Our Reporter’s Report

An investment banker remarked several months ago that he wasn’t worried about the future of the country and business, including his own, as long as the American people could throw their affairs at open forums.

He was thinking, he said, of gatherings along the lines of the old New England town meetings at which the townfolk gathered together and discussed such situations as rose with a view to their solutions.

The same banker now looks upon the current discussion, some of it rather heated, around “competitive bidding,” private placement, and proposed investment by insurance companies in common stocks, as tantamount to the old town meetings.

Out of this free and open discussion, he believes, will come ultimately the solution of many of the situations which now have the investment underwriting industry badgered pretty much to its wit’s end.

Bankers doubtless were cheered by the forthright remarks of New York State Superintendent of Banks William W. White, with regard to direct institutional purchase of new securities, made before the Savings Bank Association of the State of New York at its convention this week.

He expressed belief that where securities are marketed so as to favor a handful of large institutions, such issues should be banned from the list of those bearing for investment by banks in New York State. To add such issuance, he said, would be of no advantage to banks. Since many other States frequently follow New York’s lead, such action could be widespread in its effects.

By the same measure the concern

(Continued on page 718)

Everything depends on the hour-to-hour, the day-to-day news... As this column is being written, the news from the war-fronts is as bad as it has been at any time in recent years... The whole world is sitting on a leg of dynamite... The position of the United States is becoming more untenable with each development abroad... And—not to make this transition too abrupt—all these things make for great insouciance in the Government bond market... All of them make forecasting intermediate trends extremely difficult... To get to the important point first, the most intelligent and perspicacious policy to follow now is that of high conservation... You’ve just had an unprecedentedly sweet Government offering of long-term 3% bonds... It is taken for granted that you bought some of these securities at par, that you own some at this low price... This seems a poor time to go out on a limb, therefore. The better idea would be to draw back from the market for a temporary period, anyway, and just to “wait and watch.”

There’ll be time enough to go in and buy on any dip accompanying disheartening news...

And if the drop doesn’t come, you’ll be able to buy bonds at

... (Continued on page 712)
Tomorrow's Markets
Walter Whyte

Says —

Market apparently has not yet built up reserve strength enough for more than a frail rally; hence time has not arrived to start a buying campaign; more details below.

By WALTER WHYTE

What with one thing and another, the market hasn't done anything since the last column was written to make anybody break out into a rush of cheers. The only thing it has managed to do is go down far enough so that a few stocks in our list have broken through trend line called resistance areas. These were as follows:

•••

Anadona bought at 27, stopped at 25. During the week it sold down and registered a loss of 24%. This means a loss of 2½ points gross. The next stock was Savage Arms. This one was originally bought (before the split-up) at 17. When the new stock was issued — 4½ — it carried the price down to 14. On last week's break the stock sold off to 15½. Our stop, of course, beyond which it should not have been carried, was 17½. Assuming it was sold as advised the gross result was approximately 13 points profit. The last stock in the list which penetrated it's stop was Swift & Co. (Continued on page 716)

Dealers Must Record Time of Transctions

The Securities and Exchange Commission made public on Oct. 3 the letter sent to its Director of the New York and Exchange Exchange to certain security dealers on the subject of the timeliness of their security transactions as required by Rules X-1A-3 and Q-1A-4 under the Securities Exchange Act of 1934. The Commission has indicated that a number of firms have failed to keep such records, says the SEC announcement, which also says:

The two rules, generally speaking, govern the making and preservation of books and other business records by members of every exchange and all brokers and dealers. Failure to make and preserve a record of the time of execution (a) of paragraph (a) (7) of Rule X-1A-3.

The letter reads in part:

I wish to emphasize that paragraph (c) (7) of Rule X-1A-3, specifically provides that "a memorandum of each purchase or sale which is for the account of your firm and which must be kept because of the time of execution of each transaction. The phrase 'to the extent feasible' intended was to be applicable only in exceptional circumstances in which it might be actually impossible to determine the exact time of execution. In this connection, I wish to point out that our experience has demonstrated that it is in fact impossible to keep the times of all transactions. I might also add that a transaction that occurs in the course of the meaning of the rule when the contract to sell or purchase, as marketability may be, is entered into by the trader or other person authorized to effect transactions for the account of the firm. (Continued on page 716)

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CARRIER CORP., 4½, 1948
CLEVELAND TRACTOR CO., 5s, 1950
CONTINENTAL ROLL & STEEL FOUNDRY CO. 6s, 1950
HAMILTON MANUFACTURING CO. 5s, 1951
SCHULZE BAKING CO. 6s, 1945
THERMODYN CO. 5s, 1951

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American Output and Labor Costs Rising

The hourly output of a typical manufacturing worker in the United States has increased in almost every year since 1929, and for the six months of 1941 shows the trend to be continuing, according to the current monthly labor survey of the Industrial Conference of the Board of Governors, issued Sept. 19.

Considering the hourly output per worker in 1941 to 1929, there is an hour's worth of productive time per week, which means the first half months of 1941 exceeded the 1940 yearly average. Expressed in index numbers (1929-100), the 1940 yearly average was 116.3, 1941 is equal to 117.0, and 118.1 for the first seven months of 1941. The 1940 yearly average was 115.3, 1941 is 116.7, and 117.3 for the first seven months of 1941. The 1940 yearly average was 113.3, 1941 is 114.8, and 115.5 for the first seven months of 1941.

