to Sell Insurance Stocks?

If you do—make your presentation brief. There is no finer group of investments in this country today. Most alert dealers and securities salesmen know this is a provable fact. The general public, however, still has much to learn about the many advantages of the various leaders in the fire and casualty field. If you wish to go into the details of the insurance business, quite naturally, any presentation of the securities of the various companies becomes complicated. This is confusing to the investor. Loss ratios, reinsurance, the different types of coverage, unearned premium reserves, etc., etc., are essential parts of the total information any dealer and salesman should have before he makes an offering to his client—but the less he says about them the better.

So sidestep the details. The record of the leading companies in the fire and casualty insurance field speaks for itself. Enough, to say that the insurance business is, basic; without insurance our modern industrial civilization stops—completely. It's the truth! Enough to say that PRIORITIES DO NOT AFFECT IT—and if you

don't think your clients realize how important this factor is to them now—it's time you brought it to their attention SHARPLY. Enough to say that STRIKES ARE NOT HANDICAPPING THE INSURANCE BUSINESS. Put it this way, "The labor racketeers have never yet been able to invade the field of the intelligent, highly skilled and well-compensated insurance specialists who staff our major Fire and Casualty companies."

Then show the record. Procure a briefcase, loose-leaf is to be preferred. Select a minimum of fifteen outstanding insurance companies that you particularly favor. Set up their history and outstanding characteristics like the following sample.

THIS COMPANY HAS PAID DIVIDENDS EVERY YEAR FOR 68 YEARS

Home Insurance Company

Capital—\$15,000,000 Surplus—\$42,855,000
Organized in 1853, the Home Insurance Co. is the largest fire insurance institution in the Western Hemisphere. The company is licensed in all states, also Alaska, Hawaii, Puerto Rico, Canada, Cuba and Panama. It is reported to have some 17,000 agents of its own and it participates in the business written by the approximate 40,000 agents of the Home "Group" of companies. The policy holders rating assigned to the "Home" by the Alfred M. Best Co. is "A-plus," the highest given. In 1940, the Home reported the highest premium income in its history totaling over \$66,000,000.

As of Dec. 30, 1940

Reported Total Assets per Share	Total Assets	Reported Liquidating Value per Share
\$44.75	\$135,256,086.00	\$27.58

Capitalization consists solely of 3,000,000 shares of \$5.00 par, capital stock

Percentage Distribution of Assets, Dec. 30th, '40	Regular annual dividend rate \$1.60 (including extras) payable S. A. February and August. At current market yield about 4.75%.
Real estate and mortgages... 0.3%	Set each company up in this manner—page after page. Let the record speak for itself. There is nothing like it in all the annals of any other American industry.
U. S. Government bonds... 4.1%	Sit down with your client—then turn the pages. North River, continuous dividends for 102 years; Franklin Fire 110, Aetna for 34, Agricultural for 77, American (of Newark) for 69, Continental for 88, Insurance Company of North America for 67, Hanover for 88, National Liberty for 81, National Fire for 69, Security of New Hampshire for 47, Westchester for 70, and these are only the beginning of a long list of companies that make up the insurance stocks available for investment where the yields in these days of vanishing interest rates are still from four to as much as five per cent.
Other Bonds... 9.0%	If you don't think this method of presentation will prove itself—"we know of a salesman in New
Preferred stocks... 13.3%	
Railroad com. stocks... 3.4%	
Public Util. com. stocks... 3.7%	
Bank stocks... 2.2%	
Industrial com. stocks... 23.9%	
Subsidiary com. stocks... 12.2%	
Cash... 26.7%	
Other assets... 1.2%	

Segregation of Premium Income	
Fire... 46.4%	
Motor vehicle... 37.7%	
Tornado and Winds... 5.4%	
Inland Marine... 3.3%	
Hail... 3.2%	
Ocean Marine... 2.6%	
Miscel... 1.4%	

5 year average earnings 1936-1940	
\$2.08	
1940 Earnings	
From investment	Underwriting profit
0.24	1.58
Total \$1.92	

Guy A. Nelson with E. H. Rollins & Sons

(Special to The Financial Chronicle)
MINNEAPOLIS, MINN.—Guy A. Nelson has become associated with E. H. Rollins & Sons, Incorporated, Northwestern Bank Building. Mr. Nelson for many years has operated the Guy A. Nelson Company in Minneapolis.

R. Kay Has Joined H. E. McMillin Co.

(Special to The Financial Chronicle)
CLEVELAND, OHIO—Richard Kay, formerly Vice-President and Secretary of Borton, Kay & Co., has become affiliated with H. E. McMillin & Co., Union Commerce Building, specialists in insurance stocks.

New S. Wales Bond Tenders

The Chase National Bank of the City of New York is notifying holders of State of New South Wales, Australia, external 5% sinking fund gold bonds, due April 1, 1958, that it will accept tenders for the sale to it at prices not exceeding their principal amount and accrued interest of an amount of these bonds sufficient to exhaust the sum of \$198,519.08 which is now held in the sinking fund. Tenders will be opened at the corporate trust department of the bank, 11 Broad Street, New York, at 12 o'clock noon on Oct. 8, 1941.

York City who showed ten fire insurance companies records set up in this manner to a large investor in securities who had never before bought a fire insurance stock. His first sale was for over 2,000 shares in five different companies—total investment over \$80,000. Customer is pleased—he should be—even though Dow Jones Industrial averages are down about 16% from the time the sale was made, the insurance stocks show a 12% appreciation, plus a 4.70% return during the interim.

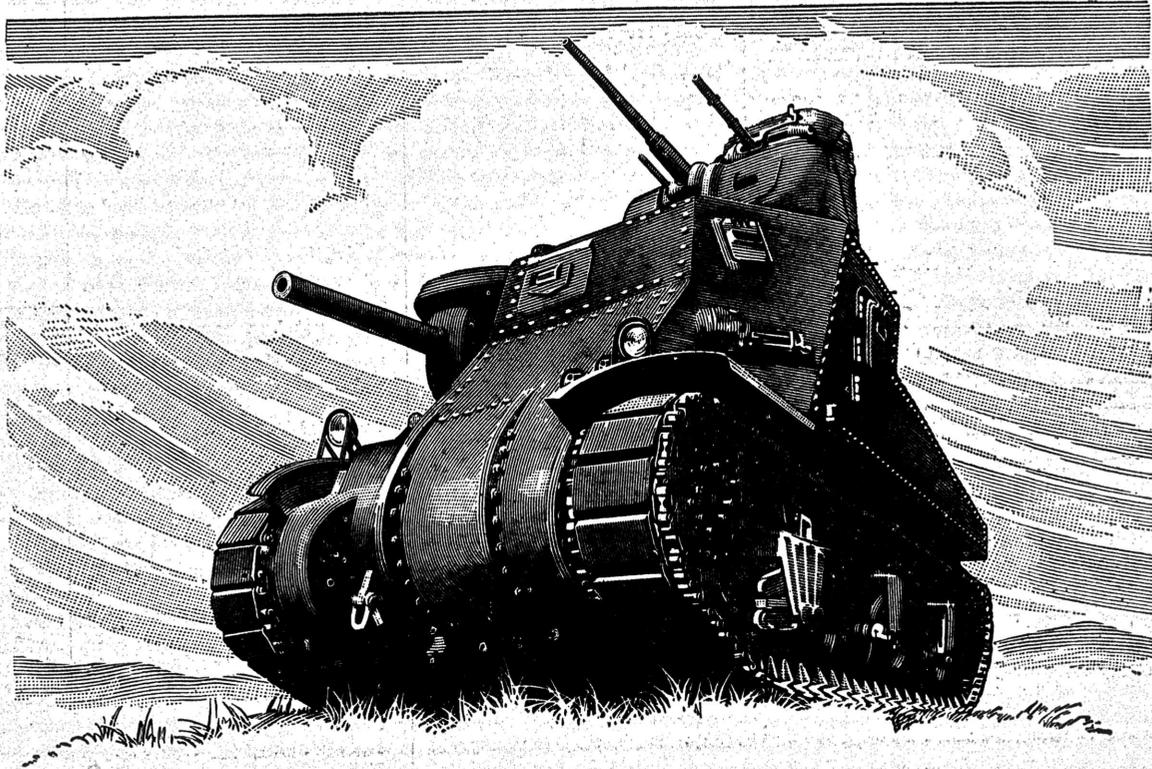
BUT MAKE YOUR CALLS AND SEE YOUR CLIENTS—UNLESS YOU DO, THE BEST IDEAS YOU'VE EVER HAD MIGHT JUST AS WELL BE FORGOTTEN.

FORMS for computing CAPITAL GAINS AND LOSSES

There's business-building dynamite in the Tax Act this year. At the greatly raised income tax rates, your clients—active, inactive, prospective—can't afford not to be tax conscious.

The Forms, which also carry simplified explanations of the Capital Gain and Loss provisions, have proved tremendous business-producers, even though trifling in cost. Write or phone for details.

MONTHLY STOCK DIGEST SERVICE
89 Broad Street New York City
WHitehall 4-7840



Behind Ramparts of Rolling Steel

Now, in this autumn of 1941, in mounting numbers come ramparts of rolling steel for our Armored Force from industries which once were devoted solely to the arts of peace. And from a host of other plants which even a few years ago were as remote from the making of munitions as they were from war itself come hundreds of no less essential contributions to defense.

As the national effort broadens, more and more of these often unsung industrial fighters for democracy play their vital parts. Behind them, in turn, stands the mobilized bank

credit of the country, speeding in many ways the great task at hand. For bank credit assists in converting plants to new uses, in helping to create additional plants, in making needed tools, in financing purchases of materials, in facilitating subcontracting and in dozens of other ways, all necessary to swift and sure completion of rearmament.

The Chase National Bank, in its manifold relationships with banking and industry throughout the country, is aiding in vigorous measure in the rearming of the nation.

THE CHASE NATIONAL BANK OF THE CITY OF NEW YORK

Member Federal Deposit Insurance Corporation

"All Out" Taxation Needed to Pay For Defense without Inflation

The necessity of action to avert inflation was stressed by Secretary of the Treasury Morgenthau, in an address before the annual Convention of the American Bankers' Association at Chicago on Oct. 2, at which time he said that "the most important task of American bankers lies immediately ahead, and it is a broader and bigger task than any you have yet been called upon to perform. That is the task of doing everything in your power, not only as bankers but as influential and respected leaders in your communities, to fight this evil of inflation wherever it rears its head."

In his address Secretary Morgenthau stated that "under the impact of our comparatively modest expenditures up to now, our national income has increased by \$14,000,000,000 in a year, and we are feeling all the preliminary symptoms of a serious price inflation. What will the inflationary forces be six months from now," he said, "when we shall be spending much faster and when the supplies of materials for civilian use will be smaller than they are today? Where will prices be then, if we do not act courageously to check them now?" He went on to say that "it is imperative that we set aside a great part of that national income, and especially the increase in the national income, if we are to put an effective brake upon inflation."

Mr. Morgenthau told the bankers that "our indispensable method of paying for defense without inflation is "all-out" taxation, a method that has not yet been tried in spite of the good start that Congress has made in raising \$3,500,000,000 in additional revenue. With the help of the new Revenue Act of 1941," he noted "our tax structure will yield about \$14,000,000,000 in revenue, but in my opinion it still contains many fine qualities and many omissions which will have to be corrected next year." Secretary Morgenthau went on to say—

The tax bill next year will have to a genuinely "all-out" bill, a genuine levy upon all in accordance with their ability to pay, if it is to raise the necessary revenue, place the necessary check upon inflation, and take the profit out of war.

The second indispensable method of drawing off excess consumer purchases is by borrowing as much as possible from the genuine savings of individuals throughout the country. I know I can count on your wholehearted cooperation whenever we have to come to your banks for funds. The way to proceed now, however, is to finance our needs as far as possible without adding unnecessarily to bank deposits, to borrow instead from private investors, large and small, and thus to reduce the inflationary pressure of our swiftly rising national income.

The Defense Savings Program has now been in progress for five months. It has yielded us a billion and a half dollars from two and one-half million individual investors. The result so far is certainly not below our expectations, but just as certainly it falls far short of our needs. It falls short especially in that it has only begun to reach workers' payrolls. Every one of the great national labor organizations has given its endorsement to systematic saving and voluntary payroll allotment plans are now in operation in more than five thousand companies employing between five and six million workers. Our strongest efforts must now be made in our great industrial centers, and must be directed at the good sense and patriotism of the workers themselves.

I can find no usefulness, for our present purposes, in the old Liberty Loan method of fixing money quotas for communities,

trades, labor unions, school-classes or individuals in this Defense Savings Program. I can see no value, either in terms of economics or of morale, in high-pressuring people to take money out of banks savings accounts or out of life insurance. But I do see a great benefit, financial and moral, in persuading spenders to set aside, systematically, week after week, a part of their current income for their own good and their country's good.

The kind of spending that the Treasury is most anxious to divert into Defense Savings Bonds is the spending produced by pay increases and bonuses, and by increased dividend payments. I should like to offer as a suggestion, for example, that every Christmas bonus in the United States be paid in Defense Savings Bonds or Stamps this year. The banks of America can start the fashion so that it will sweep the country. The total amount of such bonuses may be small, but there could be no finer example to the public, no more striking reminder of the spirit of these times, no better safeguard for the days of economic strain that are sure to follow the war.

We at the Treasury believe that the voluntary Defense Savings Program has already awakened a greater sense of pride in America and a greater sense of participation in the national effort. We shall continue along that road of voluntary cooperation, and I am perfectly confident that we shall reach vast numbers who are willing and eager to put their savings to work for their country.

In this effort the Treasury will continue to depend greatly upon the bankers of America, not only as its agents in selling Defense Bonds but also as missionaries in spreading the gospel of savings in times like these.

There are no commissions for bankers in this work, and you have asked for none. But in order to enable you to give wider distribution to Defense Savings Bonds, I am happy to announce to you this morning that it will no longer be necessary for you to put up collateral for the Series E bonds which you keep in stock for customers. I hope that this will relieve the banks, especially the small banks, of a real burden, and I hope that you will not hesitate to tell us at the Treasury of any similar burdens which you feel may be hampering you in the sale of these bonds.

Wider savings and greater taxes will not, of course, be enough in themselves to cope with the inflation that now confronts us.

You have seen the joint statement issued last week by the Federal Reserve System and the Treasury, dealing with the raising of bank reserve requirements to the limit of the law, and pledging full cooperation with the Office of Price Administration and the new Supply and Priorities Allocations Board.

That joint statement was a reminder of the fact that the Government already has powerful weapons of control in its hands, and that if it needs more power it will ask Congress for

whatever it needs, in the fight against rising prices and falling living standards. It is now asking for additional power through the price-control bill, which I hope will be passed by Congress without delay.

I have already suggested an extension of the social security program as a possible method of absorbing several billion dollars of next year's national income and thus building a further reserve for the future. I have already suggested, not once but repeatedly, that the Government cut down immediately on non-defense expenditure, not only as sound financial policy but as sound anti-inflationary practice.

Of course, such a combination of emergency taxes, priorities, savings and price-control will cause some inconvenience; of course it will cause some hardship, some sacrifice. We are now engaged in a world struggle that demands all our energies and all the qualities that have made America great. As a result of that effort we are compelled to fight another enemy, the enemy of inflation, on the home front. How can we hope to win unless we first throw onto the rubbish heap all ideas of business as usual, pleasures as usual and comforts as usual? In my opinion, complacency is our major source of weakness today in building our defenses, for it saps our will and clouds our minds, and blinds us to the stupendous size of the job that confronts us.

We can conquer inflation on the home front if we act now, just as we can ensure the defeat of foreign tyranny if we rouse ourselves in time. Most Americans, I think, are beginning to see that they have a personal

stake in the fight against inflation, just as most of them began long ago to see their individual stake in the destruction of the Axis war machine. I am confident about the outcome on both fronts, because I have a deep and abiding faith in the common sense of the American people.

Earlier in his remarks Secretary Morgenthau stated that "we now know that the inflation of a quarter-century ago, with all of its injustices and dislocations, could to some extent have been avoided if the Government of those days had acted more promptly, if it had taxed more heavily and borrowed more widely from genuine savings." He further stated:—

When the inevitable collapse came, no fewer than 2,910 banks with 790 million dollars of deposits were compelled to suspend operations in the five-year period from 1921 to 1925. Humpty Dumpty had fallen from the top of a very high wall, and many years of effort were needed to pick up the pieces. It is our job at the Treasury and the Federal Reserve, and yours as custodians of the people's money, to make sure that any present-day descendants of Humpty Dumpty shall not go climbing up that wall of expanded credit and higher prices again.

That is why my first plea to you as bankers is that you scrutinize closely your own lists of applications for loans. Those lists contain within them much of the ammunition of inflation. You have in your hands, therefore, one of the most effective weapons for checking inflation at its source. You are sure to find, on looking over your lists, many applications for money for non-defense projects that would involve competition for steel or copper or any of the thousand and one materials now needed so desperately for our defense effort. If you can postpone all such unnecessary loans until a later day, without waiting for the priorities to become broader, you will be doing a real and lasting service to your country.

I hope that in the not too distant future the priority system will become so effective that the supply of practically all raw materials for all pur-

poses will be under full control in the interests of national defense. That should mean that materials which must be used for defense purposes will not go into any unnecessary civilian projects. But until that day comes, I hope that you will constitute yourselves the sentinels of the nation, in your own bank and your own community, in guarding against any private encroachment upon the stock of resources needed for the National effort.

Pointing out that "defense expenditures have now risen slowly to more than a billion and a quarter dollars a month," Secretary Morgenthau added:

They will soon be a billion and a half, but even then they will be utterly inadequate compared to the need. Perhaps "inadequate" is too mild and charitable a word. We are trying to make ourselves the arsenal of democracy by devoting only 20% of our factory and mining output to defense, only 30% of our output of durable goods, only 10% of our output of non-durable goods, and only 16% of our national income. That surely is very far from total defense or all out effort.

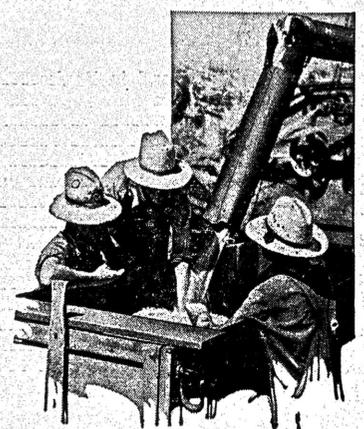
Nobody can emphasize too often or too strongly the magnitude of the job which we American people have set out to do. Let me give you a few simple illustrations. At present prices the cost of the total defense program as now planned, will be more than 50 billion dollars. This is 10 billion dollars more than the original value of all building construction in the United States since 1927. It is twice as much as the total investment in American railways. It is twice as much as the total value of all passenger automobiles produced in this country during the past 14 years.

Yet there is no reason whatever for us to be discouraged, over the mere size of the job ahead. In spite of a slow start, we are now on the road to an expansion of production which will confound those of narrow vision and little faith who cried, "It can't be done." The capacity of America to produce over the long pull is almost limitless. We Americans can do any job that we set ourselves to do.

GOOD FARMERS ARE A... *Good investment*

SINCE ORGANIZATION eighteen years ago the twelve Federal Intermediate credit banks have supplied good farmers with nearly five and one-quarter billion dollars in credit to carry on their current operations. In thus bringing together desirable credit needs, these banks counterbalance loans to—cotton and tobacco growers in the south, dairymen in the northeast, cattle and lamb feeders in the mid-west, fruit raisers and range owners in the far west, and for other essential agricultural purposes the country over.

Capital to finance this accommodation is obtained through the sale of consolidated debentures, which are the joint and several obligation of the twelve banks. The reliable record of good farmers and inherent strength of the issuing institutions have been important factors in establishing the debentures on a sound investment basis.



THE FEDERAL INTERMEDIATE CREDIT BANKS

SPRINGFIELD, MASS. COLUMBIA, S. C. NEW ORLEANS, LA. ST. PAUL, MINN. WICHITA, KAN. BERKELEY, CAL.
BALTIMORE, MD. LOUISVILLE, KY. ST. LOUIS, MO. OMAHA, NEB. HOUSTON, TEX. SPOKANE, WASH.

Further information regarding the Debentures may be obtained from

CHARLES R. DUNN, Fiscal Agent

31 Nassau Street, New York, N. Y.

American Bankers Association

OFFICERS

1941-1942

President



H. W. Koenke

1st Vice-President



W. L. Hemingway

2nd Vice-President



A. L. M. Wiggins

Treasurer



Wm. F. Augustine

Executive Mgr.



Dr. Harold Stonier

Senior Deputy Mgr.



Frank W. Simmonds

General Counsel



D. J. Needham

Secretary



Richard W. Hill

Henry W. Koenke, President Security Bank of Ponca City Elected President of ABA

Henry W. Koenke, President of the Security Bank of Ponca City, Okla., was elected President of the American Bankers Association at the closing session of its 67th Annual Convention in Chicago on Oct. 2. Mr. Koenke was advanced from the office of First Vice-President, which he filled last year.

W. L. Hemingway, President of the Mercantile-Commerce Bank and Trust Co., St. Louis, was elevated from Second Vice-President to First Vice-President. A. L. M. Wiggins, President of the Bank of Hartsville, Hartsville, S. C., was elected Second Vice-President. Mr. Wiggins has been Chairman of the Association's Committee on Federal Legislation for the past three years.

At a meeting of the Executive Council of the Association William F. Augustine, Vice-President of the National Shawmut Bank of Boston, was elected Treasurer of the ABA.

In his inaugural remarks President Koenke said in part:

With the close of this convention, the Association enters the 67th year of its existence. It has lived on through wars, panics, days of prosperity, and through times of deep pessimism. It is among the ten oldest of the 2,500 organizations of its kind in existence today. On the other hand, during its lifetime it has seen many hundreds of other organizations live for awhile and perish. Therefore, we may speak of our Association as an institution, but unlike many institutions, it is not the shadow of any one man. Through the years hundreds of men have given of their time and energy to the advancement of the Association's welfare. Each administration builds on what has gone before. On this platform tonight are a group of men who as Presidents in former years have each contributed their share to the advancement of the Association's prestige. I am deeply grateful to you for the opportunity this position affords me to give all I have to the cause of chartered banking through the work of the organization.

Beginning in 1936, the American Bankers Association undertook a regional conference program to carry the manifold services of the organization to the bankers in every section of the country. These meetings have been in the nature of small conventions and have been a splendid service to the banks all over the nation.

During the ensuing year we expect to continue this program and, in addition, add another service of a similar character for the member banks. The added activity will be the intensive study and discussion of some highly important services, which banks are rendering to the public at the present time. These meetings will be in the nature of clinic sessions wherein one or two days will be devoted to the consideration of a single subject. Problems of urban real estate mortgages, agricultural credit, consumer credit, operating technique, insurance and protection and customer relations will be among the topics considered in this manner.

Having spent most of my business life in areas where many of our country banks carry on the banking service of the nation, I am anxious that these banks become aware of the many advantages which can come to them through membership in the American Bankers Association. The clinic sessions will prove a splendid vehicle to carry out this objective.

In addition to its responsibilities to its members, the American Bankers Association has an obligation to the people of the country as a whole. These are emergency hours. The government must depend on its citizens and their respective organizations during such times to render patriotic service whenever needed. During the past year the Association has performed work for the government that was not even thought of when we left our convention twelve months ago.

In all our plans, therefore, for the year ahead we have this fundamental reservation — everything may be changed to enable us to do our part in the nation's defense program. The welfare of the country transcends all else.

On a number of occasions during the life of this Association beginning in 1875 we have answered the nation's call. Uncle Sam can depend on us now just as in the past, for this organization is still the American Bankers Association.

R. Stockton New ABA Trust Division Pres.; Theis Chairman of Executive Committee

Richard G. Stockton, Vice-President and Trust Officer of the Wachovia Bank and Trust Co., of Winston-Salem, N. C., was elected President of the Trust Division of the American Bankers Association at the annual meeting held at Chicago on Sept. 29 during the convention of the American Bankers Association. Mr. Stockton was elevated from the office of Vice-President, which he held during the past year. Louis S. Headley, Vice-President of the First Trust Co. of St. Paul, Minn., was elected Vice-President of the Division. Henry A. Theis, Vice-President Guaranty Trust Company of New York, New York City, was elected Chairman of the Executive Committee of the Trust Division. According to precedent, Mr. Theis will become respectively Vice-President and President of the Trust Division of the American Bankers Association in the succeeding two years.

Mr. Theis was born in Germania, Pa., in 1884, and was graduated from Lafayette College with honors in 1904. He joined

the Guaranty Trust Co. in 1904 and worked in various departments until 1907, when he left the company to go with the Franklin Society for Home Building and Savings, of which institution he became Vice-President and General Manager. He returned to the Guaranty Trust Co. in September, 1918, and was appointed an Assistant Trust Officer. He was made an Assistant Vice-President on Feb. 11, 1926, and a Vice-President on June 9, 1927.

Mr. Theis was one of the original members of the Fee Committee of the Corporate Fidu-

(Continued on Page 504)

Statement, September 1, 1941

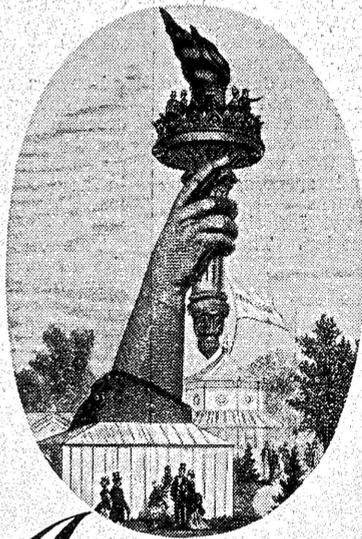
THE DIME SAVINGS BANK OF BROOKLYN BROOKLYN, N. Y.

