Final Edition THURSDAY In 2 Sections – Section 1

The COMMERCIAL and FINANCIAL CHRONICLE

Reg. U. S. Pat. Office

WITH WHICH HAS BEEN COMBINED THE FINANCIAL REPORTER

Volume 154 Number 3994 New York, N. Y., Thursday, October 16, 1941 Price 40 Cents a Copy

"JOTTINGS"

Believe it or not, that long-awaited industrial revolution in the residential building industry may be on the way at long last, after all. Just don't keep your eye single for the one phrase "pre-fabricated housing" and you can see signs of it on all sides. True, the pre-fabricated housing people are putting up as many houses in a month now as they used to put up in a year. But there are lots of other signs. One was the uproar in Washington over rejection of the Currier low bid on a government housing job. Another is the government's Indian Head project in Maryland where the builders, in a test case, took down a house, jolted it round over 30 miles of Maryland highway, brought it back and set it up complete in eight hours with a loss of only about 2% of the materials ruined in the process; government officials are keen about the word "demountable." Another is the housing job being done at the Glenn Martin plant, where five men per house are slapping the job together in 35 man hours from floor to ridge-pole, using Celotex's Cemesto walls which in 1½ inches of thickness contain all the insulation, weather-proofing, tightness, durability and sturdiness that used to require outside and inside walls, studs, lathes, plaster, paint, etc. But the gist of the matter is that through new priority rules residential building is being channelled into low-cost, defense - area mass - production where the normal resistances to modern methods—i.e. trade union restrictions and obsolete building codes—are least effective against the argument of emergency and national defense.

The Berlin stock market has been going through some strange gyrations this year. Last March the government put a lid of 6% on dividends and the market had a "black week." But then it was realized that the 6% limit was largely for public consumption and could be avoided by stock dividends or recapitalization. Furthermore there's little else except stocks into which to put spare cash. So the market rose almost steadily until September, piling the index up from round 175 to round 215, when the government

(Continued on page 607)

OUR REPORTER'S REPORT

Several recent offerings of utility securities have found the investment banking fraternity, as indicated by bids submitted, seemingly "poles apart" on the matter of price ideas. But, as explained by several of their number, there is not, actually, any such wide divergence as would appear to be suggested.

Quite to the contrary, it was pointed out, making allowance for certain conditions surrounding the several bids for the issues in question, much of the indicated differential evaporates.

In the case of both the Gulf Power Company issue and that of the Mississippi Power bonds, sold within the last week, the tender of the successful groups have appeared to have been all out of proportion to bids submitted by other syndicates seeking the business.

But, it was pointed out, the winning bids in both the above-mentioned undertakings, were based on potential buying orders which the successful groups had in hand before seeking out the business. In other words their bids, were in effect partially "agency bids" since they already had tenders for the bulk of the issues from prospective buyers.

In short, their bids were based on the price ideas of institutional buyers and included the "spread" which would have been necessary if the bonds in total were to be marketed the regular way. Buyers who hold such potential orders, it was pointed out, could not go in and underbid their prospective customers.

Trend Begins to Show

Underwriters are satisfied that the trend toward a future formula for bidding in competition

(Continued on page 604)

SEC Commissioner Perturbed

American Investors Don't Buy Stocks!

On October 9th, Edmund Burke, Jr., Commissioner of the SEC made a speech in Biloxi, Miss. Mr. Burke was disturbed—in fact he was agitated. He said he was concerned over the future of America. And why was he concerned over this country's future? Prepare yourselves for a shock.

Mr. Burke thinks the future of America is being jeopardized because for the past ten years American investors have not been putting their money into new stock issues. How do you like that? Not only, says Mr. Burke, have the investors ceased buying common stocks in new enterprises but the businessmen and the investment bankers, in his opinion, have not been offering enough of such stock issues to the investing public.

To top it off and here's the biggest joke of all, Mr. Burke appears to be in the dark as to why this lack of stock financing has come to pass, and says something will have to be done about this sad state of affairs. This is one point upon which we agree with the Commissioner and although we are quite certain that Mr. Burke is not so lacking in understanding as to be ignorant of the real reasons for the

(Continued on page 602)

INDEX

Rea, NY Curb President, Urges Required Listing for All Securities Before Sale

In presenting a picture of "the importance of securities and of securities markets in our economic structure," George P. Rea, President of the New York Curb Exchange, in an address at Biloxi, Miss., on Oct. 8 said:

In an industrialized nation the widespread distribution of corporate securities is an essential, not only of our economic structure but of our political system as well. When a major part of our people own securities and when they look to the exchanges as the means of putting their capital savings to work or of withdrawing their investment at need, we shall have no fear of radical changes that might block our social and economic progress. That is why the securities industry is one of the strongest forces in guaranty of everything that America means.

Mr. Rea's address was delivered before the annual Convention of the National Association of Securities Commissioners and in an appeal to them that, as a condition to the sale of securities in their states, they require the listing of such securities, he referred to the various measures in force to "insure your citizens all possible protection" before permitting them to invest, and in pointing to further essential protection he said:

I am not familiar with the statutes of your various states. I assume that they do not give you the power to impose as a condition to the sale of securities in your states the listing of such securities. But you may at least urge those seeking your approval of an issue to apply for its listing. This cannot fail to exert a powerful influence. You may also call the attention of investors to the protection afforded by an exchange market. Most effective of all, you may urge your respective legislatures to make as a condition of your approval of an issue its listing, when suitable, on a national securities exchange.

Now I have an idea that when what I have suggested to you gets into discussion I will be accused of attempting to create a monopoly for exchanges. If that is so, there will be more than a faint ordor of red herring in the air. What I am urging is competition—and competition in its keenest sense, through which the investor may profit. To my mind it is no more reasonable to restrict the investor to but one market—the dealer market—than it is to restrict him to one grocery store. Yet that is frequently the fact. Securities which are not listed enjoy a monopoly—a dealer monopoly. While securities which are listed can be traded either on the Exchange or over the counter.

Exchanges do not object to competition. In fact we welcome competition. We go further—we insist that if a better price is available outside of the Exchange, a member must secure it for his customer. It is only when the Exchange price and the outside price are, at worst, the same that we expect the business on the Exchange.

What I am really suggesting is to extend this field of competition by listing on exchanges securities which qualify in size and capitalization and to let the investor himself decide which market best suits his individual needs. This, then, is the crux of my position.

I have earnestly made this plea to you for several reasons. I believe in exchange markets. I believe that your interest in exchange markets is justified because of your responsibility to your public and for their protection.

And for the protection of the public, the business of dealing in stocks and bonds must be centered on the Exchanges.

I am not speaking for the profits of brokers and securities dealers. I am thinking in terms of the welfare of every school teacher who has saved some of her salary, every machinist who works for a great corporation, every man with an idea that will build a fuller life for the people if he can find the capital with which to develop it. They are the ones we must have in mind.

Some day sooner or later the fire which is raging in Europe will be put out and the work of rehabilitation will commence. With its wealth and resources, this country will be called upon to lead the way.

That wealth to a great degree, is in securities. Our banks, our insurance companies, our churches and our institutions own an enormous volume of securities, and their value is measured on the basis of current exchange market prices. To make these enormous reservoirs of capital available for use, the securities must be salable—in other words, liquid—or our entire structure may be in danger.

You will recall our last great depression. Many banks and insurances companies held real estate mortgages—good ones, too. The fault was not with the mortgages. The fault was that they could not be sold and cash could not be realized—they were not liquid.

Let us not have such a thing happen as to securities. Put your weight along with ours to encourage the listing of securities on exchanges and to insure this liquidity of exchange markets.

Chgo. Clearing Corp. Elects New Officers

At the annual meeting of the Chicago Stock Clearing Corporation, subsidiary of The Chicago Stock Exchange, held Oct. 9, the following were elected directors for the ensuing year:

Morton D. Cahn, partner Morton D. Cahn.

Charles J. Cullen, partner Langill & Co.

Ralph W. Davies, chairman Exchange Executive Committee and partner Paul H. Davis & Co.

Thomas L. Dowd, cashier, Lamson Bros. & Co.

Alfred H. Gansberg, office manager, Winthorp, Mitchell & Co.

Anthony Godie, office manager, Fuller, Cruttenden & Co.

Paul B. Skinner, chairman Exchange Finance Committee and partner Hornblower & Weeks.

Kenneth L. Smith, president, Chicago Stock Exchange.

The announcement further states:

Messrs. Cullen, Dowd, Gansberg and Godie, the new members of the Board, are practical office managers. The corporation has been planning major extensions of its services to Chicago Stock Exchange members and these men were chosen so the plans might be considered from every practical angle.

Mr. Smith was reelected President, C. R. Bergherm, Vice-President and Martin E. Nelson, Secretary. William F. Black is the new Treasurer and Harold I. Kramer, the new Assistant Treasurer and Manager.

Adams & Sprang Join Revel Miller & Co.

(Special to The Financial Chronicle)

LOS ANGELES, CALIF.—Harry A. Adams and Robert F. Spang have become associated with Revel Miller & Co., 650 South Spring Street, members of the Los Angeles Stock Exchange. Mr. Adams was formerly vice-president of William A. Lower & Co. Mr. Sprang was recently in charge of the investment research department of Turner-Poindexter & Co.; in the past he was manager of the statistical department for Revel Miller & Co.

STANY Meetings for 1941-42 Nominations

The Nominating Committee of the Security Traders Association of New York will hold open meetings on Oct. 17 and Oct. 20 at 4 p.m. at the New York Produce Exchange Luncheon Club to receive suggestions for officers and directors for the ensuing year. Members unable to attend should write their suggestions to the Secretary of the Committee, Frank E. Mulligan, C. A. Saxton & Co., Inc., 70 Pine Street, New York City.

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 16, 1941

Published three times a week [every Thursday (general news and advertising issue) with statistical issues on Tuesday and Saturday]

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

Reentered as second-class matter September 12 1941, at the post office at New York, N. Y., under the Act of March 3, 1879.
Subscriptions in United States and Possessions, $18.00 per year, $10.00 for 6 months; in Dominion of Canada, $19.50 per year, $10.75 for 6 months. South and Central America, Spain, Mexico and Cuba, $21.50 per year, $11.75 for 6 months; Great Britain, Continental Europe (except Spain), Asia, Australia and Africa, $23.00 per year, $12.50 for 6 months. NOTE: On account of the fluctuations in the rates of exchange, remittances for foreign subscriptions and advertisements must be made in New York funds.

Southeastern Group of IBA Elects Officers

BALTIMORE, MD.—The Southeastern Group of the Investment Bankers Association of America, composed of I. B. A. members in Maryland, Virginia, North Carolina, the District of Columbia, and part of West Virginia, held its annual election of officers here on Oct. 10.

J. Elliott Irvine, Mead, Irvine & Co., Baltimore, was elected Chairman of the Group, succeeding James Parker Nolan, Folger, Nolan & Co., Washington. Edward C. Anderson, Scott & Stringfellow, Richmond, Va., and Robert C. Kirchofer, Kirchofer & Arnold, Raleigh, N. C., were elected vice-chairmen.

L. Clark Brown, Brown, Goodwyn & Olds, Washington, succeeds William W. Mackall, W. W. Mackall & Co., Washington, as secretary treasurer.

John B. Ramsay, Jr., Mead, Irvine & Co., was elected to the executive committee, on which Robert B. Hobbs, W. W. Lanahan & Co., Baltimore, was also named to serve another year as ex-officio member. Mr. Hobbs is a member of the Board of Governors of the national association.

Mecke to Manage New Content, Hano Dept.

Content, Hano & Co., members of the New York Stock Exchange with offices in Philadelphia, New York and Baltimore, have announced that Mr. Reginald V. Mecke, formerly with Smith, Barney & Co., is now associated with the firm in charge of their account supervision department in the New York office, 39 Broadway.

Mr. Mecke has for many years been identified with account supervision work. His affiliation with Content, Hano & Co. as head of this department is in line with the general policy of the firm to expand their advisory and research service to clients.

Tomorrow's Markets Walter Whyte Says——

Action of the market, considering all that it has to cope with, is not as bad as one might be led to believe; our stocks are still for the most part several points away from their critical levels; detailed suggestions below.

By WALTER WHYTE

It isn't enough to write about last week's poor market action and come to the conclusion that from now on everything would be bad, or contrariwise, swell. It's not easy as all that. There are entirely too many factors to consider to come to any such snap decision.

* * *

But before I go off on a tangent allow me to point out that considering all the news present day markets have to cope, the action isn't as bad as you would be led to believe. True, there's nothing to write home about. Still, with conditions being what they are, that's more or less to be expected.

* * *

Right now the biggest market factor is the war. Everything the market can do, or will do, from here on will either be a reflection of the changing tides of armed conflict or the anticipation of a worsening or improvement in our relations with the Axis powers, Germany, Japan or Italy. Any other occurrence will play a poor second.

* * *

Right now Russia is losing, and England, which to most of us seems to have a God-given opportunity to attack in the west, is doing little.

* * *

A week or so ago Beaverbrook gave a pep talk promising 50,000 tanks to Russia, implying that the United States would furnish them.

(Continued on page 604)

Our Reporter On "Governments"

By this time, the excitement of the Treasury's $1,500,000,000 financing is all but over. . . . You've subscribed for your bonds, you're read the figures on allotments, you've figured your profit on the comparatively small total of bonds you were able to purchase, you're now ready to turn to other angles of your investment program. . . . But while the issue itself is out of the way, the implications of this most recent deal are likely to become more apparent to you as the months roll by. . . . For there was more to this operation than just an extraordinarily easy way to get some Government bonds and freeze some profit. . . .

In the first place, there is the fact that Secretary Morgenthau chose to sell a long-term bond—the longest maturity, in fact ever placed on a regular Government obligation. . . . This action indicated two things. . . . (1) That Morgenthau is now psychologically set to issue distant-date securities whenever the market permits and (2) That the Treasury and Federal Reserve System believe interest rates will remain generally around today's levels. . . . Perhaps they won't stay here all the time, but had Morgenthau and his assistants any expectation for a wide-open break in Government bond prices, they never would have offered 31-year $2\frac{1}{2}$s. . . . They never would have floated an issue that could crack 5 or 10 points on any marked change in interest rate movements. . . . For they wouldn't want to risk having that deed on their conscience, that development as a blot on this Administration's financial record. . . .

To repeat, if these comments are correct—and they're backed by authoritative sources—the implications of this deal will be with us for many, many months to come. . . .

The "Rights"

Another thing. . . . By issuing such attractive securities — immediately after the formal offering, the $2\frac{1}{2}$s of 1972 were quoted of-the-record at $103\frac{3}{8}$—Morgenthau has set himself a standard which he will be forced to follow to a certain extent, at least, during the rest of this fiscal year. . . .

The fact is that the "rights"—the maturing $1\frac{1}{4}$s of December 15—were trading at $102\frac{5}{8}$ last Wednesday afternoon. . . . Even this premium, surely large enough, was considered highly unusual. . . . Rarely have "right" values exceeded $1\frac{3}{4}$ or 2 points the day before an expected issue —even a bond issue. . . .