Priced to yield 2.00% before the close of business November 23, 1941.

U N I T Y  P R E F E R R E D S

If you contemplate making additions to your personal items, you can apply for a personal item that is priced to yield 2.00% on your account. Don't miss this opportunity! Please contact the Editor of the Financial Chronicle for publication in this column.

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Railroad Reorganization Securities

There have been reports recently that an attempt will be made to revive the Chandler Act which had a one-year tryout in 1939 and was the vehicle by which Lehigh Valley and Baltimore & Ohio escaped judicial reorganization in the lean years preceding the armament boom. The Act was designed to facilitate voluntary plans of readjustment for undercapitalized or over-capitalized railroads. It eliminated the problem of holding companies but left open all of the other voluntary proposals. Under the Chandler Act, a plan of readjustment must have been approved by the I.C.C. and must be signed by all security holders as to the extent of the claims affected, including at least 60% of the claims for all capital stock holders and at least 80% of the claims for all bond holders. Under this Act, Baltimore & Ohio and Lehigh Valley both retained a measure of junior interest on a contingent basis for eight years after maturity of principal maturities. Lehigh Valley actually obtained a three-year extension period after maturity. The experience of these two plans under the Chandler Act was far happier than that of "Nickel Plate" in its periodic extensions of the 6% notes. There is always naturally a feeling of resentment on the part of those who have gone along with the management when they find non-assessors having its original contracts handed back.

There has been little quarrel with the idea that the Act function as it applies to principal maturities extensions. There is little quarrel that the railroad is usually soundly capitalized and well able to carry the suspended interest forced into a full reorganization, with a consequent loss to all concerned. Just because on a specific case the company does not have the capacity to meet its obligations in a full or market conditions are temporarily far reduced, refinancing operations are not feasible. If there is no chance that non-assessors are going to get their full face value in cash is much easier to get holders to accept the terms. Likelihood of re-cance of the difficulty can then be minimized by a provision in the plan calling for the securitization of a substantial part of any future earnings for use in debt reduction.

With respect to the real estate of the court, was held in 1940. It does contain, however, that a road not basically overburdened should have sufficient excess earning power in the normal year to pay to create a surplus to carry it over the lean periods. A property just able to scathe through by a small margin in normal years is a constant threat which should be eliminated from court process. The quick failure of the Chicago Great Western Interest postpayment plan of 1934, and subsequent real reorganization is cited as a case in point.

Survival of the Chandler Act at this time would apparently have limited application unless put on a basic plan or unless we run into an unexpected business recession over the near term. It might help the Colorado & Southern Railroad in its plan for placing part of its interest on a non-assessor basis. Required assents could thus be reduced from the 85% called for under the act to 60% or even 55% without bringing some action (expected period of about a year) from "Kathy" which has covered over its charter and in one case during the past eight or "Lackawanna" which has operated profitably only in the last nine years. The most obvious beneficiary, however, would be Delaware & Hudson in connection with its $49,000,000 maturity ($75,000,000 of which entire debt) early in 1943. There is no possibility of meeting this maturity in 1943, since it has been reported that the management did not plan on a plan for partial external extension, but with benefit of any Chandler Act.
Bank and Insurance Stocks

This Week—Bank Stocks

The prospect that excess reserves at New York may continue to decline substantially has stimulated discussion of the possibility of firmer short-term rates.

Excess reserves of New York City member banks dropped to $1,655,000,000 Oct. 15, 1941, a decline of $1,725,000,000 compared to year and the lowest since Dec., 1938.

Factors in the offering should operate to cause further reductions: (1) The Nov. 14, 1941, increase in reserve requirements (which should take about $500,000,000 of funds from other centers and pull on bankers balances at New York; (2) Expansion in earning assets and deposits; (3) Seasonal increase in circulation. On the other hand, the factors chiefly responsible for the past growth in excess reserves—inflow of gold and foreign capital, and open market-operations—are not in evidence.

Considering these factors, it is likely that bank reserves at New York may dip below $1,500,000,000 by year-end. While such a total is hardly conducive to a serious increase in rates, it is possible that if the rise in rates, the trend is sufficiently sharp downward to suggest the possibility of fractionally better short-term rates. This would not have been an important rise in the wide rate structure that the new rates and the prices and invoke Treasury money market powers to keep rates low. However, a fractional rise in the discount rate is not in itself objectionable to Washington but it would be important enough to the large New York banks that own heavy positions in such business to be of serious concern.

The following table indicates the approximate change in an assumed 1% rise in average rate of return on present volume of restricted assets of New York City banks:

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<thead>
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*Including City Bank Farmers Trust Co.*

Most if not all of the above rises in average rates on restricted assets should be reflected in rates income, because such rise in yield should not by itself involve increased expenses and would assist in further covering the now uncontrollable costs such as taxes. It will be interesting to see that the 1% rise in return would mean increases of 17% to 58% over current indicated rates of interest on any variation depending on actual

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vary widely among individual banks, depending on differences in volume and maturities and policies, and lever-

g, However, the data jus-

tify the conclusion that it would be a serious upheaval in money rates for bank earnings to show an im-

important improvement.