RESOURCES

Cash on Hand and in Banks	\$14,228,035.06
U. S. Government Obligations	57,880,316.96
Bonds of States	416,626.23
Bonds of Cities	10,606,022.84
Bonds of Counties	1,693,329.76
Bonds of Towns	612,313.70
Bonds of Railroads	6,982,171.62
Bonds of Public Utilities	6,009,018.51
Investment in Savings Banks Trust Company and Institutional Securities Corporation	1,247,850.00
Bonds and Mortgages	133,981,088.01
Banking Houses	3,429,800.00
Other Real Estate	4,498,905.00
Interest Due and Accrued	1,491,945.85
Other Assets	7,791.89
	\$243,085,215.43

LIABILITIES

Due 205,666 Depositors	\$203,421,031.24
Due 31,887 Christmas Club Depositors	1,216,109.25
Reserves	1,819,370.00
Other Liabilities	943,369.85
	\$207,399,880.34
Surplus (Investment Value)	\$ 35,685,335.09



← The right forearm of the Statue of Liberty arrived first in this country in 1876 for display in the Centennial Exposition at Philadelphia.

It was then removed → to Madison Square Park on Fifth Avenue in New York (extreme right in picture). It remained there until 1884 while funds were raised for the base of the Statue.



↓ The arm was returned to France for completion of the entire Statue which subsequently arrived at Bedloe's Island and was erected late in 1884. The raising of this symbol of liberty was considered quite an engineering feat in its day. Keeping its flame burning brightly to warm and encourage all lovers of freedom is the quiet determination of 130 million people.

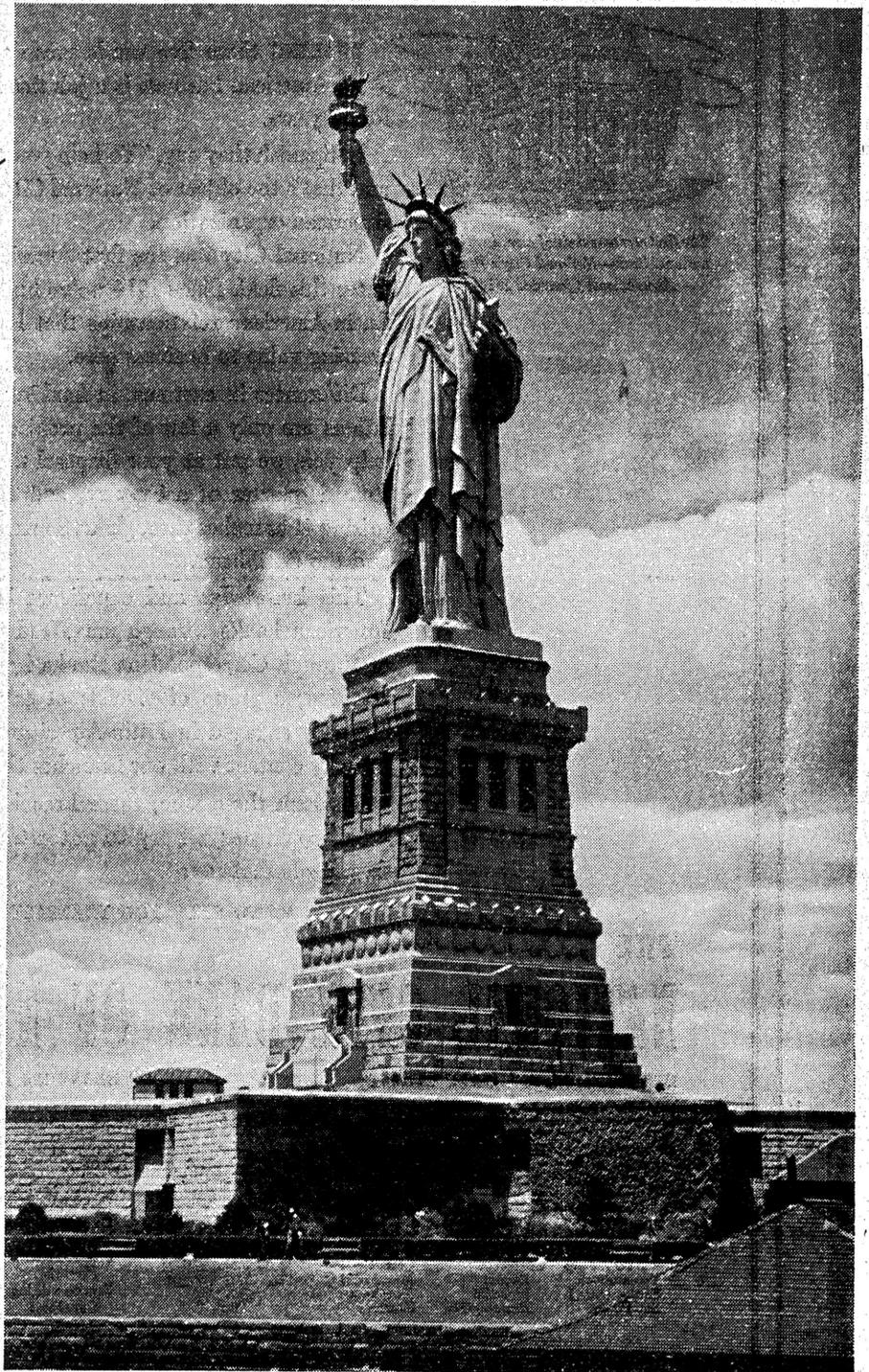
Insuring Democracy

THROUGH good times and bad since 1853 this institution has been providing sound insurance protection to American property owners. We believe this entitles us to the claim that we know something about good insurance. Of all the forms of insurance that serve the individual none can compare with the finest kind of insurance that will serve us all—United States Defense Bonds. For the safest investment in the world—for insurance that will help safeguard our liberty—Buy United States Defense Bonds.

★ THE HOME ★
Insurance Company
NEW YORK

The Home, through its agents and brokers, is America's leading insurance protector of American Homes and the Homes of American Industry

FIRE • AUTOMOBILE • MARINE INSURANCE



ABA Warns Against Destroying Incentive

Commendation by the American Bankers' Association of "the policy of the Federal Government to meet a large proportion of the cost of the defense effort through taxation," was contained in resolutions adopted by the Association on Oct 2, which, on the subject of taxation added:

This is sound public policy. It is necessary, however, that in determining types and methods of taxation the burden should be distributed equitably over the whole population. Unless those who receive increased wages and profits from defense pay proportionate

taxes, their spending will be inflationary. Unless all of the people share knowingly in paying Federal taxes, spending will become politically uncontrollable. Representation without taxation may be as vicious as taxation without representation.

Equally, it is necessary that the power of taxation must not be used to destroy enterprise, which is the only source both of taxes and of the unparalleled standard of living of this country. While a heavy burden of taxes may be necessary, each tax must be scrutinized to make

sure that it does not destroy either enterprise itself or the incentive for enterprise.

It was pointed out in the resolutions that the United States today faces two major tasks:

The first is to speed up the defense effort, to turn out ships and planes and tanks and guns more rapidly. This means concentrating more on defense and less on luxuries and comforts.

The second task is to avoid unbalancing our economic machinery by this vast defense activity and spending. The Treasury warns that inflation threatens now. Inflation means later depression. These dan-

gers can be avoided, but only by persistent, intelligent, and united effort.

To both of these tasks the bankers of the United States pledge their full support.

Other matters as to which the Association went on record in its resolutions were the following:

Bank Lending Policies

Bankers are aiding the Defense Program by loans for the erection of defense plants, and for the purchase of raw materials and the payment of wages in the defense industries. Such loans have reached huge sums and continue to mount.

This Association recognizes the important assistance that may be rendered by sound credit in stimulating the increased production of "Food and Feed for Defense." Bankers will work with the farmers of this country to attain the higher production required. We reaffirm the position that in agricultural credit, as in other fields, government lending agencies should supplement and not supplant the banks.

Banks are observing both the letter and the spirit of the new regulations for controlling installment credit.

This is a time for liberal lending for defense and for conservative lending for all other purposes. This is a time when in their own interest people generally should be paying their debts instead of borrowing more.

This particularly is a time for bankers to keep their own houses in order and to avoid credit expansion for excessive inventory accumulation or for other speculative purposes. This objective can be attained best through our voluntary cooperation rather than by government regulations.

Small Business and Defense

No man knows better the problem of the small business man than does his banker. Small business has a vital role in defense. Bankers have aided and will continue to aid in speeding expansion of the defense program through sub-contracting to small business and the "bits and pieces" plan.

Defense Savings Bonds

Bankers endorse the effort of the government to borrow directly from its citizens through the sale of defense savings bonds, stamps, and tax anticipation notes. This is a sound step in resisting inflationary credit expansion. Banks are cooperating vigorously in the sale of these obligations as a public service and without profit. In their own self interest we urge all citizens to buy all three issues.

Price Control

A policy of controlling inflation must include direct control not only over prices, but also over the cost elements which are the cause of prices. Such controls must be equitable. No pressure groups should be allowed to obtain unfair advantage over other citizens in a less favorable position to exert political pressure. We believe all of our people are prepared to cooperate in proposals which are fair and just to all, but we believe that complete cooperation is dependent upon the fairness and justice of the program adopted. There must be no exception; there must be equality of sacrifice.

Non-Defense Spending

This Association heartily approves the creation by the Congress of a joint Committee to investigate Federal expenditures and to recommend the reduction of non-essential spending at this time of emergency. When men in the service, taxpayers, businessmen, and others are being asked for sacrifices, the agencies of Government

(Continued on Page 499)

* PARA AYUDARLE EN SUS NEGOCIOS



The first overseas unit of any American national bank—National City's Buenos Aires branch (founded 1914)

MAKING these five words mean something helpful to American business is a job this bank has been doing for 27 years.

In Spanish they say, "To help you transact business"—and that's the object of National City's widespread Latin-American organization.

National City was the first American national bank to enter this field. Since 1914 we've built up a knowledge of Latin-American relationships that is proving to be of increasing value to business here.

Differences in customs, in banking and exchange regulations are only a few of the problems business faces. To help you, we put at your disposal the experience of more than a quarter of a century, and an organization comprising 41 branches throughout South and Central America and the Caribbean.

This knowledge and experience is at the disposal of American banks through our Head Office in New York, or through Correspondent Banks from coast to coast. In addition, a group of officials at our Head Office is exclusively engaged in Latin-American relationships and is in daily contact with our branches there.

Through these men, these branches and this accumulated experience, we try to put extra meaning into those five words that say:

* "TO HELP YOU TRANSACT BUSINESS"

THE NATIONAL CITY BANK OF NEW YORK

HEAD OFFICE: 55 WALL STREET

67 BRANCHES IN GREATER NEW YORK

LATIN AMERICAN BRANCHES

ARGENTINA Buenos Aires (Sub-branches) Flores Plaza Once Rosario	CANAL ZONE Balboa Cristobal	CUBA Havana (Sub-branches) Cuatro Caminos Galiano La Lonja Caibarien Cardenas Manzanillo Matanzas Santiago	DOMINICAN REPUBLIC Ciudad Trujillo Barahona La Vega Puerto Plata San Pedro de Macoris Santiago de los Caballeros	MEXICO Mexico City	PERU Lima	REPUBLIC OF PANAMA Panama	PUERTO RICO San Juan Arecibo Bayamon Caguas Mayaguez Ponce	URUGUAY Montevideo	VENEZUELA Caracas
--	-----------------------------------	---	--	-----------------------	--------------	------------------------------	--	-----------------------	----------------------



ESTABLISHED 1812

Member Federal Deposit Insurance Corporation

BRANCHES, AFFILIATES AND CORRESPONDENT BANKS IN EVERY COMMERCIAL CITY OF THE WORLD

U. S. Free Enterprise Must Be Safeguarded

Pointing out that "we have on our statute books to-day laws that a great many of us sincerely believe are foreign to the ideals of democracy," Benjamin E. Young, Vice-President of the National Bank of Detroit, of Detroit, Mich., stated at the annual convention of the ABA in Chicago on Oct 1 that "these enactments are legal but I wonder if they are moral. Will they produce the greatest good for the greatest number of people over a period of time?" Mr. Young, who addressed the Round Table Conference on Defense Financing at the Convention declared that "a result of our social differences is that Government must do the job of control which a free people should do for themselves and did do for themselves for upward of a hundred years. Government will certainly continue to do this job unless that people quickly arrive at a reconciliation of their differences and exercise a self discipline, native to America, to a degree this country has not seen for many a year. Churchill called it 'blood, sweat and tears'; by the grace of God, so far, we are called upon only to work, save, lend and sacrifice."

Mr. Young continued: Commodity prices have shown a substantial rise. The demands of people for everyday goods is competing with defense production. As articles get scarcer they become more costly. The theory that we can have great quantities of consumer goods and yet have a defense production for the size projected has been proven to be ridiculous, but this does not mean that the production of every-day goods should be neglected during this period. And parenthetically, let me add that I am glad to learn that something is to be done to preserve the small businesses. One of the greatest protections we can have against runaway prices lies in the production of the maximum quantity of consumer goods. Another protection lies in the curtailment of their consumption by all of us. Another lies in heavy taxation applied against new-found profits resulting from our inflated economy, whether those profits rest in the hands of corporations, business men, farmers or workers.

There must be a broader understanding of these principles. It is hard to sit by and see farm and labor groups — many of whose ideas find commendation in the minds of most Americans — through demands running diametrically opposite to their own long term best interest and to those of the country as a whole — force a choice between outright inflation with its accompanying miseries for all, and governmental dictation or subsidization which, once inaugurated, will probably continue to invade the privacy of

every man's life. It was on account of such things that the colonies of the new world broke away from the old — dictation and subsidization of that sort is intolerable to the American way of thinking. Farmers, workers, business men—we all must come to understand that principle; we all must curtail our instincts for luxuries; we all must control our desires for extraordinary profits; we all must submit our incomes to a heavy but equitable taxation; we all must open up such means as we possess for governmental use during the period of this emergency if we are to emerge therefrom a solvent group of free men. We cannot prey upon each other except at a heavy cost. We must band together for the common good—we must preserve the essence of free enterprise—the farmer with the right to farm as his judgment dictates; the worker with the right to work at a job of his own choosing, the business man with the right to do business in a fair and upright manner.

It is unfortunate that we have on our statute books today so many laws that, in final effect, hamper these aims. Class legislation is a vicious thing, particularly in such a country as ours where we really have no classes. Such laws must be undone. Every one should realize that a temporary advantage gained by a group of people over their fellows will inevitably bring about a reaction in the long run. Unfortunately, such reactions do not stop at the point of balance. Always, they go to the point of persecution of the once favored group. In our country emotionalism has for many years supplanted cold reality in the making of our laws. Who among us can fail, in the light of history, to realize that thoughtless people for a long time to come will demand and secure retaliatory measures with the mistaken belief that justice is being done. Today, I conceive it to be our duty, as thinking citizens, to bring every possible influence to bear upon our law makers to correct such misconceived measures.

In these remarks I have tried to point out the principle factors which affect our economy at this early stage of our defense effort. There also has been pointed out the fact that governmental expenditures of

the size contemplated, while essential to the security of American sovereignty, can destroy the very thing we have set out to defend. We do not want that to happen and many Americans feel we already have traveled a road toward state socialism which must be definitely reversed.

We all agree, I am sure, that our President and our Congress are directing the national effort to a necessary end—national defense — whether prudently or wastefully, no layman can know. We could wish that history, as written during these past few years, were much different. Effort is demanded today to offset to the maximum extent possible the adverse effects of that history. What each man can do is purely up to him, and his willingness, and his ability.

We cannot afford to continue the process of inflating bank deposits to pay for the defense effort. To the maximum degree possible, the expense must be met by taxation. A broadening of the Selective Federal Sales Tax is undoubtedly required to help accomplish those ends and to raise a worthwhile sum of money.

Over and above taxes, considerable quantities of additional funds will be needed. Those funds should be provided from the savings of the country. Personal sacrifice on the part of every American is required in order to increase such savings for use in our common defense effort. Those funds, made available through the purchase of government securities by all of our people, represent the only sound way to finance our deficit. Many bankers labor under the misapprehension that such a process reduces bank deposits. That is not true for the banking system as a whole, generally speaking, as only the payment or shifting of government securities now held by banks, or an outflow of gold, or a liquidation of loans and investments will reduce the sum total of deposits.

Under present circumstances, new gold coming into the country should not be permitted to enter our monetary system and the payment of excessive prices for silver should be immediately discontinued. In view of the inflated condition of our monetary supply, it also would be a sound move were the President to relinquish his emergency monetary powers.

Mr. Young in his address also called to the attention of the bankers that during the 25 years ended in 1940, our Federal Government which acts in the capacity of general bookkeeper for all of us, failed by more than \$40,000,000,000 to balance the accounts between us. "By that I mean," he said, "that some of us owe others of us more than \$40,000,000,000 through the medium of the government's bookkeeping system." From his remarks we also quote:

That debt, represented by U. S. Government securities, had its origin, generally speaking, in two places: about \$15,000,000,000 represents unpaid costs of the last war; about \$27,000,000,000 represents unpaid costs of financing the depression. The depression was largely the result of the last war and that is why our problems of today cannot be ignored, lest their results stretch far into the years ahead. The presence of such a huge debt in our economy has far-reaching significance, but even more important is the fact that in managing the debt our Federal Government, through its fiscal policies, has gotten those accounts confused with the nation's monetary and banking systems. That is what happens when bonds representing governmental deficits are sold to commercial banks.

Along with our climbing debt, there occurred an unsettled world situation which caused foreigners to send gold to America. We received some of this gold through the shipment of goods and through the sale of equities in American industry.

Some of it was sent to us for safekeeping and we credited it to the accounts of foreigners. But however acquired, we took it into our monetary system.

The effect of the sale of government securities to commercial banks and of the absorption of gold in our monetary system increased the country's supply of money including bank deposits by more than 50% between June 30, 1933 and June 30, 1940. This increase was more than \$24,000,000,000 during that period. Of that amount, about \$12,000,000,000 was created by placing government securities with commercial banks so that a substantial part of the nation's depression deficit not only has not been covered by taxation but has never been funded out of the people's savings. It has been taken care of by inflating bank deposits which represent an integral part of our money supply.

As a result of those fiscal policies, we find ourselves in a situation which might be likened to the strewing of numerous fire-crackers in the yard of a family

(Continued on Page 499)

FULTON TRUST COMPANY OF NEW YORK

Main Office:
149 BROADWAY
(Singer Building)



Uptown Office:
1002 MADISON AVE.
(Bet. 77th & 78th Sts.)

Specializes in
Personal Trusts
and
Personal Banking

BOARD OF DIRECTORS

LEWIS SPENCER MORRIS, *Chairman of the Board*

EDMUND P. ROGERS, *Chairman of the Executive Committee*

ARTHUR J. MORRIS, *President*

JOHN D. PEABODY	HENRY W. BULL	CHARLES SCRIBNER
STANLEY A. SWEET	JOHN A. LARKIN	CHARLES S. BROWN
BERNON S. PRENTICE	O'DONNELL ISELIN	RUSSELL V. CRUIKSHANK
FRANKLIN B. LORD	E. TOWNSEND IRVIN	DE COURSEY FALGOUT
RUSSELL E. BURKE	STEPHEN C. CLARK	CHARLES J. NOURSE

Member Federal Reserve System and Federal Deposit Insurance Corporation

Banking Service
in Washington, D. C.

The Riggs National Bank

welcomes the opportunity to serve
Bankers, their clients and friends
in the
Nation's Capital

Robert V. Fleming
President and
Chairman of the Board

George O. Vass
Vice-President
and Cashier

Resources over \$160,000,000

Founded 1836

Member Federal Deposit Insurance Corporation

A LIVING TRADITION

Holding fast to the course of trusteeship and complete mutuality chartered by its founders, New England Mutual has come unshaken through every test of strength for a century: . . . has continued to provide distinctive life insurance protection and to increase steadily in strength and service to its members.

New England Mutual Life Insurance Co.

OF BOSTON

GEORGE WILLARD SMITH, *President*

FIRST MUTUAL LIFE INSURANCE COMPANY CHARTERED IN AMERICA

Financing of Massive Defense Program Should Be Done Through Normal Channels

Before the Round Table Conference on Defense Financing at the annual Convention of the American Bankers' Association at Chicago Oct 1, Mark A. Brown, Vice-President of the Harris Trust & Savings Bank of Chicago told the bankers that "it is difficult to comprehend the massiveness of this defense program. The bomber program alone," he declared, "calls for the creation in a limited number of months of an industry greater than the whole automobile industry of this country. The bomber industry alone will be, upon completion," he said "a greater industry than the whole of the automobile business of this country." In part Mr. Brown went on to say:

Put on top of that the tank business; the business of making tanks requires an industry greater than the whole of the General Motors outfit. And when you add to that the shipbuilding program, which calls for production of ships greater than the capacity in all the ship-

yards of the world in normal times, we are really looking into the future with determination to do a great big job.

Only 15% of our present industrial capacity is being used for defense. It is estimated that this percentage must be raised to 35 to 45%, which means trebling our present production of our capacity.

When you stop to think of when that thing trebles and then it trickles to the four corners of these United States, to the smaller communities, what an opportunity it presents for defense loans.

Our defense program is by far the most important factor in the prospects for the business of '41, and for a number of years ahead. As a nation, we have made two decisions which

will shape our course for a number of years forward. The first decision is that we will become a strongly armed nation on land, and at sea, and also in the air. The second is that we will extend unlimited aid to Great Britain and her allies, as authorized by Lend-Lease. Thus, the making of munitions has become our most urgent and important industry.

* * *

We heard a lot at the outset of this thing about what the rates on defense loans should be. A lot of bankers cursed Jesse Jones because he flared up with the 1½% rate, but that does not tell anything. That isn't a part of his story. You are justified in asking your customer for an interest rate that will pay you for the service

★

Assembly Lines of Defense

WHAT is taking place in the automobile industry today is perhaps best described by the observer who said: "The *difficult* thing can be done right away; the *impossible* will take a little longer."

So many feats of engineering and production have been performed by the automobile industry that few people realize how totally different from its normal operations are the defense jobs which the industry has undertaken to do.

Since the defense program was begun, Chrysler Corporation and other automobile manufacturers have assumed an increasingly substantial share of the load.

The responsibilities undertaken, and the great progress thus far made, cannot be measured in terms of dollars, nor men, nor machines, nor even deliveries to date. In fact, the production stage is just beginning—but to get so far so soon is in itself a notable achievement of planning, and building, and organizing on the part of this industry.

Chrysler Corporation's participation in the defense program has entailed, not only the designing

and building of new factories, the adaptation of existing facilities wherever possible, the designing, building and installation of millions of dollars worth of machine tools and other equipment, but also the shifting of important key men from domestic to defense work, and the training of thousands of others for exacting new skills.

The production facilities of all of Chrysler Corporation's Divisions—Chrysler, De Soto, Dodge, Plymouth, Engineering, Airtemp, Amplex, Parts—have been assigned important parts of its defense work, and they are contributing their individual and combined skills and experience.

Furthermore, just as Chrysler Corporation's productive facilities are being widely utilized for defense purposes, so its vast engineering resources are largely devoted to Defense—the Number One Job. The personnel of its technical and research laboratories—including engineers, scientists, metallurgists, designers, draftsmen and other specialists—are at work on the development of various Army and Navy engineering projects.

Chrysler Corporation

SOME DEFENSE PRODUCTS OF CHRYSLER CORPORATION

ARMY TANKS • ANTI-AIRCRAFT CANNONS • BOMBER FUSELAGE SECTIONS • COMMAND RECONNAISSANCE CARS • FIELD RADIO CARS • TROOP AND CARGO MOTOR TRANSPORTS • WEAPON CARRIERS • AMBULANCES • ARMY CARRY-ALLS • DURALUMIN FORGINGS • POWDERED METAL PARTS • CANTONMENT FURNACES • FIELD KITCHENS • TENT HEATERS • REFRIGERATION COMPRESSORS • MARINE AND INDUSTRIAL ENGINES

YOU GET THE GOOD THINGS FIRST FROM CHRYSLER CORPORATION

you give to your customer, not alone for rental of the money but for the service you give him, and he can afford to pay you, even clear of the legal rate, if you are alert and if you are, on the job. Most of the bankers in this part of the country have set up such organizations within their shops to render a real service to their customers.

* * *

Our job is seeing that the financing of the defense program is accomplished as far as possible through the normal channels of private capital and independent bank credit rather than by the government. We want to be aggressive in seeking these loans. When we receive applications for amounts beyond our legal limits, let us be willing to cooperate with our neighbors, with the other banks in the community preferably, but if not, with our correspondent banks, and when we receive these applications that we do not consider bankable, we should endeavor to find out how we can make them bankable.

We are selling money. We are selling credit. The banker of tomorrow is going to recognize it a good deal more than he does today, after we get out of this emergency that we are in at the moment.

You know, there are three phases to this defense program: first, the letting of contract; then the tooling up, getting everything all in order, and then production. That is the big item, big production. Plants all over this country are going into big production at the moment.

Charles Garland, who was the financial adviser until a few weeks ago, of the OPM said, "Dollars must be supplied in larger quantities than ever before in our history to finance the defense program."

Despite the idle funds bankers are currently concerned about, bankers can be assured that today they enter the busiest period of their business careers.

Extend Social Security

President Roosevelt announced on Sept. 30 that he would soon ask Congress to extend the social security program to additional millions of workers. The purposes of the enlarged program, the President told his press conference, would be to serve as a slight deterrent to inflation and to ease the transition of industry to a peacetime economy after the emergency. Mr. Roosevelt further explained that the two main objectives sought by revising the Social Security Act are:

1. To make coverage as broad as possible in both unemployment insurance and old-age pensions.

2. To work out a system whereby Federal assistance will be increased in poorer States.

There are now about 40,000,000 persons covered by the Social Security Act and Board officials pointed out that the extension of the program might include an additional 27,000,000 persons, listed as follows: 2,500,000 domestic servants, 4,500,000 farm laborers, 5,000,000 self-employed, 7,000,000 farm operators, 3,000,000 casual laborers, 4,000,000 public employees and 1,000,000 charitable workers.