But the new $2\frac{1}{2}$s were worth $3\frac{1}{2}$ points—not $2\frac{5}{8}$ points. . . . The price of the "rights" skyrocketed the morning of the formal offering. . . . The premium paid for the "rights" to refund the $1\frac{1}{4}$s into the new $2\frac{1}{2}$s last Thursday reached the highest level on record. . . . The profit on the new $2\frac{1}{2}$s last Thursday morning established an all-time peak. . . .

And now here's the setup. . . .

Either Morgenthau must continue to make his new bond issues highly attractive—worth 2 points or more—or he must risk disappointing a large group of professionals and investors who are betting on his continued generosity. . . .

Which will be his choice? . . . Impossible to say at this date, of course, but that is a clearly defined situation from now on. . . . And just to make a guess—it is this column's belief that as long as the foreign and domestic situations continue so troubled, new bond issues are going to be extremely "sweet." . . . (This was the forecast a few weeks ago, incidentally). . . .

And that carries right into the subject of free-riding for institutional and individual investors. . . .

(Continued on page 598)

DIVIDEND NOTICES

HOMESTAKE MINING COMPANY
Dividend No. 846

The Board of Directors has declared dividend No. 846 of thirty-seven and one-half cents ($.37½) per share of $12.50 par value Capital Stock, payable October 25, 1941 to stockholders of record 3:00 o'clock P. M. October 20, 1941.

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

R. A. CLARK, Secretary.

October 7, 1941.

NYSE Short Interest Higher on Sept. 30

The New York Stock Exchange announced Oct. 8 that the short interest existing as of the close of business on the Sept. 30 settlement date, as compiled from information obtained by the Exchange from its members and member firms, was 486,912 shares, compared with 470,002 shares on Aug. 29, both totals excluding short positions carried in the odd-lot accounts of all odd-lot dealers. As of the Sept. 30 settlement date, the total short interest in all odd-lot dealers' accounts was 48,588 shares, compared with 50,190 shares, on Aug. 20.

Of the 1,236 individual stock issues listed on the Exchange on Sept. 30, there were 24 issues in which a short interest of more than 5,000 shares existed, or in which a change in the short position of more than 2,000 shares occurred during the month. On Aug. 29, when there were 1,233 individual stock issues listed on the Exchange, 22 issues showed a short interest of more than 5,000 shares or had a change in the short position of more than 2,000 shares during the month of August.

The number of issues in which a short interest was reported as of Sept. 30, exclusive of odd-lot dealers' short position, was 420 compared with 430 on Aug. 29, 1941.

In the following tabulation is shown the short interest existing at the close of the last business day for each month since the beginning of 1939:

1939—	
Jan. 31	447,543
Feb. 28	536,677
Mar. 31	529,559
Apr. 28	662,313
May 31	667,804
June 30	651,906
July 31	481,599
Aug. 31	435,273
Sept. 29	570,516
Oct. 31	523,226
Nov. 30	479,344
Dec. 29	381,689
1940—	
Jan. 31	454,922
Feb. 28	485,862
Mar. 29	488,815
Apr. 29	530,594
May 31	428,132
June 28	446,957
July 31	479,243
Aug. 30	474,033
Sept. 30	517,713
Oct. 31	530,442
Nov. 29	515,458
Dec. 31	459,129
1941—	
Jan. 31	498,427
Feb. 28	487,151
Mar. 31	537,613
Apr. 30	510,939
May 29	496,892
June 30	478,859
July 31	487,169
Aug. 29	470,002
Sept. 30	486,912

STANY Bowlers After Phila. Traders Scalps

The Security Traders Association of New York announces that the bowling season will soon open and urges all members to register in order that a champion team may be formed to beat the Investment Traders Association of Philadelphia this year.

In order to get alleys it is important that all those intending to bowl this year get in touch with the Committee immediately—call Bill Conary, B. W. Pizzini & Co., Bowling Green 9-6400, or Duke Hunter, Hunter & Co., Whitehall 4-2968.

Chgo. Exchange Elects Howe to Bd. of Govs.

Lawrence Howe, partner of Shearson, Hammill & Co., has been elected to the Board of Governors of the Chicago Stock Exchange to fill a vacancy, it was announced on October 9. Mr. Howe will serve as a non-member governor until the annual election of the Exchange in June, 1942. In its announcement the Stock Exchange says:

> Under the Constitution of the Exchange, four members of the Board of Governors may be non-member partners. Messrs. Roy E. Bard, Sutro Bros. & Co., and George E. Barnes, Wayne Hummer & Co., are the other such members of the Board, having been elected last June after the Constitution was changed to provide for non-member governors.

Broadens Membership Base

At a meeting held on Oct. 8, the Board of Governors of the Chicago Stock Exchange approved and adopted in principle a proposal to broaden the base of the membership of the Exchange by removal of the present restriction which makes ineligible for membership an applicant who is an officer of a corporation engaged in dealing with the public as a broker or dealer in investment securities. Counsel and staff officers of the Exchange have been authorized to proceed with the formulation of the practical details. In a letter to members, Arthur M. Beets, Chairman of the Exchange, explained:

> It was determined by the Governors that memberships held by security dealers who conduct primarily an investment business might prove an important factor in the development of the Exchange and would be particularly desirable under present market conditions. In view of the fact that the major portion of investment dealers who are not now stock exchange members operate under the corporate form, the proposed departure from stock exchange "partnership tradition" is necessary.

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. — **Emile P. Mettetal** has been added to the staff of **Ballou, Adams & Company, Inc.,** 49 Federal Street.

(Special to The Financial Chronicle)
BOSTON, MASS.—**George P. Brophy** has become connected with **J. Arthur Warner & Co.,** 10 Post Office Square.

(Special to The Financial Chronicle)
CHICAGO, ILL.—**Eugene Frank Hoya** has become associated with **Swift, Henke & Co.,** 135 South La Salle Street. For the past ten years Mr. Hoya has been connected with Winthrop, Mitchell & Co.

(Special to The Financial Chronicle)
CINCINNATI, OHIO—**John C. Fanger** has joined the staff of **Westheimer & Co.,** 326 Walnut Street. Mr. Fanger was in the past connected with H. B. Cohle & Co., J. S. Todd & Co., Hill & Co. and the local office of J. S. Bache & Co.

(Special to The Financial Chronicle)
DAYTONA BEACH, FLA.—**Rollin E. Baker** has become connected with **Guaranty Underwriters, Inc.,** 127 Orange Ave.

HOUSTON, TEX.—**Milton R. Underwood & Co.,** Gulf Building, announce that **Mrs. Minnie P. Wade** has become associated with them in their retail sales department. Mrs. Wade has recently been in business in Houston under her own name.

(Special to The Financial Chronicle)
LOS ANGELES, CALIF.—**Eugene M. Grant,** formerly with General Industries Corp., Ltd., has become associated with **Adams-Chadwick Co.,** 650 South Spring Street.

(Special to The Financial Chronicle)
LOS ANGELES, CALIF.—**Richard K. Hexter** has become associated with **H. R. Baker & Co.,** whose main office is located in the Russ Building, San Francisco.

(Special to The Financial Chronicle)
MIAMI, FLA.—**George Henry Davis** has been added to the staff of **United Securities Corp.,** Biscayne Building.

(Special to The Financial Chronicle)
MINNEAPOLIS, MINN.—**Lawrence Walter Klopp,** previously with Woodard-Elwood & Co., is now associated with **Wittenberg Merrick Co.,** Northwestern Bank Building.

(Special to The Financial Chronicle)
ORLANDO, FLA.—**Edgar Arthur Densmore,** in the past with Thomson & McKinnon, and **Earl James Weadock,** formerly with Florida Bond & Share, are now affiliated with **Guaranty Underwriters, Inc.,** 24 Wall Street.

(Special to The Financial Chronicle)
SANTA MONICA, CALIF.—**Frank Joseph Perry** has become affiliated with **Schwabacher & Co.,** Bay Cities Building. Mr. Perry was previously with Searl-Merrick Co.

(Special to The Financial Chronicle)
ST. PAUL, MINN.—**Louis William Bucholz,** for many years with Kalman & Co., is now associated with **Central Republic Co., Inc., Inc.,** First National Bank Building.

(Special to The Financial Chronicle)
SPRINGFIELD, ILL.—**Roscoe E. Bramlet** has joined the staff of **Uhl, Matheny & Co.,** First National Bank Building. Mr. Bramlet was formerly with Fernandes & Co. and prior thereto with Thompson, Davis & Phipps, Inc., and Newhard, Cook & Co.

R. W. Denton, Jr. Is With G. H. Walker Co.

G. H. Walker & Co., 1 Wall Street, New York City, members of the New York Stock Exchange and other national exchanges, announce that Richard W. Denton, Jr. has become associated with their trading department. Mr. Denton was formerly New York manager for Reinholdt & Gardner, prior thereto being with that firm in St. Louis; in the past he was connected with the St. Louis office of the First Boston Corp.

Harry Sebel Associated With Straus Securities

CHICAGO, ILL.—Harry L. Sebel has become associated with Straus Securities Co., 135 South La Salle Street. Mr. Sebel for the past seven years has been wholesale representative for A. R. Hughes & Co. in eight middle western states. He will continue to contact the investment dealers in this area for the wholesale and trading departments of the Straus company, which has direct private wires to Los Angeles, Dallas, Saint Louis, Detroit, Boston, and two to New York City.

T. T. Sweeny Elected E. H. Rollins V.-P.

E. H. Rollins & Sons, Inc., 44 Wall Street, New York City, announces the election of T. Tyler Sweeny as vice-president. Mr. Sweeny has been associated with the firm since 1930, during which time he has been engaged in various phases of the investment business and more recently in the buying department of the firm.

RAILROAD SECURITIES

Investors willing to assume a risk (apparently very small) of possible less regular income over the intermediate term, have been contemplating with growing interest the potentialities offered by switching from St. Louis, Iron Mountain & Southern River & Gulf Division 1st 4s into the First Mortgage series of New Orleans, Texas & Mexico. Both are scheduled to participate in the Missouri Pacific reorganization (approved by the I.C.C. and the lower court, but being appealed) and at recent price levels it has been possible to switch into $18,000 face value of the N. O., T. & M. 1st 4½s, 1956 for each $10,000 of the Iron Mountain bonds.

In the matter of interest, the Iron Mountain bonds have been paying at the regular 4% rate and are expected to keep to this basis no matter how long the reorganization proceedings are drawn out.

The next semi-annual payment is due Nov. 1. Interest has been paid on the New Orleans, Texas & Mexico liens in every year since 1936, but in irregular amounts and on varying dates. A full year's interest was paid in each of the years 1940 and 1939, one coupon was paid in 1938, one and one-half coupons in 1937, and half a coupon in 1936. Application has recently been made to the court for permission to pay one coupon (half a year's interest) now, which will be the first payment for the year. Payment of one coupon on the $18,000 face value of the bonds purchased will amount to $405.00 or the equivalent of a full year's interest on the 10 Iron Mountain bonds sold. It, therefore, compensates for the Nov. 1, 1941, and May 1, 1942, coupons on the latter. On the basis of past performances, it seems apparent that there need be no great apprehension over possible loss of income, even though the payments may be less regular. The underlying basis for the switch is the wide potential capital gains to be realized if the plan is consummated as proposed by the Commission and approved by the court of jurisdiction.

Under the reorganization plan, the St. Louis, Iron Mountain & Southern first 4s are to receive par for par in new Series "B" first mortgage 4s, 1990. As interest has been paid regularly on the present bonds, there will be no interest accruals coming on consummation of the plan, except perhaps to adjust for the interim between the last interest date on the old bonds and the start of accruals on the new bonds. In the reorganization, a holder of $18,000 of N. O., T. & M. first 4½s will receive $10,000 combined in Series "B" first mortgage 4s, 1990, and cash representing income accumulated on the new first mortgage bonds as of Dec. 31, 1941. Of this, $9,630 will be in the bonds (the same series to be received by the Iron Mountain bonds) and $375.40 will be in cash, representing income accrued to the end of this year. This cash could be used to round out the new first mortgage bond commitment to $10,000 face value or the same amount that would be received in exchange for $10,000 of the Iron Mountain bonds. The profit on the transaction is then represented by all of the junior securities the New Orleans, Texas & Mexico bonds are to receive in full settlement of their claim.

In addition to the new first mortgage, the holder of each $1,000 N. O., T. & M. 4½% bond will receive approximately $245 in Series "A" Income bonds, $195 in Series "B" Income bonds and 1.7 shares of $5 second preferred. The holder of $18,000 face value of the old 4½s is to receive a total of $4,410 face value of new Series "A" Incomes, $3,510 of Series "B" Incomes and 30.6 shares of second preferred stock. These new securities are currently selling "when-issued" at about 35, 25 and 8, respectively, giving a total value of $2,665.80 to the securities, other than new first mortgage bonds and cash, provided in the plan for holders of $18,000 New Orleans, Texas & Mexico first 4½s. Any strength in the new securities will naturally widen the gain realized from these junior securities, and interest is accruing on the Income bonds during the reorganization proceedings. This potential profit is considered a more than adequate compensation for the risk involved in the possibility that the plan may not go through. Furthermore, it is generally considered that if there should be any last minute change in the proposed reorganization it would strengthen the position of the N. O., T. & M. bonds.

Business Failures Down in September

Insolvencies in the business sphere in September dropped sharply, both from the preceding month and from the corresponding month of last year, thereby establishing a low not only for the year to date but also since January, 1939, when Dun & Bradstreet started to compile the figures on the present basis. Failures seasonally fall off in September and in most years establish their lowest levels in that month; the decrease from August this year was the most marked since 1933 and it remains to be seen whether the year's low was reached. The failures last month numbered 735 instances with current liabilities totaling $9,393,000. In August 954 firms failed for $11,134,000 and in September, 1940, 976 firms for $11,397,000.

All of the broad commercial and industrial divisions of the insolvencies participated in the general reduction from the corresponding month and only the commercial service group failed to drop from September. The retail division, which alone comprises the greater part of the total, had only 460 casualties involving $3,239,000 last month in comparison with 588 involving $3,563,000 in September, 1940. Manufacturing disasters dropped to 123 with $4,189,000 liabilities from 173 with $4,740,000 a year ago. In the wholesale division failures dropped to 67 with $924,000 liabilities from 588 involving $3,563,000 last year. Only 39 construction firms failed for $594,000 compared with 58 for $893,000 a year ago. The commercial service division had 46 casualties involving $447,000 compared with 49 involving $541,000 a year ago.

Not quite all parts of the country had a part in the general improvement in September, it appears from the breakdown of the figures by Federal Reserve Districts. The Boston District had more failures, for instance, than in the previous month or the corresponding month; Cleveland had more than last year and St. Louis and Minneapolis had a greater number than in August. Of the total decrease of 219 failures from August, there were 112 fewer in the New York District alone, 46 in the Chicago and 19 in the San Francisco District; approximately 58% of last month's bankruptcies occurred in these three districts.