Exonerated

C. W. McNider, 10th St., Pittsburgh, Pa., president of the Pittsburgh Electric Light Company, was exonerated today from all of the day's alleged charges of disorderly conduct after the purchase in December, 1939, of the Pittsburg P. Electric Light Company by the Pennsylvania Steel Corporation. The charges were brought against the Pittsburgh District Attorney by the Allegheny County Committee of the Pittsburgh Police Department.

The purchase of the $30,000,000 water revenue bonds would add to the Treasury of the system of the water authority by the System.

According to Thos. D. McRorie,
The Salesmen's Corner

It is our desire to develop this column into a clearing house for ideas and information on some things that the other fellow is doing which is helping to meet present-day conditions. It is no doubt true that many of you write to tell us about some feature of your business that is working out in a way that is unusual and that we would certainly appreciate your comments or criticisms and any suggestions you might wish to send along.

DISCARD DEADWOOD

One Good Prospect Is Worth Ten Waste Tasters

When Larry McPhail came to Brooklyn a few years ago the Flatbush faithful didn't have much of a ball team. They thought he had produced a pennant winner. Or haven't you heard? This may not have much to do with selling securities but the lesson lies in HOW HE DID IT. This is a point Larry McPhail didn't fail to get rid of deadwood. He knew how to discard. He even fired the manager. The Gauntlets have been stringing along for many more years with the same poor grade and the same old sort of "let's wait till next year" in the back of their heads. To build a pennant winner out of the material he had on hand—well, that's a game—go ahead.

When you have him he trades them for what is due you. He bought them, he traded for them, he brought them back, he traded for them. He was with the American League, and some of the best men in ball. The truth is, in a way they became the champion.

You may have been covering the same old rounds of the same old prospects with the same old "we will improve" results—results should replace such things, but they don't, because there always seems to be something with new talent. One of the easiest methods of selling is to turn a lose into a win. Salesmen are no exception—yet too many a salesman are deadwood, and with no prospect of converting that into a better sort. It is a sure way to keep one's earnings on a "wait till next year" basis.

In order to facilitate this weeding out of the unprofitable and to keep the good men going, Larry McPhail is probably the most�性容易 of all baseball coaches. He is young-pale, about the right color, and there are too many more young-palers in baseball today. Perhaps the same is true of his customers. Probably the same is true of his customers. You may have noticed that Mr. McPhail is never the less a young fellow, and business is not the least bit of him. He's good, and well-dressed, and... well, you know.

2. Is customer one of these very nice fellows who have bought from you this year ago, who give you very little evidence of more business on their part? If so, is such a pleasant fellow that whenever销售人 is in the neighborhood he has to stop in, even for a chat? If not, please continue to send him regular orders. If he isn't, or if he isn't, even if he isn't a pleasant companion for killing time.

3. Is customer or prospect the kind who wants the maximum amount of statistical service, reports, etc., but only can supply about three-sevenths of your time to return? These are hard to get, but unless they are interested in your business—better do it.

4. Is prospect tied up with another line of business, and is the contact only a miracle will get him loose? Forget it. There is no use trying to sell to him. You may make an occasion in showing him the merits of your business, but unless the odds are against it—go after bigger game. This one is already bagged, and no other is likely to do in.

5. Is this prospect inaccessible, the result of your being too busy, and your sales call being too numerous to make it worth while, or is he just a lazy bloke? The very thing. You can't have a game for a long while before you can have a go at him. Don't bother with time-wasters—there are too many of them otherwise you can call on that won't kill half your day before you see them.

6. The fellow who once bought securities of another company or some such thing, and it is now in price down to a yout of a yot, and who shows by that attitude that he cannot be revived—is he not a potential customer, too? Let him go to heaven—his only interest is himself, and he can't even think of things outside his own nose.

Other cases such as this can be handled in a number of different ways. The worst is to lose an opportunity to get the customer on the road and not to try it. Success is sure to come if only the desire is there. We have been hearing about people who have bought securities of another company and have not been doing so again. This is a sure way to keep one's earnings on a "wait till next year" basis.

Our Reporter On "Governments"

(Continued from First Page)

Cash Financing

In the last week, Secretary of Commerce, Mr. F. E. Ruffin, gave several significant announcements—announcements of prime importance to the Government bonds, to every present and future, and to the United States obligations.

Among the most significant was his statement to his press conference that "we will most likely need a substantial increase in the Treasury Department at a time of worldwide chaos... What it means is that one bank, insurance companies, independent invest-

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COMMERCIAL & FINANCIAL CHRONICLE

Volume 154 Number 3997

171

The Securities Salesmen's Corner

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PROSPECTUS ON REQUEST

HUGH W. LONG AND COMPANY

15 EXCHANGE PLACE

NEW YORK CITY

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FUNDAMENTAL INVESTORS INC.

PROSPECTUS ON REQUEST

HUGH W. LONG AND COMPANY

15 EXCHANGE PLACE

NEW YORK CITY
The survey included reports from 27 cities of varying size and character. Among these cities most drastically were municipalities in defense areas that were greatly increased demands for municipal services. The survey showed that in the expansion of such services as recreation facilities, garbage collection, and street improvements a shortage of housing in a few cities, political changes in a few cases (perhaps, to municipal control of rents) and expenditures for defense purposes.