The President conferred earlier the same day with Secretary of the Treasury Morgenthau, Secretary of Labor Perkins, Paul V. McNutt, Federal Security Administrator; Harold D. Smith, Budget Director; Arthur J. Altmeyer, Chairman of the Social Security Board, and Roy Blough, Chief of the Tax Research Division of the Treasury.

Commends Response of Bankers to Needs

P. D. Houston, in his annual address as President of the ABA presented at the opening session of its annual convention at Chicago on Oct. 1, stated that "in this year of many distractions it has been important to keep the vital service that banks are performing continuously before the public." He went on to say—

Organized banking activity and banker opinion has been widely publicized. The Association has continued to assemble data on the normal lending activity of banks and, in addition, on the defense lending activity of banks, and to give the results of the survey to the press. The press has recognized the merit of these data and has accorded generous space to its news and editorial columns.

to take this occasion to thank the thousands of banks which made this work possible by responding to the Association's questionnaires and otherwise assisted in the compilation and publication of these vital studies. It will be necessary to continue this kind of activity in order to build an accumulating record of bank lending and other service. I know you will all help by continuing to respond to such requests for data as we find it necessary to send to you.

In outlining the activities of the Association during the year Mr. Houston, who is Chairman of the Board of the American National Bank of Houston, Tenn., said in part:

We can take pride in the manner in which the banks have responded to the financial needs of the nation in the present crisis. At the beginning of the rearmament program there were those in political circles who asserted that the banks were unequal to the credit needs that would develop. From the outset of the program we have affirmed the support of the banks and their adequacy. We have called on many of you for extra service and you have given it.

Last fall a nationwide organization was set up under the leadership of the National Defense Loans Committee to foster lending on defense contracts. Many meetings were held, contact was maintained with defense authorities, bulletins and other literature were produced, and advertising material was provided. The overwhelming majority of defense supply loans were made by banks. Even the critics were confounded. The results speak for themselves.

The same organization, the same enthusiasm was put behind the Defense Savings Bond program. Our bulletin was adopted as the standard primer. Banks spent thousands of dollars to advertise these bonds. They outsold every other agency, and they received the public commendation over the radio for their service from the Secretary of the Treasury.

Yet we have seen but the beginning of our war efforts. The conflict will increasingly dominate the nation's activity. More and more of the country's productive capacity will be demanded by it, more and more of our banking service will be re-

quired. More and more centralized authority will be exercised. Not until recently have the people begun to realize this. Only the curtailments of motor car production, gasoline restrictions, the disappearance of silk stockings, shortages in consumer goods and the deprivations of priorities have driven these facts home.

President Houston took occasion in his address to refer to "a tragic hardship" which he noted "has been worked on many business enterprises, especially on the smaller type of business, by virtue of the priorities requirements of the armed forces." "Many," he said, "have been deprived of their very life blood which consists of the materials they must have if they are to stay in business." He added:

They must have materials for their normal business or they must have them for defense production. The government is now undertaking a program to relieve this distress by spreading orders for military supplies throughout the economy. We applaud this program and pledge our support to this effort to preserve the business order, especially the small business man.

As the program develops we shall have new opportunities for service. It will bring defense goods orders to many places which have not felt them up to now. Many more applications for loans will be received. I know that we will all do as good a job in taking care of them as we have done in providing defense credit up to now.

It is important that the government and the people recognize that the war effort in which we are engaged must be successful. There can be no turning back now. Political programs, and partisanship have no place in it. Winning a war requires the concentrated, united effort of all the people. It cannot be won by giving political rewards to individuals or pressure groups. Every individual has an equal stake. No one group should be permitted to exploit the emergency at the expense of others, or at the safety of the nation.

A year ago the question that confronted us was whether democracy could move fast enough. Time was of the essence. The courage of the British, the collapse of Italy, the battle of Russia have all given us time. However, time is still of the essence, but I think we are on our way. Rearmament is a dual operation. It is the function of the army and of the navy to say what is needed and the function of industry to produce it. To get the job done the government has had to draft some of the best managerial talent in the country. To succeed, this management must have the greatest amount of authority possible and suffer the least interference.

I believe, as Bernard Baruch stated in his book, "American Industry in the War," that given sufficient unity "The mobilized industry of America is a weapon of offense or defense more potent than anything the world has even seen—more terrible than the mind of any man has ever imagined."

Old General von Hindenburg was of the same opinion, for in his memoirs he wrote of American industry: "Her brilliant, if pitiless war industry had entered the service of patriotism and had not failed it. They understood war."

The American banking system is a vital part of the American production system. It is doing and will continue to do its part.

At the start of the Convention in welcoming the bankers, Mr. Houston said:

The members of the American Bankers Association are

delighted with the opportunity to meet here in Chicago this week. This will be our 67th consecutive annual convention. We have assembled together for counsel in every year of the nation's history since the Association was founded two-thirds of a century ago. Our convention this week will be one of the most important in the annals of the Association. It will be held during one of the nation's greatest crises. While we shall discuss various aspects of practical banking operation, we shall be concerned chiefly with the welfare of our country in

this time of emergency. The banks have a dual role to perform. They must serve the growing needs of the government in its program of national defense, and they must continue to serve the normal needs of the public for credit and financial service. The deliberations of our convention will be devoted to both.

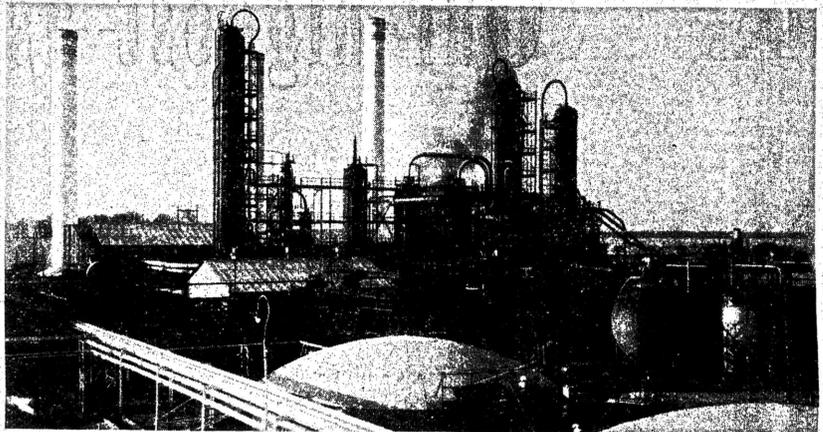
The conversion of the nation's economy from a peace economy to a war economy involves great readjustments, many of which are now being felt. It is our hope that these

(Continued on Page 499)



P. D. Houston

A New Pure Oil Contribution to Petroleum Conservation



Section of The Pure Oil Company's Smiths Bluff Refinery, near Port Neches and Nederland, Tex.

The history of petroleum refining has been largely the story of developing new products from raw materials of little value in themselves. And in the van of the pioneers in this work have always been the refining technicians of The Pure Oil Company.

Petroleum refining took a giant stride forward recently, when Pure Oil's new thermal polymerization plant at Smiths Bluff Refinery started its initial runs.

Second largest "poly-plant" in the United States—this huge, multi-towered unit is designed to produce high octane gasoline from gases and products normally burned under stills, or largely wasted.

The petroleum industry is watching this new equipment with interest, because it makes a much-wanted product from an almost unwanted

product—a major contribution to the industry's conservation effort.

For more than a quarter of a century our Company has been among the leaders in developing new production, new processes, new products. Today, producing operations in ten states and a network of five modern refineries supply more than 15,000 dealers through a well-balanced transportation system.

All the facilities of this Company are devoted to one purpose—giving the American motorist more and more reason to . . .

Be sure with Pure



Savings Business a Stabilizing Factor In Bank Activity, Says R. R. Marquardt

The savings business of most country banks is a stabilizing factor in the bank's over-all activity, Roy R. Marquardt, President of the Savings Division of the American Bankers Association, stated on Sept. 29 at the Association's annual convention in Chicago. If savings deposits were removed from commercial banks a number of banks and branches would be unable to survive and would have to go out of business, said Mr. Marquardt, who is also Vice-President of the First National Bank of Chicago. Mr. Mar-

quardt also had the following to say:

Members of the Executive Committee and Officers of the Division have felt that some banks are ill-advised in their attitude toward the savings business. The development of social security by the Federal Government caused a widespread feeling of the uselessness of savings. The low return on invested capital has caused interest and dividends on savings deposited in banks to reach a low point without parallel in the history of the United States.

In consequence of the slight profit which came to banks through saving deposits, many of them hedged the acceptance of deposits with restrictions. Many depositors in consequence came to believe that banks were not interested in their savings; that bankers almost resented receiving savings deposits. The popular reaction to this attitude of bank, or the supposed attitude of banks, has not rebounded to their credit.

The Savings Division of the American Bankers Association has tried to bring about a

change in this attitude. It has conducted surveys showing that banks, by a policy of accepting all bona fide savings deposits, can increase community good will toward banks, make a small profit, and pay a reasonable, if low, rate to depositors. The Division has developed plan by which banks, through giving a preferential rate of interest to long-time deposits of little activity, will find it possible to transfer sizable amounts to the surplus account.

As practices in shipping, in merchandising, and in manufacturing change and new credit situations appear, competition with banks develops. It grows out of opportunity created by changing practice.

Whether bankers have constantly been alert to discern changing trends is beside the point. Banks will find that they should furnish a complete financial service to their customers or else another agency will do so. A bank will discover that it cannot accept only three-fourths of all bona fide savings offered it and expect no competition from agencies other than banks.

It cannot neglect its potential customer. It is not possible to wrap the savings of a people in savings banks. Strictly savings banks are rarities outside of the Atlantic seaboard states. Seventy-four per cent of all banks have savings departments or accept savings. So the future of savings in banks is not limited to savings banks but rests with banks of mixed deposits.

The Savings Division continues confident that the savings business of banks is the greatest business in the world, affecting as it does the lives of more people more directly than any other phase of finance; and the Division urges that bankers should be alert to community needs; that changing practices in business require similar changes in banking procedure; and that country banks should not hesitate to vary their practices from those of

Our biggest asset

WE BEGAN business back in 1847, the same year Uncle Sam began using postage stamps. At that time, there were only 29 states in the Union.

Since then, we have lived through four wars, in which the United States was involved, and through major panics and depressions. Today The Penn Mutual has more than 400,000 policyholders, whose insurance with this company amounts to \$2,000,000,000 — a sum about equal to the total national income of 1847.

Our biggest asset back in the early days is also our biggest asset today — the public's confidence in the sound and progressive policies which have marked the development of this 94-year-old life insurance company.

THE **Penn Mutual**

LIFE INSURANCE COMPANY

JOHN A. STEVENSON • President

INDEPENDENCE SQUARE • PHILADELPHIA, PA.



N. Dak. Bankers Win Agricultural Plaque

The North Dakota Bankers Association was awarded the honor plaque of the Agricultural Commission of the American Bankers Association at Chicago on Oct. 1 for its work in the field of farm improvement and agricultural finance during the past ten years. The plaque was presented on behalf of the Association by P. D. Houston, ABA President, to Fred A. Irish, Chairman of the North Dakota Bankers Association's Agricultural Committee. Mr. Irish was introduced at the first general session of the Convention on Oct. 1 by Otis A. Thompson, Chairman of the ABA's Agricultural Commission. The agricultural activities of the North Dakota Bankers Association during the past ten years have included intensive banker-farmer cooperation throughout the state. Bankers of the state have taken keen interest in crop and livestock projects.

Calif. Business Still Up

August business in California continued at record high levels according to the current "business Outlook" just released by the Wells Fargo Bank & Union Trust Co. of San Francisco. The Wells Fargo index of the State's business activity rose to 165% of the 1935-39 average last month, as against 159.9 in July and 114.6 in August, 1940. Comparing August with July, all four of the Index factors (industrial production, freight carloadings, bank debits, and department-store sales) advanced.

ABA Presents Testimonial of Honor to Brigadier General Leonard P. Ayres

A testimonial of honor was presented to Brig. Gen. Leonard P. Ayres at the first general session of the 67th annual convention of the American Bankers Association at Chicago on Oct. 1. The testimonial was presented to Gen. Ayres by P. D. Houston, A. B. A. President, on behalf of the member banks of the Association. An embossed manuscript on parchment bound in a leather folio, the testimonial reads as follows:

"Through the years members of the American Bankers Association have been enlightened by the brilliant mind of Leonard P. Ayres. His profound writing, his thought-provoking addresses before our conferences and conventions, and his lectures each year before the student body of the Graduate School of Banking have made an outstanding contribution to the science and the art of our profession.



Col. L. P. Ayres, Vice-President of the Cleveland Trust Co. of Cleveland, Ohio, was nominated on July 10 last by President Roosevelt for promotion to the rank of Brigadier-General, as was noted in our issue of July 19, page 333. He was recalled by the War Department last October as Chief Statistical Officer.

"No sacrifice of time or energy has been too great for him when the interests of the Association were involved. Each succeeding President has called on him for counsel when critical issues arose. "In offering his services to the country in this national emergency at great personal sacrifice, he has again demonstrated the high quality of his patriotism. His example is an inspiration to us all.

"We were delighted with the recent further recognition of his merit by the Government in making him a Brigadier-General in the Army of the United States.

"This testimonial from the membership expresses our deep gratitude to him for his work as a banker, his splendid efforts as a member of our official family, and his distinguished service as a leader. We look forward with keen anticipation to the day when he may return to the banking profession."

"The brutal Nazi philosophy, which on land conquered and subdued neutral and peaceful Holland, Denmark and Norway and Belgium, who had committed no wrong, unless the love of home and the desire to live in peace be wrong, with its swarming submarines and surface raiders upon the seas, sank the ships and murdered the citizens of neutral nations. The same defiant and truculent and ruthless spirit that dominated the German Government during the World War, enhanced and brutalized by the Nazi doctrines of Hitler, has recently attacked and sunk American merchant ships, and a Nazi submarine attacked a United States Naval Destroyer. These attacks were not made upon ships within combat zones. They were not made upon ships trading with or sailing to nations at war. They were made upon American ships on the roadways of the high seas, where internal law says they had a right to be and where the laws of the United States say they had a right to be.

Holland, Denmark and Norway and Belgium, who had committed no wrong, unless the love of home and the desire to live in peace be wrong, with its swarming submarines and surface raiders upon the seas, sank the ships and murdered the citizens of neutral nations. The same defiant and truculent and ruthless spirit that dominated the German Government during the World War, enhanced and brutalized by the Nazi doctrines of Hitler, has recently attacked and sunk American merchant ships, and a Nazi submarine attacked a United States Naval Destroyer. These attacks were not made upon ships within combat zones. They were not made upon ships trading with or sailing to nations at war. They were made upon American ships on the roadways of the high seas, where internal law says they had a right to be and where the laws of the United States say they had a right to be.

Holland, Denmark and Norway and Belgium, who had committed no wrong, unless the love of home and the desire to live in peace be wrong, with its swarming submarines and surface raiders upon the seas, sank the ships and murdered the citizens of neutral nations. The same defiant and truculent and ruthless spirit that dominated the German Government during the World War, enhanced and brutalized by the Nazi doctrines of Hitler, has recently attacked and sunk American merchant ships, and a Nazi submarine attacked a United States Naval Destroyer. These attacks were not made upon ships within combat zones. They were not made upon ships trading with or sailing to nations at war. They were made upon American ships on the roadways of the high seas, where internal law says they had a right to be and where the laws of the United States say they had a right to be.

Holland, Denmark and Norway and Belgium, who had committed no wrong, unless the love of home and the desire to live in peace be wrong, with its swarming submarines and surface raiders upon the seas, sank the ships and murdered the citizens of neutral nations. The same defiant and truculent and ruthless spirit that dominated the German Government during the World War, enhanced and brutalized by the Nazi doctrines of Hitler, has recently attacked and sunk American merchant ships, and a Nazi submarine attacked a United States Naval Destroyer. These attacks were not made upon ships within combat zones. They were not made upon ships trading with or sailing to nations at war. They were made upon American ships on the roadways of the high seas, where internal law says they had a right to be and where the laws of the United States say they had a right to be.

Senator Connally Tells ABA Convention Neutrality Act Repeal Not Un-neutral

According to Senator Tom Connally, of the U. S. Senate Committee on Foreign Relations, "the repeal of the so-called Neutrality Act would not be un-neutral." Senator Connally made this statement in addressing the annual convention of the American Bankers' Association at Chicago on Oct 2 and he added:

After its repeal, the United States would be a neutral under international law. The act prohibits the arming of our merchant ships. I favor the repeal of that provision. It is my view that merchant ships that are now being ruthlessly attacked upon the high seas, while on lawful business, ought to be allowed to arm for their necessary self-defense—for the defense of human lives upon their decks—for the defense of their property and their rights.

It is, therefore, my further view that the so-called Neutrality Act should be amended with respect to the freedom of our ships to sail wherever they are permitted to sail under international law. I favor the removal of the ban against their entering combat zones or going on lawful missions to the ports of nations at war. These are our undeniable rights under the law of nations. We have, in years that are gone, in glorious fashion, shed our blood, for their maintenance and for the protection of the rights of our citizens. Shall we surrender them? Shall we cringingly abandon them? Shall we succumb before this wild and fantastic plot of Adolf Hitler for world empire and dominion? Shall we tremble because the conqueror stretches forth his sword?

In the light of our historic and traditional maintenance of the doctrine of freedom of the seas, a doctrine that is essential to our commerce and trade with the world, and likewise essen-

tial to the safety of the ships of other neutral nations which may trade with the United States, it is my view that we should now reassert and reordain our adherence to the doctrine of freedom of the seas by modifying or amending the so-called Neutrality Act.

In his address Senator Connally also said in part:

In the fall of 1939, the Congress enacted the Arms Embargo Repeal Resolution. It removed the prohibition against the sale and shipment of arms to nations at war. However, still in the interest of peace, motivated by an extreme anxiety to preserve the peace and to protect the safety and the lives of the American people, the Act laid limitations upon the freedom of our shipping and upon the rights of our citizens. It was required that nations at war purchasing arms in the United States should acquire title to the arms and munitions secured before the same should leave our shores. American ships were denied the right to transport arms and munitions. American ships were prohibited from carrying on commerce with any nation at war. The President was authorized to establish combat zones in belligerent areas into which American ships could not sail.



The Aetna Life Insurance Company
The Aetna Casualty and Surety Company
The Automobile Insurance Company
The Standard Fire Insurance Company

These Aetna Companies write practically every form of insurance and bonding protection

Three Major Tasks Are Faced by the Nation Says Economic Policy Commission of ABA

The nation faces three major and challenging tasks—speeding up the machinery of defense, transferring industrial production activities from luxuries and comforts to weapons, and taking immediate steps to minimize inflation, according to the report of the Economic Policy Commission of the American Bankers Association presented at the annual A. B. A. Convention at Chicago on Sept. 30. The Commission is under the Chairmanship of W. Randolph Burgess, Vice-Chairman

of the board of the National City Bank of New York. The report declares that the defense program

as a whole has not been going ahead fast enough. It says in part.

Like all the other democracies we have begun late. Nearly two million men are under arms but their training is only well begun and their equipment is incomplete. The two-ocean navy is under construction, but will take many months to complete. The new merchant fleet is well begun but the rate of launchings is still short of the rate of sinkings. Aid to England is still mainly material bought and paid for by the English. The Treas-

ury Daily statement shows that only about \$200,000,000 of the appropriations of \$7,000,000 for Lend-Lease has actually been disbursed.

The procurement program is a mixture of brilliant achievement and delay and disappointment. In certain directions our engineers and industrialists, our army and navy technicians, have designed better weapons than ever before used in combat; but there is not yet enough of almost everything. Our productive machine is the best there is and in the long run will be very effective, but the long run is still a long way off.

Our position may be illustrated by estimates that in the fiscal year concluded on June 30 our government spent \$6,000,000,000 for defense, which was about 8% of the national income. In the same year Great Britain spent the equivalent of about \$13,000,000,000 for war which was perhaps half of her national income, and Germany, the equivalent of possibly \$24,000,000,000 which was in the neighborhood of 60% of her national income. In terms of the buying power of the money spent this disparity is much greater. Our rate of production is mounting and we now are spending over one billion dollars a month for defense. Even so we have only just begun to prepare ourselves for the kind of emergency the Axis Powers have been presenting in turn to each of the democracies.

Our slowness reflects in part the real and substantial difficulties which are unavoidable in beginning any program of production, whether of automobiles and houses or tanks and machine guns, especially one of such stupendous size. It is necessary to have the detailed blueprints, the proper tools, the essential materials, the trained men, and a sound organization. Government organization for the task has been confused, at some points, bureaucratic and incompetent, and at others not putting first things first. Industry has in some instances turned a little slowly and reluctantly from profitable non-defense to less profitable defense production. Strikes and labor unrest have been costly. Another reason for delay is political in the broader sense; it lies in the problem of bringing together in an effective united effort the people of a huge country with diverse interests, backgrounds, and prejudices, even when they are all agreed on a major objective as they now are on the objectives of arming for defense and sending aid to Britain.

Under all these circumstances the country faces three major and challenging tasks.

The first is to speed up the machinery of defense. Its greatest present handicap is inertia. The British speeded up when the bombs began to fall on London and Coventry and Southampton. Our real test is whether we can apply ourselves to the task without being bombed into it.

Second, much of the nation's energy must be transferred from producing luxuries and comforts and even some necessities to producing weapons. Non-defense activities must at many points give way to defense. This means some shifting of workers and machines and materials. Such a readjustment is not easy. The whole mechanism is infinitely complicated. Those who determine priorities and allocations will need help, our good will and patience, and the best technical industrial advice obtainable. In the process many toes will be stepped on, some will be unemployed, some injustices will be done, and we shall all have to do without

some things we want. At this point the defense program will really begin to hurt. We have, however, very large resources. If we use them intelligently we can carry forward the defense program without serious impairment of the standard of living.

Third, we must do these things in such a way as to lessen the economic disruption that customarily goes along with and follows every war-time boom with its highly inflationary tendencies. Even now prices and wages have been rising very irregularly and discordantly. From this point forward these dangers are likely to become more acute. The Secretary of the Treasury has just warned us that we are facing the threat of inflation now.

On all three of these questions; speeding up defense, the readjustment from non-defense to defense activities, and the avoidance of disruption and inflation, the real problem is more political than economic. There have been many wise discussions by government officials, by economists, by men of affairs pointing out what needs to be done. These people are in general agreement and in general they are right. But the action they recommend requires political agreement and in almost every case runs against the self-interest of large groups of people with great political power. In recent years, as government has encouraged and yielded to their demands, many of these groups have grown increasingly powerful, and they oppose effective measures to prevent inflation.

For example, it is generally agreed that government spending for non-defense purposes should now be greatly curtailed, but little has been accomplished because politicians cherish pork barrel largess, bureaucrats cling to their posts, and special privilege groups exert great pressure for continued spending.

Similarly, it is clear that stability of prices cannot be achieved without some stability of wages, but wages have been rising without effective governmental restraint, and in fact with governmental encouragement.

Again, price stability is impossible unless agricultural prices are stable, but the Congress has passed bills stimulating further agricultural price advances.

Furthermore, without some prospect of price and wage control shortages of materials are accentuated. No manufacturer can afford to accept a defense contract or, in fact, any order, until he has made sure of the materials needed to produce the goods. Every producer is forced to stock up with materials as long as he feels that price and cost controls will be tardy and inadequate.

The bankers of the United States have a large responsibility in the situation. In every community bankers are influential and respected citizens. By nature of their vocation they are informed both as to the principles which govern a situation of this sort and as to the activities of business and the citizens of their own communities. Few other groups of men have a greater power and responsibility for influencing the general will of the people to subordinate selfish and political interests to the national good. This is a time for bankers to know, and discuss these problems with their Senators and Representatives, both national and state.

There are, moreover, certain specific activities directly within the function of the banker. He can greatly encourage the sale of defense bonds in his

GMAC

GENERAL MOTORS ACCEPTANCE CORPORATION

is engaged primarily in facilitating wholesale distribution and retail sales of the following products of GENERAL MOTORS CORPORATION and its world-wide affiliates: CADILLAC, BUICK, OLDSMOBILE, PONTIAC, CHEVROLET automobiles; FRIGIDAIRE appliances for refrigeration and air conditioning; DELCO lighting, power and heating equipment; GMC trucks; BEDFORD, VAUXHALL and other foreign made automotive vehicles.

The business consists of investments in self-liquidating credits, widely diversified as to region and enterprise, capital employed being in excess of \$80,000,000.

In obtaining short term accommodation, GMAC issues one standard form of note. This obligation it offers to banks and institutions, in convenient maturities and denominations at current discount rates.

GENERAL
MOTORS
INSTALMENT
PLAN

*These NOTES are available, in limited amounts,
upon request.*

EXECUTIVE OFFICE
NEW YORK

BRANCHES
IN PRINCIPAL CITIES

community, and the fine record of their sale already reflects the way the bankers of this country have been behind the campaign.

The banker can in many cases give direct aid to defense industries, either in assisting smaller firms to obtain sub-contracts, or aiding firms with contracts to get their requests into bankable form so that banks can do the defense financing.

Also by putting his own house in the best of order the banker will exercise needed restraint. This is a time when, in their own interest and the interest of the community, people generally should pay debts and not acquire them. This is a time to be careful in making loans for non-defense purposes. It is a time to get old loans and investments cleaned up. This is a time to do those things which we wish we had done in 1919, 1929, or 1937. If each of us will put his own house in order, it will be good for the banks and good for their customers, and wholesome for the country.