E. Drew New Sec. of ABA Public Relations

Edward Drew, public relations director of the California Bankers Association, will join the American Bankers Association, on Dec. 1 as Secretary of its Public Relations Council, it was announced on Oct. 8 by Henry W. Koeneke, President of the A.B.A., who is President of the Security Bank of Ponca City, Ponca City, Okla. Mr. Drew has long been associated with banking in his native state of California, having been connected with the Union Trust Company, now the Wells Fargo Bank and Union Trust Co. in San Francisco and the American Trust Company, serving that institution in various capacities. He held successively the titles of advertising manager, Assistant Trust Officer, Assistant Vice-President and Vice-President. He has been a member of the A.B.A. Public Relations Committee and Trust Information Committee and is a past president of Trust Division of The California Bankers Association.

For the past two years Mr. Drew has been Director of Public Relations of The California Bankers Association.

Municipal Bond Club To Hear La Guardia

Honorable Fiorello H. La Guardia, Mayor of New York City, will address the luncheon meeting of the Municipal Bond Club of New York on Monday, October 20, at the Bankers Club.

Wabash RR Interesting

An interesting circular on the new securities (when, as and if issued) of the Wabash RR. Co. has been prepared for distribution by Pflugfelder, Bampton & Rust, 61 Broadway, New York City, members of the New York Stock Exchange. Copies of the circular may be had from Pflugfelder, Bampton & Rust on request.

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—34⅝, low—14¾, last 33½.

Bank and Insurance Stocks

This Week — Insurance Stocks

Dealers acquainting their insurance stock customers with first half of 1941 operating results of fire and casualty companies might well be asked: Why is the increase in premium volume so bullish if underwriting profits are so much lower?

The Best's summary of semi-annual operating results showed first half expansion in premiums written of $27,500,000 (19%) for 85 fire companies and $28,800,000 (11%) for 90 casualty companies, but: (1) The fire companies' loss ratio rose from 48.9% to 50.1% and "statutory" (earned) underwriting profits declined from $2,221,000 to $643,000; (2) The casualty companies' loss ratio rose from 48.5% to 50.5% and statutory underwriting profits dropped from $10,090,000 to $6,955,000.

The answer seems paradoxical: The increase in premium volume is very bullish for underwriting operations, even though it means lower statutory underwriting profits: (1) The heavy premium volume of today means substantial underwriting profits of tomorrow. Premiums are payable in advance, and in accordance with the law, all premiums must be set aside in a fiduciary account, Unearned Premiums, until actually earned. (This incidentally is a good accounting principle.) However, increased expenses of writing the heavier business must be met immediately, and losses on the increased outstanding risks are normally bound to rise; but both the larger expenses and losses come out of lower previously earned premiums, not yet reflecting the present higher premiums volume.

It is just like a company's earnings being built up by increased advertising; cut down on the advertising and the reported earnings will look much better because of lower advertising expense; but obviously, it is more bullish to continue the building up by advertising even though it means current lower earnings.

This is why a venerable insurance executive used to say: "We're happy when we're losing money on underwriting because of increased writings."

(2) Thus, "statutory" underwriting profits may not reflect true underwriting progress in any one year; but "adjusted" underwriting profits come closer, by adding to statutory profit the equity in increased unearned premiums.

"Adjusted" underwriting profit of the 85 fire companies was $9,795,000 for the first half of 1941 ("statutory" profit of $643,000 plus 40% of the $22,882,000 increase in unearned premiums for the half); and $20,159,000 for the 90 casualty companies ("statutory" profit of $6,955,000 plus flat 40% equity in the $33,010,000 increase in unearned premiums). This is a materially different picture.

(3) Expense ratios have actually declined, and have approximately offset the rise in loss ratios, leaving combined loss and expense ratios about the same.

Although expenses were higher in the aggregate, they did not rise in full proportion to the increase in premiums written. The 85 fire companies had expense ratio of 42.3% for the first half of 1941, compared to 44.7% in first half of 1940, so that combined loss and expense ratios were 92.4%, compared to 93.6%. The 90 casualty companies' expense ratio was 40.5%, compared with 42.1%, thus holding down combined loss and expense ratios to 91.0%, compared to 90.6% a year ago.

Therefore, the first half of 1941 has definitely been one of underwriting progress. The heavy increase in premium volume has laid the basis for substantial statutory underwriting profits next year, the companies saving the taxes on such profits for this year. Combined loss and expense ratios have been kept in control despite the heavier volume. The increase in volume is continuing at substantial levels and the companies still have ample "capacity" to handle much larger volume—using a 1:1 ratio of policyholders surplus to unearned premiums as a conservative guide, the 85 companies, with ratio 1.9:1 and the 90 casualty companies with a ratio of 1.3:1, are capable of carrying heavier volume without "overtrading on the equity."

Over the intermediate future, the outlook for premium volume indicates continued net expansion but shifts from certain lines to others. Thus, during the past year, automobile and marine volume have outstripped the other lines in expansion. Marine volume, in view of the increased number of bottoms being built in this country and higher rates and volume in cargo coverage, is likely to continue its uptrend, but finance company automobile volume may take a decline in view of the OPM curtailment of automobile production. Such decline, however, as might occur in this line might well be offset by the continued expansion in fire and other writings—with the nation's productive capacity being called into full play, any involuntary decrease in automobile writings is likely to show up in other lines covering National Defense production.

Investors in insurance stocks, therefore, appear to be assured of a bright volume outlook, at premium rates based on loss experience and not artificially "pegged" like money rates.

Files With SEC

Application has been filed with the Securities and Exchange Commission for registration as broker-dealer by Gordon B. Todd & Co., 25 Broad Street, New York City. Gordon B. Todd and Clement J. Todd will be partners in the firm, which proposes to make loans on securities protected by puts and calls.

Our Reporter On "Governments"

(Continued from page 595)

Free Riding

There was a considerable amount of free riding in this most recent Government financing, incidentally. . . . Not free riding by "little fellows" to any degree, for they are not aware of these issues ordinarily. . . . And the elimination of preferential allotments has discouraged all but a few of those, anyway. . . .

The free riding that did take place came from professional traders, from individual investors of some means, from institutions that wanted the profit—but not the bonds for permanent holding. . . .

And that type of free riding is a necessary corollary of attractive Government flotations. . . . That type of free riding cannot be eliminated — unless Morgenthau chooses to cut the profit on his new offerings to the "danger" point (which obviously is not his intention). . . .

One story is that the Treasury has asked banks to police all subscriptions more carefully than ever before. . . . Another is that Morgenthau has warned the banks against lending money to customers for purchase of new bonds beyond the customers' "legitimate requirements". . . .

Of course, there are the old safeguards too. . . . The Federal Reserve System's "black list" of names that subscribe, then re-sell their allotments immediately. . . . The allotment of bonds on a straight percentage basis. . . . All the steps taken in recent years by the Secretary to rid the market of the free rider. . . .

But the point is free riding is coming back. . . . And the forecast is that it will continue in the market at long as new Government issues intrigue the speculative instincts of all who know about them. . . .

And there's certainly something to be said in favor of the bank that buys these bonds, holds some, sells some and uses the profit frozen to mark down the price of the securities held to a comfortable level. . . . (This policy is worth thinking about.) . . .

Next Deals Up

We should see some more Government financing before the end of October—and before the date the reserve requirement boost goes into effect. . . . The financing will be done by the Treasury but for the accounts of two of its agencies, the RFC and the Commodity Credit Corporation. . . .

The RFC has $300,000,000 7/8% notes due November 1, while the Commodity Credit Corporation has $204,000,000 1% notes due Nov. 15. . . .

Just for refunding, then the issues should total more than $500,000,000. . . . And perhaps the RFC will borrow some more cash to meet its heavy expenditures. . . .

They'll be short-term issues, probably, bearing infinitesimal coupons. . . .

The Treasury itself has a clear slate until March, when $426,000,000 tax-exempt 1 3/4% notes mature. . . . Chances are these will be refunded in December, at the same time that Morgenthau asks for more cash. . . .

Some Statistics

The $1,300,000,000 cash portion of the recent issue was the most ambitious Government financing since 1919. . . .

That $1,300,000,000 is equal to approximately one month's spending on defense. . . .

In one day, Morgenthau obtained as much cash as he has been able to borrow through sales of defense bonds in five months. . . .

Only a short time ago, $1,000,000,000 was considered the "comfortable minimum" for the Treasury's cash balance. . . . Now $2,000,000,000 is considered barely satisfactory. . . . The new issue will raise enough funds to push the balance above that minimum, but at the rate of defense spending these days, it won't remain there long. . . .

The recent borrowing—the first major cash deal since June—is the first in a financing program that will total at least $3,000,000,000 before the end of this fiscal year. . . .

Between open market borrowings and sales of defense bonds and tax-anticipation notes, Morgenthau expects to raise from $7,000,000,000 to $8,000,000,000 this fiscal year. . . .

Proposed Changes in Securities Laws Give Insufficient Consideration to Small Dealers

A communication addressed to the Committee on Interstate and Foreign Commerce of the United States House of Representatives from 15 regional stock exchanges, outlining the exchanges' views on the proposed amendments to the Securities Act of 1933 and the Securities Exchange Act of 1934, was made public by the exchanges on October 8.

The communication was prepared by 16 representatives of 12 regional exchanges at a meeting held in Chicago on Sept. 25 and 26. The representatives returned home to obtain ratification of their action by their respective exchanges, and the signatures on a counterpart were obtained from three exchanges not represented at the Chicago meeting. The letter as made public by the Chicago Stock Exchange follows:

The undersigned national securities exchanges have reviewed the reports to the Congress by the "securities industry" and the Securities and Exchange Commission, dated respectively July 30 and Aug. 7, 1941, in the light of the letter dated June 18, 1940, from Chairman Lea of the Committee on Interstate and Foreign Commerce to Jerome N. Frank, then Chairman of the Securities and Exchange Commission, which prompted the conferences out of which these reports came.

These reports, despite the time and earnest effort expended by the four signers of the "industry" report and by the Commission, do not sufficiently consider the interests of the small elements in the business or the interests of the public served by them. We believe the limited participation of the regional national securities exchanges in the conferences from which the reports emanated precluded adequate consideration of these matters. The regional exchanges are located in California, the District of Columbia, Illinois, Maryland, Massachusetts, Michigan, Missouri, Ohio, Pennsylvania, Utah and Washington. They constitute the small business of the securities industry. They represent that part of the industry which is primarily concerned with local issuers, investors, and brokers and dealers.

The problems of the securities business from the point of view of the regional exchanges are essentially different from those presented by the report of the "securities industry." These proposals do not help the regional exchange markets or that part of the public served by them. In the absence of material changes in the Securities Exchange Act of 1934, the regional exchange markets will face a process of disintegration leading to ultimate extinction.

In recognition of this fact, ten months ago the regional exchanges advocated, and the Securities and Exchange Commission undertook a factual study of the major problems of the regional exchanges. We respectfully urge that this study be completed and used as the basis for the elimination of unnecessary handicaps to the securities business as related to the regional markets.

While the regional exchanges have an interest in the Securities Exchange Act of 1933, it is our belief that detailed comment on the specific proposals regarding that Act properly may be left to those organizations dealing with the underwriting and distributing phases of the business. However, it is our opinion that, generally speaking many of those proposals would seem to be constructive and merit favorable consideration.

We shall be pleased to amplify our views on the 1934 Act whenever hearings are held on the pending measures.

The letter was signed by:

Theodore Gould, President, Baltimore Stock Exchange.

P. R. O'Brien, President, Board of Trade of the City of Chicago.

John E. Yerxa, President, Boston Stock Exchange.

Kenneth L. Smith, President, Chicago Stock Exchange.

Joseph B. Reynolds, Vice-President, Cincinnati Stock Exchange.

Russel I. Cunningham, President, Cleveland Stock Exchange.

Paul T. Bollinger, President, Detroit Stock Exchange.

W. G. Paul, Executive Secretary, Los Angeles Stock Exchange.

Larz E. Jones, New Orleans Stock Exchange.

John R. Huhn, Jr., Secretary, Philadelphia Stock Exchange.

Marshall R. Barbour, President, Pittsburgh Stock Exchange.

Ronald E. Kaehler, Executive Vice-Pres., San Francisco Stock Exchange.

Irving D. Lowe, President, Salt Lake Stock Exchange.

George J. Flach, President, San Francisco Mining Exchange.

L. W. Baker, President, Standard Stock Exchange of Spokane.

In connection with this letter Mr. Smith of the Chicago Exchange on October 8 issued a statement saying that his exchange "believes that the amendments do not go to the root of

(Continued on page 603)

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.

You Are What You Think You Are

It is against the principles of this column to preach, delve into elaborate pep talks, psychological discussions on salesmanship, or flights of lofty idealism. On the contrary we believe that most of the members of the security selling fraternity of 1941 are just a little beyond the stage when they can be kidded along by theorists who would tell them "how to do it" yet show by their words that they probably couldn't go out and sell some securities even if they had Roosevelt for a customer. The writer, himself, remembers many a sales-manager of the lush days of the twenties, and how he would make glowing speeches of how to go out and get business, yet never moved his overwriting carcass from his swivel chair. He also remembers the pep talks, the rah! rah! boys, and all of the fellows who wrote articles about salesmen's morale, etc. He remembers that most of the things he was told were 90% hot air and he learned how to sell securities the hard way—by trial and error. The little he knows about doing this job in 1941 he has also learned through adapting himself to present day problems and by changing his methods to meet today's conditions.

There is one cardinal principle, however, that the writer believes has been a help to him—even though it does border on the psychological side and is tinged a bit with idealism. Since in his case it aids him in doing business and at times helps him through a hard period when business is slow (we all have them), so with due apologies here is a basic philosophy that has a practical side to it. The salesman who believes he is nothing more than a peddler will remain a peddler. On the contrary, the security salesman, who believes he is in the same category as a physician—only that he is ministering to the financial health of his clients instead of their physical health—becomes something more than a salesman. He immediately places every day's effort above the monotonous chore of chasing the elusive commission from prospect to prospect and instead elevates every call into a purposeful, sincere and searching effort to help every prospect and client with whom he talks.

The results obtained through this professional approach are bound to result in a higher income for the salesman plus the satisfaction which comes from knowing that the salesman who actually believes and lives up to this higher code is performing an economic good—both for his country and the individuals with whom he does business. The good Doctor does not want praise, he is content to serve his high calling of medicine. Despite all the New Dealers in the world who would condemn Wall Street, the capitalistic system, and those of us who still strive to promote private enterprise, maintain private property, encourage thrift, and endeavor to increase wealth—this writer still believes that selling securities is not only a high calling but by so doing he is serving the best interests of the people who represent the very finest element of our American society—those few hardy souls still left in this land who not only have faith in private enterprise but who are still putting their dollars into stocks and bonds of American corporations as final proof of their confidence in the future of this country.