Several officials said cities should be given financial aid by the federal government, and many expressed concern that defense expenditures after the defense emergency is past will not be limited to employment conditions, expanded facilities, and municipal debt.

**Municipalities Seen Exempt From New Sales Taxes**

Local governmental subdivisions, it was stated, could benefit from payments of the new or increased Federal sales taxes on many items of local concern if adapted. According to a bulletin issued recently by the National Finance Officers Association of the United States, however, the city must be able to use the additional revenue for local purposes, which are not required under the temporary rule. Among the cities that decided to provide this additional revenue to local purposes were City of New York, City of Philadelphia, and City of Cleveland. The State of New York has also decided to provide this additional revenue to local purposes.

**Among the Items Mentioned as the exemption of the association are:**

- Cell phones, automobiles, firearms, and several dozen others.
- City and village finance officers were all advised to the association to include all taxes levied on the gross property, and the net price to the municipality.
- Exemption certificates are issued to the person or permit which paid the tax—usually the manufacturer—and with the certificate he is able to obtain a refund.

**Country's Total Tax Collections Last Year Over 12 Billion**

Combined tax collections for all governments in the United States last year were over $40 billion, which Federal reports, accounted for 32% of the levies by States, and 32% by cities.

**Cities Face Empanel, Materials Problems**

Cities face three chief problems—very low prices, labor shortage, and defense-related problems. The labor shortage is being met by the necessity of finding skilled workers changing their employment. However, with the present unemployment situation, many cities are finding it difficult to fill the positions.

**Cities Face Three Chief Problems as**

- Labor shortage: The necessity of finding skilled workers changing their employment. However, with the present unemployment situation, many cities are finding it difficult to fill the positions.
- Defense-related problems: Civilian workers are being called into service, and many cities are finding it difficult to fill the positions.
- Very low prices: The necessity of finding skilled workers changing their employment. However, with the present unemployment situation, many cities are finding it difficult to fill the positions.

**Discussion Rages Over “Hetch-Hetchy” Bond**

Sharply criticizing what he termed a "campaign" against approval at the Nov. 4 election of the bond proposition for the purchase of the Gallo Geologic system of Pacific Gas & Electric Co., a member of the Board of Supervisors, said that the bond proposition is necessary for the maintenance of the public’s welfare.

Scheduled to address a convocation of the American Public Accounting Association on Nov. 5, Mr. Ickes asserted that the opposition to the bond proposition is a campaign to halt public benefits by the bond proposition as a need for the maintenance of the public’s welfare.

**Major Sales**

We list with the more important municipal offerings if any further issues, having been offered for approval before Oct. 4, and issues included in those approved or under consideration. This list is for information purposes only and should not be taken as a recommendation for any particular issue.

N. Y. State Taxes

A special report on Monday morning indicated that New York City local laws reducing the sales and compensating use taxes from varying rates of 3% and 2% to a flat impost of 1%, effective next Mon. day, the City Finance Department is to apply either a scale of taxes or a flat tax of $1. Pittsburgh

**Bonds**

- $20,000,000 Natchez, Miss. Oct. 4. 4.5%, due 2025. 5000 tires, 3000 tires.
- $15,000,000 Oklahoma City, Okla. Oct. 4. 5.5%, due 2025. 5000 tires, 3000 tires.
- $20,000,000 Louisville, Ky. Oct. 4. 4.5%, due 2025. 5000 tires, 3000 tires.
- $20,000,000 Nashville, Tenn. Oct. 4. 5.5%, due 2025. 5000 tires, 3000 tires.
- $20,000,000 Atlanta, Ga. Oct. 4. 5.5%, due 2025. 5000 tires, 3000 tires.
- $20,000,000 Dallas, Tex. Oct. 4. 5.5%, due 2025. 5000 tires, 3000 tires.
- $20,000,000 St. Louis, Mo. Oct. 4. 5.5%, due 2025. 5000 tires, 3000 tires.
Investment Trusts
(Continued from page 711)

Cash dividends and interest re-
ceived during the quarter totaled
$10,190.18. After expense of
$9,501.62, net income remaining
amounted to $45,665.56. Net gain
from sales of investment amounted
to $10,243.99.

Investment Company Briefs
George Mixter, Secretary-Treas-
urer and Director of U.S. Smelting,
Refining & Mining Company, and
Leeds Burchard, President of the
Citizens Savings Bank, Fall-
River, Mass., have been appointed
Trustees of Eaton & Howard Bal-
anced Fund.
Mr. Mixter, former Vice Presi-
dent of Stone & Webster, Inc.,
was elected to his present position
in U.S. Smelting, Refining & Min-
ing Company in 1914. Mr. Burch-
ard was previously associated with
Eaton & Howard, and subsequently with Eaton &
Howard, Incorporated.

Since the founding of Aviation
Group Shares on July 19, 1939 the
various special classes of Shares
of Institutional Securities, Ltd.,
have all outperformed the Dow
Jones Composite Average accord-
ing to a chart covering the period
from July 19, 1939 to Sept. 31,
1941 which has just been pub-
lished by Hare's, Ltd., the Fund's
general distributor. Adjusted for
all dividends paid, Aviation Group
Shares shows a gain of 35.5%; In-
surance Group Shares a gain of

11.9%; and Bank Group Shares a
loss of 2.4%. The Dow Jones Com-
posite- Average, credited with
dividends at the annual rate of
4%, shows a loss of 3.8%, and
the Dow Jones Industrial Average
shows a loss of 4%.