A good deal is being said these days about the inevitability of a severe depression after the conclusion of the war, and in that connection plans are proposed for huge government spending programs as the proper cure. While all recognize the economic shock of shifting from war to peace, a severe depression should not be fatalistically accepted as inevitable, and in any case the proposed cure is a poor one. The best way to avoid a post-war depression is to restrain consumer and non-defense spending now, and so save up buying power for the post-war period. The purchase of defense bonds does exactly this. Other saving has the same effect. The curtailment of non-defense spending, while it hurts now, builds a backlog of demand as a post-war cushion.

ABA Warns Against Destroying Incentive

(Concluded from Page 492)

themselves must demonstrate their willingness to sacrifice non-essential activities for the Defense Program.

These times call for the old-fashioned virtues of working and saving. The bankers here assembled pledge themselves, each in his own community, to work toward these ends.

We are everlastingly grateful for the privilege of living in a democracy which holds fast to the principles of liberty and justice for all. We have unbounded faith in the resources and capacity of this country for meeting to the fullest its obligations in this trying hour. We have enduring confidence in the ability of the American people to preserve at any cost the rights and privileges which they enjoy in this free Republic.

We pledge our full support to effective policies and programs of our government to defend and preserve democracy and democratic institutions.

Commends Response Of Bankers to Needs

(Concluded from Page 495)

adjustments can be accomplished with the least harm to the people.

The government's financial requirements must be met. At the same time, inflation must be avoided and the American business structure must be kept intact.

U. S. Free Enterprise Must Be Safeguarded

(Concluded from Page 493)

of boys. The firecrackers could lie harmlessly for years—it is only when some boy gets the urge to light one that the fireworks start. That has been our situation. Firecrackers have been strewn all over the place but everybody has been afraid to light a match. The increase in money supply and in gold re-

serves has been accompanied by certain social legislation which has retarded the desire of many people to borrow money and to enter into new and expand old ventures. We might have gone on with a considerable degree of temporary safety—but Mr. Hitler marched into Poland. That was the missing match and it appeared in our midst in two guises—Defense Program and Aid to the Democracies. So, the defense program became, not the cause of our immediate inflation worries, but the match

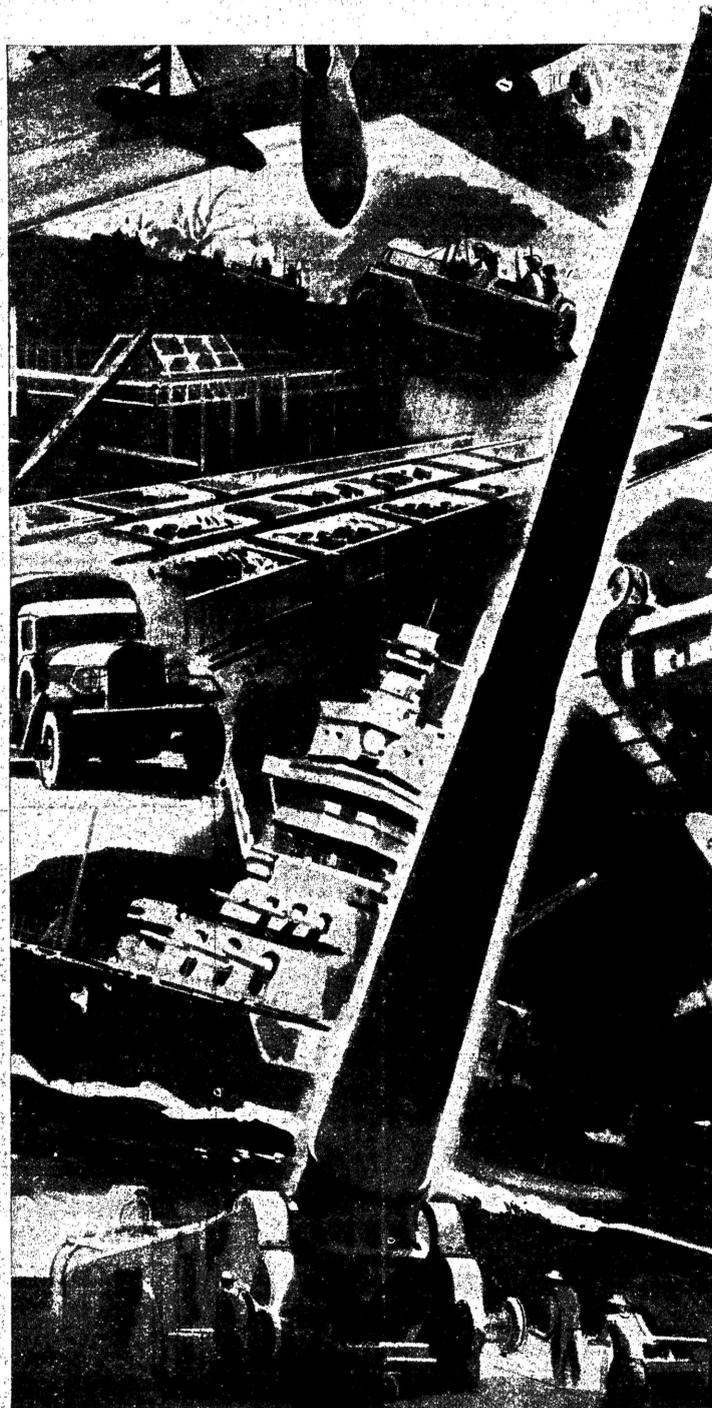
which lighted the fire.

So now our normal economic controls—our system of checks and balances—have become unbalanced and we are coming under a system of direct governmental controls. Our monetary system, therefore, is now in the field of politics and it is in that field that future movements must take place.

Our second serious handicap is the result of an upset social order. Certainly, our minds have turned in a curious direction. We have permitted ourselves to

become divided into groups, each trying to gain some advantage over the other. We spend much time arguing over the division of profits—we spend little time pursuing the old American habit of creating greater profits so there will be more to divide. We have become enamored of the idea of social security—in a world where there is no security except as a strong unified people imposes its will to live in peace with equal opportunity for all its members.

The nation's defense has a backbone of steel



EVERY user of steel is acutely aware of the effect of the defense program on steel production. Truly, the nation's defense has a backbone of steel. Facilities which only a year or two ago provided capacity far beyond then-needed requirements, are today being utilized.

During recent years, a period when production was at its lowest ebb, we invested hundreds of millions in an expansion and modernization of facilities. For this we claim no extraordinary foresight. By virtue of the time it takes to prepare, steel-making capacity must, in ordinary times, build a reserve and prepare for the future. This we did, not knowing when the call would come but knowing we must be ready when it came.

In the midst of this present trial, when steel is so much in demand, we are looking to the future and the part U.S.S. Steels shall have in it. Our research and engineering staffs, spurred by the current necessity, are becoming ever more resourceful. Much will be accomplished in the development of defense materials which will contribute invaluablely to peacetime production. Already we are finding better and wider use for steel, new means and methods, born of necessity, that will serve better than the old.

Defense comes first with all of us. We start on that common basis. And where difficulties may arise and dislocations in deliveries of steel for purely domestic purposes may occur, we are confident that we may rely upon the understanding cooperation of our customers, who constitute the life line of our business. For ourselves, we have no doubt of the outcome. We shall win the race against time and national need and we shall become increasingly able to serve our customers better than ever before.



AMERICAN BRIDGE COMPANY · AMERICAN STEEL & WIRE COMPANY · BOYLE MANUFACTURING COMPANY
 CARNEGIE-ILLINOIS STEEL CORPORATION · COLUMBIA STEEL COMPANY · CYCLONE FENCE DIVISION,
 American Steel & Wire Company · NATIONAL TUBE COMPANY · OILWELL SUPPLY COMPANY · SCULLY
 STEEL PRODUCTS COMPANY · TENNESSEE COAL, IRON & RAILROAD COMPANY · UNIVERSAL ATLAS
 CEMENT COMPANY · UNITED STATES STEEL EXPORT COMPANY · VIRGINIA BRIDGE COMPANY

UNITED STATES STEEL

War Emergency Radically Is Affecting Real Estate Says E. M. Fisher at ABA Convention

Viewing the present national emergency as radically affecting the real estate and mortgage situation in this country, Ernest M. Fisher, Director of Research in Mortgage and Real Estate Finance of the American Bankers Association, stated on Sept. 30 at a round table conference on bank management at the Association's annual convention at Chicago that it is probable that before the defense program is ended greater and more profound changes will result. Introduction of the defense



Ernest M. Fisher

program, Mr. Fisher declared, has led to large population shifts throughout the country. Part of the migration has been toward industrial centers where workers have gone to seek employment in defense industries and part has been toward military centers as a result of expansion of the nation's armed forces. "It is probable," said Mr. Fisher, "that this migration of population will prove to be one of the largest internal migrations that the country has ever seen. It will probably be equal to, if not exceed in magnitude, the internal migrations set in motion by the first World War and by the discharge of members of the armed forces upon its termination." Mr. Fisher went on to say:

The ultimate effect of these migrations cannot yet be foreseen. Already they have caused a rapid decline in vacancies in many urban areas, they have accelerated the tendency toward rising rents, and in some cases they have brought about a situation in which it is a major problem to find shelter for those who are engaged in the construction of defense plants, in the manufacture of defense materials, in rendering necessary services to members of the

armed forces, or to those actually engaged in strictly defense activities.

The concern which is so frequently expressed over tendencies toward inflation, the congestion which has occurred in many critical areas, and the consequent increase which has come in rentals in these areas have brought about wide discussion and the introduction of national legislation designed to grant authority to control rents. The extent to which such controls would be attempted will depend in large measure upon the intensity of the problem and the number of areas in which it becomes acute.

It seems likely that the most acute period has not yet been reached and will not arrive until the plateau of maximum industrial production for defense has been attained. In the uncertainties of a complex and swiftly changing situation, it may be that this period is much further removed than we wish to believe.

"With respect to real estate policy," said Mr. Fisher, "it seems likely that, generally speaking, the market during the emergency will be an active one." He added that "it appears reasonable to suppose, therefore, that in areas where defense activities are important banks should take advantage of the opportunity of disposing of other real estate. In areas losing population because of defense activities, there will not be this opportunity." Mr. Fisher further said:

In connection with mortgage holdings the same general rule recommends itself. The situation suggests amortization at as rapid a pace as the condition of the borrower will permit. In

many cases, with increases in family income, accelerated amortization will be found possible.

Finally, the situation emphasizes the prime importance of continuous and close scrutiny of the quality of the loans in the mortgage portfolio and of the real estate holdings. It has been in too many cases in the past a common practice to assume that, so long as payments are met in accordance with requirements, there is no reason to be concerned about the mortgage portfolio. The weak spots and strains in the portfolio, therefore, are not detected until collapse was imminent.

The methods for maintaining this close scrutiny and analysis of the portfolio are available and are being utilized by some of the most farsighted institutions. They well repay their costs to all institutions whose mortgage portfolio represents a sizable block of assets. To be well prepared for any shock that may come, to recognize its earliest manifestations, and to anticipate its severest impact is to reduce the severity of the blow.

N. Y. S. E. Borrowings

The New York Stock Exchange announced Oct. 2 that the total of money borrowed as reported by Stock Exchange member firms as of the close of business Sept. 30 aggregated \$417,132,303 a decrease of \$96,109,765 as compared with the Aug. total of \$513,242,068. The announcement of the Exchange follows:

The total of money borrowed from banks, trust companies and other lenders in the United States, excluding borrowings from other members of national securities exchanges reported by New York Stock Exchange member firms as of the close of business Sept. 30, 1941, aggregated \$417,132,303.

The total of money borrowed, compiled on the same basis, as of the close of business Aug. 30, 1941, was \$513,242,068.

Citizen Support of Defense Bond Sale Necessary to Build for National Defense

With the shadows of war darkening many lands, it is the duty of every United States citizen to support his government in its task of building for national defense, Philip A. Benson, President of the Dime Savings Bank of Brooklyn, N. Y., declared at Chicago on Oct. 1 at a round table conference on defense financing held at the annual convention of the American Bankers Association.

Mr. Benson observed that this country is building up its defenses against the possibility of having to defend itself with men and machines at work as never before, and he added that bankers of the nation may contribute their strength and ability in aiding the great work being done by encouraging the sale of Defense Savings Bonds. In part Mr. Benson also said:

Philip A. Benson

"The purpose of Defense Savings Bonds, as their name indicates, is to make some of our national current savings available to the Government for the financing of the national defense program. There are, as we all know, only two ways by which a democracy can raise funds to meet its obligations; one is taxation and the other is borrowing. The stated plan of the Government is for about two-thirds of the cost of national defense to be paid by taxation, the balance through the sale of bonds.

The present defense program, running as it does into a great many billions of dollars, will necessitate large government borrowings. All this borrowing could undoubtedly be through bonds marketed in a wholesale manner, the banks taking the greater part of them. The effect of this would, however, be inflationary for it would tremendously expand bank deposits.

Furthermore, it would not result in increasing the amount

of savings and enlisting them in the defense program. The expenditures of vast sums for defense produces a greatly increased amount of wages and an increased number of wage earners. This means increased buying power which naturally leads to higher prices of goods and commodities, and helps to bring about the inflation that is feared.

* * *

We have never developed thrift and savings to their full possibilities in this country. Now we see increased earnings for many workers and many new wage earners. It can be expected that these wage earners and their families will spend much of the increase. However, a portion of it should be saved and no better medium of savings can be suggested than Defense Savings Bonds and Stamps.

In urging the sale of Defense Savings Bonds we need not fear the loss of deposits. It is true that there may be some money withdrawn to buy bonds. Savings banks have noticed such withdrawals from their depositors' accounts. But, they feel that a depositor who makes a withdrawal from his savings account for the purpose of buying a bond will build up his account again. However, as far as possible, the public should be asked to save and buy bonds rather than to draw on an accumulated fund of savings for the purpose.

The idea of systematic savings should be constantly emphasized. If citizens have an obligation to support their Government at this time, and I am sure they have, that obligation is not discharged merely by buying a bond. Each one should plan to put part of his monthly or weekly income into Defense Savings Bonds or Stamps."

95 YEARS OF EXPERIENCE IN
DOMESTIC AND FOREIGN BUSINESS
AVAILABLE TO BANKS AND BANKERS

HOWARD A. LOEB, *Chairman*
HERBERT W. GOODALL, *President*

TRADESMEN'S
National Bank & Trust Company
PHILADELPHIA

Member of Federal Deposit Insurance Corporation

Serving Correspondent Banks
Since 1858

CORN EXCHANGE NATIONAL BANK
and Trust Company
PHILADELPHIA

Member Federal Deposit Insurance Corporation

Established 1858

Inflation Problems Met by Diversification

While stating that "I do not believe that we can judge the future sufficiently well to lay plans of a definite character," Carl W. Fenninger, in his address at Chicago on Sept. 29 as President of the Trust Division of the ABA observed that "if, however, we know the important problems which seem to face the trust business today, make plans to cure them and in making such plans provide all the flexibility that is practical, we should certainly be in better position for the future, regardless of what may happen." Mr. Fenninger, who is Vice-President of the Provident Trust Co. of Philadelphia, spoke as head of the Division at its annual meeting. Continuing, he said:

It would seem as though our principal difficulties at the moment and those which are immediately ahead of us have to do largely with two things:

One, the difficulty of obtaining satisfactory investments for our accounts at prices which will yield a reasonable rate of return for beneficiaries, and second, the effect of the war abroad and our own defense program upon the operation of our organizations under wartime conditions already evident in our tax legislation and administrative regulations.

I should like to make some observations upon these two questions. In discussing the first question I want also to speak about inflation, which in the minds of many men presents perhaps the most difficult problem in the investment side of our business.

Our Committee on Trust Policies received many answers to an investment questionnaire recently sent out and there were more suggestions that low interest rates and inflation were the primary difficulties in making trust investments today than any other features. Of course, we all know that the low interest rates that have prevailed for a number of years have resulted in the elimination of many of the higher rate bonds upon which we used to rely for the bulk of our investing; or that those not falling in the callable class have risen to prices which make the yields as low or lower than rates prevailing for the average corporate security. There is no immediate answer to the question of how to meet this situation within the bond field itself if we are to hedge, so to speak, against the depreciation which will almost certainly occur in prices of long term low coupon bonds. It would seem as though the best remedy was not to lower the character of our investment lists unduly, but to devise means for obtaining diversification broad enough in character to divide the risk of depreciation into as many parts as possible. It would appear that the same principle might hold true in so far as inflation is concerned.

I do not believe any trust man has the temerity to say that any given thing presents a real hedge against inflation.

Indeed, it is probable that there is no single thing that will protect us against inflation. To meet both the interest problem and inflation, broad diversification of investments seem to be the most satisfactory method.

There are some difficulties which we of course have to meet in attempting broad diversification which have been of comparatively recent origin. One of these is the private placement of many of our important bond issues. Another is the entire elimination of bonded debt from the capitalization of many of our very important industrial organizations. Another is the development of so-called growth industries in which capitalization may include certain types of bonds but which in the opinion of conservative investors have not been seasoned sufficiently to justify them as trust investments. Having in mind all of the factors mentioned and several others which you may perhaps think of, I venture to suggest that we devote ourselves wherever possible to a program which make practicable the broadest diversification in the investment of trust funds.

I am glad to say there appears to be a growing interest in this subject and that the "prudent man theory" of investment which prevails in a few of our states, notably Massachusetts, is beginning to impress itself on the minds of both trust men and legislators who realize the difficulties of the present time and those which are likely to prevail for some years to come. It seems to me we should be brave enough to face the fact that restrictive investment rules do not necessarily provide conservatism in the investment of trust funds, but that they sometimes very definitely hamper the management of trusts. Too often our investment laws are rigid and remain so until circumstances force changes too late to benefit the great mass of beneficiaries who must look for their support and maintenance to trust funds.

It is probable that even now we are somewhat late in advocating the broadening of investment powers, but it is certainly true that if these broadening efforts result successfully in the near future much good will come of it.

It is of course a trite saying that some common stocks are better than some bonds—we all know that. What we do not realize, however is that in a well balanced portfolio of investments all classes of securities

have some place if we are to obtain the fullest diversification desirable. I think we have long ago passed the idea of "putting all our eggs in one basket" and watching the basket. If diversification, intended to minimize risks, stabilize income and capital values can be accomplished, it is probable that we will also have gone a long step toward protecting ourselves to a great extent against inflation.

To sum up this part of the statement we may say that in those jurisdictions where trust investment laws are narrow and where there are restrictions that prevent the use of certain types of securities, strong efforts should be made to provide for the adoption of the "prudent man theory" of trust investment.

In connection with investment matters we should also give very definite consideration to the use of the Common Trust Fund because it appears to make possible, if coupled with broad investment powers, the most practical and inexpensive way of giving broad diversification to small accounts.

* * *

I want to draw your attention for just a few minutes to the probable effect of our increasing burden of both income and estate taxes. It seems so certain that increased income taxes will greatly retard the accumulation of estates and that estate taxes will break up present estates into much smaller units that there is no need for argument to prove the

premise. From the standpoint of those administering trusts as a business, this means almost certainly a lower total volume of trust funds coming into the care of institutions and smaller individual units of trust business. The significance of this is perhaps most apparent when we consider the cost of administering smaller accounts unless ways and means can be devised for reducing those costs in proportion to the profit to be derived from the accounts. Of course compensation can be increased somewhat but I think there is a real question as to whether or not the charges to be made for the administration of accounts in the future can be large enough to assure business coming to us rather than

(Continued on Page 504)



*Announcing the Opening
October 6, 1944
of the
New Main Office
of The
Public National Bank
and Trust Company
of New York
in its recently acquired
Public National Bank Building
at
37 Broad Street, New York
30 Offices Throughout Greater New York*

Markets for Dealers & Institutional Investors
PUBLIC NATIONAL BANK & TRUST CO.
of New York

Memorandum on request

C. E. UNTERBERG & CO.

Members New York Security Dealers Ass'n

61 Broadway, New York

BOwling Green 9-3565

Bell System Teletype NY 1-1666

Items About Banks, Trust Companies

The Manufacturers Trust Co., New York City, announced this week that in accordance with the agreement made last July with Superintendent of Insurance Louis H. Pink, and approved by Justice George E. Brover of the Supreme Court of New York, it took over on Oct. 1, by merger, the mortgage servicing business of The Mortgage Corp. of New York. The merger was approved at a special meeting of the stockholders of Manufacturers Trust Co. that was held on Sept. 3; referred to in our issue of Sept. 18, page 221.

Peter E. Bennett, formerly President of The Mortgage Corp. of New York, has been elected a Vice-President of Manufacturers Trust Co. For the time being, the quarters at 42 Broadway, New York, formerly the head office of The Mortgage Corp., will be maintained as an office of the mortgage management division of

institutional mortgage investors with contracts running into hundreds of millions of dollars.

The new Rockefeller Center Office of the Colonial Trust Company of New York was officially opened on Sept. 30 with a ceremony at which Arthur S. Kleeman, President, received the flags of the 21 American republics from Dr. L. S. Rowe, Director General of the Pan American Union. In accepting the flags, Mr. Kleeman said that in his opinion there is nothing more important to national defense today than strengthening unity and solidarity with all our Latin-American neighbors, and that the surest way to do this is to develop two-way trade, which will make the United States the best customer of Latin America, as well as its largest supplier. He said that it was in this spirit of mutual helpfulness that he was dedicating the bank's Rockefeller Center Office to Pan American unity. The new office

Manufacturers Trust Co. This office will function with substantially the same staff that was employed by The Mortgage Corp. It is stated that the Manufacturers Trust Company is the ninth largest bank in the United States, with resources in excess of \$1,000,000,000. As a result of this merger, the bank's announcement adds, it is now also in the very front rank of institutions throughout the country extending mortgage management facilities, serving thousands of individual and

is located in the United States Rubber Co. Building at Sixth Avenue and 48th Street, and is the first commercial bank in Rockefeller Center to be located on Sixth Avenue. It has Colonial decorations throughout and will offer complete commercial and personal banking, trust and safe deposit facilities. It will also serve as headquarters for the bank's Latin-American business, and for the handling of loans incident to the national defense program. Colonel V. Clement Jenkins, President of the Sixth Avenue Association, Inc., who originated the idea of the "Avenue of the Americas," Eugene F. Kinkead, Chairman of the bank's Executive Committee and S. Sargeant Voecik, Executive Vice-President, also were present.

Garret A. Hobart, son of Garret A. Hobart, Vice-President of the United States under President McKinley, died of heart disease on Sept. 29 at his home in Haledon, N. J. A native of Paterson, N. J., Mr. Hobart was a retired stockbroker and was a Vice-President of the Paterson Savings Institution. He was also a Director of the Public Service Corporation of New Jersey.

Clarence H. Batten, retired Manager of the Philadelphia Clearing House, died on Sept. 29 at his home in Woodbury, N. J., after an illness of two years. Mr. Batten, who was 75, retired two years ago after a career of 57 years in the banking business. Following an association of 19 years with the First National Bank in Philadelphia, Mr. Batten became Assistant Manager of the Philadelphia Clearing House in 1901 and later was made Manager.

Hallie M. Kerr, who for more than 30 years has been in charge of the Safe Deposit Department at the Head Office of the Citizens National Trust & Savings Bank of Los Angeles, has retired from the bank. Miss Kerr joined the staff of the old American National Bank on Oct. 21, 1907, and a few months later was placed in charge of that bank's safe deposit vault. When the institution was merged in 1909 with the Citizens National Bank she went to its new location, then at Third and Main streets, where for many years she was in sole charge of the entire work of the safe deposit department. Mrs. Ida M. Rieger, safe deposit supervisor and former assistant personnel manager of the bank, will succeed Miss Kerr.

The New York Trust Co., New York City, made announcement on Sept. 23 of the election of Wil-

lis McDonald 3d, Assistant Treasurer, as Vice-President. The institution also announced that Charles J. Morrison and William F. Sanford have been appointed Assistant Treasurers.

At the regular meeting of the Board of Directors of The National City Bank of New York held Sept. 9, W. Josiah L. Patton was appointed an Assistant Comptroller, and Frank R. Rappel was appointed an Assistant Cashier. Mr. Patton was formerly an assistant cashier in the Comptrollers Department.

August Zinsser, trustee and Vice-Chairman of the Executive Committee of Central Savings Bank in the City of New York, and President of the institution from 1926 to 1936, retired on Sept. 27 on his 70th birthday. Mr. Zinsser's trusteeship began in 1915, and when he became President of the bank in 1926 its total resources were \$162,000,000. He has the satisfaction of having seen the resources grow to the present total of more than \$220,000,000, making Central the country's eighth largest mutual savings bank. The number of depositors also increased during that period from less than 130,000 to over 202,000.

E. Chester Gersten, President of The Public National Bank and Trust Co. of New York, announced that at a meeting of the Board of Directors held Sept. 25, George R. Howatt of the Bond Investment Division was appointed an Assistant Cashier; and that Lewis H. Semel and Joseph O. Zurhellen, both of the Credit Department, were appointed Assistant Cashiers.

Arthur S. Kleeman, President of the Colonial Trust Co. of New York, announces that Walter E. Kolb, Vice-President, will be in charge of the bank's new Rockefeller Center office. Mr. Kolb has been associated with the bank for the past eleven years.