There have been times when the practical application of this principle of the "Doctor of Securities" approach has even been frankly laid before certain prospects. In order for it to be successful, however, it must be backed up by sincerity. The man or woman you are talking with is quick to sense sincerity if it is real. The very air seems to be charged with conviction and purposefulness when a conscientious person states his convictions and his position and his listeners are bound to be impressed. Tell them openly how you feel about your business, what you honestly want to do to help them gain better results from their security investments, how important you believe it to be that their interest is served first at all times, and show by your attitude that you consider it a privilege to advise them on their financial matters—in other words sell this idea that you are a Doctor of Securities. If you really are and you know your financial medicine then your prospects and your clients will finally let you diagnose their case. Afterward comes the right prescriptions and collecting your fees.

There is one thing that is worth more than all else in this life—that thing is courage. Courage of your convictions, courage to have faith in the future, courage to believe you are in a high calling, courage to keep this faith even when business is slow, times are discouraging and personal troubles all pile up—these are the kinds of courage that will help to make a successful bond salesman, merchant, doctor or for that matter a success at any other kind of job, where men and not medicants are needed.

Investment Trusts

The tax savings made available to corporations investing funds in corporate bonds through the purchase of shares of bond trusts have been made much more attractive by the new tax law. There are now on the market four investment trusts offering a wide variety of specialized bond funds: Keystone Custodian Funds, Inc., distributed by the Keystone Corporation of Boston; Manhattan Bond Fund, distributed by Hugh W. Long & Co.; National Securities Series, distributed by National Securities and Research Corp.; and Union Trusteed Funds, Inc., distributed by Lord, Abbett & Co., Inc.

As explained by Hugh W. Long & Company, sponsor of Manhattan Bond Fund, all corporate bond interest is fully taxable income. "This means that the investment return from a portfolio of bonds held by a corporation is subjected to drastic reductions under the new rates of corporation tax. The new income tax rates (31% for corporations earning over $25,000) plus the advanced rates of excess profits taxes (35% to 60%) and the new method of computation may in some instances reduce the investment return on a bond portfolio by 50% or more. Even though the corporation is holding medium priced bonds with a comparatively liberal yield, if the overall net yield must be cut in half by the full imposition of the new taxes, then the bond investment account may become quite undesirable as a medium for the employment of reserve capital."

On the other hand, a corporation which receives dividends from its holdings of stock in other domestic corporations is entitled to deduct 85% of such dividends from its net taxable income. Thus while interest received from investments is 100% taxable, dividends received are only 15% taxable as regards normal tax and surtax, and are exempt from excess profits taxes to the extent of 100%.

Consequently when a corporation invests its funds in the shares of an investment trust which in turn invests its funds in corporate bonds, the corporation receives its investment income in the form of dividends which are subject to very substantial credits for income tax purposes. Thus the corporation is much better off than if its funds had been invested directly in bonds from which interest income would be received, for the latter would be subject to very high tax rates.

Moreover, the investment companies themselves, if they qualify as "mutual" companies, do not have to pay Federal income and excess profits taxes on the interest which they receive from their bond holdings. (On the other hand, an investment company which is not "mutual" is itself subject to normal income tax and surtax. Most investment companies distributing new shares today, however, are of the "mutual" type.)

The following example, provided by Manhattan Bond Fund, illustrates the comparative advantage of investing through the investment trust medium. An investment income of $10,000 from directly owned bonds held by a

(Continued on page 607)

Correction

In listing members of the Bond Club of Denver in the National Security Traders Association Convention-Year Book issue of the Financial Chronicle, E. Warren Willard was shown as being connected with Brereton & Kendall. Mr. Willard has never been associated with Brereton & Kendall; he is a partner in Boettcher & Co., with which firm and its predecessors he has been affiliated for many years.

Special Report Available

A special report on the common stock of Consolidated Water Power & Paper Co. has been prepared for distribution by Fuller, Cruttenden & Co., 120 South La Salle Street, Chicago, Ill., members of the Chicago Stock Exchange. Copies of the report will be sent upon request.

Municipal News & Notes

A classic example of the way the wind is blowing from official Washington in an effort to chill the trend toward municipal securities was an address delivered in St. aul on Monday by a Government spokesman. Urging that the income received by taxpayers from interest on approximately $20,000,000,000 of State and municipal bonds throughout the nation be taxed by the Federal Government, Charles L. Kades, assistant general counsel for the Treasury, declared that "no modern revenue system can ignore the development of a sound personal tax based on the principle of ability to pay."

Mr. Kades' statement was made to the National Tax Association conference in an endeavor to secure support of tax experts throughout the country behind a nation-wide move to establish a more equitable tax basis to secure money for the defense program.

"I am confident," said the Treasury attorney, "that when the next tax bill has been enacted into law Congress will have once more placed itself on the side of fairness and justice in taxation and will have ended this flagrant example of tax immunity for a favored few."

Mr. Kades pointed out that Congress would be acting within its full rights under the Constitution to tax income from State and municipal bonds.

"The Government protects the citizen's person from injury, fosters his health, promotes his education, underwrites his security and provides the environment in which he can produce and acquire those goods and services important to his welfare," said the Treasury official.

"What can be more appropriate than for the Government to require of this citizen a personal tax measured by his income from whatever source derived."

"The nation needs, as Secretary of Treasury Morgenthau has said, 'all out' taxation to support 'all out' defense," he emphasized.

"The defense program must be paid for, sooner or later, by the taxpayers of the United States. To the extent that the National Government issues bonds, the taxpayer's burden is postponed.

"Ultimately, however, the principal of and interest on those bonds will be paid from money raised by national taxation. And if any class of citizens is then beyond the reach of the national taxing power, other citizens will have to assume the burden of providing the money necessary to pay those bonds.

"If the principle of progressive income taxation is equitable, the issuance of tax-exempt securities is inequitable because taxpayers can flatten out the progressive curve of the graduate income tax simply by investing in State and municipal bonds.

'For this reason every Administration since enactment of the progressive income tax, Republican as well as Democratic, from President Wilson to President Roosevelt, has advocated elimination of tax-exempt securities.

"How can we justify to the American people issuance of public securities which furnish, to those who can afford to buy them, a well-beaten path of escape from increasingly steep tax rates?"

Other Side Of the Story

Addressing the same meeting, Henry Epstein, Solicitor General of New York State, declared that "Federal taxation of State and local securities would be destructive of our political institutions, unconstitutional and unsound economically."

"Any renewal at this time of the Federal campaign to tax our local bonds would be far from a contribution to national unity and would on the contrary hamper and impede the national defense effort," he said. "That unity of effort which is so essential to our national defense must not be seized upon as an opportunity for centralization of all sovereign powers in the Federal Government. The surrender of local self-government is not the road of free States and free cities and free people on their march to the defense of their democratic way of life."

Mr. Epstein is chairman of the Conference on State Defense, a nation-wide organization of State attorneys general and of many other State and municipal officials. The group is supported in its policies by the United States Conference of Mayors, the Municipal Finance Officers Association of America, the National Institute of Municipal Law Officers, and many other organizations in the field of public affairs.

Mr. Epstein said that the proposal to tax city and State bonds "is not really advanced for purposes of raising revenue. The Treasury representatives themselves have repeatedly been forced to admit that it can find little justification on that ground. Nor is there much substance to the appeal that the Federal Government must be given this tremendous power in order that it may shut off a channel of tax avoidance.

Credit Data on Municipal Issues Compiled

Because of the interest that has been evinced in the report carried in our Sept. 25th issue, dealing with the publication of a book on municipal credits, available through the Federal Deposit Insurance Corporation in Washington, at the cost of one dollar per copy, a very reasonable fee, we again bring up the subject for those who may have missed the first notice. The best way to accomplish our purpose this time seems to be through quoting from the excellent review given by Dr. Frederick L. Bird, an acknowledged authority on municipals.

Some three years ago the National Association of Supervisors of State Banks appointed a Committee on Municipal Obligations to explore the important field of standards for classifying municipal securities. "Municipals," the final report of the Committee, has just been published, and it is not too much to say that it should be consulted by every banker and investor who owns or expects to own municipal bonds and by every public official who has the responsibility for marketing municipal bonds, as well as by State bank examiners in their appraisal of portfolios.

The "report" is really a handbook on municipal credit analysis. While it is quite evident that the Committee have done a large amount of careful, thorough investigation and study, they have been able to present their findings with a practical conciseness and brevity which will be appreciated by every reader. The outstanding features of the report are the presentation of a "uniform credit file" or form to indicate the statistical data deemed essential for credit analysis and to facilitate the securing and recording of such data; specific instructions for preparing the file; illustrative applications in the analysis of the credit of representative municipalities; and a series of short chapters on the basic factors in municipal credit which are distinguished for their well-balanced, common sense treatment of this many-sided subject.

The value and significance of the report are emphasized by the need for more thought and concern on the part of both bank examiners and bankers respecting municipal credit standards, by the failure of many municipalities to provide adequate data in support of their offerings of bonds and of purchasers to require them, and by the confusing variety of municipal accounting and reporting practices which prevail throughout the country. Safer investment and sounder municipal finance are promoted by such constructive work as Chairman Edward A. Wayne and his Committee and their technical adviser, Harry L. Severson, have accomplished.

One of the most praiseworthy characteristics of the report is its frank recognition that there is no "last word" in either the determination or application of standards when the subject of appraisal is so complex an entity as a modern American community. At the same time that it prescribes uniform statistical schedules it has no illusions about the difficulty of reconciling them with widely varying municipal financial procedures, and it recognizes that outside the limits of any set form there are other statistical data, as well as many less tangible factors, which demand consideration. Thus the Committee has produced an excellent medium for stimulating interest in and appreciation of municipal finance from the investor's point of view.

N. Y. State Comptroller Dies

Morris S. Tremaine, New York State Comptroller for many years, succumbed to a heart ailment last Sunday. Up to press time, State election officials had not yet determined which of the following procedures would apply in selecting the acting comptroller:

One group contends that, since Comptroller Tremaine died before Oct. 15, nomination of a successor must be included on the ballots for the November election. The elected candidate, in this procedure, would hold office until Dec. 31, 1942, expiration date of the Comptroller's four-year term.

Some legal authorities believe the election of a Comptroller must take place in November, 1942, when the Governor, Lieutenant Governor and Attorney General are elected.

Another opinion is that the Governor makes the appointment, but the appointee cannot serve after Jan. 1 of the year following the date of vacancy.

N. Y. City Sales Tax Cut

The New York City Council voted unanimously on Tuesday for Mayor La Guardia's bills reducing the sales and compensating use taxes from 3 and 2% to a flat 1%, with the prospect that the reduction will become effective very shortly. The Board of Estimate, at a special meeting, ratified the Council's action. It is estimated that the tax cuts would save $30,000,000 to $35,000,000 a year for the ultimate consumers.

Newark Debt Plans To be Discussed

John R. Hardin, president of the Newark Sinking Fund Commission, acting on the request of Mayor Murphy, has called a special meeting of the members for Saturday to discuss readjustment plans designed to reduce the city's debt service on sinking fund bonds.

Mississippi Rural Road Building Program Urged

A road building program for the rural taxpayers and residents has been added to the "grist" for the January legislative session mill.

Advocates of the road proposal point out that it will be a three-way relief measure. Not only will it provide all-weather farm-to-market roads for the farmers, but it will reduce his advalorem taxes by shifting the outstanding county road bonds to motor taxes and make available funds for the establishment of full-time health units.

Certain that some form of road legislation is in prospect, Representative Reece O. Bickerstaff of Harrison County, chairman of the House Roads Committee, has suggested that advocates meet ahead of the session and work out details of a program all can support.

Meanwhile, Senator Grady Cook of Pontotoc, has announced he plans to renew his fight for a rural road program, incorporating in it a plan for the State to take over the approximately $38,000,000 outstanding county and district road bonds now being paid off through advalorem assessments. His proposal for a $60,000,000 bond issue would make available around $22,000,000 in new money.

The danger in a new road program, however, is its effect on the $100,000,000 program inaugurated during former Gov. Hugh L. White's administration. The State issued $60,000,000 in bonds for this program, which thus far have been reduced to $55,000,000. The issue is due to be paid off in 1963, provided more of the maturities are not refunded as was the case recently.

Fitting into the picture is the provision in the original issue pledging the entire six cents State gasoline tax for retirement of the obligations, although less than half is needed for this purpose. Incidentally, the counties get two and one-half cents of the State tax, most of which is used for retiring their county road bonds.

Ky. Municipal League Indorses Legislative Program

Unanimous approval was given recently by the Kentucky Municipal League for submission to the 1942 General Assembly of the league's three-point program designed to give cities a measure of relief from their financial worries.

Briefly, the league agreed to seek passage by the Legislature of bills to permit cities to obtain T.V.A. power, to annex territory adjacent to cities and to require the state to maintain city streets that are parts of the state highway system.

Fla. School Fund Shows Large Increase

Florida's permanent State school fund has increased nearly a quarter million dollars since April 1, 1937, according to a report submitted by J. Edwin Larsen, State treasurer, at the request of Colin English, superintendent of education.

The fund is invested entirely in Florida securities and the increase has resulted largely from purchase of Florida bonds at a discount during the past four years. Bonds owned by the principal of the fund on August 1 totaled $5,019,373, an increase of $226,883 since the 1937 report.

The fund originated from sale of State school lands, and, although the principal is held inviolate, the revenue from interest on investments is apportioned among the counties as part of the teachers salary fund. The investments have become more valuable to the State teachers salary fund by drastic reduction during the past four years in the amount of interest in default. The 1937 report showed $526,328 in defaulted interest and this figure was reduced to $284,332 in the current report.

Trend of The Market

Municipals still maintain their upward trend and the yield on a group of representative bonds is reported to be at a record low point. There was no evidence of any effect in the market for local governmental loans of the $1,500,000,000 Treasury operation launched. Although State and municipal issues seemed to stiffen with the federals on the uptrend, the subdivisional securities held their ground when the others softened.

Further large inroads were made on undistributed balances of recent new issues, and in several instances the remaining bonds were acquired from the original banking group, which had encountered a little slow going in placing them at the initial price levels, by another account which immediately advanced the quotations and reported satisfactory movement of the securities.

Good receptions were accorded new issues that reached the market during the past several days. Outstanding among them were $14,100,000 City of Philadelphia water and refunding 4s and $1\frac{1}{2}$s of 1943-67. The city obtained the loan on an average cost basis of about 1.65%, and the first 10 maturities were resold immediately to banks for group account and the long bonds were sought eagerly by investors at as much as two full points above the original reoffering quotations.

Current strength in the market is attributed largely to higher taxation and a wider investment interest in tax exempt securities. There has been little or no liquidation, which also is attributable

(Continued on page 603)

WHISPERINGS

Warner Brothers will announce a plan to take care of its preferred accumulations either late in November or early in December. The plan will probably consist of a new preferred stock to be offered to preferred holders equal to the amount of arrears with an option to receive cash instead. In any case the preferred accumulations will be taken care of before the end of the year.