The directors of Institutional
Securities, Ltd., have declared a
semi-annual cash distribution of
forty-two cents per share on Avia-
tion Group Shares payable Nov.
15 to holders of record Oct. 31,
1941.

Last Minute Rescue
He was an average man with a job that paid just an average salary
with which to support his wife and two young children. In 1928 he
took out a $2,000 Ordinary Life policy with our Company; and, as the
years passed, he experienced many of the vicissitudes common to the
average man, but always he was conscious of the security provided by
his life insurance. He was obliged to borrow on the policy, and finally
the day came when the last dollar of loan value was gone and, with a
premium due, the money necessary to keep the policy in force just
couldn't be scraped together. And so at the end of the grace period
January 27, 1941, the policy lapsed. But there were still thirty-one
days provided by Massachusetts Mutual policies wherein the insured
might reinstate his policy by payment of a premium, but those days were
fast going and February 27 was the dead line.

On February 21 the policyholder did not feel well and a doctor was
called. Two days later he suffered a stroke, and on February 25 he died.

But—in the meanwhile, before the insured passed away, our agent
called and the sick man, with difficulty, signed a reinstatement form
and paid a quarterly premium. By this act, the sum of $1,782.67 was
saved for the widow and her two children—a last-minute rescue of dollars
toward future comfort and security.

What Life Insurance Has Done for Others,
It Can Also Do for You.
Nation's Exports Greatly Increased In August
Commerce Dept.'s Foreign Trade Report Shows

The Bureau of Statistics of the Department of Commerce at Washington on Oct. 11 issued its statement on the foreign trade of the United States for July, with comparisons by months back to 1936. The report follows:

August statistics of foreign trade, released today by the Department of Commerce, show a continued increase in United States exports to a value of $455,000,000. They show expansion July principally in shipments to the Empire destinations—notably of machinery, aircraft, and munitions.

After dropping off in June to $330,000,000 from the high April levels, export figures for July and August to bring the July-August average value above $400,000,000. This is the closest closing of the year's drop since the drop shown by the June figures, the July-August level was nevertheless the highest point of the year so far. The eight months

July Statistics For Electric Li. & Pr. Industry

The following statistics for the month of July, 1941, covering 100% of the electric light and power industry, were released on Oct. 15, by the Edison Electric Institute:

<table>
<thead>
<tr>
<th>Description</th>
<th>July 1941</th>
<th>July 1940</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Source of power</td>
<td>15,971,508</td>
<td>14,194,268</td>
<td>+12.5</td>
</tr>
<tr>
<td>By fuel used</td>
<td>14,679,107</td>
<td>14,278,091</td>
<td>+2.7</td>
</tr>
<tr>
<td>Coal</td>
<td>8,827,800</td>
<td>8,494,000</td>
<td>+3.9</td>
</tr>
<tr>
<td>Water power plants</td>
<td>4,637,709</td>
<td>4,808,399</td>
<td>-3.5</td>
</tr>
<tr>
<td>General</td>
<td>1,957,000</td>
<td>1,855,000</td>
<td>+5.1</td>
</tr>
<tr>
<td>Total sales to customers</td>
<td>16,011,368</td>
<td>13,093,900</td>
<td>+21.5</td>
</tr>
<tr>
<td>Residential and domestic services</td>
<td>9,130,300</td>
<td>6,944,400</td>
<td>+30.4</td>
</tr>
<tr>
<td>Sales to customers</td>
<td>6,967,000</td>
<td>5,349,500</td>
<td>+28.4</td>
</tr>
</tbody>
</table>

The Treasury faces new issues of crops on tomorrow, today, in sufficient quantity to bring the total of September's crop issues to a level of $50,000,000.

### Census Report of Cotton Consumed, on Hand, &c., in September

Under date of Oct. 14, 1941, the Census Bureau issued its report showing cotton consumed in the United States, cotton on hand, active cotton spindles, and imports and exports of cotton for the month of September, 1941, and 1940. Cotton consumed amounted to 875,682 bales of lint and 94,794 bales in September, 1940.

September consumption of cotton includes 12,000 bales distributed by the Federal Reserve Administration through various cotton mattress programs. The following is the statement:

**September Report of Cotton Consumed, on Hand, Imported and Exported, in September, 1941, and 1940.**

<table>
<thead>
<tr>
<th>Description</th>
<th>1941</th>
<th>1940</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cotton consumed</td>
<td>875,682</td>
<td>736,235</td>
</tr>
<tr>
<td>Cotton on hand</td>
<td>74,794</td>
<td>35,417</td>
</tr>
<tr>
<td>Active cotton</td>
<td>94,794</td>
<td>60,422</td>
</tr>
<tr>
<td>IMPORTED AND EXPORTED</td>
<td></td>
<td></td>
</tr>
<tr>
<td>COTTON</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Exported</td>
<td>n/a</td>
<td>n/a</td>
</tr>
<tr>
<td>Imported</td>
<td>24,400</td>
<td>15,910</td>
</tr>
<tr>
<td>Cotton in running bales, counting point as half bales, except foreign which is in llb.</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**INDEX OF IMPORTS AND EXPORTS OF COTTON.**

<table>
<thead>
<tr>
<th>Description</th>
<th>1941</th>
<th>1940</th>
</tr>
</thead>
<tbody>
<tr>
<td>Imports</td>
<td>24,400</td>
<td>15,910</td>
</tr>
<tr>
<td>Exports</td>
<td>n/a</td>
<td>n/a</td>
</tr>
</tbody>
</table>

**World's Acreages.**

The world's production of commercial cotton, exclusive of linters, grown in 1939 as compiled from various sources was 27,875,000 bales, and in 1940, according to American crop reports, amounted to 12,973,000 bales, the cotton consumption of (exclusive of linters in the United States) for the year ending July 31, 1939, was 27,748,000 bales. The total number of spinning cotton spindles, both active and idle, is about 145,000,000.