Harold H. Helm, Vice-President of the Chemical Bank & Trust Co. of New York, was elected a director of the bank at a meeting of the Board of Directors held Sept. 18. He is a member of the Board of Directors of the Corn Products Refining Co. and of the Association of Reserve City Bankers. He is also a member of the Economic Policy Commission of the American Bankers Association. Mr. Helm was graduated in 1920 from Princeton University and immediately entered the Credit Department of the

MANUFACTURERS TRUST COMPANY

Condensed Statement of Condition as at close of business
September 30, 1941

RESOURCES

Cash and Due from Banks	\$ 354,140,771.46
U. S. Government Securities	340,293,965.63
State and Municipal Bonds	33,476,339.07
Stock of Federal Reserve Bank	2,237,750.00
Other Securities	39,179,113.68
Loans, Bills Purchased and Bankers' Acceptances	270,305,220.42
Mortgages	18,042,939.99
Banking Houses	11,728,000.00
Other Real Estate Equities	2,937,274.07
Customers' Liability for Acceptances	6,877,077.95
Accrued Interest and Other Resources	3,244,358.78
	\$1,082,462,811.05

LIABILITIES

Preferred Stock	\$ 8,892,780.00
Common Stock	32,998,440.00
Surplus and Undivided Profits	40,986,644.69
Reserves	82,877,864.69
Common Stock Dividend (Payable October 1, 1941)	4,912,519.15
Preferred Stock Dividend (Payable October 15, 1941)	824,959.50
Outstanding Acceptances	222,319.50
Liability as Endorser on Acceptances and Foreign Bills	7,640,002.93
Deposits	319,355.63
	985,665,789.65
	\$1,082,462,811.05

DIRECTORS

EDWIN M. ALLEN President, Mathieson Alkali Works, Inc.	CHARLES FROEB Chairman, Lincoln Savings Bank	C. R. PALMER President, Cluett, Peabody & Co., Inc.
EDWIN J. BEINECKE Chairman, Sperry & Hutchinson Co.	PAOLINO GERLI President, E. Gerli & Co., Inc.	GEORGE J. PATTERSON President, Scranton & Lehigh Coal Co.
EDGAR S. BLOOM President, Atlantic, Gulf and West Indies Steamship Lines	HARVEY D. GIBSON President	HAROLD C. RICHARD Chairman, General Bronze Corporation
LOU R. CRANDALL President, George A. Fuller Company	JOHN L. JOHNSTON President, Lambert Company	HAROLD V. SMITH President, Home Insurance Co.
CHARLES A. DANA President, Spicer Manufacturing Corp.	OSWALD L. JOHNSTON Simpson Thacher & Bartlett	ERNEST STAUFFEN Chairman, Trust Committee
ELLIS P. EARLE President, Nipissing Mines Co.	CHARLES L. JONES President, The Jones-Atkinson Corporation	GUY W. VAUGHAN President, Curtiss-Wright Corporation
HORACE C. FLANIGAN Vice-President	SAMUEL McROBERTS New York City	HENRY C. VON ELM Vice-Chairman of the Board
JOHN M. FRANKLIN President, United States Lines Company	JOHN P. MAGUIRE President, John P. Maguire & Co., Inc.	ALBERT N. WILLIAMS President, Western Union Telegraph Company

Principal Office: 55 Broad Street, New York City
67 BANKING OFFICES IN GREATER NEW YORK
European Representative Office: 1, Cornhill, London, E. C. 3
Member Federal Reserve System
Member New York Clearing House Association
Member Federal Deposit Insurance Corporation

Both Common and Preferred shares have a par value of \$20 each. The Preferred is convertible into and has a preference over the Common to the extent of \$50 per share and accrued dividends.



BANKING In New Jersey

For over 40 years, this large, modern New Jersey bank has served important corporations, unincorporated companies and individuals to effect certain economies.

Full information on request.

COMMERCIAL TRUST COMPANY

Capital \$3,400,000

of NEW JERSEY

Surplus \$3,225,000

15 Exchange Pl., Jersey City, N. J.

Three minutes from Cortlandt Street

Member Federal Reserve System and Federal Deposit Insurance Corp.

Chemical National Bank. He was appointed a junior officer in 1926 and in 1929 a Vice-President of the Chemical Bank & Trust Co. He is a trustee of the Kimberley School and a member of The Princeton University Fund. Recently he was elected Vice-Chairman of the Graduate Council of Princeton University and Vice-President of the Princeton National Alumni Association.

Herbert E. Smith, Vice-President of the United States Rubber Co., was elected a Trustee of the Brooklyn Trust Co. at a meeting of the Board of Trustees on Sept. 18, filling a vacancy. Mr. Smith, who was born in San Jose, Calif., in 1889, has spent his entire career in the rubber business. In 1926, he was elected Vice-President of the United States Rubber Co., and is now a director and member of the executive committee of that company and a director of several of its subsidiaries. He is also a director of the Rubber Manufacturers Association.

Joseph Upton, President of the Queens County Savings Bank of Flushing, L. I., N. Y., was elected Chairman of Group V of the Savings Banks Association of the State of New York, at the annual meeting held Sept. 24. The group comprises 64 savings bank offices located in Brooklyn, Queens, Long Island and Staten Island, with more than 1,900,000 depositors and aggregate deposits of \$1,546,727,829. Mr. Upton succeeds Robert S. Darbee, President of the Bay Ridge Savings Bank.

Other officers and members of the executive committee named for the coming year include Adam Schneider, Jr., President of the Roosevelt Savings Bank, as Chairman of the Executive Committee; John J. Hickey, Vice-President of the Greater New York Savings Bank, as Secretary and Treasurer; Jacob C. Klinck, President of the Kings County Savings Bank; and Robert E. Moffett, President of the Hamburg Savings Bank.

The group unanimously pledged full and continued support of their savings banks in the sale of United States defense savings bonds and defense stamps.

Milton Altmark, Samuel Rinzler and Louis Frisch were elected Directors of the Montrose Industrial Bank, Brooklyn, on Sept. 10. Mr. Altmark is with Milton Altmark, Inc., and Mr. Rinzler and Mr. Frisch are President and Secretary-Treasurer, respectively, of the Randforce Amusement Corporation.

Announcement was made on Sept. 24 by the Standard National Bank of Woodside, L. I., N. Y., of the appointment of Edward J. Dugan as an Assistant Cashier. Mr. Dugan has previously been associated with the Equitable Trust Co., the Chase National Bank and the Trust Co. of North America, all of New York City.

Edward Mount Fielder, President of the Northern Westchester Bank, Katonah, N. Y., died on Sept. 12 at his home in Katonah. He was 59 years old. Mr. Fielder had been President of the bank since 1933 having helped to organize it in 1919. A native of Asbury Park, N. J., he began his banking career there as a young man. Later Mr. Fielder organized a bank at Sparkhill, N. Y., before going to Katonah.

F. Leo Nolan, Assistant Cashier of the Glens Falls National Bank and Trust Co., Glens Falls, N. Y., died on Sept. 11 in that city at the age of 51. Mr. Nolan had been in the employ of Glens Falls banks since 1906, having first worked for the Merchants National Bank, which later was absorbed by the Brownstone Bank.

Harrison G. Taylor, Treasurer of the Worcester Five-Cents Savings Bank, Worcester, Mass., was elected President of the Savings Banks Association of Massachusetts on Sept. 13 at the closing session of the organization's 24th annual convention at Swampscott. Other officers elected were: First Vice-President, Charles J. Bateman, Jr., President of the Somerville Savings Bank; Second Vice-President, C. Rodgers Burgin, Executive Vice-President of the Quincy Savings Banks; Treasurer, Robert F. Nutting, President of the Cambridgeport Savings Bank; and Secretary, Sterling R. Whitbeck, Treasurer of the Nonotuck Savings Bank, Northampton.

John M. Wadhams, banker of Torrington, Conn., who had been active for many years in Connecticut Republican affairs, died on Sept. 17 at his home in Goshen, Conn., at the age of 71. Mr. Wadhams was President of the Torrington Savings Bank and was also an official of the Brooks Bank & Trust Co., both of Torrington. He was also a former President of the National Association of Mutual Savings Banks and had served for two years as President of the Connecticut Association of Savings Banks.

Mr. Wadhams had served as Chairman of the State (Connecticut) Board of Finance from 1915, when it was created, until 1928. He also served a term in the General Assembly in 1911 and was elected State Senator in 1913, 1915 and 1933. In 1918 he was a candidate for Lieutenant Governor of Connecticut and sought the Republican nomination for Governor unsuccessfully in 1924 and 1926.

William G. Redfield, former President and Chairman of the Board of the New Haven Bank, N. B. A., New Haven, Conn., died at his home in that city on Sept. 17 following a short illness. Although retiring in 1937 as Chairman, Mr. Redfield continued as a member of the Board of Directors.

Mr. Redfield began his banking career with the New Haven County National Bank which was merged in 1915 with the New Haven Bank, N. B. A. He rose to Cashier of the combined institution and in 1923 was elected President. He later resigned that post to become Chairman of the Board of Directors.

Clement Scott, a Vice-President in charge of the trust department of the Hartford-Connecticut Trust Co., of Hartford, Conn., died on Sept. 16. He was 60 years old. A native of New York City, Mr. Scott practiced law before entering the banking field in 1914. The following account of his activities was contained in the Hartford "Courant" of Sept. 17:

Mr. Scott then entered the law firm of Curtis, Mallet, Provost & Colt in New York, remaining there until 1910 when he came to Hartford to practice law with the firm of Perkins, Wells & Scott. In 1914 he joined the Connecticut Trust and Safe Deposit Co. as a trust officer, and when that bank incorporated with the Hartford Trust Co. on July 19, 1919, he became associated trust officer of the new Hartford-Connecticut Trust Co. Later, Mr. Scott became trust officer, then a Vice-President on Jan. 22, 1925 and a trustee of the bank on Jan. 19, 1928.

George W. Ronald, former business manager of the Minneapolis "Star Journal" and at one time associated with the First and American National Bank in Duluth, has been appointed Vice-President of the Fidelity and Columbia Trust Co., Louisville, Ky. Mr. Ronald assumed his new duties Sept. 15.

(Continued on Page 506)

ABA Administrative Committee

Personnel of the Administrative Committee of the American Bankers Association was announced at Chicago on Oct. 2 at the close of the annual convention of the American Bankers Association by Henry W. Koeneke, President of the Association. Mr. Koeneke is President of the Security Bank of Ponca City, Ponca City, Okla. The Administrative committee consists of the officers of the Association and the heads of its five Divisions, the three immediate past Presidents, the President of the American Institute of Banking, and four members appointed by the President.

The four appointed by the President were Harry A. Bryant, President of the Parsons Commercial bank, Parsons, Kansas; William S. Gray, Jr., President of the Central Hanover Bank & Trust Co., of New York City; B. Murray Peyton, President of the Minnesota National Bank, Duluth, Minn., and Charles E. Spencer, Jr., President of the First National Bank, Boston. The full committee consists of the following:

H. W. Koeneke, President, The Security Bank of Ponca City, Ponca City, Okla., Chairman;
 W. F. Augustine, Vice-President, National Shawmut Bank, Boston, Mass., Treasurer of the Association;
 Philip A. Benson, President, The Dime Savings Bank of Brooklyn, Brooklyn, N. Y.;
 W. C. Bowman, President, First National Bank, Montgomery, Ala., and President of the ABA National Bank Division;
 Harry A. Bryant, President, Parsons Commercial Bank, Parsons Kans.;

William Duncan, Jr., Secretary, Minnesota Bankers Association, Minneapolis, Minn., President of the ABA State Secretaries Section;
 Stuart C. Frazier, Vice-President, Washington Mutual Savings Bank, Seattle, Wash., President of the Savings Division, ABA;
 William S. Gray, Jr., President, Central Hanover Bank and Trust Company of New York;
 Robert M. Hanes, President, Wachovia Bank and Trust Co., Winston-Salem, N. C.;
 W. L. Hemingway, President, Mercantile-Commerce Bank and Trust Co., St. Louis, Mo., ABA First Vice-President;
 P. D. Houston, Chairman of Board, American National Bank, Nashville, Tenn.;
 George T. Newell, Vice-president, Manufacturers Trust Co., New York, N. Y., President of the American Institute of Banking ABA;
 James H. Penick, President, W. B. Worthen Company, Bankers, Little Rock, Ark., President of the ABA State Bank Division;
 B. Murray Peyton, President, The Minnesota National Bank, Duluth, Minn.;

Charles E. Spencer, Jr., President, First National Bank, Boston, Mass.;
 Richard G. Stockton, Vice-President, Wachovia Bank and Trust Co., Winston-Salem, N. C., President of the ABA Trust Division;
 A. L. M. Wiggins, President, Bank of Hartsville, Hartsville, S. C., Second-Vice-President of the Association.

New ABA Section Chief

William Duncan, Jr., Secretary of the Minnesota Bankers Association, of Minneapolis, was elected President of the State Secretaries Section of the American Bankers Association at the annual meeting held at Chicago on Sept. 29 during the convention of the Association. Mr. Duncan was elevated from the office of First Vice-President, which he held during the past year. Fred M. Bowman, Secretary Kansas Bankers Association, of Topeka, Kans., was elected First Vice-President of the Section. Mr. Bowman was elevated from the office of Second Vice-President.

Lauder Hodges, Executive Manager of the California Bankers Association, San Francisco, was elected Second Vice-President of the Section. Two members were elected to the Board of Control; they are: G. Harold Welch, Secretary of Connecticut Bankers Association, New Haven, and Gordon D. Palmer, Secretary of the Alabama Bankers Association, Tuscaloosa.

CHARTERED 1853

United States Trust Company of New York

Statement of Condition September 30, 1941

RESOURCES	
Cash in Banks	\$ 80,699,350.36
Loans	25,699,316.56
Bills Purchased	14,217,058.42
United States Treasury Bonds and Notes	32,926,000.00
Other Bonds	6,688,500.00
Stock in Federal Reserve Bank	840,000.00
Bonds and Mortgages	5,854,385.83
Real Estate	1,900,000.00
Accrued Interest Receivable	331,213.04
	\$169,155,824.21
LIABILITIES	
Capital	\$ 2,000,000.00
Surplus	26,000,000.00
Undivided Profits	2,877,307.38
Deposits	136,687,728.08
Reserved for Taxes, Interest, Expenses, etc.	1,279,906.27
Unearned Discount	10,882.48
Dividend Payable October 1, 1941	300,000.00
	\$169,155,824.21

United States Government and other securities carried at \$433,750 are pledged to secure public deposits and for other purposes required by law.

TRUSTEES

WILLIAM M. KINGSLEY, Chairman	WILLIAMSON PELL, President	
JOHN J. PHELPS	BARKLIE HENRY	FRN LAMIN STRONG
JOHN SLOANE	GEORGE de FOREST LORD	JOHN HAY WHITNEY
FRANK L. POLK	ROLAND L. REDMOND	G. FORREST BUTTERWORTH, Jr.
JOHN P. WILSON	HAMILTON HADLEY	JAMES H. BREWSTER, Jr.
	FRANCIS T. P. PLIMPTON	

MEMBER FEDERAL DEPOSIT INSURANCE CORPORATION

Bank Cultivation of Field of Selling Credit Is Urged by Fred L. O'Hair of ABA

Bankers were reminded at the annual meeting of the National Bank Division of the A. B. A. that there are ample profits in country banks if these institutions will combine the principles and low cost of mass production with a personalized merchandising program,—the reminder coming from Fred L. O'Hair, President of the Central National Bank, Greencastle, Ind. Addressing the



Fred L. O'Hair

Division on Sept. 29 at Chicago, Mr. O'Hair declared that the cultivation of the field of selling credit will yield large opportunities, and closer contact with more people will result in mutual understanding by all. If a bank's money is to maintain its proper place in the community, he said bankers must be prepared to serve the trade. In his address he also said:

A recently published comparison of reports of the Bank Management Commission of the A. B. A. shows the ratios of net operating earnings to deposits or all insured banks 28% lower in 1940 than 1937; net profits ratio 21% lower. Ratios of earnings from all sources have been lower each succeeding year of the four year period.

The rapid rise in deposits in this period may somewhat distort the picture by the use of these ratios. Nevertheless, our job is to convert deposits into earning assets for profit. The trend of profits has been downward for a quarter of a century. We have lived with the problem, have tried various solutions, but apparently have not found the correct answer.

I suggest that we examine our business with a critical eye, and from the viewpoint of an outsider. Call it "self-analysis of a country banker." Let us assume that we are responsible for each of these ten thousand country banks, as indeed we are.

Perhaps we haven't made enough effort to produce profits by improving our product, enlarging our field, reducing our costs and prices. Yet the success stories of America fall in one general pattern—giving the customer a better product at a lower price. Other businesses with products of general use have profited by large volume with small margin.

Our stock in trade is the one universal commodity, money—and credit, which is the thing

people use as money. Twenty odd years ago some 25,000 banks did the credit business of the country. Now 13,000 of us compete with more than 25,000 other sources of credit, not including Government agencies. An entire new generation of potential customers has grown up to depend on others than ourselves for their credit needs. In the same time other businesses have developed their products from mere experiments into every day necessities. What do these other businesses have that we don't have? Salesmanship, mostly.

Our product—credit—is good. Everybody uses it at one time or another. Not only do we have a better margin in retailing than wholesaling, but that is our natural field. Our job is to develop that field; to carry a better understanding of it to the public.

While we are doing this, however, perhaps we should give some thought to equipping ourselves with a better understanding of the money needs of the public. Sales managers gather all available facts regarding their markets. They test public opinion. We can use the same method.

The average present day credit customer may seem to us bewildered when considering his own problems. He knows his immediate need but that is about all. It seems to me to be our obligation to teach him how to go into debt—so he can get out. There lies a big opportunity to serve. But with the opportunity goes the responsibility to conserve, the traditional responsibility of the banker. If we accept both opportunity and responsibility the banking business can take both competition and regulation in its stride.

ABA Sav. Div. Head

Stuart C. Frazier, Vice-President of the Washington Mutual Savings Bank, of Seattle, Wash., was elected President of the Savings Division of the American Bankers Association at the annual meeting held at Chicago on Sept. 29 during the convention of the American Bankers Association. Mr. Frazier was elevated from the office of Vice-President, which he held during the past year. W. W. Slocum, President The United Savings Bank, Detroit, Mich., was elected Vice-President of the Division.

ABA State Bank Div. Pres.

James H. Penick, President W. B. Worthen Co., bankers, of Little Rock, Ark., was elected President of the State Bank Division of the American Bankers Association at the annual meeting held at Chicago on Sept. 29 during the convention of the Association. Frank P. Powers, President Kanabec State Bank, Mora, Minn., was elected Vice-President of the Division. Wood Netherland, Vice-President Mercantile-Commerce Bank and Trust Co., St. Louis, Mo., was elected Chairman of the Division's Executive Committee.

George Stoller Now In Greystone Studios

Mr. George Stoller, the founder of the Blank & Stoller Corp., which is no longer in business, has announced his association with the Greystone-Stoller Corp.

Both Mr. Stoller and the Greystone studios have been doing the photographic work for business executives of the United States and have served the leading trade publications an associations. We are indebted to the Greystone-Stoller Corp. for many of the pictures used in this issue.

Heads ABA Nat. Bank Div.

W. C. Bowman, President of the First National Bank of Montgomery, Ala., was elected President of the National Bank Division of the American Bankers Association at the annual meeting held at Chicago during the convention of the Association. Mr. Bowman was elevated from the office of Vice-President, which he held during the past year. S. A. Phillips, Vice-President of the First National Bank, Louisville, Ky., was elected Vice-President of the Division.

John Burgess Finds Consumer Credit Is Necessary Function of Commercial Banks

That Consumer credit departments of banks perform a necessary and worth-while credit function in this country's economy and at the same time place the banker in direct touch with a large number of people who need and deserve small loans, was the opinion expressed by John Burgess, Vice-President of the Northwestern National Bank & Trust Co., Minneapolis, Minn., at a round-

table conference on bank management on Sept. 30 at the annual convention of the ABA. According to Mr. Burgess "instalment loaning is a banking function worthy of serious, dignified treatment, for many an individual's only or first opportunity to come into contact with a bank will come through the small loan department." He likewise stated that "the opportunity to



John Burgess

acquire the security of established credit at 'his bank' to acquire valuable equipment for comforts or convenience with the help of 'his bank' is a powerful and moving relationship." From his address we also quote:

To walk proudly into "his bank" and negotiate a loan at a reasonable rate in a business-like way is a privilege never to be forgotten. Certainly such objectives are worthy of dignified quarters, considerate treatment and meticulous attention to detail.

As we approach this problem then, let us use common sense and coolness, but above all the Christian, social and economic principles that we have been preaching and lately more widely practicing in the general banking field. So far as the little man is concerned, the golden rule is a good rule to live by. It is not incompatible with good banking practice. It is of immense importance if we are going to keep democracy alive and help it to progress and win the hitherto unsung but perpetual battle to make decent human living universal.

If we as bankers, faithful to our trust and believing that favoritism has no place in quasi-

public administration, would do justice, can we assume that character is measured by the size of the borrower's asset statement?

If we would build respect for our judgment, we must be temperate in terms, fair in appraisal, unprejudiced in judgment, impartial as to accidents of birth, race or religion.

If we as bankers are to do our full duty, we must exercise wisdom as to the purposes for which credit, large or small, but especially small, extended to the inexperienced borrower, is to be put. And what an opportunity is here afforded for banks and bankers to regain, retain or increase that position of financial confessor, fiscal advisor, and monetary next friend to the public at large, to which we all aspire.

Can we do all this in times like these? Yes, if we have courage, the courage of which I spoke. Without courage in times like these, we had best retire from the field of free enterprise. But the American way is ahead, not astern.

In the present emergency, Mr. Burgess stated that it is up to all of us now, to do several specific things:

1. We should do our utmost to continue extensions of instalment credit within the scope of the Reserve Board's regulations. Too sharp a contraction would certainly not be in the public interest at this time.

2. We should endeavor to increase the scope of banks' activities in this field, because it is their rightful field and can be best cultivated by them at the least expense to the consumer.

3. The banks should maintain their positions in this field because when defense industries are liquidated a vast amount of labor and capital will have to be employed in consumer goods industries, and the banks should be in a position to stimulate a revival in these peace-time industries through the smooth operation of the machinery of instalment sales and financing.

Diversify to Meet Inflation Problems

(Concluded from Page 501)

to individuals who may do the work for less money even though they do it less efficiently. The point is that we must lay plans not just for increasing commission charges, but for substantially reducing our costs as well. I emphasized a few minutes ago the value of the Common Trust Fund in this regard. I have no doubt that intensive study of administrative methods will produce other savings substantial in character.

ABA Elects Stockton, This Division Chiefs

(Continued from Page 490)

ciaries Association of New York City, served as the Association's Vice-President in 1934 and 1935, and as President in 1936 and 1937. He is a member of the executive committee of the Trust Companies Association of the State of New York.

Mr. Theis has long been active in the Trust Division of the American Bankers Association and is a member of the Division's Executive Committee. He has been chairman of the Division's Committee on Costs and Charges since 1929, and is also a member of the Trust Policies Committee. He served also as a member of the committee that wrote the text books, "Trust Business I and II," now used by the American Institute of Banking. He was a member of the American Bankers Association NRA Code Committee, and also served for a year on the Association's Research Council.

CHEMICAL BANK & TRUST COMPANY

Founded 1824
165 Broadway, New York

CONDENSED STATEMENT OF CONDITION At the close of business, September 30, 1941

ASSETS

Cash and Due from Banks	\$371,130,377.69	
U. S. Government Obligations, Direct and Fully Guaranteed	304,326,712.73	
Bankers' Acceptances and Call Loans	27,498,484.76	
State and Municipal Bonds	80,404,862.38	
Other Bonds and Investments	111,709,666.00	
Loans and Discounts	132,370,740.51	
Banking Houses	545,227.82	
Other Real Estate	5,058,294.34	
Mortgages	1,560,355.76	
Credits Granted on Acceptances	1,340,456.97	
Other Assets	3,813,678.62	
		\$1,039,758,857.58

LIABILITIES

Capital Stock	\$20,000,000.00	
Surplus	50,000,000.00	
Undivided Profits	8,607,434.45	\$78,607,434.45
Dividend Payable October 1, 1941	900,000.00	
Reserves, Taxes, Interest, etc.	4,863,352.26	
Acceptances Outstanding (less own acceptances held in portfolio)	\$5,361,160.66 3,815,108.21	1,546,052.45
Other Liabilities	206,969.46	
Deposits (including Official and Certified Checks Outstanding \$21,213,899.25)	953,635,048.96	
		\$1,039,758,857.58

U. S. Government Obligations and other securities carried at \$37,382,963.59 in the foregoing statement are deposited to secure public funds and for other purposes required by law.

Charter Member New York Clearing House Association
Member Federal Reserve System
Member Federal Deposit Insurance Corporation

Municipal News & Notes

In recent weeks considerable attention has been devoted by the bond fraternity to the contrast which has existed in price gains sustained in tax exempt obligations and the dullness exhibited by U. S. Treasury and other high grade issues. In a new spurt of activity in the municipal market during the past several days, dealers reported that substantial inroads were made in the supply of offerings generally. In fact, a number of unsold balances of new issues that had been lying on shelves are said to have been completely moved out. Increased investor interest is said to have been distinctly apparent, although the major portion of the increased animation was attributed to professional buying. This was supported by the reoffering of some of the bonds that had changed hands at mark-ups in prices.

The current trend toward awards of high grade municipal flotations at ever mounting prices and consequent lower yields, has investment houses searching for fundamental causes. The present scarcity value of state and city bonds is held by the experts to be a leading factor in the upswing. Notwithstanding the vast total of such bonds outstanding, the market supply usually is modest, for the bonds rest primarily in institutional portfolios and there is not much likelihood of resale by such holders. The prospects at the present time, moreover are for light new issues for the "duration."

There is no doubt that the extreme levies now being enacted and foreshadowed at Washington have stimulated interest in exempt issues, but every informed buyer is aware of the Treasury drive to terminate reciprocal tax immunity and no assurance can be held out that the bonds will remain exempt. In two important legal actions the Treasury is asserting a right to tax issues now outstanding and exempt.