The street was being torn up in front of the New York Stock Exchange and as is usual—particularly during lunch time—the excavation was surrounded by groups of onlookers. One such group, consisting of three men, was loud in its opinions of how the job should be done. A foreman standing nearby finally turned to a policeman who also was standing there watching and asked who those men were. "Oh them!" replied the cop spitting out a toothpick, "don't pay any attention to them. They're Stock Exchange members who ain't got nothin' to do inside."

John D. (Wertheim & Co.) Rocamora is the cause of no small envy these days. Despite the fact that summer has been and gone, Johnny still sports a sun tan that looks as if it cost lots of money. Johnny assures us that it did, but he also says he didn't get it from playing golf, or swimming at a beach. "It's much more expensive than that. It comes from the Stork Club's neon lights."

Georgie Price of the night club world, the very proper **George E. Price & Co.**, members of the New York Stock Exchange, is running around like a chicken which lost its head. Not only does he do three shows a night, attend to what business he has between 10 and 3, but is also directing the fourth annual Financial Writers Show, now in rehearsal. And for a guy 5 ft. 3 in. he packs a lot of temperament!

A story is told of the sales manager of one of the leading issue houses who was sick at home. "I want to give some suggestions—send for Mr. ——— (the sales director of the competing firm)." His wife answered, "But, darling, you must mean Mr. ——— from your own firm." . . . "I don't mean anything of the sort!" he yelled back. "Why should I give one of our own men small-pox?"

A ham screen actor—relates **Ernie Blum of San Francisco's Brush Slocumb & Co.**—had acquired a modicum of prominence and arrived in New York (from where he hailed) to bask in his new found prominence. He was walking down Madison Avenue a little irritated that no one had recognized him when suddenly he spied what he thought was a familiar face. The owner of the face also stopped. "You know," said the actor extending his hand, "your face looks familiar. Didn't I meet you on Mr. Morgan's yacht?" The man looked blank and shook his head. "I know," said the actor, "it was at the opening of my new picture." Again the man shook his head. "Wasn't it at the opening of that new night club?" Again the man said no. "Why, of course! I know where I met you," said the actor. "It was at my brokers on the coast. That's where I met you." By this time the man was openly exasperated and indignantly burst out: "Look, ya dope! I'm ya brudder. Remember? We wuz wonderin' what happened ta ya. Why doncha drop around 'n see us no more?"

Teddy Tsolainos, partner in **Parrish & Co.**, was visited by an insurance agent one afternoon, who pointed out the advantages of a new kind of policy. After listening to his talk for a few minutes, Teddy replied that the firm had all the insurance it needed. "The only thing we haven't insured is the office clock. The employees watch that!"

Digest of Tax Changes

Ranson - Davidson Co., Inc., Beacon Building, Wichita, Kansas, specialists in tax exempt securities, are distributing "The Digest of Important Changes in Federal Taxes," copies of which will be sent by the firm on request. The "Digest" contains a brief summary of the 1941 Revenue Act and includes improved schedules of gift and estate taxes, pay-roll taxes, and new individual and corporation taxes under the Revenue Act of 1941.

To Open in New York

Petroleum Equities Corp. will shortly be formed with offices at 41 Broad Street, New York City, to engage in a securities business. Officers of the firm will be Henry Weiss, president, John J. Eisner, second vice-president, and Ernest A. Westfried, secretary and treasurer.

Int'l Rys. Looks Good

International Railways of Central America purchase money 5s of 1972 are particularly attractive at this time, according to a circular prepared by A. O. Van Suetendael, 15 North Broadway, Yonkers, N. Y. Copies of the circular which should prove interesting may be obtained from Mr. Van Suetendael on request.

Now F. H. Crawford Co.

EMLENTON, PA.—F. H. Crawford & Co. has succeeded the investment firm of Crawford-Johnson Co., Long Building. Mr. F. H. Crawford is sole proprietor of the new organization.

SPAB Prohibits Non-Essential Construction To Conserve Raw Materials for Defense

The Supply, Priorities and Allocations Board announced on Oct. 9 a "new policy under which no public or private construction projects which use critical materials may be started during the emergency unless these projects are either necessary for direct national defense or are essential to the health and safety of the people."

According to the SPAB, this applies to public projects, Federal State and local, such as the building of post offices, court houses and similar structures; to the construction of roads and highways; to rivers and harbors improvements; and to flood control and other power projects. It applies to construction of factories, lofts, warehouses, office buildings and all other commercial construction. It applies to residential construction and to construction for public utilities.

The SPAB indicated that because of the defense program's heavy demand for metals, "it will not be possible for the United States to build all of the warships, planes, tanks and other things essential to its national security if the scarce materials are unnecessarily used in building projects which are not vital to defense."

The Board added that "if factories are obliged to close because they cannot get these materials . . . there would be neither rhyme nor reason in permitting the use of those same materials to erect public works, new factories, office buildings or other structures unless it could be shown plainly that such construction is vital to the nation."

It is stated that the new policy means that hereafter two tests are to be applied to all building projects:

1. Does the construction involve use of appreciable quantities of critical materials?

2. Is the construction directly necessary for national defense, or clearly a requisite for the health and safety of the civilian population?

"If the answer to the first question is 'yes,' and the answer to the second question is 'no.' Priorities for the critical materials involved will not be issued," the Supply Board explained.

It is understood that Donald M. Nelson, Executive Secretary of the SPAB, will decide on the cases in his capacity as Director of Priorities of the Office of Production Management.

The OPM on Oct. 10 estimated that because of the SPAB ruling new construction of all kinds in 1942 would amount to $8,500,000,000 compared with the current year's estimated volume of $11,200,000,000, a decline of 25%. The OPM announcement further said:

The estimate for 1941 indicates that defense construction will account for approximately 44% of all building, whereas in 1942 the proportion of defense construction will rise to more than 75%.

Defense work next year is expected to employ an average of 1,300,000 men throughout the year, with 1,500,000 or more at peak periods. The average is about 30% greater than the estimated average for 1941.

If the number of residential units constructed in 1942 drops by 200,000 next year, the decline in employment is estimated roughly at around 120,000 man-years, and, since the type of building affected probably will be more expensive home construction, a tentative estimate of the amount by which dollar values will decline is placed between $800,000,000 and $1,000,000,000.

Industrial expansion for non-defense purposes also is expected to drop sharply. The possible decline is from $500,000,000 in 1941 to $100,000,000 in 1942. Public utility construction is expected to fall abruptly as maximum use is to be made of present facilities in many instances.

Farm construction probably will not decline, but may actually rise as it did in 1918, the survey indicates. Construction of highways may drop. Other public and miscellaneous construction is expected to decline, so that the volume of non-defense construction in 1942 may not exceed $2,000,000,000.

NYSE Odd-Lot Trading

The Securities and Exchange Commission made public on Oct. 10 a summary for the week ended Oct. 4, 1941 of complete figures showing the volume of stock transactions for the odd-lot account of all odd-lot dealers and specialists who handle odd lots on the New York Stock Exchange, continuing a series of current figures being published by the Commission. The figures, which are based upon reports filed with the Commission by the odd-lot dealers and specialists, are given below:

STOCK TRANSACTIONS FOR THE ODD-LOT ACCOUNT OF ODD-LOT DEALERS AND SPECIALISTS ON THE NEW YORK STOCK EXCHANGE

Week Ended Oct. 4, 1941—	Total for Week
Odd-lot Sales by Dealers: (Customers' Purchases)	
Number of Orders	11,657
Number of Shares	304,956
Dollar Value	$12,922,988
Odd-Lot Purchasers by Dealers— (Customers' Sales)	
Number of Orders:	
Customers' Short sales	165
Customers' other sales *a*	15,606
Customers' total sales	15,771
Number of Shares:	
Customers' short sales	5,283
Customers' other sales *a*	325 532
Customers' total sales	330,815
Dollar Value	$10,587,706
Round-Lot Sales by Dealers—	
Number of Shares:	
Short sales	40
Other sales *b*	103,180
Total sales	103,220
Round-Lot Purchasers by Dealers—	
Number of Shares	78,740

a Sales marked "short exempt" are reported with "other sales". *b* Sales to offset customers' odd-lot orders, and sales to liquidate a long position which is less than a round lot.

SEC Commissioner Perturbed

(Continued from First Page)

existing state of public apathy toward American business enterprise, we will nevertheless take the liberty of informing him about some of the reasons for this condition and what he must expect before he will ever see a solution to the problem.

If the Commissioner will scan the records, he will notice that the total amountof new financing in this country, stocks and bonds included, has fallen to a figure that is only about ten percent (upon an average) of the decade prior to the advent of Mr. Roosevelt, his New Deal, and his SEC. However, despite this decline in private financing there has been an astronomical rise in governmental financing. Today over thirty government lending agencies are competing directly with private banks and bankers in financing American business institutions. The RFC alone has spread more millions of the people's money around this country on mortgage loans to business firms than any ten of America's largest investment banking firms. As Mr. Burke well knows, this financing has been in the form of loans—not equity capital and so from this standpoint alone, the Federal government itself has been the greatest offender in supplying debt capital instead of equity capital.

So, if the truth were told, Mr. Burke, this trend away from private enterprise began nine years ago when your boss and his New Deal took America away from the people who created it and turned it over to an inefficient bureaucracy. And this trend is going to continue until one of two things happen. Either we will all end in complete and utter state socialism or Mr. Roosevelt, his New Deal and all of the bureaucrats, who like locusts are eating up what little is left of the sort of stuff that built this country, will finally be repudiated by a disillusioned people who at last will have regained not only their sanity and common sense but also their fundamental Americanism.

For when all is said and done, the American investor, despite all his faults, still has a little more intelligence than some of his fellow citizens who have put Mr. Roosevelt's brand of American state socialism upon the heretofore clean pages of our history. He therefore knows that such statements as you made in your Biloxi speech are not meant for his consumption. He knows by now how New Dealers operate. He has had plenty of experience in watching the workings of bureaucracy during the past nine years. He knows you were not talking to him but for the benefit of those millions of economic and financial illiterates upon whom the New Dealers depend to continue them in funds, in jobs, and in power. Such is the way Mr. Hitler's Goebbels would do it—he, too, places the blame for his victims' miseries upon their own defenseless shoulders and all the while the mad, mad mob howls—and do they like it!

No, Mr. Burke, there is nothing you nor any one else can do successfully to sell stock in American businesses until you and others like you, from Franklin Roosevelt down, are finally and eternally removed from the American governmental scene. Otherwise it will only be a question of time until the rapidly dwindling wealth of this nation which has been accumulated during its past one hundred and fifty years, will be exhausted.

In conclusion, may we suggest, if you really desire to sell some common stock, Mr. Burke, that you start out some bright morning and see what you can do? Just ask any securities salesman in Wall Street to take you around to see some of his prospects. We believe you'd get plenty of opportunities to make some speeches. You'd doubtless hear some, too. Just about the time you'd get through telling your unwilling investor about the wonderful future of the ABC mouse trap company, Mr. Morgenthau would come out with a last that, a 6% return on invested capital was enough for any business. Then your prospect would pick up the paper and show you where Mrs. Roosevelt said that every worker should join a union. While in the next column news stories of shut downs, slow downs, riots, civil insurrection, destruction of private property and intimidation of businessmen by union racketeers and gangsters would be making most of the headlines. Next, some New Deal bungler would decide that mouse traps weren't very important anyway, so, because of priorities, your company couldn't get the wire, the wood, or the cheese or whatever it takes to make mousetraps in these crazy days of boondoggling, government ownership, name-calling, and declining interest rates. And if this should not be enough, another bureaucrat, Mr. Ickes, or one of his ilk, would come out with a blast against Wall Street, American business and all that goes with it. While, to top it off, your erstwhile prospective stock buyer would finally remember that he has the highest tax bill he's ever seen in his life soon coming due. He also knows that ever since Mr. Roosevelt has been the head of this nation we have each year continued to go

(Continued on page 603)

Municipal News & Notes

(Continued from page 600)

to taxes. Most institutions which hold municipal bonds are subject to the corporation tax and that levy is a deterrent to liquidation. The majority of tax exempts held by corporations were bought at substantially lower prices and show large paper profits.

September Municipal Bond Sales

The detailed description of the municipal bond issues that were floated by the various States and local units during the month of September will be found on page 624 of this issue.

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 isue sold are also appended.

Oct. 16th (Today)

$1,500,000 Arizona, State of

These are short term tax anticipation bonds. The State recently awarded a similar isue to Kirby L. Vidrine & Co. of Phoenix.

Oct. 28th

$600,000 Portland, Ore.

On Sept. 2nd the city awarded bonds to Halsey, Stuart & Co., Inc. of Chicago, while the First National Bank of Portland was second.

Oct. 21st

$16,039,000 USHA temporary loans

These notes have been sold from time to time by various local housing agencies, over $800,000,000 having been placed at public competitive sale since the program was initiated. The most recent award of such notes took place on Tuesday.

Nov. 4th

$1,030,000 Terrebonne Par., La.

This parish has not made any recent sales of bonds.

Nov. 12th

$500,000 Lafayette Par., La.

We do not find a record of any recent sales by this parish.

15 Exchanges Oppose SEC Laws Amendments

(Continued from page 599)

the trouble," and proposed the following changes:

Three amendments, in our opinion, are essential to restore a normal functioning of exchange markets. Section 9 of the Securities Exchange Act should be changed to allow a resumption of a necessary and normal amount of merchandising activity which is indispensable to the maintenance of useful public markets in small issues. This section of the existing law rightfully aims to prevent manipulation but the pendulum has swung so far that many proper, normal and economically necessary transactions are prevented. The foregoing together with Section 14, regulating proxies, and Section 16, penalizing officers, directors and principal stockholders who engage in purchases or sales of securities of their companies bear a heavy impact on the management problems of the smaller companies and have seriously impaired the market in their stocks. The need is for liberalization and certainly not extension of the restrictions to the over-the-counter markets.

"When hearings on the proposed legislation are held by Congress, we hope to convince it that our experience and views are sound and warrant serious consideration."

SEC Commissioner Perturbed

(Continued from page 602)

deeper and deeper into debt, and this will continue unless we either get rid of Mr. R. or finally go bankrupt and embrace some form of Russian or German totalitarianism.

These aren't the only reasons why Mr. American Investor is not buying common stocks, Mr. Burke. It is only a sample of some of the things you'd hear if you left your desk over at the SEC and went out in the field and learned from first hand experience just what the American investor is thinking today.

So, if you could sell stocks under today's conditions, we'd take our hat off to you, Mr. Burke. We'd like to see it done. We are very much afraid, however, that all the speeches that you could make will never solve this problem. No, we believe the great cross-section of the eighteen million people who own stocks and bonds in American private enterprise do not want any part of the kind of America that Mr. Roosevelt is fashioning for them. We have no reliable statistics to measure their vote at the past elections but we would be willing to bet every thing we have or expect to have that if a vote were taken of this group of Americans your erstwhile sponsor and patron, Mr. Franklin Roosevelt, couldn't be elected dog catcher in Keokuk. For these are the workers of America, not the drones. These are the people who believe in risk, in the profit system, in fair play and in self reliance. They are not the ones who are responsible for the financially disintegrated economic system which we see around us today and which you are pleased to call the New Deal.