### September Department Store Sales in New York

Federal Reserve District 20% Above Year Ago

Sales of department stores in the Second (New York) Federal Reserve District during September increased 20% over the corresponding period of the Reserve Bank of New York. Stocks of merchandise on hand in department stores at the end of September were 30% more than at the end of September, 1940.

The apparel stores in the New York Reserve District also reported a gain in September as compared with a year ago. Apparel stores' stock on hand at the end of the month was 25% above the same period last year.

The following is the tabulation issued by the Bank:

**DEPARTMENT STORE TRADE BY MAJOR LOCALITIES—SEPTEMBER, 1941**

<table>
<thead>
<tr>
<th>Localities</th>
<th>1941</th>
<th>1940</th>
</tr>
</thead>
<tbody>
<tr>
<td>New York</td>
<td>24,491</td>
<td>20,468</td>
</tr>
<tr>
<td>Chicago</td>
<td>13,371</td>
<td>11,022</td>
</tr>
<tr>
<td>Boston</td>
<td>10,348</td>
<td>7,782</td>
</tr>
</tbody>
</table>

**INDEXES OF DEPARTMENT STORE SALES AND STOCKS, SECOND FEDERAL RESERVE DISTRICT (1929-31 average equals 100)***

<table>
<thead>
<tr>
<th>Description</th>
<th>July</th>
<th>September</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sales (average daily, undated)</td>
<td>24,491</td>
<td>24,491</td>
</tr>
<tr>
<td>Sales (average daily, seasonal adjusted)</td>
<td>24,491</td>
<td>24,491</td>
</tr>
<tr>
<td>Stocks</td>
<td>24,491</td>
<td>24,491</td>
</tr>
</tbody>
</table>

**October 14, 1941.**

*Updated to 1941.**

**Our Reporter On "Governments"**

(Continued from page 711)

The extra funds raised through this pres¬
ever since it has been the official policy of the U. S. Housing Authority of 

It is a natural tendency for government agencies to use the same arguments to support their interests as they did in the past, regardless of the conditions in which they were operating in 1938 and 1939. The Treasury now on will be able to more efficiently allocate these funds, thereby reducing the need for special, though temporary, financial assistance.

It is important to note that the mere existence of these reserve agencies does not guarantee success in stabilizing the financial markets.

### More About "Rights"

A recent study of the public's views around Wall Street that all "rights" were a "red herring" in the current bear market. In the coming months—well, the same thing will happen in the housing market. If and when the orders are running in any direction, it's against the possibility of complete elimination of the "rights."

### Attractive Speculation

Class A common stock of All American Aviation, Inc. offers an attractive speculation, with interesting possibilities for appea¬

American Aviation, Inc. has been a well recognized firm in the aviation industry, and is currently offering a stock that is trading at a deep discount. The offering is attractive due to several factors, including a strong management team, a well-established market presence, and a positive outlook for the future.

Copies of the circular describing All American Aviation, Inc. can be had upon request from the company, and the stock is currently offered at a price that is significantly lower than the current market value. This makes it an attractive speculation for investors looking for a good opportunity in the aviation sector.

*Revised.*
Trading On New York Exchanges

The Securities and Exchange Commission made public on Oct. 20 figures showing the daily volume of total round-lot stock sales on the New York Stock Exchange and the New York Curb Exchange and the volume of round-lot stock transactions for the account of all members of these exchanges in the week ended Oct. 4, 1941, continuing a series of current figures being published by the Commission. Short sales are shown separately from other sales in these figures, as Commission explains.

Trading on the Stock Exchange for the account of members (except odd-lot sales) during the week ended Oct. 4 (in round-lot transactions) totaled 421,290 shares, which amount was 18.31% of all transactions on the Exchange of 2,650,600 shares. This compares with member trading during the previous week, Sept. 27, of 681,485 shares or 19.78% of total trading of 3,485,900 shares. On the New York Curb Exchange, member trading during the week ended Oct. 4 amounted to 82,890 shares, or 14.86% of the total volume on that Exchange, of 585,890 shares; during the preceding week trading for the account of Curb members of 139,880 shares was 18.47% of the total.

The Commission made available the following data for the week ended Oct. 4:

- Total number of reports received: 1,000
- Reports showing odd-lot transactions initiated on the floor: 81
- Reports showing odd-lot transactions initiated off the floor: 79
- Reports showing no transactions: 36
- Reports showing no transactions at all under book: 55
- Reports showing no transactions at all: 36

**New Issue**

**27,000 Shares**

**Safety Stores, Incorporated**

5% (Cumulative) Preferred Stock

$100 Par Value Per Share

Price $109 Per Share

Copies of the offering prospectus may be obtained from the underwriter.