The need for diversity in large portfolios contributes to the current demand for municipal bonds, and probably explains in large part the much larger recent advances in such securities than have been recorded in United States Treasury obligations. No difficulty will be encountered, it is certain, in adding untold amounts of Treasury bonds to portfolios, but state and city issues are a different matter. For local reasons they often are preferred over Treasury obligations.

Municipal Over-Financing Danger Stressed

At a conference attended in New York last week by 250 municipal finance officers from Eastern states, various spokesmen for cities large and small urged economy as the keynote of these times. The heavy underscoring of economical operation is, of course, advisable.

But in the field of capital outlays by municipalities, priorities already are taking care of the situation. Unable to obtain materials, the states and cities are cutting their capital improvements sharply, and the new bonds that finance the enterprises are appearing in slower volume.

1941 State Tax Collections Up 7%

State tax collections for the fiscal year ending in 1941 will approach \$4,500,000,000, increasing 7% above 1940, according to a preliminary report of State Tax Collections: 1941, released by the Bureau of the Census. This figure, which reflects the rapid acceleration of business activities in con-

nection with national defense, is based upon trends from collections reported for the States in which 1941 fiscal years have already ended.

Most striking increases occurred in collections of State income taxes, which rose 17%, and general sales taxes, which were up 13% over last year. Other sales taxes also showed increased collections: from gasoline, 8%; alcoholic beverages, 8%, and tobacco products, 6%. Total collections of all types of sales taxes combined increased 9% over 1940, or \$149,000,000, to a total of \$1,796,000,000. Unemployment compensation taxes increased 4% over 1940.

Among the States with fiscal years that have already ended, all but Delaware reported increased collections. Thirteen States reported unusual gains over last year as follows: Michigan, 18%; Virginia, 18%; North Carolina, 15%; North Dakota, 15%; Georgia, 13%; Kentucky, 13%; Oregon, 13%; South Carolina, 13%; California, 11%; Washington, 10%; Wisconsin, 10%; Montana, 9%, and Tennessee, 7%.

In addition to California, Michigan, and Wisconsin, other States with collections exceeding \$100,000,000 in 1941 reported increases over last year as follows: New York, 5%; Illinois, 4%; Indiana, 3%, and New Jersey, 6%.

N. Y. State Municipal Finance Law Ready for '42

Improved credit and a generally stronger fiscal structure was predicted for all local units in New York State by Republican Assemblyman Abbot Low Moffat, at a recent meeting of the Municipal Finance Commission, created by the State Legislature. This commission has drawn up a measure for submission at the 1942 legislative session, which incorporates a comprehensive local finance act.

Assemblyman Moffat reports that the 1942 bill, designed to cover county, city, town, village and lesser units of government, will deal only with regulation of borrowing. Subsequent legislatures will be asked, he explained, to add provisions on budgeting, taxes, funds accounting, and other financing activities.

Anticipating approval of the bill by the Republican-controlled 1942 legislature, Moffat, assembly ways and means committee chairman, said, "We hope to make the statute eventually the local financial bible."

Municipal financing rules, now part of housing, education, and numerous other laws, would be gathered into one statute setting up what Moffat termed a "standard financing procedure."

The proposed legislation also would implement revised municipal financing provisions of the state constitution adopted in 1938.

New England Power Rationing Foreseen

The possibility of rationing of electricity to some New England industries has developed recently amid the continuing controversy over Government restriction of gasoline sales on the Eastern seaboard.

Officials of the Federal Power Commission said the extended drought had resulted in a critical situation with respect to hydro-electric power in Maine and western Massachusetts, and that a shortage of electricity might become general throughout New England.

To meet possible eventualities, they said, commission engineers are working on a rationing plan

to assure adequate energy for essential industries. This, an official added, may require some industries producing non-defense goods "to get along with less power for a few weeks."

Texas Education Board Studies Bond Defaults

The end which the State Board of Education had in view in having the history of defaults on bonds owned by the permanent school fund studied was to qualify itself for proposing better legislative safeguards against the causes and occasions which had brought about the defaults. Accordingly, Gaynor Kendall, chief analyst, in his report to the board, has listed the defects of law and laxities of administration to which the defects are chargeable, reciting concrete cases, by way of illustration, and in every instance proposing a legislative remedy. A few of the bills submitted to the Legislature for this purpose were enacted. Others will be submitted to the next Legislature by the board.

Kendall found that all defaults on tax-supported bonds were ascribable to one or more of four major factors: Inadequacy of the tax rate, loss or decline of assessed valuations, failure to collect taxes levied, failure to apply to debt service taxes collected therefor.

Inadequate tax rates, he says, are most frequently due to the desire of officials to minimize the burden borne by taxpayers, in which laudable endeavor they frequently go too far, and to a propensity to over-estimate the percentage of the taxes assessed that will be collected. Defaults from these

FLORIDA

FLORIDA MUNICIPAL BONDS

Our long experience in handling Florida issues gives us a comprehensive background of familiarity with these municipal bonds. We will be glad to answer any inquiry regarding them at no obligation.

R. E. CRUMMER & COMPANY
121 NAT BANK BLDG CHICAGO ILLINOIS

SPECIALIZING

F. H. A. INSURED MORTGAGES

The best "Hedge" security for Banks and Insurance Co's.
Circular on request

STORMS AND CO.
Commonwealth Building
PITTSBURGH, PA.
Phone Atlantic 1170

causes, he adds, are not often very serious, for courts will compel sufficient levies in behalf of issues whose claims have become overdue. He adds that while the refusal of the courts to act in advance of default operates as a temptation to default, the certainty that they will act after default pretty well assures ultimately the discharge of the obligations of communities which have not lost the power to pay.

Nevada Deprecates Maryland's Tax Cut

Governor O'Connor's widely publicized announcement that he had reduced Maryland's personal property tax rate 8 cents and that his state is now in the black with only its bonded indebtedness of \$49,000,000, has evoked a response from the State of Nevada.

Nevada hasn't bought red ink in 75 years, it has \$1,291,385.42 in the treasury, its total bonded indebtedness on July 1 was \$431,000, and its only taxes are on real es-

tate, personal property, gasoline and liquor.

Governor E. P. Carville, a Democrat like Mr. O'Connor, said the system for keeping the books balanced was simple.

"Sit tight," he said. "Sit on the taxes. Pay as you go, on the traditional cash-and-carry basis. That's the pioneer spirit and the way we do it in Nevada."

Nevada, he said, has a clean cuff, silver dollars (paper currency in this silver state is taboo) in its jeans, and a tax rate of only 69½ cents. It has no sales tax, inheritance, state income tax, tobacco tax or other "nuisance" taxes.

Tacoma Bridge Bond Payment Available

Holders of the bonds on the ill-fated Tacoma, Wash., toll bridge, which under pressure of a "freak" gale collapsed and fell into the narrows last November 7, now can obtain payment of principal and interest, and in most cases a premium above the nominal value

New England's Oldest and Largest Banking Institution

The FIRST NATIONAL BANK of BOSTON

1784 ★ 1941

23 BANKING OFFICES IN BOSTON
FOREIGN BRANCHES IN ARGENTINA AND CUBA

A CONDENSED STATEMENT of CONDITION
Covering all Offices and Foreign Branches
as of September 24, 1941

RESOURCES	
Cash and Due from Banks	\$431,658,655.54
United States Government Obligations	143,309,774.10
State and Municipal Securities	15,002,895.09
Stock of Federal Reserve Bank	2,010,000.00
Other Securities	17,779,280.60
Loans and Discounts	304,583,556.87
Customers' Liability for Acceptances	5,932,455.49
Banking Houses	12,251,143.54
Other Real Estate	1,655,290.42
Other Assets	3,699,281.12
Total	\$937,882,332.77
LIABILITIES	
Deposits	\$833,403,447.77
Acceptances Executed	\$8,972,229.78
Less: Held for Investment	2,049,203.82
Items in Transit with Foreign Branches	287,377.51
Reserve for Interest, Taxes, Dividend and Unearned Discount	3,397,723.22
Other Liabilities	2,312,960.77
Reserve for Contingencies	8,709,914.59
Surplus	\$27,812,500.00
Capital	39,187,500.00
Undivided Profits	15,847,882.95
Total	\$937,882,332.77

The figures of Old Colony Trust Company, which is beneficially owned by the stockholders of The First National Bank of Boston, are not included in the above statement.

Member of the Federal Deposit Insurance Corporation

of the obligations, as the result of action just taken by the Washington Toll Bridge Authority.

An ordinance has been passed by the board authorizing the trustee to accept the bonds for call, 1941. All of the \$3,750,000 of the original issue of that amount of 3 and 3/4% securities maturing Sept. 1, 1960, with the exception of \$85,000 that became optional on Sept. 1, last, at par, are to receive a price of 104 and interest to Oct. 1. The optional bonds are to be retired at the call price of 100, but interest also will be paid on them to Oct. 1.

Payment is to be made from receipts on insurance policies of \$5,200,000 covering the structure and \$240,000 on its operation. The claim on the span itself was settled Aug. 26 for \$4,000,000 cash and salvage rights to the authority, plus payments of \$220,000 to cover loss of use and occupancy.

Oregon County Wants to Secede

Memories of the "War Between the States" welled up as we read an Associated Press dispatch reporting that the residents of Curry County in Oregon believe they are being slighted by their home State, so they're planning to secede. Asserting the State is refusing to develop the county's mineral resources, the County Court appointed a commission to study secession procedure and to apply for admission to California.

Local Housing Units Schedule Note Offerings

Twenty-seven local housing authorities are planning to offer more than \$85,000,000 of temporary loan notes later this month. Maturities range from three to 12 months.

Bids for 13 of the issues will be opened October 14 and the remainder will be marketed Oct. 21. At the previous offering of housing notes interest rates ranged from 0.33% to 0.44%.

Funds obtained from the sale of the notes will be used to repay the United States Housing Authority for money already advanced on loan contracts, together with accrued interest, or to retire maturing short-term paper, and the balance will be used for construction costs during the term of the notes.

Following are issues scheduled for sale Oct. 14:

City	Amount	Maturity
Boston, Mass.	\$24,000,000	5-6-1942
Scranton, Pa.	1,000,000	6-30-1942
Camden, N. J.	1,410,000	5-6-1942
Washington, D. C.	9,140,000	5-6-1942
Baltimore, Md.	18,225,000	5-6-1942
St. Clair Co., Ill.	1,880,000	9-30-1942
New Albany, Ind.	475,000	9-30-1942
Quincy, Ill.	970,000	9-30-1942
Lake Charles, La.	500,000	3-31-1942
Galveston, Tex.	800,000	6-30-1942
Corpus Christi, Tex.	918,000	11-10-1942
Oakland, Cal.	2,650,000	3-31-1942
Twin Falls, Idaho	150,000	3-31-1942

Issues scheduled for sale on Oct. 21 follow:

City	Amount	Maturity
Providence, R. I.	\$5,000,000	5-6-1942
Anaconda, Mont.	376,000	6-6-1942
Montgomery, Ala.	1,480,000	11-10-1942

Public participation in the temporary financing of the USHA slum clearance program was initiated about two years ago with the first sale of local authorities' notes. In all, more than \$835,081,000 such notes have been placed through public competitive sale at interest rates averaging about 0.50%, thus affecting substantial savings over the rate of interest the USHA is required to charge for its loans.

Major Sales Scheduled

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

Oct. 9th (Today)

\$661,000 Onondaga Co., N. Y.
Syndicate headed by Lehman Bros. of New York, purchased the bonds offered last December. Phelps, Fenn & Co. of New York, and associates, second best bidder.

\$504,000 Union City, N. J.
This city has not negotiated any recent bond sales.

\$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.

Oct. 14th

\$3,000,000 South Carolina, State of
The most recent issue of long-term State highway certificates of indebtedness was sold last March, the award going to a syndicate headed by Lehman Bros. of New York, out-bidding the Union Securities Corp. of New York, and associates.

\$62,118,000 USHA temporary loans
Refer to remarks given above on these obligations.

Oct. 21st

\$6,856,000 USHA temporary loans
See note under the Oct. 14th entry.

Nov. 4th

\$1,030,000 Terrebonne Par., La.
This parish has not made any recent sales of bonds.

Items About Banks, Trust Companies

(Continued from Page 503)

Isaac W. Roberts has been elected President of the Philadelphia Savings Fund Society, Philadelphia, Pa., succeeding the late Stacy B. Lloyd, it was announced on Sept. 12 by the Board of Managers. Mr. Roberts, whose association with the bank dates from 1922 when he was made a manager, is promoted from the office of Vice-President to which he was elected in June, 1931. His elec-

tion marks him as the twelfth President since the institution was founded 125 years ago. Mr. Lloyd's death on July 30 was mentioned in these columns Aug. 2, page 638.

Nelson C. Denney, a Vice-President of the Fidelity-Philadelphia Trust Co., Philadelphia, Pa., died on Sept. 15 in the Cooper Hospital, Camden, N. J., after an illness of seven months. Mr. Denney, who lived in Merchantville, N. J., had been associated with the Fidelity-Philadelphia Trust Co. for 55 years.

Edward A. Young has been elected President of the North Side Deposit Bank, Pittsburgh, to fill the vacancy caused by the death of A. V. Purnell. Mr. Young has served as Vice-President and a Director since the bank's organization in 1934. Edwin O. Long, Secretary of the D. L. Clark Co., was elected Vice-President of the bank. He also has served as a director since the bank's organization.

Raymond M. Merritt was elected Assistant Secretary. Other officers of the bank include Raymond G. Geltz, Treasurer, and Stanley Crowe, Secretary.

William E. Howard, Vice-President of the Braddock National Bank, Braddock, Pa., on Sept. 17 was elected President by the institution's Board of Directors. He will assume his new duties on Oct. 1, succeeding George A. Todd, who will retire at that time. Mr. Todd has served the bank for the past 54 years and has been President since 1929. Mr. Howard joined the institution in 1932, becoming Vice-President in 1934.

Alexander Fleet Ryland, Vice-President of the First and Merchants National Bank, Richmond, Va., died on Sept. 17 of a heart attack at his home in Richmond. He was 64 years of age. Following his graduation from the Virginia Military Institute in 1897, Mr. Ryland joined the First National Bank of Richmond in 1899. He was made cashier in 1908 and Vice-President in 1918, and following the merger of the First National with the Merchants National Bank in 1926, was elected Vice-President of the combined institution, the present First and Merchants National Bank.

Mr. Ryland was one of the organizers of the Richmond Chapter of the American Institute of Banking and was a member for three years of the Executive Council of the American Bankers' Association, representing Virginia. He also was a member of the Association of Reserve City Bankers.

M. J. Fleming, President of Federal Reserve Bank of Cleveland, announced on Sept. 17 the admission to membership in the Federal Reserve System of the Liberty Bank, Ada, Ohio. The bank was organized in 1902 with an authorized capital of \$30,000, which was increased to \$60,000 on Nov. 12, 1914. Officers of the bank are: H. J. Souseley, President; H. M. Povenmire, Vice-President; Lloyd McElroy, Cashier, and J. A. Welsh, Assistant Cashier.

Directors of the Industrial National Bank, of Chicago, have elected George H. Goessele to the position of Cashier. Mr. Goessele who was formerly Assistant Cashier, takes over the post of Cashier, temporarily held by Edwin J. Tietz, Vice-President of the bank.

The Board of Directors of the Republic National Bank of Dallas have called a special meeting of the shareholders of the bank, to be held Oct. 14, for the purpose of voting upon the proposal to increase the capital stock of the institution from \$4,000,000 to \$5,000,000. In a letter sent to stock-

holders on Sept. 13, Fred F. Florence, President of the bank, announced that there are now outstanding 200,000 share of common stock of the par value of \$20 each, and it is contemplated that 50,000 additional shares will be issued, ratably, to the present shareholders at \$20 per share, thereby providing \$1,000,000 to cover the increase in the capital stock. His letter went on to say:

The increase in the capital account of the bank was deemed advisable by the Board so as to better prepare the bank to meet the growing volume of business that is steadily being developed throughout the Southwest, and also to provide the bank with a capital structure that will contribute even more substantially towards the maintenance of Dallas as the financial center of the Southwest.

The present surplus of the bank is \$4,000,000, and it is also proposed that \$1,000,000 will be transferred from the undivided profits account to the surplus account, making the surplus \$5,000,000. This will give the bank a paid-up capital and surplus of \$10,000,000.

The Public National Bank and Trust Company of New York formally opened on Oct. 6 its new and enlarged main office quarters in the bank's own 9-story building at 37 Broad Street, recently acquired by purchase. The new home of Public National is an impressive structure. The building, was acquired by the bank from the New York Stock Exchange, in an outright purchase for cash. In commenting on the move from its former headquarters in William Street, officials of the Bank characterize it as the inevitable result of the steady growth and expansion of the bank. In a recent statement E. Chester Gersten, President, hailed the purchase of the new building as symbolizing 33 years of sound progress for the institution. The Bank's September 30th statement shows total loans of \$87,725,486.21; total deposits of \$179,201,588.90; capital surplus and undivided profits of \$18,125,268.83 and total resources of \$201,618,904.73.

The new home of Public National is completely equipped with up-to-date of modern banking facilities and appointments. The area occupied by the Bank itself represents a 60% increase in headquarters office space, and consists of the sub-basement, a lower banking level and the main banking floor together with the first and second mezzanines and the entire second and third floors. The sub-basement, two floors below street level, contains extensive vaults which are of the most modern types known.

The lower banking level will be occupied by various departments of the Bank. The main banking floor on the street level is a notable example of modern banking interior, with its 30-foot acoustical ceiling, massive bronze doors and 12 columns with marble mosaic and bronze fillets. The second and third floors will provide space for the Bank's various departments, quarters for officers other than those located on main banking floor, President's office, directors' and conference rooms, as well as recreation rooms for men and women employees. The fourth to ninth floors, rented to business concerns. The Public National Bank and Trust Co. it is stated now ranks 45th among the nation's leading banking organizations. It was founded in 1908 and has a total of 30 officers with complete banking facilities. Of these, 11 are in Manhattan, 10 in the Bronx and 9 in Brooklyn.

Percy H. Johnston and Frank K. Houston, Chairman and President, respectively, of the Chemical Bank & Trust Co., New York City, announced on Sept. 24 the organization of a Quarter-Century



Business Established 1818

BROWN BROTHERS HARRIMAN & Co.

PRIVATE BANKERS

NEW YORK BOSTON PHILADELPHIA

Statement of Condition, September 30, 1941

ASSETS

CASH ON HAND AND DUE FROM BANKS	\$ 38,307,662.22	
UNITED STATES GOVERNMENT SECURITIES Valued at Cost or Market whichever Lower	46,981,812.51	
CALL LOANS AND ACCEPTANCES OF OTHER BANKS	7,527,817.57	
SECURITIES CALLED OR MATURING WITHIN 1 YEAR Valued at Cost or Market whichever Lower	6,005,631.54	
LOANS AND ADVANCES	32,469,331.21	
MARKETABLE BONDS AND STOCKS Valued at Cost or Market whichever Lower	12,246,995.75	
CUSTOMERS' LIABILITY ON ACCEPTANCES	7,644,851.15	
OTHER ASSETS	329,160.85	
		\$151,513,262.80

LIABILITIES

DEPOSITS—DEMAND	\$125,454,483.58	
DEPOSITS—TIME	3,847,886.22	\$129,302,369.80
ACCEPTANCES	\$ 8,166,085.91	
LESS OWN ACCEPTANCES HELD IN PORTFOLIO	669,172.46	7,496,913.45
ACCRUED INTEREST, EXPENSES, ETC.	186,317.62	
RESERVE FOR CONTINGENCIES	1,182,037.94	
CAPITAL	\$ 2,000,000.00	
SURPLUS	11,345,623.99	13,345,623.99
		\$151,513,262.80

PARTNERS

THATCHER M. BROWN	E. R. HARRIMAN
MOREAU D. BROWN	W. A. HARRIMAN
PRESCOTT S. BUSH	RAY MORRIS
LOUIS CURTIS	KNIGHT WOOLLEY

FACILITIES

COMPLETE FACILITIES FOR DOMESTIC AND FOREIGN BANKING
Deposit Accounts • Loans • Acceptances • Commercial Letters of Credit
ORDERS EXECUTED FOR THE PURCHASE OR SALE OF SECURITIES
INVESTMENT ADVISORY SERVICE

H. D. PENNINGTON, General Manager

Managers

EDWARD ABRAMS (Phila.)	CHARLES W. ELIASON, JR. (Chicago)	ERNEST E. NELSON (Boston)
CHARLES F. BREED (Boston)	STEPHEN Y. HORD (Chicago)	DONALD K. WALKER
ALISTER C. COLQUHOUN	HOWARD P. MAEDER	JOHN C. WEST (Phila.)
H. PELHAM CURTIS	THOMAS McCANCE	

Assistant Managers

MERRITT T. COOKE (Phila.)	ALFRED B. MEACHAM	ARTHUR R. ROWE (Boston)
WILLIAM A. HESS (Phila.)	EDWIN K. MERRILL	L. PARKS SHIPLEY
JOSEPH R. KENNY	ARTHUR K. PADDOCK (Boston)	HARRY L. WILLS

GEORGE E. PAUL, Comptroller • ARTHUR B. SMITH, Auditor

Licensed as Private Bankers and subject to examination and regulation by the Superintendent of Banks of the State of New York and by the Department of Banking of the Commonwealth of Pennsylvania. Subject to supervision and examination by the Commissioner of Banks of the Commonwealth of Massachusetts.

Club composed of directors, officers and employees who have served the bank or its constituent institutions continuously for 25 years or more. The membership totals 117, consisting of 94 actively employed and 23 on the pension list. Each member actively employed was presented with a gold service emblem; a diamond having been added for each additional five years of service. Pensioned employees received emblems indicating the number of years served up to the time of their retirement.

Oldest employee in point of service is John F. Flaacke, Assistant Secretary of the bank and Honorary President of the Club, who is now in his 71st year of continuous service.

The Guaranty Trust Co. of New York, New York City, recently announced the appointment of Francis P. Ford as an Assistant Treasurer and of Robert S. Denvir as an Assistant Secretary.

Fletcher W. Rockwell, President and a Director of the National Lead Co., has been elected a member of the Board of Directors of the Irving Trust Co., New York City, it was announced Sept. 12 by Harry E. Ward, President of the institution. Mr. Rockwell is also a Director of the Patino Mines and Enterprises and of the Doehler Die Casting Corp.

William C. Thompson, Vice-President of the French American Banking Corp., New York City, died on Sept. 13 in Paterson General Hospital, Paterson, N. J. He was 44 years old. A native of Brooklyn, Mr. Thompson joined the French American Banking Corp. as a clerk in June, 1919, when the company was founded, and rose through the ranks to the position he held at his death. His home was in Ridgewood, N. J.

The financial statement of Brown Brothers Harriman & Co., New York, private bankers, as of Sept. 30, 1941, shows an increase in total assets to \$151,513,263 compared with \$150,537,304 on June 30, 1941, and \$142,454,118 on Sept. 30, 1940. Deposits increased to \$129,302,370, compared with \$127,082,581 on June 30, and \$121,541,297 on Sept. 30, last year. Capital and surplus of \$13,345,624 compared with \$13,326,121 three months ago and \$13,235,254 a year ago. Loans and advances were \$32,459,331 compared with \$32,863,124 on June 30 and \$21,795,006 on Sept. 30, 1940. Other asset items compare as follows with the figures for three months ago and a year ago: Cash, \$38,307,662 against \$39,322,068 and \$38,063,614, respectively; United States Government securities (valued at lower of cost or market), \$46,981,813 against \$44,627,927 and \$49,703,021; marketable bonds and stocks (valued at lower of cost or market), \$12,246,993 against \$12,695,184 and \$10,401,688; customers' liabilities on acceptances, \$7,664,851 against \$8,722,539 and \$6,542,185.

In its statement of Sept. 30, 1941, the Chemical Bank & Trust Co., New York, reported total resources of \$1,039,758,858, the highest in the bank's history. Deposits, also the highest in the bank's history, amounted to \$953,635,049. Total resources compared with \$1,022,080,283 at end of June, and with \$892,954,445 a year ago. The peak deposit figure compares with \$940,555,890 on June 30, 1941, and with \$808,542,554 on Sept. 30, 1940.

The bank's holdings of U. S. Government obligations (direct and fully guaranteed) amounted to \$304,326,713, compared with \$319,537,627 three months ago, and with \$118,623,503 a year ago. Cash on hand and due from banks

amounted to \$371,130,378, against \$362,126,568 on June 30, 1941, and \$493,877,893 on Sept. 30, 1940. Loans and discounts amounted to \$159,869,225, against \$156,683,246 on June 30, 1941, and \$137,284,769 a year ago. Capital and surplus remained unchanged at \$20,000,000, and \$50,000,000, respectively. Undivided profits totaled \$8,607,434, compared with \$8,357,142 on June 30, 1941, and \$7,637,757 on Sept. 30, 1940.

The statement of the Chase National Bank of New York for Sept. 30, 1941, made public Oct. 2, shows deposits of \$3,587,562,000, compared with \$3,615,428,000 on June 30, 1941, and \$3,251,342,000 on Sept. 30, 1940. Total resources amounted to \$3,856,799,000 compared with \$3,889,161,000 on June 30, 1941 and \$3,522,990,000 on Sept. 30, 1940; cash in the bank's vaults and on deposit with the Federal Reserve Bank and other banks, \$1,328,312,000 compared with \$1,311,005,000 and \$1,440,940,000 on the respective dates; investments in United States Government securities, \$1,339,079,000 compared with \$1,437,225,000 and \$1,045,425,000; loans and discounts, \$773,036,000 compared with \$773,392,000 and \$625,579,000. On Sept. 30, 1941, the capital of the bank was \$100,270,000 and the surplus \$100,270,000, both amounts unchanged. The undivided profits account on Sept. 30, 1941, amounted to \$40,441,000 compared with \$37,183,000 on June 30, 1941 and \$36,535,000 on Sept. 30, 1940.