No, the answer to the problem about which you are concerned is very simple. Give the government of this country back to the people, send ninety percent of the bureaucrats who now control it back home where they belong, and we will no longer need to worry about the future of stock financing or of American industry. Keep it where it is today and even you won't have a job someday. Totalitarian governments produce their own speech-makers—they don't go to the minor leagues for their talent.

ABA Appoints Twelve To Executive Council

Announcement of the appointment of 12 members at large to the Executive Council of the American Bankers Association was made in Chicago on Oct. 2 by Henry W. Koeneke, newly elected President of the Association. Mr. Koeneke is President of the Security Bank of Ponca City in Ponca City, Okla.

The 12 appointed by Mr. Koeneke were:

Harry A. Bryant, President, Parsons Commercial Bank, Parsons, Kan.

William S. Gray, Jr., President, Central Hanover Bank and Trust Co. of New York.

Robertson Griswold, Vice-President, Maryland Trust Co., Baltimore, Md.

Eugene P. Gum, Secretary, Oklahoma Bankers Association, Oklahoma City, Okla.

G. Carlton Hill, Vice-President, Fifth Third Union Trust Co., Cincinnati, Ohio.

J. R. Leavell, President, Continental Illinois National Bank and Trust Co., Chicago, Ill.

R. C. Lilly, President, First National Bank of St. Paul, St. Paul, Minn.

B. Murray Peyton, President, Minnesota National Bank, Duluth, Minn.

Samuel N. Pickard, President, National Manufacturers Bank, Neenah, Wisc.

Charles E. Spencer, Jr., President, First National Bank, Boston, Mass.

J. C. Williams, Vice-President, Commerce Trust Co., Kansas City, Mo.

J. S. Rogan, President, American National Bank, Indianapolis, Ind.

Tomorrow's Markets Walter Whyte Says——

(Continued from page 595)

Perhaps he knows what he is talking about. But the following is far from optimistic.

* * *

So far the United States has produced no heavy tanks to speak of, a comparatively small number of medium tanks, and less than 2,000 light tanks. The last carry light armor and are valuable only in reconnaisance. According to latest figures our production schedules call for 1,250 tanks a month by the end of 1942, later to be stepped up to 2,500 tanks a month. Now figure how many months it will take to produce 50,000 tanks for export without considering national defense.

* * *

You may wonder why this, a stock market advisory column, goes into armament production, wars, and other subjects theoretically so remote from the business of buying 'em and selling 'em for profits. The answer is simple. Today's markets look to the European conflict for clues, and our national fortunes, irrevocably tied up with those of England, will fall or rise accordingly.

* * *

Now as to the stock market: Last week I advised flatly that if the market got down more than two points under last Tuesday's (October 7th) low prices would go lower. I then narrowed this opinion down to the individual stocks the column was committed to and gave specific prices which should hold, failing that they should be sold.

* * *

As this is written the weak sister is Westinghouse which sold off on the new stock offering news. The rest of the market is following suit. But though the leaders are still acting as poorly as ever the stocks in our list are still some points away from their critical levels, with the exception of Anaconda which just managed to save itself at 25⅜; the stop is 25.

* * *

As far as the rest of the list is concerned it can be said of them that they are acting better than the averages, which in itself is something to boast about. In case you don't remember the stocks, I refer you to last week's column where they appeared with buying levels, and stops beyond which they should not be carried.

* * *

So far as the immediate future of the market as a whole is concerned it looks like the DJ averages (I mention those because of their wide following) will dip down to at about 118 before meeting any real support. There is even a change that a figure of 115 will be seen before any rebound worth the name will be seen. That being the outlook I see little point in buying anything here. If, however, the market does rally before those areas are reached I believe the stocks you have will do better than most.

* * *

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.]

Our Reporter's Report

(Continued from First Page)

is beginning to take shape as one after another of these deals develops.

There are some who are now convinced that the five or ten biggest insurance companies which could, if they so desired, usurp the top grade market, may soon get tired of entering direct bids in competition with the bankers.

It is admitted that such companies are "between the devil and the deep blue sea" so to speak. Should they proceed to "hog" the new offering field, it is argued, there is no gainsaying the fact that they would bring a storm of protest down around them, and not altogether from the investment bankers.

There are several hundred smaller insurance firms throughout the country and they are nothing if not articulate when their toes are stepped on too hard. Keeping top issues away from this aggregation could prove troublesome for the bigger members of the industry, and it is contended they may ultimately come to the conclusion that the candle is not worth the game.

Savings Banks To Bid?

The latest story going the rounds in investment circles had it that the larger savings banks, who rank well up among institutional investors, have been giving consideration to the idea of grouping together and submitting their own bids for new issues.

These reports naturally tended to add to the woes of the investment underwriting fraternity which has been in a none-too-happy mood, since the advent of the Securities and Exchange Commission's U-50 Rule.

But inquiry around among some of the larger savings banks gave the impression that the report had little, if any foundation in fact.

Several bankers revealed that the inquiry itself, was the first suggestion of any such step that they had heard. And they didn't seem to be especially interested in the matter.

Philadelphia Electrics

Current indications are that at least six banking groups will be in the field next Monday when the Philadelphia Electric Company puts its projected $20,000,000 issue on the auction block.

Carrying 2¾%, this first and refunding mortgage issue will run for 30 years. Since it carries a Triple A rating, there naturally is some disposition to wonder if the insurance companies will be in with a bid of their own or whether, as on two more recent occasions, they will work through the bankers.

Proceeds will be used to pay off an equal amount of 1½% promissory notes due Dec. 3 next.

"Rights" May Vanish

The flurry of selling which embraced short-term Treasuries earlier this week tied in with reports that these issues may not be accorded subscription "rights" in future Federal financing.

That such "rights" have enjoyed a substantial market value is evident from the action of the 1¼% notes due Dec. 15 next, which were given a prior right to the new 2½s just sold by the Treasury.

Those notes commanded a premium of well over 3 points at their best levels, and naturally if the notes maturing next March and September are not to have such "rights," they should settle down marketwise to a "money basis."

As expected, allotments against subscriptions for the Treasury's new 31-year 2½s were made on a basis of 12½%, with a total of $10,446,000,000 in subscriptions having been received.

Correction

In reporting the winners at the Field Day of the National Security Traders Association Convention in New Orleans, the Chronicle showed Frank E. Haas, of Rufus Waples & Co., Philadelphia, as winner of the first prize for Low Net, runner up prize going to M. J. Isaacs of Straus Securities Co., Chicago. Mr. Isaacs was winner of the trophy for Low Net, which was presented by Standard & Poor's Corp., Mr. Haas receiving the award for runner-up.

Perotti to Open in N. Y.

Charles J. Perotti will shortly engage in a general securities business from offices at 11 Broadway, New York City. Mr. Perotti was formerly with Northeastern Securities Co., Eisele, King & Studdiford, Josephthal & Co., and Prentice, Blauner & Brady.

UP-TOWN AFTER 3

THE STAGE

"Anne of England" by Mary Cass Canfield and Ethel Borden. Presented at the St. James Theatre by Gilbert Miller. Cast is headed by Flora Robson and Barbara Everest with Jessica Tandy, Frederick Worlock, Leo G. Carroll and Reginald Mason.

A costume play with elaborate settings covering a period in England's history when she was engaged in the Thirty Years' War against Louis XIV of France who was the Hitler of his day. The main plot deals chiefly with Anne of England, a pathetic, weak vacillating woman; Sarah Jennings, Duchess of Marlboro, advisor to the Queen, and the machinations of a group of plotters who seek to gain control of the Crown and deal directly with France. The factual history of the times is exciting, the figures that controlled England's destiny, brilliant, but unfortunately the play neither does justice to the times or the subject. The capable cast labors hard to make court intrigue come to life; it even makes timely speeches about traitors who would sell their country for their own gains. But the final result is not impressive.

THE SCREEN

"Ladies In Retirement" (Col.) Stars Ida Lupino and Louis Hayward; with Evelyn Keys, Elsa Lanchester and others. Directed by Charles Vidor.

The play from which this was taken was grim enough, but on the screen the tenseness, and the feeling of doom pervades the action to such an extent that it is almost overpowering. Ida Lupino, as the housekeeper who murders in order to keep her two unwanted crazy sisters with her is both a pathetic and sinister figure, turns in a beautiful performance. But top honors go to Louis Hayward as the absconding bank teller who isn't above a little blackmail. Still, while a fine picture from a photographic, story, and acting view, it cannot be called entertainment. It is too sombre for that. What comedy relief there is comes from the macabre actions of the crazy sisters and from Louis Hayward in his dalliance with Evelyn Keys, the maid.

"The Feminine Touch" (MGM) Stars Rosalind Russell, Don Ameche; with Kay Francis, Van Heflin, Donald Meek and others. Directed by Major W. S. Van Dyne II.

A good cast wasted on a poor story that takes too long to tell. Some parts are funny but they're too far apart and never last long. It's about a psychology professor with a beautiful wife. He doesn't believe in jealousy and writes a book to prove it. The wife believes in her husband but not his book. Eventually the pair arrive in New York to see the publisher who promptly falls for the professor's wife. There are some amusing incidents; there's even a fight (?) between two women but the whole thing is hardly worth while.

AROUND-THE-TOWN

The very swank **Monte Carlo** (49 E. 54th)—**Fefe Ferry's** little place—reopened it's doors last week to as packed a house as we have yet to see. Ostensibly all the jewels, furs, and other trappings so dear to the feminine heart were placed on display to witness the new show consisting of Russell Swann, a couple of guys named Joe and some girls rigged out in rabbit skins. But the room was jammed so tightly that not only couldn't a show go on when scheduled but when it did, about 2 a.m., it was right in people's laps. We sat right up on top of the bar holding hands with Dolly De Milhau, anyway we intended to, but that guy Hawkins from the World Telegram was in the way, and just when we thought we had a clear field, Jerry Zerbe, the society lenser slipped in. Incidentally sitting on top of a bar has many advantages. One can not only see everything that's going on but the business of reaching for soft drinks in bottles labeled "Johnny Walker" is simplified no end. We noticed a lot of apoplectic faces when tables were not available—but at once Melo! Even the mighty Maury Paul (Hearst's Cholly Knickerbocker) was adrift without a chair in which to park his ample posterior. We were lucky. We not only had a bar to sit on but if the need arose, to lay on. Becoming bored with the activities we finally hid in the **Beach Club** (called that because it's not a beach and the only sand is in the lettuce) and engaged Louis Hayward (Ida Lupino's husband) in light chit-chat. The main topic of our conversation was Heddy Lamarr, a subject on which Mr. Hayward seemed an authority. He even wrote a song around Miss Lamarr. "I Don't Want To Set the World Afire-tra-la-la" that kept us spellbound. Oh yes! the show. Well we never did get back to the main room to see it. But Ted Straete's swell band is back and John Kirby's outfit holds forth in the Beach Club. We'll report on the show some later date. . . . **Hotel New Yorker**—It's new ice show plus the mighty Benny Goodman is worth seeing and hearing. . . . If you like southern cooking at it's best don't overlook the **Olney Inn on E. 49th St.**

Murray at Wisconsin Co.

(Special to The Financial Chronicle)

FOND du LAC, WIS.—Clarence M. Murray has become associated with the staff of the Wisconsin Co., whose main office is located at 110 East Wisconsin Avenue, Milwaukee, Wis. Mr. Murray for many years has been principal of the C. M. Murray Co. of Fond du Lac and prior thereto was with the Commercial Co.

Inactive Quotations

Greene & Co., 37 Wall Street, New York City, members of the New York Security Dealers Association, have issued a pamphlet with quotations on over 200 inactive unlisted bonds and stocks. Copies will be sent by Greene & Co. on request.

COMING EVENTS

Nov. 30-Dec. 5, 1941 (Hollywood, Fla.)

Annual IBA Convention at Hollywood Beach Hotel.

Hackett With Wulff

(Special to The Financial Chronicle)

LONG BEACH, CALIF.—Vincent B. Hackett has joined the staff of Franklin Wulff & Co., Inc., 320 Pine Avenue. Mr. Hackett was formerly local manager for Barbour, Smith & Co., Griffith-Wagenseller & Durst, and Associated American Distributors.

Calendar of New Security Flotations

OFFERINGS

GULF POWER COMPANY

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

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

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

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

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

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

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 were received at office of Commonwealth & Southern Corp. (parent), 20 Pine St., N. Y. City, before 11 a.m. E.S.T. Oct 7.

Offered—$2,600,000 bonds (3½%) offered Oct. 9 at 103 and interest by syndicate headed by The First Boston Corp.

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).

Offered—Oct. 14, 1941 at $5.25 a share.

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 ⅛%, but not exceeding 3½%.

Awarded—to Mellon Securities Corp. and associates on bid of 102,114 for 3⅛% bonds.

Offered—Oct. 16, 1941.

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).

Effective—11:00 A. M., E.S.T., on Oct. 9, 1941.

Offered—Oct. 9, 1941 at $25.50 per share

Following is a list of issues whose registration statements were filed less than twenty days ago. These issues are grouped according to the dates on which the registration statements will in normal course become effective, that is twenty days after filing except in the case of the securities of certain foreign public authorities which normally become effective in seven days.

These dates, unless otherwise specified, are as of 4:30 P.M. Eastern Standard Time as per rule 930(b).

Offerings will rarely be made before the day following.

THURSDAY, OCT. 16

AIR ASSOCIATES, INC.

Air Associates, Inc., registered with SEC 50,000 shares $1.37½ 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).

The company has filed an amendment to its registration statement with the Securities and Exchange Commission disclosing that its 50,000 shares of $1.37½ cumulative convertible preferred stock will be offered to the public by the following underwriters:

	Shares
White, Weld & Co.	12,500
Jackson & Curtis	10,000
Merrill, Lynch, Pierce, Fenner & Beane	10,000
Stern, Wampler & Co.	5,000
E. H. Rollins & Sons	4,000
Pacific Co. of California	4,000
Mitchum, Tully & Co.	1,500
Cohu & Torrey	1,000
Fuller, Cruttenden & Co.	1,000
Vietor Common & Co.	1,000

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., 3,000; Security & Bond Co., Lexington, 2,250; Almstedt Bros., Louisville, 2,000; Bankers Bond Co., Inc., Louisville, 750.

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

The offering price as supplied by amendment is $106 per share; Underwriting commission, $3.50 per share.

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 $106 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

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)

MONDAY, OCT. 27

CENTRAL ILLINOIS PUBLIC SERVICE CO.

Central Illinois Public Service Co. registered with the SEC $38,000,000 of first mortgage bonds, Series A, 3⅜%, due Oct. 1, 1971.

Address—607 E. Adams St., Springfield, Ill.

Business—This operating company, a subsidiary of Middle West Corp., is engaged principally in generating, purchasing, distributing and selling electricity in central and southern Illinois. Also, provides gas, ice, water and steam heat service.