Merrill Lynch, Pierce, Fenner & Beane

October 22, 1941

---

**WHISPERINGS**

A customer's man at the Fifth Avenue office of Merrill, Lynch, Webb, respectively, said that round-lot sales, which account for over 90% of his business, are still up to 90% at the present.

"The market is still strong and shows no sign of giving up," he added. "The round-lots are still selling at a premium over the regular.

**Our Reporter on "Governments"**

(Continued from page 714)

**Inside the Market**

Borrowings and refundings of all types by the Treasury this fiscal year will exceed $13,600,000,000.

Between now and next June 30, Morgenthau presumably will ask the market for around $5,800,000,000.

One reason for removing the "right" values from maturing note issues would be to discourage banks from buying new long-term Government bonds.

And the report from Washington is that Morgenthau wants the insurance companies to buy his new issues of long-term—not the converting companies.


**Our Reporter's Report**

(Continued from First Page)

the heads of the two so-called "Big Five" insurance groups. It is expected that all existing policies
but may have resembled the like, or a similar one.

**LAMBOURG & CO.**

**99 WALL STREET**

**NEW YORK CITY**

**SUGAR**

Export—Imports—Future

*Daily 4:30 P.M.*

Tomorrow's Markets

**Walter Whyte**

Says—

(Continued from page 707)

bought at 15, stop at 26, cur-

rent price about 30 and last,

Warner Brothers, bought at

about 5 with stop at 3%, cur-

rent price about 10 and 4-

cents short.

A recapitulation of

the above adds up to this:

Total gross profits about 10

points above the profit and

loss point. This does not take

into consideration present

holding paper's price or losses.

If you are interested in

figuring these all you have to

do is to take the buying

levels as given above and

compare them with the clos-

ing prices as of last night.

Personally, I think figuring

paper positions from a profit

or loss angle is a waste of
time. By the time one decides
to cash in the chances are that

an old loss may either be in-

pressed or an old profit may

have resembled the like, or a

similar one. He and his tent.

However, if you want to do it, go right ahead.

At least it keeps something to

to keep you looking busy

these days.

But what about the mar-

ket from here on? Will it

continue to dribble down?

Will there be another

the decline? Or will it stop here

and go up again? Of the three

the answer to the last is prob-

ably the most important.

I don't believe the market

has built up enough reserve

strength to start anything more

than a fitful rally.

So far as the answers to

the first two questions are

concerned we have to presuppose two things. A test to return

to exchange common stocks for

fixed income securities or cash;

and two, a long period of

decline which has been brought

about as a result of selling in

which a burst of selling oc-

curs. A denial to the first is
to return to exchange common

stocks and compare them with

last year's or even last week's.

This may not be the classical

definition of inflation but it

will do until another comes

along. In any case your bull

bills of exchange and

Bills and compare them with last

year's or even last week's.

The Treasury announced

that holders of $39,000,000 of

Reconstruction Finance Cor-

poration bonds maturing 1, 934,

and 524, 000 6% buyers redeemed Credit

Corporation 1 per cent notes due

Nov. 15, would be offered

on the New York Stock Exchange.

It isn't often that Wall Street

bond market has an offer with

regard to identity of buyers of

securities offered.

But that element finds

itself quite completely strung

time buyers of the un-subscribed

portion of the American Tele-

phone & Telegraph Company's

3 per cent debentures market-

ing nearly 6 million on the

New York Stock Exchange and

offered them for sale.

Metropolitan Life was reported to

have been a buyer, but the

stock market has been un-

seen, price action has been

nervous. Only in a handful

of stocks has the action (not

the volume) been optimistic.

I realize all this theorizing

leaves you high and dry. I'm

trying to think this market

through and doing my think-
ing out loud. Anyway, to get

right down to the line, I'll coin

some little reason to get all the

thoughts out of my head about

things now or for that matter

to go out and buy a raft of

stocks. Perhaps by the time

next week rolls around the

market will have given new,

and more important, clues.

More next day.

—Walter Whyte

(Continued from First Page).

The views expressed in this

article do not necessarily at

any time reflect the views of the

Chronicle. They are presented as

those of the author only.)
Following is a list of issues whose registration statements are undetermined. These issues are grouped according to the dates on which the registration statements will in normal course become effective, that is twenty days after the date of filing, assuming the security is registered with 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, and are based on date 930 (B).

Offerings will rarely be made before the day following.

SATURDAY, OCT. 25

MUTUAL TELEPHONE CO. Registered with SEC, 500,000 shares stock capital, $1 par per share.

LEXINGTON TELEPHONE CO. Registered with SEC, 4,600 shares 1% Cumulative Preferred Stock, $1 par per share.

LEXINGTON TELEPHONE CO. Registered with SEC, 4,600 shares 1% Cumulative Preferred Stock, $1 par per share.

WEDNESDAY, OCT. 29

BROUGHTON BRASS CO. Registered with SEC, $25,000,000 convertible cumulative perpetual first mortgage debentures, 5% interest per annum, 50,000 shares 1% Cumulative Preferred Stock, $1 par per share, to be sold in minimum denominations of $100 par.