The statement of condition of Manufacturers Trust Co., New

York City, as of Sept. 30, 1941 shows deposits of \$985,665,790 and resources of \$1,082,432,811, compared with deposits of \$856,162,984 and resources of \$950,811,789 on Sept. 30, 1940. Cash and due from banks is listed at \$354,140,771, as against \$304,071,786 a year ago. U. S. Government Securities stands at \$340,293,966; one year ago it was \$304,005,430. Loans and bills purchased is \$270,305,220, which compares with \$210,541,450 a year ago. Preferred stock is shown as \$8,892,780, common as \$32,998,440, and surplus and undivided profits as \$40,986,645. Net operating earnings for the three months ending Sept. 30, 1941, after amortization, taxes, etc., as well as dividends on preferred stock, but before reserves, amounted to \$1,642,225, or 99 cents a share, as compared with \$1,663,051, or \$1.01 per share, for the corresponding period last year.

The Fulton Trust Company of New York reports total deposits of \$29,820,755 and total assets of \$34,997,820 in its statement of Sept. 30, 1941, compared with deposits of \$27,531,110 and assets of \$32,752,498 on June 30, 1941. Cash, U. S. Government securities and demand loans secured by collateral totaled \$27,348,344, against \$25,627,186 on June 30. State and municipal bonds were \$3,092,983, compared with \$2,585,045; time loans secured by collateral were \$942,402 against \$911,054 on June 30. The undivided profits account, after dividends in both cases totaled \$916,902 on Sept. 30, against \$922,901 on June 30.

Investment Trusts

(Continued from page 487)

and also improving their positions by reinvesting in better-situated issues. The time to take such losses is before the last day in December when the sudden rush of "cash" sales is liable to depress the market. Do your tax selling early as well as your Christmas shopping.

For the convenience of dealers, Hugh W. Long and Company has distributed forms prepared by the Monthly Stock Digest Service explaining the capital gain and loss provisions of the new law.

From a broadside received from Hare's Ltd., distributors of Insurance Group Shares:

"In the readjustment of security holdings, which is now becoming essential, greater preference will undoubtedly be shown for stability of earnings, rather than for sudden huge profits; for continuous, rather than prospective dividends; and for moderate price changes over sensational market action. On this basis stocks of leading fire insurance companies (which can be compared advantageously with almost any industry group) will undoubtedly rank high in popularity.

"The old-fashioned virtue of thrift is at the bottom of the superior performance of the stocks of those insurance companies which comprise the portfolio of Insurance Group Shares. These companies, for an average of over 90 years, have been distinguished for retaining in their business a

very generous portion of their annual profits (50% and over), thereby increasing liquidating values and future investment earnings. As a result, their unbroken dividend record averages over 60 years.

"The business of these companies this year will undoubtedly exceed their 'all time peak.' So far, their net premiums written are 18.8% in excess of the similar period last year. Their underwriting profit margin has increased 34.0% and their investment income, 9.1%. These companies comparatively are most favorably situated in relation to taxes, price ceilings, priorities, wage demands and labor disturbances, etc."

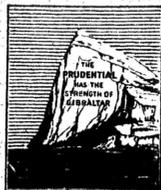
East. Gas-Fuel Attractive

In view of the increased earnings and the outlook for further improvement, the possibilities are good that dividends on the 6% cumulative preferred stock of Eastern Gas & Fuel Associates may be raised to the full rate next year and within a reasonable time thereafter small payments made against the unpaid arrears, according to a memorandum just issued by G. A. Saxton & Co., Inc., 70 Pine Street, New York City. The income and price appreciation possibilities of this stock are particularly attractive, according to the memorandum, copies of which, with additional information, may be obtained from the Statistical Department of G. A. Saxton & Co.

Higher taxes, More insurance

Probability of need for additional cash to pay rising estate levies suggests again giving thought to your life insurance.

May we help you?



The Prudential
Insurance Company of America

Home Office, NEWARK, N. J.

F. H. PRINCEBANKERS
PROVIDENCE, RHODE ISLANDHIGH-GRADE
INVESTMENTSMembers
New York, Chicago &
Boston Stock Exchanges

Established 1856

H. Hentz & Co.Members
New York Stock Exchange
New York Curb Exchange
New York Cotton Exchange
Commodity Exchange, Inc.
Chicago Board of Trade
New Orleans Cotton Exchange
And other ExchangesN. Y. Cotton Exchange Bldg.
NEW YORKBOSTON CHICAGO DETROIT
PITTSBURGH
GENEVA, SWITZERLAND**LAMBORN & CO.**99 WALL STREET
NEW YORK CITY**SUGAR**

Export—Imports—Futures

DIgby 4-2727

Tomorrow's Markets**Walter Whyte****Says—**

(Continued from page 483)

But then, everything is changed. Even old values are of as much use today as a BB air rifle in stopping a panzer division. Dividend yields, price times earnings ratios, big earnings and all the rest of the yardsticks are just so much gibberish today. No one pays any attention to them with the possible exception of statisticians. Even the old technical signals are ignored.

The big talk today—if anybody can be said to talk about it—is the action of the market and the outcome of the war. Of the two the latter given more newspaper space is the better conversation piece. We are, however, more concerned with the former.

In speaking of the market it is difficult not to treat it as unit. It's customary to ask, "what's the market doing?" rather than how's a single stock doing. Still, any answer applicable to the market as a whole seldom applies to any individual issue. It's futile to say the market is strong, or weak, when the stock you are concerned with is doing nothing or going down. Still, as most people are market rather

than stock conscious, I'll give a little space to it.

Up to last Tuesday the market acted all right. At least it didn't act badly enough to worry people. But during the first two hours that day it took a tumble and ended the day not far from the lows. Yesterday it recovered a little but that's about all that could be said for it.

All this is history and interesting only in retrospect. It must be noted however that in selling off as it did the market came close to what is a very important resistance level. True, it didn't penetrate it but that in itself is cold comfort. The burden of proof is now up to the market. If the coming rally is to start the market must not get more than two points under Tuesday's lows. So much for that.

Now for the stocks we still have positions in. Anaconda despite all the shooting is still a couple of points away from its 25 stop price. Hold on unless it breaks it.

Bendix with a stop at 34 is also in the clear. Hold that one too.

N. Y. Shipbuilding with 26 as a stop is another one that has managed to act better than the market.

Savage Arms is not near its 17½ critical level and should also be held.

Swift & Co. just managed to clear its 23½ stop by a small fraction. This last came in between 24 and 25. But the high after purchase advice was about 24½. Since then holders have gotten a 30c dividend which brings the price down to about 24 and a small fraction. I therefore suggest that the stop be lowered to 23.

The last stock in our list is Warner Bros., bought at about 5 with a stop at 3¾. There is no change in the stop in this one.

The prices at which stops in these issues have been determined is based on the theory expounded above. If the market holds, these stocks will hold too. If the market reacts any further these stocks will also react. But if the market sells off more than two points under last Tuesday's lows these stocks will break their critical prices. If that happens you are to sell them. Not because they aren't good stocks but because you will be able to buy them back cheaper.

O. J., Brooklyn, N. Y. Thanks for your wishes. Sorry pressure of work does not permit personal replies. The stock you are interested in isn't acting any worse or any better than the rest of the market. And earnings, no matter how big, play a small part in to-

"JOTTINGS"

(Continued from First Page)

to what the social-minded Mr. Field has to spend, even after alimony and P. M. Said to have \$25,000,000 now, he will get another \$40,000,000 in 1943 from the great Field estate.

The new paper, it is rumored, will be run off on Chicago Daily News presses.

The Chicago Federal is much further advanced on the paper-work of TFR-300 than New York, hopes to have it finished this month.

Recent mile-stones in investment banking history: (1) Morgan Stanley puts in a competitive bid for the Erie bonds; (2) Equitable sells out bonds it bought a few years ago ("you'll see more of this," say SEC officials); (3) Telephone asks for competitive bids; (4) three insurance companies walk off with the Telephone offering, by-passing the bankers; (5) quantity discounts for large buyers (i.e., insurance companies?) offered in a recent underwriting.

Incidentally, look for (1) vigorous protests this week from Chicago from convention of small insurance companies against big companies' on the ground that they are getting all the new issues; and (2) at least two life company presidents to testify at coming N. Y. State legislative hearing on common stocks for life companies—in favor.

Miscellaneous. — Fast-growing super-markets will be chief beneficiaries of coming food mark-ups. . . . Pre-tax liquor sales here an all-time record. . . . For the first time since the war started, the port of New York is suffering some congestion. Railroad-steamship team-work has prevented it before. . . . Smartest remark in recent gasoline-shortage discussions was Moffatt's statement that talk of idle tank cars is a "play on words." Real question is rate of deliveries or "tank car potential."

Finance Corp. Interesting

Of interest to dealers is a revised four-page folder on Prudential Personal Finance Corp. by Reichart, DeWitt & Co., Inc., 165 Broadway, New York. The folder, which supplements the regular prospectus issued at the time the Finance company's bonds and common stocks were offered, brings down to date the earnings of the company and shows that after paying bond interest and Class A dividends and allowing for increased Federal taxes the earned surplus shows a growth for the six months ended June 30, 1941 of \$7,616 as compared with \$6,505 growth for the entire year 1940.

Now Bennett & Co.

(Special to The Financial Chronicle)

HOLLYWOOD, CALIF. — The firm name of Greenwood, Bennett & Co., Equitable Building, has been changed to Bennett & Co., Don L. Greenwood having withdrawn from partnership in the firm. Partners of the new organization are: Dana H. Bennett, general and limited partner; Max Heben, Edwin J. Greer, and Mrs. Marjorie W. Chapin, limited partners, Mrs. Dorothy Flanagan, a limited partner in the form organization having also withdrawn.

day's market evaluation. Sorry, have no information on company's dividend plans.

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.]

IN THIS SECTION

(Continued from First Page)

John Burgess finds consumer credit lending necessary function of banks, remarks before A. B. A. Page 504

New York Stock Exchange borrowings declined in September. Page 500

E. F. Connelly says SEC competitive bidding rule for utility securities hurts small investors—Head of I. B. A. sees need for sound financial mechanism for country. Page 432

Need of "all-out" taxation as means of paying for defense without inflation stressed by Secretary Morgenthau before A. B. A. Page 489

Preservation of essence of free enterprise urged by B. E. Young before A. B. A.—Finds many laws hampering aims. Page 493

Richard G. Stockton elected President of Trust Division, A. B. A.—H. A. Theis becomes Chairman of Executive Committee. Page 490

W. C. Bowman elected President of National Bank Division, A. B. A. Page 504

A. B. A. Administrative Committee organized. Page 503

H. W. Koeneke elected President of A. B. A.—Other Officers Chosen—Remarks of Mr. Koeneke. Page 490

At A. B. A. Convention Senator Connally urges repeal of Neutrality Act. Page 497

Philip A. Eenson at A. B. A. Convention stresses need of support by citizens of defense bond sale. Page 500

Diversification of investments regarded by C. W. Fenninger as method of meeting interest problem and inflation—Speaks as head of Trust Division of A. B. A. Page 501

Bankers response to financial needs of country commended by President Houston of A. B. A.—Pledges support to efforts in behalf of small business man. Page 495

A. B. A. in resolutions on Federal taxation incident to defense costs warns against taxes which destroy incentive for enterprise—Other resolutions. Page 492

James H. Penick elected President of State Bank Division, A. B. A. Page 504

Stuart C. Frazier elected President of Savings Division, A. B. A. Page 504

William Duncan Jr. elected President of State Secretaries Section, A. B. A. Page 503

A. B. A. agricultural plaque awarded to North Dakota Bankers Association. Page 497

Massiveness of defense program discussed by Mark A. Brown before A. B. A. Page 494

Licenses Revoked

MILWAUKEE, WIS.—The Department of Securities of the State of Wisconsin has announced that the licenses of Clarence A. Gundersen, a dealer in securities, and Charles P. McCrory, a representative of Gundersen, have been revoked on the grounds that the two men had used "fraudulent business practices" in their business dealings with the Rev. Fr. Thomas Pierce of Milwaukee, who sustained a net loss of \$5,161.60 in transactions with Gundersen, while the securities dealers had made a net profit of \$4,153.99 in the same transactions.

Richardson Re-opens

(Special to The Financial Chronicle)

John J. Richardson is again engaging in a securities business from offices at 165 Broadway, New York City. Mr. Richardson was previously in business in New York as an individual dealer and prior thereto was an officer of Edgar H. Stapper & Co., Inc. and R. H. McWilliams, Jr. Co.

B. J. Welch in Utica

UTICA, N. Y.—Bernard J. Welch has formed the B. J. Welch Company with offices at 110 Genesee Street to engage in a securities business.

Cottam in Santa Barbara

(Special to The Financial Chronicle)

SANTA BARBARA, CALIF.—J. Russell Cottam is engaging in a general brokerage business from offices at 488 Lilac Drive. Mr. Cottam was previously President of Industrial Investment Corporation of Santa Barbara.

SEC Sues Gerber Corp.

The Securities and Exchange Commission has filed a civil action in the Federal District Court of New York seeking a mandatory injunction directing the Gerber Corporation, 120 Broadway, New York City, to permit inspection of its books and records. The Gerber Corporation has been registered with the Commission since 1936, but has refused to make available to the Commission for inspection and examination the books and records which it is required to keep.

New Firm Name

BIRMINGHAM, ALA.—Ward, Sterne & Co., First National Building, announce that their firm name has been changed to Ward, Sterne, Agee & Leach. Principals of the firm are Mervyn H. Sterne, Rucker Agee and Edmund C. Leach.

Calendar of New Security Flotations

OFFERINGS

KEYES FIBRE CO.
Keyes Fibre Co. registered with SEC \$1,400,000 First Mortgage Sinking Fund 4 1/2% 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

Keyes Fibre Co. filed an amendment with the SEC disclosing that Coffin & Burr, Inc., of Boston, has agreed to underwrite the entire issue of company's \$1,400,000 of First Mortgage Sinking Fund 4 1/2% bonds, due Oct. 1, 1956.
Offered—Oct. 9/

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 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)

Effective—11 A.M., E.S.T., Sept. 26, 1941.

Offered—To stockholders of record Sept. 26, 1941. Rights expired Oct. 6. Entire issue subscribed for by stockholders (with exception of less than 1,000 shares which will be offered to employees).

Company filed amendment with SEC, disclosing that the underwriters have agreed to purchase from company, at price of \$98 per share net to company, any of the 113,519 shares of company's no par common stock not subscribed for by exercise of subscription warrants issued to holders of company's outstanding capital stock.

Names of underwriters, and percentages of unsubscribed stock to be purchased by each, are as follows:

	% of Unsub. Stock
Smith, Barney & Co., N. Y.	13.21364
Eluth & Co., Inc., N. Y.	8.80910
Curtiss, House & Co., Cleveland	2.21901
Dillon, Read & Co., N. Y.	9.69001
First Boston Corp., N. Y.	8.80910
First of Michigan Corp., N. Y.	3.52364
Goldman, Sachs & Co., N. Y.	4.40455
Harriman, Ripley & Co., Inc., N.Y.	8.80910
Janney & Co., Phila.	4.40455
Kuhn, Loeb & Co., N. Y.	9.69001
Lee Higginson Corp., N. Y.	6.16637
Mellon Securities Corp., Pitts.	8.80910
Morgan Stanley & Co., N. Y.	11.45182

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.

SUNDAY, OCT. 12

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)

MONDAY, OCT. 13

LOUISVILLE GAS & ELECTRIC CO.

Louisville Gas & Electric Co. has registered with SEC 150,000 shares common stock, no par value.

Address—311 W. Chestnut St., Louisville, Ky.

Business—This operating utility subsidiary of Standard Gas & Electric Co. is engaged principally in the electric and gas business in Louisville, Ky., and vicinity.

Underwriters—To be named by amendment

Offering—The 150,000 shares to be offered to the public, at price to be supplied by amendment.

Proceeds—Will be used to reimburse in part company's treasury for funds expended for construction (approximately \$7,000,000), none of which heretofore has been used by company as basis for issuance of stock or long-term debt. Remaining amount needed, for this undertaking will be obtained from sale of additional common stock; of the amount so needed, company has temporarily obtained \$3,150,000 by bank loans.

Registration Statement No. 2-4848, Form A-2. (9-24-41).

TUESDAY, OCT. 14

JACOBS AIRCRAFT ENGINE CO.

Jacobs Aircraft Engine Co. registered with SEC 140,000 shares capital stock, \$1 par.

Address—750 Queen St., Pottstown, Pa.

Business—Engaged in development, manufacture and sale of aircraft engines, manufacture and sale of spare parts therefor, and sale of engine accessories. Engines produced are seven cylinder, radial, air-cooled engines of two series, rated for take-offs at 245 and 330 horse power, respectively. Unfilled orders on July 31, 1941, exceeded \$20,000,000.

Offering—To be offered to public, at price to be supplied by amendment. The shares registered are issued and outstanding and will be sold for the account of five selling stockholders.

Underwriter—Riter & Co., Philadelphia, is sole underwriter.

Proceeds—To the selling stockholders.

Registration Statement No. 2-4850. Form A-1. (9-25-41).

WESTINGHOUSE ELECTRIC & MANUFACTURING CO.

Westinghouse Electric & Manufacturing Co. registered with SEC 534,426 shares common stock, \$50 par value, and Subscription Warrants evidencing rights in respect of such shares.

Address—306 Fourth Ave., Pittsburgh, Pa.

Business—Engaged, together with its subsidiaries, in manufacture and sale of machinery, apparatus and appliances for generation, transmission, utilization and control of electricity and in manufacture and sale of steam turbines and associated equipment.

Offering—The 534,426 shares will first be offered to outstanding preferred and common stockholders of company of record Oct. 15, 1941, for subscription at rate of one-fifth of a share for each share of preferred and common stock so held, at a price to be supplied by amendment. Rights expire Oct. 28, 1941.

Underwriters—Unsubscribed portion of such 534,426 shares are to be purchased by underwriters, at a price to be supplied by amendment. Underwriters may or may not, as they may determine, make one or more public or other offerings of such unsubscribed stock. All offerings of unsubscribed stock is to be made by the underwriters either at the market price then prevailing (NYSE) or at such other prices as Kuhn, Loeb & Co., representative of the underwriters, may determine. Underwriters, numbering 119, are as follows:

Kuhn, Loeb & Co., A. C. Allyn & Co., J. S. Bache & Co., Bacon, Whipple & Co., Baker, Watts & Co., Baker, Weeks & Harden, Banc Ohio Securities Co., Bear, Stearns & Co., A. G. Becker & Co., Bidde, Whelen & Co., Blair & Co., Inc., Blair, Bonner & Co., Blyth & Co., Inc., Bonbright & Co., Alex. Brown & Sons, H. M. Bylesby & Co., Inc., Central Republic Co., Inc., Clark, Dodge & Co., E. W. Clark & Co., Courts & Co., Curtiss, House & Co., Paul H. Davis & Co., Dick & Merle-Smith, Dominick & Dominick, Drexel & Co., Eastman, Dillon & Co., Elkins, Morris & Co., Emanuel & Co., Eastbrook & Co., Equitable Securities Corp., Farwell, Chapman & Co., Field, Richards & Co., The First Boston Corp., The First Cleveland Corp., First of Michigan Corp., Robert Garrett & Sons, Glore, Forgan & Co., Glover & MacGregor, Inc., Goldman,

New Issue

\$4,000,000

Detroit, Toledo and Ironton Railroad Company
Ten-Year Serial Notes

Dated October 1, 1941. Due \$400,000 each October 1, from 1942 to 1951, inclusive.

The Notes mature and bear interest, respectively, as follows:

1942.....	0.50%	1947.....	2.50%
1943.....	1.00%	1948.....	2.75%
1944.....	1.50%	1949.....	3.00%
1945.....	1.90%	1950.....	3.25%
1946.....	2.20%	1951.....	3.50%

Price 100% and accrued interest

These Notes are offered, subject to prior sale, when, as and if issued and received by us and subject to the approval of the Interstate Commerce Commission and subject to the approval of all legal proceedings by counsel.

Harriman Ripley & Co. Mellon Securities Corporation
Incorporated

October 3, 1941.

Sachs & Co., Graham, Parsons & Co., Grubbs, Scott & Co.

Halgarten & Co., Harriman, Ripley & Co., Inc., Harris, Hall & Co. (Inc.), Hawley, Shepard & Co., Hayden, Miller & Co., Hayden, Stone & Co., Hemphill, Noyes & Co., J. J. B. Hilliard & Son, Hornblower & Weeks, W. E. Hutton & Co., The Illinois Co. of Chicago, Jackson & Curtis, Janney & Co.

Kalman & Co., Kean, Taylor & Co., Kidder, Peabody & Co., Knight, Dickinson & Co., Ladenburg, Thalmann & Co., Laird & Co., Laird, Bissell & Meeds, W. W. Lanahan & Co., W. C. Langley & Co., Lazard Freres & Co., Lee, Higginson Corp., Lehman Brothers, Adolph Lewisohn & Sons, Carl M. Loeb, Rhoades & Co.

Mackubin, Legg & Co., Laurence M. Marks & Co., Mason-Hagan, Inc., A. E. Mellon & Co., McDonald-Coolidge & Co., Mellon Securities Corp., Merrill Lynch, Pierce, Fenner & Beane, Merrill, Turben & Co., The Milwaukee Co., Mitohum, Tully & Co., Moore, Leonard & Lynch, F. S.

Moseley & Co., Maynard H. Murch & Co., G. M. P. Murphy & Co., W. H. Newbold's Son & Co., Newhard, Cook & Co., Paine, Webber & Co., Arthur Perry & Co., R. W. Pressprich & Co., Putnam & Co.

Reinhold & Gardner, Riter & Co., The Robinson-Humphrey Co., E. H. Rollins & Sons Inc., L. F. Rothschild & Co., Schoellkopf, Hutton & Pomeroy, Inc., Schroeder Rockefeller & Co., Inc., Schwabacher & Co., Scott & Stringfellow, Shields & Co., Singer, Deane & Scribner, Smith, Barney & Co., Smith, Moore & Co., William R. Slaus Co., Starkweather & Co., Stern Bros. & Boyce, Stern Brothers & Co., Stern, Wampler & Co., Inc., Stone & Webster & Blodgett, Inc., Stroud & Co., Inc., Swiss American Corp., Spencer Trask & Co.

Tucker, Anthony & Co., Union Securities Corp., G. H. Walker & Co., Wells-Dickey Co., Wertheim & Co., White, Weld & Co., Whiting, Weeks & Stubbs, Inc., Dean Witter & Co., Yarnall & Co.

Proceeds—For payment outstanding bank loans, construction of plant additions, purchase of additional equipment, and for working capital.

Registration Statement No. 2-4849. Form A-2. (9-25-41).

THURSDAY, OCT. 16

AIR ASSOCIATES, INC.

Air Associates, Inc., registered with SEC 50,000 shares \$1.37 1/2 Cumulative Convertible Preferred Stock, no par; and maximum of 100,000 shares \$1 par common stock, latter reserved for issuance upon conversion of the preferred.

Address—Bendix Airport, Bendix, N. J.

Business—Company is manufacturer and distributor of airplane parts, equipment, material, supplies and accessories.

Underwriter—White, Weld & Co., New York, is principal underwriter; others to be named by amendment. Underwriting commission is \$2.25 per share.

Offering—Preferred stock to be offered to public, at price to be supplied by amendment.

Proceeds—\$300,000 to prepay outstanding bank loans; \$200,000 for purchase of additional machinery; balance for plant additions and working capital.

Registration Statement No. 2-4851. Form A-2. (9-27-41).

SATURDAY, OCT. 18

LEXINGTON TELEPHONE CO.

Lexington Telephone Co. registered with SEC 8,000 shares 5.2% Cumulative Preferred Stock, \$100 par.

Address—151 N. Upper St., Lexington, Ky.

Business—Provides telephone service to 5 communities and their environs in

Fayette, Jessamine and Woodford Counties, Ky.

Underwriters, and number of share underwritten by each, are as follows: J. D. Van Hooser & Co., Inc., Lexington, Ky., 3,200; Security & Bond Co., Lexington, 2,250; Almadest Bros., Louisville, 2,000; Bankers Bond Co., Inc., Louisville, 750.

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

Proceeds, plus treasury funds to extent necessary, will be used for redemption on Nov. 21, 1941, of company's 8,000 shares outstanding 6% cumulative preferred stock, at redemption price of \$105 per share, or to repay funds temporarily borrowed for such purpose.

Registration Statement No. 2-4852. Form A-2. (9-29-41).

SUNDAY, OCT. 19

VICTOR CHEMICAL WORKS

Victor Chemical Works registered with the SEC 54,000 shares of capital stock, \$5 par value.

Address—141 W. Jackson Blvd., Chicago, Ill.

Business—Manufacturers phosphorus, high grade phosphoric acid and phosphates for food, pharmaceutical and numerous technical purposes; also, various other chemicals & products, including ferro phosphorus, oxalic acid and formic acid.

Underwriter—F. Eberstadt & Co., Inc., New York, is sole underwriter.

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

Proceeds to extent of \$750,000 to pay in full outstanding serial bank loans; balance for working capital, expansion of manufacturing facilities.

Registration Statement No. 2-4853. Form A-2. (9-30-41).

ADEL PRECISION PRODUCTS CORP.

Adel Precision Products Corp. registered with the SEC 150,000 shares capital stock, 20 cents par value.

Address—10777 Vanowen St., Los Angeles, Cal.

Business—Business principally is the development, manufacture and sale of aircraft accessories and equipment, consisting of line supports, hydraulic equipment and other precision products, and synthetic rubber compound cushions and supports. Unfilled orders aggregated \$2,000,000 on Sept. 15, 1941.