Underwriters and Offering—The bonds are to be sold by company under the competitive bidding rule under SEC's Public Utility Holding Company Act of 1935. Names of underwriters, and public offering price, will be supplied by amendment to registration statement.

Proceeds—Proceeds from sale of the bonds, together with other funds of company, are to be applied to redemption, on or about 30 days after delivery of the new bonds, of the outstanding $38,000,000 of first mortgage Series A 3¾% bonds, due Dec. 1, 1968, to be redeemed at 105¾ and accrued interest.

Registration Statement No. 2-4856. Form A2. (10-8-41)

WEDNESDAY, OCT. 29

BRIDGEPORT BRASS CO.

Bridgeport Brass Co. registered with SEC 25,486 shares cumulative convertible preferred stock, $100 par; and indeterminate number of shares of no par common stock (including scrip certificates for fractions of shares), such common stock to be reserved for issuance upon conversion of the convertible preferred stock. Dividend rate of the preferred stock will be supplied by amendment.

Address—30 Grand St., Bridgeport, Conn.

Business—Company purchases and processes copper, zinc and other non-ferrous metals and manufactures and markets brass and other non-ferrous metal alloys in various forms.

Offering—The preferred stock will be first offered to holders of company's common stock of record Oct. 24, 1941 (or, in certain circumstances, at a later date on or before Oct. 28, 1941) for subscription on the basis of one share of preferred stock for each 37 shares of common stock held. Subscription price will be supplied by amendment. The subscription offer expires approximately Nov. 5, 1941.

Underwriting—Any shares of preferred stock not subscribed to under above subscription offer, will be purchased by underwriters and sold to public, at price to be supplied by amendment. Names of underwriters, and the percentages of such unsubscribed stock to be purchased by each, are as follows (all of New York, N. Y., unless otherwise indicated):

	% of Unsub. Pfd. Stk. to be Purchased
G. M.-P. Murphy & Co.	21.525
Stone & Webster and Blodget, Inc.	15.695
Union Securities Corp.	12.752
W. E. Hutton & Co.	10.790
Hornblower & Weeks	9.809
Hemphill, Noyes & Co.	7.847
Kidder, Peabody & Co.	5.886
Spencer, Trask & Co.	5.886
Bosworth, Chanute, Loughridge & Co., Denver	3.924
Reynolds & Co.	3.924
Auchinloss, Parker & Redpath, Wash., D. C.	1.962

Proceeds—Proceeds, plus other funds of company, will be applied to payment of outstanding $2,874,000 3% notes of company, requiring $2,917,110.

Registration Statement No. 2-4857. Form A-2. (10-10-41).

THURSDAY, OCT. 30

CROCKER MC ELWAIN CO.

The Voting Trustees of Crocker McElwain Co. registered with the SEC voting trust certificates, to be issued in exchange for a like number of shares of 1,684 shares of 7% preferred stock, $100 par, and 15,000 shares of common stock, $100 par.

The voting trust certificates provide that the voting trust shall continue in effect until Sept. 2, 1944, unless terminated earlier. Unless terminated according to its terms, the voting trust will continue until Sept. 2, 1947.

Voting trustees are Elmer C. Tucker, Ralph H. Morrill, and Joseph K. Holmes.

Address—642 Main St., Holyoke, Mass.

Business—Company is engaged in manufacture and sale of paper, with its mill located in Holyoke, Mass.

Registration Statement No. 2-4858. Form F-1. (10-11-41).

DATES OF OFFERING UNDETERMINED

We present below a list of issues whose registration statements were filed twenty days or more ago, but whose offering dates have not been determined or are unknown to us.

AIRPLANE MANUFACTURING & SUPPLY CORP.

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

Address—Lockheed Air Terminal, Burbank, Cal.

Business—Purchase, service and sale of airplane equipment

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

Offering—The number of shares to be offered by the underwriter consists of the 69,800 shares currently registered with SEC, and 16,433 shares previously registered with the SEC. Such aggregate of 86,233 shares are already issued and outstanding and are to be offered to public for account of certain selling shareholders, to be offered to public at arbitrary prices to be determined by underwriter from time to time with regard to existing circumstances. Such offering price will not exceed 125% not be less than 110% of the highest bid price during the day of sale. Underwriting commission on the 86,233 shares of 25 cents per share

Proceeds will accrue to the selling stockholders

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

Effective—3 p.m. E.S.T. Sept. 17 as of 4.45 p.m. Sept. 6, 1941

AMERICAN BAKERIES CO.

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

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

Business—Manufacturing and distributing bakery products in souther states

Underwriter—None named

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

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

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

AUTOMATIC TELEPHONE DIALER, INC.

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

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

Business — Development of automatic telephone dialing devices

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

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

Proceeds—For engineering and development expenses and working capital

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

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

BEACON ASSOCIATES, INC.

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

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

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

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

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

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

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

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

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

BEAR MINING AND MILLNG COMPANY

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

Address — 513 Majestic Bldg., Denver, Colo.

Business—Mining and milling

Underwriter—None

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

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

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

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.

Calendar of New Security Flotations

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 TELLER, INC.

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

Address—721 Fifth Avenue, New York City

Business—Operation of specialty store in New York City

Underwriters—To be filed by amendment

Offering Terms — Preferred and common will be publicly offered at prices to be filed by amendment, except that 106,202 common shares will be reserved for conversion of preferred

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

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

BULLION, INC.

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

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

Business—Gold mining

Underwriter—None

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

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

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

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 filed by amendment

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

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

COMPOSITE BOND FUND, INC.

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

Address—601 Riverside Ave., Spokane, Wash.

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

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

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

Proceeds—Will be used for investment purposes.

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

FLORIDA POWER & LIGHT CO.

Florida Power & Light Co. registered with SEC $45,000,000 First Mortgage bonds, due Oct. 1, 1971; $10,000,000 Sinking Fund Debentures, due Oct. 1, 1956; and 140,000 shares Cumulative Preferred Stock, $100 Par. Interest rates on the Bonds and Debentures, and the dividend rate on the preferred stock, will be supplied by amendment

Address—25 S. E. Second Ave., Miami, Fla.

Business—This subsidiary of American Power & Light (Electric Bond & Share System) is an operating public utility engaged principally in generating, transmitting, distributing and selling electric energy (also manufacture and sale of gas), serving most of the territory along the east coast of Florida (with exception of the Jacksonville area), and other portions of Florida

Underwriting and Offering—The securities registered are to be sold by company under the competitive bidding Rule U-50 of the SEC's Public Utility Holding Company Act. Names of underwriters and price to public, will be supplied by post-effective amendment to registration statement.

Proceeds will be applied as follows: $53,170,000 to redeem at 102¼, the $52,000,000 of company's First Mortgage 5s of 1954; $15,693,370 to redeem at $110 per share, the 142,667 shares of company's $7 preferred stock, no par. Further details to be supplied by post-effective amendment

Registration Statement No. 2-4845. Form A2. (9-17-41)

HOUSTON LIGHTING & POWER CO.

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

Address—900 Fannin St., Houston, Tex.

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

Underwriter—None.

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

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

KENSINGTON MINES, INC.

Kensington Mines, Inc. has filed a registration statement covering 565,000 shares of $1 par 6 per cent cumulative preferred stock and the same number of shares of 1 cent par common 35,000 shares of $1 par 6 per cent cumulative preferred shares previously sold to promoters at $1 and 1,320,000 shares of 1 cent common previously sold to promoters at 2.65 cents a share

Address—Seattle, Washington

Business—Mining and Milling

Proceeds — For property, construction, development and working capital

Underwriters—Kressly and Campbell

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

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

KIRKLAND GOLD RAND, LTD

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

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

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

Underwriters—To be named by amendment

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

Proceeds—For development, purchase of equipment and working capital

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

LA CROSSE TELEPHONE CORP.

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

Address—La Crosse, Wisconsin

Business—Telephone service to La Crosse, Wis.

Underwriter—Alex. Brown & Sons

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

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

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

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 reimbuse 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).

McDONNELL AIRCRAFT CORP.

McDonnell Aircraft Corp. registered with SEC 6,453⅛ shares 6% Non-Cumulative Convertible Preferred Stock, $100 par, and 129,063⅓ shares common stock, $1 par

Address — Lambert-St. Louis Municipal Airport, Robertson, Mo.

Business—Engaged in designing and developing aircraft and of manufacturing and selling parts for aircraft; expects presently to engage in business of manufacturing, testing and selling aircraft

Underwriting—None. Securities to be offered by company

Offering—Of the shares registered, the 6,453⅛ shares of preferred and 64,531⅔ shares of common, will be offered to public in units each unit consisting of one share of preferred and 10 shares of common stock, at price of $140 per unit. Remaining 64,531⅔ shares common reserved for issuance on conversion of the preferred

Proceeds for working capital, purchase of tools, machinery and equipment.

Registration Statement No. 2-4844. Form A-1. (9-17-41)

Effective—4:45 P.M., E.S.T., on Oct. 8, 1941 as of 4:45 P.M., E.S.T., Oct 6, 1941.

MOORE-McCORMACK LINES, INC.

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

Address—5 Broadway, New York City

Business—Operation of vessels in South American trade

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

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

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

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

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

NORTHERN NATURAL GAS CO.

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

Address — Aquila Court Bldg., Omaha, Nebraska

Business—Production and transmission of natural gas

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

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

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

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

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

The 355,250 additional shares orginally registered with the SEC on April 21, 1941 for public offering, 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 11,170 shares each: $13.50, $15, $16.50, $18 and $19.50 per share.

Proceeds will be used to purchase 11 grocery stores to be located in 9 communities in New Mexico

Registration Statement No. 2-4842. Form A1. (9-16-41)

PARQUAY ROYALTY CO.

Parquay Royalty Co. registered with SEC 9,091 shares common stock, 25 cents par value

Address—512 E. Central Ave., Albuquerque, N.M.

Business—Company owns one grocery store built under Revolving Top Building Patent which is leased for period of 10 years from Nov. 20, 1937. Company intends to build grocery store buildings under that patent and controlled parking patents for Parquay Operating, Inc., and for other operating companies throughout New Mexico, Arizona, Utah, Nevada and Cal.

Underwriting—No underwriting. Shares to be sold by company's agents under direction of its executive vice-president

Offering—Shares to be offered at following prices for following blocks: $30 per share for first block of 1,117 shares; $32.50, $35, $37.50 and $40 per share for each of next successive blocks of 1,117 shares each; and $50 per share for last block of 3,506 shares

Proceeds to finance purchase of construction, equipment and construction of grocery stores, finance a purchasing department including warehouses, etc.

Registration Statement No. 2-4841. Form A1. (9-16-41)

PUEBLO MINING COMPANY

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

Address—Spokane, Wash.

Business—Mining

Underwriter—No underwriter named.

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

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

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

SOUTHEASTERN INDIANA POWER CO.

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

Address—Rushville, Ind.

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

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

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

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

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

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

with the SEC, disclosing that the number

Underwriters—None

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

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

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

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

UNION LIGHT, HEAT AND POWER COMPANY

Union Light, Heat and Power Co. registered 25,000 shares $100 par common stock

Address—4th & Main St., Cincinnati, Ohio

Business — Operating electric utility company

Underwriter — Columbia Gas & Electric Corp.

Offering—Stockholders will receive offer to subscribe to 25/94ths of one common share in units of 5/94ths of a share for each 5/94ths of a share held at $5.32 for each unit. On a share basis, stockholders may subscribe to 5 new shares for each share held at $100.016 per share. Substantially all outstanding stock is held by Columbia Gas & Electric Corp.

Proceeds—To repay current debt and $2,835,000 first mortgage bonds held by parent and associated companies, and for construction costs

Registration Statement No. 2-4379. Form A-2. (3-30-40)

UNITED 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)

UNITED WHOLESALE DRUGGISTS OF PITTSBURGH, INC.

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

Address—6543 Penn Ave., Pittsburgh, Pa.

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

Underwriting—None

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

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

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

Effective—Oct 7, 1941 at 11 A. M., E.S.T.

VIRGINIA LAND CO.

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

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

Underwriters—None

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

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

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

Effective—Under notice of deficiency 4:45 P.M., E.S.T., Sept. 21, 1941.

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., Biddle, Whelen & Co., Blair & Co., Inc., Blair, Bonner & Co., Blyth & Co., Inc., Bonbright & Co., Alex. Brown & Sons, H. M. Byllesby & 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, Sachs & Co., Graham, Parsons & Co., Grubbs, Scott & Co.

Hallgarten & 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. Masten & Co., McDonald-Coolidge & Co., Mellon Securities Corp., Merrill Lynch, Pierce, Fenner & Beane, Merrill, Turben & Co., The Milwaukee Co., Mitchum, 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.

Reinholdt & Gardner, Riter & Co., The Robinson-Humphrey Co., E. H. Rollins & Sons Inc., L. F. Rothschild & Co., Schoellkopf, Hutton & Pomeroy, Inc., Schroder Rockefeller & Co., Inc., Schwabacher & Co., Scott & Stringfellow, Shields & Co., Singer, Deane & Scribner, Smith, Barney & Co., Smith, Moore & Co., William R. Staats Co., Starkweather & Co., Stein Bros. & Boyce, Stern Brothers & Co., Stern, Wampler & Co., Inc., Stone & Webster & Blodget, 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).

Subscription price of the 534,426 shares common stock, $50 par value, to be offered first to stockholders of record Oct. 15, 1941, at rate of one-fifth of a share of common for each share of preferred or common stock so held, is fixed at $70 per share. Subscription offer expires Oct. 28, 1941 at 3 P.M., E.S.T. Unsubscribed portion of such shares to be purchased by underwriters, and offered to public, at price to be supplied by later amendment.

WHITWORTH APARTMENT, INC.

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

Address—311 Securities Bldg., Seattle, Wash.

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

Underwriters—None

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

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

WILLIAMS HYDRAULICS, INC.

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

Address—Alameda, Cal.

Business—Deep-sea dredging and manufacture of equipment therefor

Underwriters — Brown Hartwell Company

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

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

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

Effective—May 29 as of April 18, 1940

Investment Trusts

(Continued from page 599)

corporation is compared with an investment income of like amount received by the same corporation in the form of dividends from a Bond Fund.

DIRECT BOND OWNERSHIP METHOD

Income from bonds held directly	$10,000.00
Deduct excess profits tax (35%) (minimum rate)	3,500.00
Balance subject to normal tax and surtax (31%, being 24% plus 7%)	$6,500.00
Deduct normal tax and surtax (31%)	2,015.00
Net bond income after taxes	$4,485.00
Total taxes 55.15% of bond income.	

BOND FUND METHOD

Dividend income from bond fund	$10,000.00
Deduct 85% dividends received credit	8,500.00
Balance subject to normal tax and surtax (31%, being 24% plus 7%)	$1,500.00
Deduct normal tax and surtax (31%)	465.00
	$1,035.00
Add back 85% dividends received credit	8,500.00
Net income after taxes	$9,535.00
Total taxes 4.65% of dividend.	
Net investment income from bond fund	$9,535.00
Net investment income from direct holding of bonds	4,485.00
Difference	$5,050.00
Bond fund yield greater by 113%.	