THURSDAY, OCT. 30

ROCKEFELLER SUNDRIES Co. 4% sinking fund debentures, 10 maturity at par, serial notes due Dec. 2, 1941.

AIR ASSOCIATES, INC. Registered with SEC, 500,000 shares of preferred stock, 5%, and 5,000,000 shares of common stock, $1 par each.

Monday, Nov. 7

ATON & HOWARD BALANCED FUND, INC. Registered with SEC, $250,000 shares common stock, $1 par per share.

AIRPLANE MANUFACTURING & SUPPLY CO. Registered with SEC, $25,000 shares common stock, $1 par per share.

Aeronautics Credit Company, Inc., 5% mortgage bonds due Dec. 1, 1941.

Federal Reserve Bank of St. Louis

Digitized for FRASER
System in an operating public utility engaged principally in generating, transmitting, and distributing electric energy for sale to municipalities, cities, and other consumers in certain areas of the state. The company owns and operates a system of power plants and transmission and distribution systems in 13 states, including the state of Louisiana.


SOUTHERN NATURAL GAS COMPANY
Northern Natural Gas Co. registered with SEC under the Securities Act of 1933.

Address—1247 E. First St., Fort Worth.

Business—A public utility company engaged in the business of constructing, operating, and maintaining natural gas gathering and transmission facilities.

Underwriting. The securities will be underwritten by J. P. Morgan & Co., Inc., New York City.

Proceeds. The proceeds of the offering will be used for the construction, operation, and maintenance of the company's gathering and transmission facilities.

PARQUET ROYALTY CO.
Parque Royalty Co. registered with SEC under the Securities Act of 1933.

Address—212 East Central Ave., Altoona, Iowa.

Business—The company owns a group of producing oil and gas properties which are operated by third parties. The company is primarily engaged in the business of leasing its properties.

Underwriting and Offering. The securities will be underwritten by J. P. Morgan & Co., Inc., New York City.

Proceeds. The proceeds of the offering will be used for the repayment of debt and working capital.

TRADER COMPANY OF AMERICA
Trading Co. registered with SEC under the Securities Act of 1933.

Address—315 Robertson Ave., Cincinnati, Ohio.

Business—The company manufactures, distributes, and sells a variety of products, including chemicals, pharmaceuticals, and industrial supplies.

Underwriting. The securities will be underwritten by J. P. Morgan & Co., Inc., New York City.

Proceeds. The proceeds of the offering will be used for the repayment of debt and working capital.

Additional information regarding the offering can be obtained by writing to the company at its address or to the underwriters at their addresses.

Printed by Special arrangement with The Commercial & Financial Chronicle.

Thursday, October 23, 1941
Railroad Unions Reject Wage Arbitration Offer

The five operating brotherhoods of the American Railway Union, rejecting a new wage offer by President Roosevelt's five-man fact-finding board to arbitrate their vital economic controversy, in which the board has been sitting in New York since September 18, have asked Charles A. Haw, chief attorney for the operating board, a statement of their reasons for rejecting the proposal and explaining why they have asked the president of the board and chairman of the committee to take the matter out of the hands of the board and present it to the members for a decision.

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**THE BOND SELECTOR**

Progressive Strength In U. S. Quotations For Canadian Bonds; Recent Activity Traced To Sound Financial Policies And To U. S. Canadian Trade Collaboration

A great deal of discussion, mostly by arm-chair economists, has taken place within the past year regarding the magnitude and effectiveness of Canada's war effort. Comparisons are usually made between the sacrifices on the part of American citizens and the role played by the average Canadian, and often are translated into dollars. This column does not intend to become involved in trying to compare the merits and shortcomings of either party. However, some interesting figures were compiled by Wood, Gundy & Co., which appear to show that, on the basis of population, Canada's efforts have been more worth while.

This firm states, "Canada has a population of about 11,500,000, in order to make clear to American investors the importance of Canada's war effort relative to its population, the following table has been prepared to show corresponding figures for a population size of..." (The text is cut off at this point.)

Obviously, since the Canadian dollar is valued at about 50 cents, any improvement in U. S. bonds in the face of the canadians' few improve-ments could be controlled by the price paid for the bonds in New York.

B. A. Kehoe Promotes C. K. Ibbs In Army

Gustave Kehoe II has requested that he be named as director and as assistant secretary and treasurer of Kehoe, Gearhart & Company, Inc., 45 Nassau Street, New York City, and has entered the military service of his country. At present he is stationed at Fort Riley, Kansas, and is a member of the First Line of the Corps of the Underwriter Trust Company.

These changes involve more than that, however. There are no changes in the two senior officers, in the firm's personnel, or in the firm's policy of making second trading markets and giving quick, accurate service.

J. F. Hartfield Co. Opening In New York City

J. F. Hartfield Co. has opened an office at 42 Broadway, New York City, to conduct a general securities business. The company, formerly with H. T. Benton & Co., specializing in the New Jersey market and prior thereto was manager of the trading department for Carbell & Co.

Homier G. Kaupp Joins Juran & Moody Staff

ST. PAUL, Minn.—Juran & Moody Staff, Moody, specialists in municipal bonds, Minnesota Mutual Life Building, St Paul, Minn., have announced the appointment of Homer G. Kaupp, formerly manager of the municipal bond department of Peterson Corporation, Des Moines, Iowa, is now associated with their firm.

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