Underwriters are: Cavanaugh, Morgan & Co., Los Angeles; Lester & Co., Los Angeles; Van Grant & Co., Detroit, Mich.

Offering—The shares will be offered to the public at \$3 per share; underwriting commission is 60 cents per share.

Proceeds will be used to pay off a part of the indebtedness of company, and to increase its working capital.

Registration Statement No. 2-4854 Form A2. (9-30-41 San Francisco)

SATURDAY, OCT. 25

MUTUAL TELEPHONE CO.

Mutual Telephone Co. registered with SEC 100,000 shares capital stock, \$10 par. Address—1128 Alakea St., Honolulu, Oahu, Territory of Hawaii.

Business—Company is an independent public utility furnishing telephone service on the Islands of Oahu, Hawaii, Maui, Kauai, and Malokai, Territory of Hawaii, radio telephone service between said Islands and certain ships at sea, and also wireless telegraph service between Oahu, Lanai, Hawaii, Maui and Malokai.

Underwriters—There is no underwriting in connection with this offering.

Offering—Company is offering the 100,000 shares for subscription at \$10 per share to its stockholders of record Oct. 15, 1941, by offering one share for each 4

shares then held. Subscription offer expires Dec. 20, 1941. Full shares of such stock, representing fractional interests and also shares called for by warrant to be issued to stockholders, which are not exercised, will be sold at public auction in Honolulu to highest bidder therefor not later than Dec. 27, 1941, and proceeds from the auction sale in excess of \$10 per share (after deduction expenses of auction) will be distributed pro rata to stockholders of record Oct. 15, 1941, whose fractional interests are disposed of and to holders of unexercised warrants.

Proceeds to prepay outstanding short term bank loans, additions to plant and equipment, working capital.

Registration Statement No. 2-4855. Form A2. (10-6-41)

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 Fryor St. Bldg., Atlanta, Ga.

Business—Manufacturing and distributing bakery products in southern 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

Calendar of New Security Flotations

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 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)

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 86
 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 MILLING 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)

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)

BONWIT TELLEE, 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)
 Effective—4:45 P.M., E.S.T. on Sept. 23, 1941 as of 4:45 P.M., E.S.T., Aug. 10, 1941.

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 be 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 \$3,402,000 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—Murphy, 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 ¾%
 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)

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 102½, 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 A-2. (9-17-41)

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 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)
 Effective—4:45 P.M., E.S.T., Sept. 22, 1941

DECLARATION EFFECTIVE—The SEC on Sept. 22 permitted to become effective declarations filed 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 ¼%, but not exceeding 3¼%

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)

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, tube 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)

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 2.89 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 4¾ 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)

MCDONNELL AIRCRAFT CORP.
 McDonnell Aircraft Corp. registered with SEC 6,453½ shares 6% Non-Cumulative Convertible Preferred Stock, \$100 par, and 129,063½ 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 6,453½ shares of preferred and 64,531½ 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 64,531½ 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)

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)
 Effective—2:30 P.M., E.S.T., Sept. 23, 1941

DECLARATION EFFECTIVE—The S.E.C. on Sept. 25 permitted to become effective declaration filed by company regarding the proposed financing. Bids for the sale of the bonds will be received up to 11 A.M. on Oct. 14 at office of Commonwealth & Southern Corp., (parent) 20 Pine St., N. Y. City. Coupon rate is to be specified by bidder in multiples of ¼%, but not exceeding 3½%.

MOORE-McCORMACK LINES, INC.
 Moore-McCormack Lines, Inc. registered 30,000 shares of \$5 cumulative convertible preferred stock, \$100 par, and 235,000 shares of common, \$1 par
 Address—5 Broadway, New York City
 Business—Operation of vessels in South American trade
 Underwriters—E. H. Rollins & Sons Incorporated and Schroder Rockefeller & Co., Inc.
 Offering—The preferred and 85,000 common shares will be offered publicly at prices to be filed by amendment. 150,000 common shares will be reserved for conversion of the preferred
 The proposed offering will represent about 17% of the outstanding common stock of Moore-McCormack Lines and approximately 65% 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., Bevan 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—Elyth & 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 & 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 originally registered with the SEC on April 21, 1941, for public offering, and withdrawn from registration were subsequently registered and became effective. These shares constituted the stock outstanding and owned by United Light & Railways Co., a subsidiary of United Light & Power Co.

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 1,170 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 A-1. (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 A-1. (9-16-41)

PUEBLO MINING COMPANY
 Pueblo Mining Co. registered with SEC 1,500,000 shares 1 Cent Par Value Assessable Common Stock
 Address—Spokane, Wash.
 Business—Mining
 Underwriter—No underwriter named.
 Offering—To be offered to public at 2 cents per share
 Proceeds—Will be used for development, purchase of equipment, building, and working capital
 Registration Statement No. 2-4829. Form A-O-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

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 2,500 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. 2-4630. Form A-2 (9-6-41)

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

Address—26 Wall St., Orlando, Fla.
 Business—Discounting installment notes and making small loans
 Underwriter—Leedy, Wheeler & Co., Orlando, Fla.
 Offering—Preferred and Class A will be publicly offered at \$1,000 per share, Class B common at \$1,100 per share. Underwriting commission \$50 on preferred and Class A, and \$55 on Class B.
 Proceeds—To repay bank loans, and for working capital.
 Registration Statement No. 2-4570, Form A-2. (11-12-40)
 Effective—Dec. 4, 1940

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, dis- with 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 2 1/2% 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. Un- subscribed 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 COM- PANY
 Union Light, Heat and Power Co. reg- istered 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 25,944ths of one com- mon 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, stock- holders 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 Pitts- burgh, 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 cap- ital.
 Registration Statement No. 2-4767, Form S-10. (5-23-41)
 Effective—Under notice of deficiency 4:45 P.M., E.S.T., Sept. 21, 1941.

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 regis- tered will be offered under a Plan of Re- organization, to holders of 148,750 un- divided fractional shares, latter repre- sented 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. (8-6-41). (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 manu- facture of equipment therefor.
 Underwriters—Brown Hartwell Com- pany.
 Offering—Public offering price, \$5 per share, underwriting commission, \$1 per share.
 Proceeds—Purchase of plant and equip- ment; purchase of seagoing vessel; equip- ment, and working capital.
 Registration Statement No. 2-4133. Form A-1. (7-19-39)
 Effective—May 29 as of April 18, 1940

Our Reporter's Report

(Continued from First Page)

SEC on Auction Sales
 Members of the Securities and Exchange Commission, taking a Washington Correspondent to task for his treatment of certain as- pects of the American Telephone & Telegraph Company's recent fi- nancing, left little or no doubt that the outcome of that particular operation was satisfactory to the Federal Agency.

Messrs. E. C. Eicher, Chair- man, and Sumner T. Pike, Robert E. Healy and Ganson Pursell declared in part "we fail to find anything unjust or undemocratic in a situation which permits a seller to seek the highest bid for his goods at arms-length bar- gaining, or which permits free competition between those who wish to buy the goods."

"The crux of the situation seems to be," they said, "that the enormous investment demands for high-grade bond issues by the huge life insurance companies have created a seller's market for those issues which issuers cannot afford to overlook. The insurance companies must invest in the in- creasingly limited number of securities in which they are per- mitted to place their funds at the best prices they can get, but, above all, in the interest of their policyholders, they must invest."

The Commissioners did not touch on the element of con- centration of obligations of corporations among a few insurance companies, although competitive bidding was in- voked, among other reasons, as a means of assuring wider distribution of such securities.

Price Ideas Vary Widely

Wide variation still appears the rule among investment groups seeking out new issues in compe- tition with each other. This was evident again on Tuesday when nine separate bids were entered for the \$5,600,000 30-year first mortgage bonds offered by the Gulf Power Company.

A differential of 7 points separated the highest bid from the lowest, allowing for the difference in the price of- fered and the coupon rate set.

As one wag in dealer circles put it, "the boys have got to learn how to price things all over again." Just now he sees it as a possible race to see "who can pay through the nose the hardest" on those issues which the insurance companies don't grab up.

Buyer Had Issue Well Sold

From all indications the suc- cessful bidder for the Gulf States Power issue knew pretty well what he was about. Doubtless, there had been sounding out of institutional buyers to learn about what they would pay for the bonds and the syndicate made its bid accordingly.

Soon after the bonds were awarded the bankers an- nounced that \$3,000,000 had been placed with one institu- tion on a 3 per cent yield basis, or at a price of 102.4562. The balance was opened to public subscription at 103.

Meanwhile dealers reported that institutions remain decid- edly choosy in their buying and show a distinct disposition to hold aloof pending the Treasury's an- nouncement of details of its fi- nancing, due today, and more light on the latest phase of the strug- gle in Russia.

Business Vs. Baseball

The World Series fever which gripped New York City and its environs recently was by no means limited to that area, judg- ing by the experience of people who contact institutional buyers in the mid-west and as far away as Des Moines, Iowa.

Quite to the contrary, it devel- ops that the grip of baseball on the nation's populace was such that interest in the classic all but submerged business temporarily. Several dealers reported that upon contacting their established clients in such distant points as that mentioned above by tele- phone, they scarcely received an opportunity to state their busi- ness. In one instance the fellow on the other end of the wire, buyer for a large insurance com- pany, brushed aside the bond man's sales talk until he had been told how the "Bums" were doing.

N. Y. Stock Exchange Weekly Firm Changes

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

Transfer of the Exchange mem- bership of Robert P. Gibb to Walker Hill, Jr., will be consid- ered on October 13th, 1941. Mr. Hill is a partner in Hill Brothers, St. Louis, which would then be- come an Exchange member firm.
 Transfer of the Exchange mem- bership of Arthur F. Thurnauer to Walter H. Baumer will be con- sidered on October 16th. Mr. Baumer is a partner in Erickson Perkins & Co., Rochester, N. Y., formerly a Stock Exchange mem- ber firm, whose Exchange mem- bership ceased with the death of Erickson Perkins.

Howard A. Plummer, general partner in Evans, Stillman & Co., New York City, became a limited partner, effective October 1, 1941.

Wesley M. Oler, Exchange mem- ber retired from partnership in Pershing & Co., New York City, on September 30, 1941.

Interest of Edward L. Hicks, Jr., deceased, in Hicks & Price, Chicago, Ill., ceased September 9, 1941.

STOCK TRANSFER TAX AND OTHER SAVINGS

● You will find advantages in our dual arrangement as Transfer Agent in New York and in Jersey City, New Jersey, which arrangement is acceptable to the New York Stock Exchange and other Exchanges.

Call for Our Booklet

Registrar and Transfer Company

ESTABLISHED 1899

2 Rector Street New York 15 Exchange Place Jersey City, N. J.

UP-TOWN AFTER 3

NEW MOVIES

"One Foot in Heaven" (Warner) Stars Frederic March and Martha Scott. Directed by Irving Rapper. Rating "AAA."

In translating Hartzell Spence's best seller to the screen, Warner comes up with a picture that is a candidate for the famed Academy award. There's nothing fancy about the story. It's a simple portrayal of a Methodist preacher who gives up the study of medicine to preach the gospel. His wife, a daughter from a wealthy Canadian family, joins him in his travels from one poor parish to another. They raise a family and finally find themselves in Denver where the minister runs afoul the wealthy congregation which resents his interference in established affairs. There is a lack of the usual excitement and action but the lack is never noticed except in retro- spect. For the picture's down to earth realism, it's human interest and grand acting more than makes up for it.

"Smilin' Through (MGM) Jeanette Macdonald, Brian Aherne, Gene Raymond, Ian Hunter. Directed by Frank Borzage. Rating "BA."

The only kind thing that can be said for this is that the photog- raphy (all technicolor) is magnificent but so far as the story itself is concerned, well, it will probably appeal to women. It's a yarn of the idyllic romance that is shattered by a bullet from a spurned suitor. The groom heart broken lives only in the past but is per- suaded to take in a niece who has just lost her parents. The niece grows up and meets a young man. They fall in love. The young man turns out to be the son of the spurned suitor so uncle insists that romance be nipped in bud. You know the rest. They see each other anyway, uncle finally forgives and everything is sugar and honey. The whole thing is cloyingly sweet and drippy with tears and romance.

RESTAURANTS

Baroque (14 E. 53d) is still the pleasant place we found it on our last visit, with food and service everything one could possibly want. The only drawback is the size of the room and crowds that are always waiting for tables. After seeing people wait for what seems hours we wondered if a larger room would help. But be that as it may Joseph's and Frank's little place is a restaurant to come to again and again.

ABOUT THE TOWN

Last week we got a wire "... cordially invited ... cocktails ... Colony. Signed James McKinley Bryant. Followed by phone calls from Johnny Garvis "... to be sure to be there. Everybody would be there." Well, it looked like the rush hour at Times Square. It seemed that anybody who wasn't too crippled to lift a glass and could do it for free, was there. Occasion was first edition of Jimmy Bryant's "Cafe Society Register," a book that is as exclusive as the Manhattan phone directory. It lists the names, addresses and phone numbers (unlisted one's too) of the New York bar room set. ... Everybody who came in made a bee line for book to see if their name was spelled right (our name wasn't—it wasn't even there! We are that exclusive). Artist Michael Werboff (paintings hang in Museum of Art, The Louvre, British Museum) came in with a lovely girl and 10 minutes later he lost her. Lou Nova wearing an eye all puffed up with bluish pride getting his picture taken every five seconds. Gene Gaverello (Colony owner) running around worrying about getting the mob out so his own patrons would have a place to sit. Every press agent in town here sopping up the "cuff" cocktails. That young "producer" sitting in corner with Carole Landis is the former page at the Stork Club and Cafe Pierre, Bobby Gravis. Frances Mercer of the stage and screen looking as lovely as ever telling everybody about here new opening at the Versailles. Jimmy Bryant beaming at it all and greeting everybody with "How nice of you to come." Patricia Garfield nee Jones managed to parlay a night in the local clink (for socking a cop) into a movie contract, saying "how chawming!" to everybody. Columnists greeting each other (an unusual sight. As a rule they're afraid to speak to each other. They might let an "item" get out) with "wadda ya know!"

At the Prometheus Fountain in Radio City—Bob Hope and Ray Bolger watching the penguins. ... Ray urges Bob to throw them a piece of fish. Bob replies: "I would if I had last night's script with me." ... Mori's in Long Island. Edna Ferber and George Kaufman absorbed in a piece of paper. When asked if it's a new play, Edna replies: "You bet-our afternoon's play at Belmont, and what a bust! ... At Bedford Inn where Tommy Manville dines solo and when Laddie Sanford walks over to say hello, Tommy blasts belligerently "So I'm alone! So what!"

Eastern Sugar Pfd.
Punta Alegre Sugar
Vertientes Camaguey Sugar
West Indies Sugar
Triumph Explosives
Botany Worsted Mills

J. F. Reilly & Co.

Members
New York Security Dealers Assn.
50 Broad St., New York, N. Y.
HANOVER 2-4660
Bell System Teletype, N. Y. 1-2480

**Ass'n of S. E. Firms
Approves Constitution**

The Association of Stock Exchange Firms, at a special meeting, approved the new constitution of the Association which gives effect to the program of enlarged activities as contemplated in its plan for reorganization which was distributed to the members of the Association two weeks ago.

In order to accomplish the transition from the old management of the Association to the new form of government, a new Nominating Committee was elected and the present officers and members of the Board of Governors resigned their positions, effective November 17, when a new Board of Governors will be elected.

The Nominating Committee elected consists of:

John L. Clark, Abbot, Proctor & Paine, New York City.
Russell E. Gardner, Jr., Reinholdt & Gardner, St. Louis.

Elton Parks, Dominick & Dominick, New York City.

Richard Pigeon, Estabrook & Co., Boston.

Robert L. Stott, Wagner, Stott & Co., New York City, and Chairman of the Board of the New York Stock Exchange.

It will propose a slate for the new Board and a successor Nominating Committee, which will be submitted to the Association's membership on Nov. 7, and which will be voted upon at the first annual meeting of the reorganized Association to be held on November 17.

**M. C. Leggett with
Crane, McMahon Co.**

(Special to The Financial Chronicle)
CHICAGO, ILL. — Marvin C. Leggett has become associated with Crane, McMahon & Co., 209 South La Salle Street, members of the New York Stock Exchange. He will continue to specialize in the wholesale of Group Securities. Mr. Leggett was formerly with Distributors Group, Inc. and prior thereto was manager of the wholesale department of Dempsey-Detmer & Co., was an officer of Taussig, Day & Co., Inc. and in the past was an officer in Kerfoot, Leggett & Co.

Eagle Lock
R. Hoe Co.
Deep Rock Oil

HAY, FALES & CO.

Members New York Stock Exchange
71 Broadway, N. Y. BOWling Green 9-7030
Bell Teletype NY 1-61

REMEMBER . . .

CALL on our up-to-the-minute trading facilities and our wide dealer contacts

IF you wish fast, accurate service and active trading markets in

OVER-THE-COUNTER SECURITIES

Kobbé, Gearhart & Company

INCORPORATED
Members New York Security Dealers Association
45 NASSAU STREET, NEW YORK
TELEPHONE PHILADELPHIA TELEPHONE BELL TELETYPE
RECTOR 2-3600 ENTERPRISE 6015 NEW YORK 1-576
HARTFORD TELEPHONE BOSTON TELEPHONE
ENTERPRISE 6425 ENTERPRISE 1250

THE BOND SELECTOR

**American Telephone Convertible 3s
A Prime Bond With A Valuable
Call on the Stock**

Within the past four months, the American Telephone Company has been in the market for about \$323,000,000, most of which represents new money. In July, the company offered to stockholders \$233,585,000 of 3% convertible debentures; this offering represented new financing, the funds to be used for new equipment and facilities for the large increase in telephones in service.

In September, \$90,000,000 of thirty-five year 2 3/4% debentures were awarded to a group of insurance companies under the competitive bidding system. The investment banking fraternity will not forget this issue for some time to come since the bonds were lost to bankers due to the higher bid submitted by the insurance group. The purpose of the \$90,000,000 block of debentures is to apply the proceeds toward redemption of \$94,306,000 of 5 1/2% bonds due in 1943.

Of the \$233,585,000 of convertible 3s offered to stockholders at par, approximately \$222,500,000 or 95% were subscribed for, and the company can sell the balance of the unsubscribed portion. These debentures command wide attention due to their unquestioned high quality and because they offer certain attractive conversion features. At any time after January 1, 1942, they are convertible into common stock of the company at \$140 per share. This is effected by surrendering

\$100 principal amount of bonds and \$40 in cash for each share of stock. The bonds are currently selling at 112 3/4 and the stock is quoted at 154 1/2. At present prices, the bonds yield slightly more than 2% to their maturity in 1956. The conversion privilege at \$140 per share remains unchanged up to December 31, 1954, or a period of twelve years.

Purely as a bond, the convertible 3s due 1956 have been appraised at between 106 and 108 without considering the conversion privilege. Consequently, the attractiveness of the debentures much above their worth as a bond depends almost entirely on what the future prospects of the common stock may be and that, naturally, depends on the outlook for the earnings of the company itself.

The following table outlines important items in the consolidated income account of the Bell System since 1935:

	CONSOLIDATED EARNINGS. (000s Omitted)							
	Operat'g Revs.	Net Oper. Revs.	Gross Income	Fixed Charges	Net to Common	Net per Sh.	Price Range High	Price Range Low
1940	\$1,174,322	\$220,878	\$261,880	\$42,466	\$210,497	\$11.26	175 1/4	145 1/4
1939	1,107,187	217,346	242,269	42,210	190,281	10.18	171 1/4	148
1938	1,052,658	190,500	206,699	42,408	155,543	8.32	150 1/4	111
1937	1,051,379	206,983	235,976	42,586	182,343	9.76	187	140
1936	994,852	219,487	248,352	50,514	184,744	9.89	190 1/4	149 1/2
1935	919,116	183,161	183,161	52,244	132,918	7.12	160 1/2	98 1/2

Like every other large industrial enterprise, the American Telephone Company has been feeling the results of higher costs—materials and wages—and sharply increased taxes. Despite an increase in 1940 of 6% over 1939 revenues, net operating revenues rose only 1.6%. How-

ever, since only telephone subsidiaries are consolidated, this increase does not reflect operations of Western Electric. The fact that net income of the parent company rose from \$190,000,000 in 1939 to over \$210,000,000 in 1940 was due largely to greatly increased business done in 1940 by Western

NELMES PERSONNEL SERVICE

offer their facilities to discriminating clients for carefully-selected, outstanding office personnel, both men and women, in the commercial, professional, and advertising fields.

We are unusually qualified to supply experienced and efficient personnel to investment bankers and brokers.

17 John St., New York

Tel. Cortlandt 7-7455

Electric whose net income rose to \$32,787,000 or almost exactly double that of 1939.

Since this company, through its subsidiaries, controls about 80% of the telephones in service in the United States and handles about 95% of all the telephone toll messages originating in this country, data on telephones in service and toll messages handled give a good indication of the trend of operating revenues. At the end of 1935, the subsidiaries of the company had in service 13,573,000 telephones. Each year thereafter the number increased steadily, until at December 31, 1940, it stood at 17,484,000. On June 30, 1941, telephones in service were 18,155,000, an increase of 671,000 since the end of 1940. In connection with the number of telephones in service and toll messages handled, the company has recently stated: "While the number of telephones in service has increased by about 4,300,000 in the past five years, it should be noted that in the three year period ended August, 1933, there was a net loss of approximately 2,600,000 telephones. The number of toll messages of the Company and its principal telephone subsidiaries in 1940 was about 37% greater than in 1935, but only about 7% greater than in 1929. In the first six months of 1941 the number of toll messages of the Company and its principal telephone subsidiaries was about 15% greater than in the corresponding period of 1940.

Giving effect to recent financing, fixed charges of the consolidated company will be increased by approximately \$4,260,000 annually or to a total of about \$46,700,000. Despite the fact that new money to the total of about \$222,500,000 was raised and so added to the funded debt, annual fixed charges are still over \$5,000,000 less than they were in 1935 before the company was able to take advantage of easy money rates. On the basis of 1940 operations, fixed charges as they now stand would have been covered 5.6 times.

Assuming that the company ultimately sells the balance of the convertible 3s which were not subscribed for by stockholders, about \$232,220,000 of cash will have been received. Since the bonds are convertible into stock at the rate of \$1,000 principal amount of bonds plus \$400 cash for ten shares of the common stock, the company has reserved out of its authorized common 2,335,849 shares of stock. If all the bonds are converted, an additional \$93,433,000 of cash will accrue to the company, fixed charges will be reduced by \$7,000,000 annually, and the additional common stock of 2,335,849 shares will, when added to the 18,686,794 shares now outstanding, bring the total to 21,022,643 shares, representing a dilution of 11.1%. On the basis if 1940 operations, complete conversion (after adjusting fixed charges) would have resulted in \$10.14 per share instead of the reported \$11.26.

For the six month period ended May 31, 1941, Bell System operating revenue amounted to \$630,324,000, an increase of 9.4% over the corresponding period of 1940. Operating income of \$236,792,000 was up 6.5% over 1940. Net income available to the common stock for the period amounted to \$6.80 per share, up from \$5.57 a year ago, or at an annual rate of \$13.60.

In this connection, however, it should be stressed that the figures cited above take into consideration only Federal Tax rates now in effect and do not reflect substantial additional taxes which will accrue in line with the tax bill which has recently been enacted into law. These additional taxes will be levied against 1941 earnings. Exactly how they will affect net earnings for the year is not

Merrimac Mfg. Co.
United Cigar-Whelan
Evans Wallower Zinc
Mexican Internal & Ext'l Bonds
Northern Natural Gas, Common
American Airlines, Pfd.
Browne & Sharpe Mfg. Co.
M. S. WIEN & CO.
Members N. Y. Security Dealers Ass'n
25 Broad St., N. Y. HANOVER 2-8780
Teletype N. Y. 1-1397

**NASD Gives Dealers
Own Corrective Power**

Robert W. Baird, Chairman of the National Association of Securities Dealers, Inc., addressing the annual convention of the National Association of Securities Commissioners at Biloxi, Miss., stated that in the evolving of the idea behind the N. A. S. D. a mirrow was being given to the over-the-counter dealers to see what they looked like, and powers were being given them to correct some of the conditions they were finding. "And be it said to the credit of the securities dealer," Mr. Baird continued, "as he is beginning to see the problem he is moving to answer it; in fact, Mr. Fulton and the Board of Governors know that we are having more requests for help and examinations than we know exactly how to meet.

"I hope you will not endeavor to protect and defend security laws and security commissions that are inadequate, obsolete and ineffective or are being run on a political basis. . . . I don't think you can fool the SEC and, as we move along in our own work, you won't fool the securities dealer; which means that if your Commissioner is doing constructive work and eliminating red tape and bureaucracy, you will have the wholehearted support of our membership."

known. Some indication may be gleaned, however, from comparisons compiled by the company of earnings for the three months ended March 31, 1941, before and after the new taxes. This comparison revealed that net income per share BEFORE new taxes was equivalent to \$3.32, and AFTER new taxes to \$2.50 for the quarter period. For the full year 1941, the best estimate is for around \$10.00 per share after new taxes, instead of \$13.00 on the basis of Federal taxes now in effect.

The American Telephone convertible 3s should find wide interest among investors who are able to afford the meager return at current market prices, but who are interested in capital appreciation offered by the call on the company's common stock. In addition, of course, loss of principal through a possible trend of firmer money rates is protected in considerable degree likewise by the conversion feature. The bonds are callable in whole or in part after September 1, 1942 at 107 to August 31, 1944, and at lesser prices thereafter.

**VERTIENTES
CAMAGUEY
SUGAR**

Bought - Sold - Quoted
Present Market 4-4 3/8

Herbert E. Stern & Co.

Members New York Curb Exchange
30 Pine Street, New York
WHitehall 3-2160 Teletype NY 1-496