"The above example is merely illustrative and will probably not apply exactly to any considerable number of cases. The possible savings will depend upon the applicable rates of tax and particularly upon whether the average earnings or invested capital method is employed. If the latter method is followed savings may not be available in some cases. However important savings should be available to many corporations. The fiscal officers of each corporation are in the best position to determine what may be saved by their own company."

RECENT DIVIDEND ANNOUNCEMENTS

Company	Amount	Payable	Stock of Record
Boston Fund	$0.16	11 20/41	10/31/41
First Mutual Trust Fund	.10	10/15/41	9/30/41
Incorporated Investors	.17	10/31/41	10/3/41
Manhattan Bond Fund	.16	10/15/41	10/6/41
National Securities Series:			
Bond Series	.10	10/15/41	9/30/41
Low-Priced Bond Series	.10	10/15/41	9/30/41
Preferred Stock Series	.14	10/15/41	9/30/41
Income Series	.09	10/15/41	9/30/41
Low-Priced Common Stock Series	.01	10/15/41	9/30/41

"JOTTINGS"

(Continued from First Page)

put another lid on, by demanding registration of ownership and threatening to force stock buyers to take bonds at the same time. Result: another shake-out, down to 200, since which Mr. Funk has again been reassuring investors.

The boom in South American bonds, which may by no means have yet reached its top, has excellent basis in current inter-American trade relations. It is doubtful whether the American public, in fact, realizes how extensively our relations with South America have changed for the better—especially for the better interest of the South Americans—in the last eight months. We are now not only buying over 50% more from South America than a year ago but we are rapidly signing up with one South American republic after another to take its entire output of various commercial staples. This "preclusive buying," originally intended to shut out Axis buyers, is now also necessary to give us the raw materials we need—and if we buy a few thousand tons more than we need, Mr. Wallace has carried over his "ever-normal" idea into the stockpiling business and won't mind our accumulating it. On top of that lease-lend and Export-Import Bank loans are developing another big southbound credit movement which may eventually make that of the late 'twenties look like small change. Last of all, the South Americans can't buy all the things they want here and have the money to pay for—due to our own priorities. Ergo, there's little left for them to do with the money except pay interest on their bonds, or at least it's vastly easier than it ever was before.

It may be a long look ahead, but current labor developments seem to head toward ultimate absorption of labor control by the Government. An interesting thesis in the much-discussed book "Managerial Revolution" is that the managers are the same in the New Deal, Germany, and Russia; and that in Germany they first weakened labor, then capital, and in Russia first capital and then labor and that, having first weakened capital in this country, they will eventually absorb labor's political power. Second step now seems under way in enforcement of the closed shop (first was collective bargaining, with NLRB running interference for national unions). Closed shop puts workmen in control of labor leaders. Now labor leaders have the task of consolidating control against "unauthorized" strikes. NLRB is now throwing its weight against them, reversing recent years. Then the regional stabilization pacts will have to be made to stick (they don't, now). Then bottleneck strikes, like recent ones in propeller plants and Calco Chemical, will have to be prevented. Then union contracts of all kinds will have to be made to stick. Then corporate income taxes will take away the cushion between higher wage demands and the public purse. And by that time, the public purse will have become much more sensitive than it is today.

Some ship operators are skeptical about the value of the new Sea Otters. Others are not so pleased about these new "Liberty" freighters (re-named from the "ugly ducklings"). They do only 10 or 11 knots, and would leave us after the war with a new version of the superfluous Hog Islanders. And we are to build 730 of them. Designed for 11 knots, they can't just have the slow engines pulled out later for faster turbines; marine engineering doesn't work that way. But this longer-sighted, non-emergency viewpoint can be heard only because of the phenomenal and unexpected speed being obtained in our merchant shipbuilding program, with construction time already cut about 50% below that of 1918, and combined British-American construction already running ahead of current shipping losses, a year earlier than anticipated.

Miscellaneous: Apparently it's tanks, now, not airplanes, that have the priority. Note how the automobile industry, which last spring was to be converted almost entirely to airframes and engines, is now to be converted to tanks. . . . And apparently the next railroad shortage is to be locomotives, as well as freightcars. . . . In fact, under lease-lend, the whole "capacity quarrel" is obsolete in its early-1941 version. We'll make all we can of everything. The only limit on increasing capacity is the men and materials it takes. Can we, for instance, spare *right now* the plates for new blast-furnaces, or the hydro-turbines for the St. Lawrence?

Curb Short Position

Total short position of stocks dealt in on the New York Curb Exchange for the month of September, 1941, reported as of Sept. 30, 1941, amounted to 13,155 shares as compared with 11,089 shares reported on August 29, last, the Exchange announced October 9.

Five issues showed a short position of more than 400 shares. They were:

	Sept. 1941	Aug. 1941
Am. Gas & El., com.	2,508	1,146
Cosden Petrol. Corp., common	500	7
Ford Motor of Can., class A non-vot.	415	100
Internat. Industries	1,130	----
Venez. Petroleum Co.	1,544	344

N. Y. Stock Exchange Weekly Firm Changes

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

Transfer of the Exchange membership of Lyman D. Smith to Herbert P. Dammes will be considered on October 23. It is understood that Mr. Dammes will act as an individual Floor Broker in New York City.

Proposed transfer of the Exchange membership of Edward Carleton to Irving Reiner will be considered on October 23. Mr. Reiner will continue as a partner in Milton E. Reiner & Co.

Stephen E. Budd, special partner in D. H. Ellis & Co., New York City, retired from the firm as of October 7.

Ben E. Sincere, Sincere & Co., Chicago, Ill., died on October 5.

Alfred M. Leopold, partner in James M. Leopold & Co., New York City, died on October 7, 1941; subsequent to which the partnership dissolved effective October 8.

Now E. A. Viner & Co.

Edward A. Viner, formerly in business as an individual New York Curb floor broker, has formed Edward A. Viner & Co., in partnership with A. I. Viner. Offices of the firm are at 149 Broadway, New York City.

A Tip for Mr. Rea On Equalization Plan

We have received the following letter from B. S. Lichtenstein, B. S. Lichtenstein & Co., New York City, in which he states:

"I read with a great deal of amusement, this morning, the article in the New York Times reporting on Mr. Rea's speech before the National Association of Securities Commissioners. Mr. Rea advocates the listing of all securities. Should his suggestion be adopted, I can imagine Mr. Rea's next speech would suggest all securities be listed only on the New York Curb Exchange; from his point of view this would be highly satisfactory.

"It seems peculiar that people connected with the Exchanges are continually coming back to this old subject of 'Equalization.' These people feel that they can profit by taking the business away from some other branch of their industry. To me this seems shortsighted.

"The Exchanges have the same merchandising problem that the small dealer has. This small dealer, located all over the United States, looks around for attractive securities. He learns the facts concerning these stocks or bonds and goes out and sells them the same as any manufacturer of shoes, shirts, or any other article does. In selling these securities he ordinarily makes a fair profit, for the average security dealer is fair minded. That Exchange firms can do the same thing is proven by the sales of many blocks of stocks after the close of the New York Stock Exchange, by member firms, in the recent past.

"If Mr. Rea were in the shoe business he would hire the best sales manager he could find and place him in charge of a staff of salesmen to go out and sell his product. If Mr. Rea will look over the list of securities traded on the Curb Exchange he will find many attrative situations, and if he wants to increase the volume of his institution, let him show his members how to present the facts to their customers. In this way, it seems to me, lies prosperity, for if there were more people trying to sell securities the public would become cognizant of the many outstanding bargains obtainable today.

"In closing I want to say that many of the men I know who are members of the Exchanges are complaining about the volume but they do nothing to help increase the turn-over. The only solution they can offer is to take the business from someone else—they never think of working constructively, as outlined above."

Hugh Murchison Now With Wyeth, Hass Co.

(Special to The Financial Chronicle)

LOS ANGELES, CALIF.—Hugh R. Murchison has become associated with Wyeth, Hass & Co., 647 South Spring Street, members of the Los Angeles Stock Exchange. Mr. Murchison was formerly head of his own firm, Hugh R. Murchison & Co., Inc., and prior thereto was an officer of Rutland, Edwards & Co.

THE BOND SELECTOR

Problems of Bond Investment Some Unorthodox Approaches

Investment management today is one of the most difficult assignments within the realm of business. And bond investment is the most uncertain and complex division of investment management. This statement in no way belittles the job of the investor in equities, but despite the multitude of problems confronting the manager of a common stock fund, he has certain hopes; he has in prospect the relatively certain fact that eventually mounting corporate earnings and some sort of inflation will increase the principal of his fund from present depressed levels. The bondholder, on the other hand, sees prices of prime bonds at all time highs, and has the unhappy assurance that an inflationary trend will do everything but augment the value of his holdings. Perhaps the only worry which does not overly harass the bond investor is the corporation tax bogey.

The problem of supply of suitable investment quality bonds is perhaps as acute as any. When consideration is given to the meager quantity of new money raised through corporate bond channels during the past five years, this supply problem stands out in bold relief. As Lewis Douglas pointed out last week in connection with the recent Telephone financing, by far the majority of bond financing has been purely of a refunding nature on lower interest costs. Whenever a new money issue is offered for high grade funds, it goes over with a bang provided the price is such as to offer some sort of a positive yield. Witness the recent Telephone issue of $233 million convertible debentures which were offered to stockholders, 95% of whom subscribed to this large offering.

With the more recent Telephone financing, the 5½% debentures due in 1943 were redeemed at par. These bonds always were accorded a topnotch rating and never sold below 99 during the long years of the depression. Assuming that the holders of these bonds had to give them up for the 2¾s by which they were refunded, there would have been plenty of groaning at the reduced rate of interest, but the chances are better than even that the majority would have taken the new bonds. Since the entire issue was bought by three Life Companies, the holders of the 5½s did not even have a chance to replace them. Just what are the many individuals, trusts and estates going to find to replace this issue?

The answer probably is that these accounts will go into the market for a bond of inferior quality. This is one of the dangers which competitive bidding may bring along into the management of bond funds. Search as they will, bond buyers cannot secure prime issues even if they are willing to accept current low yields, unless bonds are bought which are quoted substantially above their call prices. Here, obviously, the chances of some principal loss are taken, but the queston is raised if such risks are not more worthwhile than are those inherent in stepping down in quality.

In connection with this latter question, one manager of a substantial fund argues that if the portfolio is balanced between three "groups," risks become mitigated and more or less offsetting in nature. By this procedure, one portion of the fund is allocated to governments and prime issues of staggered maturities up to 15 years in an amount equivalent to roughly 45% of the whole. This becomes the backlog of low yielding, stable principal funds. Another portion of the account is invested in issues just off the high quality bracket and is interlarded fairly substantially with first mortgage railroad bonds. The yields in this section average slightly over 4% and include some issues selling above call. The percentage included in this second group comes to about 35% of total. The balance of approximately 20% includes certain speculative issues which are expected to react in the market in direct relationship to the revenues and earnings of the obligors. This group yields between 5% and 6%. The overall maturity yield on the whole fund is something better than 4%.

To support his investment philosophy in this somewhat unorthodox account, the manager explains that the 45% committed to best quality medium terms (including Defense Bonds, series "G") has as its main weakness its vulnerability to tighter money rates. Consequently, he believes that he must have an offset to such a possible condition. Thus, the investment in the second group is confined pretty well to good grade bonds with fairly high coupons, such as Alabama Power 4½s and Santa Fe general 4s. The reasoning here is that since these bonds yield on the average better than 4%, he has a cushion marketwise against higher interest rates. The third and smallest group consists of "special situations" and one or two junior railroad bonds which are believed to have better than average profit possibilities. By this grouping, he believes he has as much protection as he can find, together with a reasonable rate of return.

Another belief held by this man and shared to a considerable degree by this column is that best quality railroad bonds and terminal issues are yielding far more than some medicore public utility obligations, and should command more attention from investors. Consequently, his account contains some of the direct and divisional liens of Chesapeake & Ohio, Pennsylvania, Atchison and terminal bonds including Chicago, St. Paul and Cincinnati.

Perhaps unorthodox conditions demand unorthodox methods in running a bond portfolio. The Life Companies have become the classic example of conservatism in bond investment, always confining themselves only to best grade issues. The individual, however, has the obvious handicap of not having a constant source of funds available to balance his cost figures. If he bought tomorrow New York City 3s, 1980, at 110 to yield 2.60% and knew that if the bonds in 10 years were selling at 83 to yield 4% and he would then be able to average a cost of 97, there would not be so much concern for the present level of prices. Since he cannot know what uninvested funds he will have, he must take other means of protecting himself, and perhaps today's unorthodoxy will be tomorrow's normalcy. Even the Life Companies are seriously considering placing funds in equities if the law permits.

Wichman & Chapman With Goldsbury & Co.

MINNEAPOLIS, MINN.—Edward W. Wichman has become associated with J. W. Goldsbury & Co., Pere Marquette Building, as sales manager; also connected with the sales staff of the firm is Dwight R. Chapman. Mr. Wichman was previously sales manager for McCahill & Co., with which Mr. Chapman was also affiliated.

Mr. Wichman's association with J. W. Goldsbury & Co. was previously reported in the Chronicle of October 9.

Jacobs Aircraft Stock Offered

Offering was made Oct. 15 of 140,000 shares of capital stock of Jacobs Aircraft Engine Co. by Riter & Co., as underwriter, marking the first time that the company's securities have been broadly offered to the public. The stock, priced at $5.25 a share, is being sold for the accounts of certain stockholders to whom the net proceeds of the sale will go.

Manufacturing aircraft engines, with its enlarged production almost exclusively for military purposes, the Jacobs Aircraft Engine Co. had unfilled orders exceeding $22,000,000 on its books as of July 31, 1941.

Net sales of the company for July amounted to approximately $1,450,000. For the first six months of this year they totaled $3,689,211, while for the year ended Dec. 31, 1940, they were $1,336,271.

James Kase Joining Prescott Co. Staff

CLEVELAND, OHIO—James Kase, municipal bond specialist, is joining the staff of Prescott & Co., 101 Guardian Building.

Mr. Kase has been active in the municipal bond business here since 1918, his first position being with C. E. Denison & Co. Subsequently he was manager of the municipal bond department of the Guardian Trust Co. and was with Otis & Co. In 1933 has was one of the organizers of Johnson, Kase & Co., municipal bond house. He is an attorney, having been admitted to the Ohio Bar in 1926.

Lawrence Lewis to be Du Pasquier Partner

Lawrence Lewis will become a partner in the firm of du Pasquier & Co., 11 Wall Street, New York City, members of the New York Stock Exchange, as of October 23, acquiring the Stock Exchange membership of L. Stanley Kahn, who is retiring from the firm as of the same date.

B. W. Pizzini & Co. Adds John Hemphill

John Hemphill, until recently a member of the New York Stock Exchange, has become associated with B. W. Pizzini & Co., 52 Broadway, New York City. Mr. Hemphill was formerly a partner in Lloyd & Co.